SYNAXON AG

MIT DENKEN HANDELN

Interim Financial Report for the period ending June 30, 2010

Key figures for Synaxon AG (Group)

in TEUR	Q2/2010	Q2/2009	+/- in %	6-Mon 2010	6-Mon 2009	+/- in %	2009
Turnover	4,625	3,239	42.8	8,898	6,501	36.9	14,460
EBIT [1]	98	74	32.4	115	356	-67.7	1,344
EBITDA [2]	354	298	18.8	612	785	-22.0	2,515
EBIT margin (in %)	2.1	2.3	-7.3	1.3	5.5	-76.4	9.3
Profit after tax	61	54	13.0	77	245	-68.6	897
Cash flow from operating activities	-485	639	-175.9	357	1,058	-66.3	1,941
Number of employees (average)	127	130	-2.3	126	122	3.3	127
Number of employees (on reporting date)	123	132	-6.8	123	132	-6.8	126

in TEUR	June 30, 2010	June 30, 2009	+/- in %	Dec. 31, 2009
Liquid assets	2,685	2,817	-4.7	2,929
Equity ratio (in %)	76.0	77.6	-2.1	76.5

[1] EBIT is defined as the operating results before interest, tax and minority interests
[2] EBITDA is defined as operating results before depreciation, net interest income, taxes and minority interests

Foreword from the Executive Board

Synaxon AG's operating environment proved slightly more favorable in the first half-year than in previous years. Sales figures in the market markedly increased. Furthermore, a strong dollar generally meant that prices did not fall further. In the second quarter, we observed a slight increase in average prices overall. We also managed to beef up the purchasing volume considerably by improving our supplier structure and attracting new partners which had a positive effect on commission.

On the operations side, the first half-year was shaped to a very large extent by the setting up of the online business with a view to centralizing sales. An increasing number of divisions are being introduced to the new core processes according to plan under this project. The Group succeeded in increasing the number of partners slightly while at the same time improving partner quality. This is clear from the growing average purchasing volumes per partner.

Overall, we are making good progress with our development projects. As in previous years, we were once again able to make substantial efficiency gains in all areas. It is obvious that the change of strategy has not only begun to bear fruit but has become indispensable. Switching from a simple, decentralized, store-based strategy to a double hybrid strategy (centralized and decentralized sales; Internet business combined with store-based business), is already having a stabilizing effect and will result in significant and sustainable increases in profits in the years to come. This will be a significant and fresh boost to the leading market position we already hold in the area of IT network partnerships.

August 2010

The Executive Board

The general economic situation and development of the sector

The economic situation in the second quarter was particularly marked by renewed concern about the public finances of some countries in the euro zone. An extensive support package from the European Union and the International Monetary Fund helped to stabilize the most important markets and reduce uncertainty. The German economy recovered faster than expected in the second quarter. According to the German Federal Statistical Office, in the second quarter Germany's gross domestic product (GDP) was up 2.2% on the previous quarter and over 4% on the same quarter of the previous year. In the first quarter, GDP had seen a moderate increase of 0.5% on the previous year according to revised figures. Market researchers believe that the rise in GDP was driven both by rallying export and private consumption in Germany. The sustained economic recovery was also evident from the Ifo Business Climate Index, which continued its upward trend in the first half-year of 2010 from 95.9 points in January to 101.8 points in June.
Consumer prices proved stable in the first half-year, according to the German Federal Statistical Office, with just a moderate increase of 0.9% in June compared with the same month of the previous year. Employment figures held up admirably despite all the misgivings to the contrary in past months. The consumer climate was stable according to the GfK (market research association).

The German IT market saw further growth in the first half-year. According to the Gartner market research company, sales figures for notebooks and PCs are still rising. It put overall growth at 18.1% for the first half-year of 2010 compared with the same period of the previous year. The number of notebooks sold particularly increased (+27.3%), whereas the number of PCs sold only edged up slightly (+2.9%).
Although price pressure remained high in the first half-year, the GfK (Market Research Association) also identified growth in sales of PCs and notebooks, but comes to a different conclusion with respect to the breakdown. While notebook sales crept up a mere 1.0%, PC sales climbed 21.8%. This points to an overall increase in sales of 9.1% compared with the same period of the previous year.
Broadly speaking, it can thus be concluded that the IT market saw robust growth in the first half-year of 2010. The various surveys A more detailed statement with regard to exact growth rates is prevented by the differing results obtained by market researchers.
Meanwhile, price pressure in the IT segment remains high. According to the German Federal Statistical Office, the consumer price index for PCs and notebooks dropped

another 14.6% (for PCs) or 15.0% (for notebooks) in June. By contrast, our own analyses within the SYNAXON Group show that price levels are continuing to stabilize.

Synaxon AG Business Model

Synaxon AG operates the PC-SPEZIALIST franchise system and the MICROTREND IT Cooperation. It also organizes the cooperation business for the brands iTeam - the IT partner network - and AKCENT Computerpartner Deutschland through its subsidiaries. With all brands, SYNAXON united over 2,700 partner companies as of June 30, 2010. This makes the SYNAXON Group Europe's largest association of legally independent IT dealers. SYNAXON's partners cover the entire spectrum of the IT trade and solutions. These range from end customer-oriented IT dealers with retail outlets, online shop operators focusing on IT, IT specialists and value added resellers, as well as medium-sized IT system houses.

At the beginning of 2009, the Group started to roll out the cooperation business in the UK market under the SYNAXON brand name through a subsidiary.

After concentrating on stored-based trading for almost 20 years, the company launched its online trading activities under the PC-SPEZIALIST brand for the first time in the fourth quarter of 2009 after intensive preparation. Unlike other online dealers, the central online shop, www.pcspezialist.de, builds on a mainly virtual warehousing and logistics structure.

Furthermore, visitors and customers of the shop are provided with valuable support in their decision-making by a community of experts built into the shop. Online trading activities will significantly increase the Group's total operating revenue in the coming years.

Profitability Trends

in TEUR	Q2/10	Q2/09	+/- in %	6-Mon 10	6-Mon 09	+/- in %
Sales revenue	4,625	3,239	42.8	8,898	6,501	36.9
Other operating income	71	179	-60.3	202	439	-54.0
Internally produced and capitalized assets	202	313	-35.5	497	575	-13.6
Total operating revenue	**4,898**	**3,731**	**31.3**	**9,597**	**7,515**	**27.7**
Material expenses	2,213	976	126.7	4,138	1,937	113.6
Personnel expenses	1,611	1,640	-1.8	3,294	3,183	3.5
Depreciation	256	224	14.3	497	429	15.9
Other operating expenses	720	817	-11.9	1,553	1,610	-3.5
Operating profit	**98**	**74**	**32.4**	**115**	**356**	**-67.7**

The SYNAXON Group's sales continued their upward trend in the second quarter and were up 36.9% from the same period of the previous year (€ 6,501,000) in the first half-year with sales of € 8,898,000. Sales ran to € 4,625,000 in the second quarter and at that level were up 8.2% from the first quarter of 2010 (€ 4,273,000) and up 42.8% from the previous year (€ 3,239,000).

Particularly in view of the start-up costs for the online business, an operating loss had been anticipated in Group planning for the period ending June 30, 2010. In actual fact, the Group made an operating profit of € 115,000 after six months. This was primarily a result of reduced investments in human resources and a decline in other operating expenses.

Sales Trends

The Group's Sales Trends

The rise in Group sales both for the quarter and for the half-year was primarily due to the increase in sales from online commodity trading (Q2: +€ 1,194,000, 6-month: +€ 2,081,000). Other income (Q2: +€ 164,000, 6-month: +€ 374,000) also went up as a result of the favorable development of the EGIS Logistics business (procurement of shipment volumes).

Partner development

Germany

	As of Jan. 1, 2010	Disposals	Additions	As of June 30, 2010
Franchise				
PC-SPEZIALIST	86	4	9	91
IT Cooperation				
MICROTREND	1,495	147	155	1,503
AKCENT	868	38	28	858
iTeam	263	4	10	269
	2,626	189	193	2,630
	2,712	193	202	2,721

The number of partners with the SYNAXON Group in Germany had increased slightly since December 31, 2009 (2,712 partners) to 2,721 partners. PC-SPEZIALIST was able to increase its number of partners to 91 after acquiring 7 new partners in the second quarter of 2010 (December 31, 2009: 86 partners). MICROTREND (+8 partners) and iTeam (+6 partners) also saw slight increases. At AKCENT, a loss of 10 partners was reported.
For PC-SPEZIALIST, 7 more signed contract have arrived. The relevant sites should be opened before the end of the second half of 2010.

UK

The number of SYNAXON Technology Partners (STP) increased by 28 from 579 to 607 in the first half-year of 2010. A further 29 dealers had signed up for a fee-based membership (SYNAXON Technology Premium Partner) as of June 30, 2010.

Expenditure Trends

The total expenditure of the SYNAXON Group went up € 2 ,324,000 to € 9,482,000 in the first half-year of 2010 (previous year: € 7,158,000). The rise was mainly a result of the € 2,201,000 increase in material expenses due to central commodity trading. Moreover, personnel expenses grew by €111,000 against the background of the investment program. Nonetheless, the Group made savings on other operating expenses, which fell by €5 7,000. Cost reductions were in evidence under other operating expenses, especially for external personnel expenses (-€ 243,000), and losses as a result of impairments (-€ 85,000). In contrast, advertising and travel costs (+€ 102,000) and other expenses (+€ 91,000) rose. Provisions for kickbacks to partner companies (€ 93,000) and costs for PC-SPEZIALIST and MICROTREND in-store equipment to the tune of € 119,000 were primarily responsible for the increase in other expenses.

in TEUR	Q2/10	Q2/09	+/- in %	6-Mon 10	6-Mon 09	+/- in %
Material expenses	2,213	976	126.7	4,138	1,937	113.6
Personnel expenses	1,611	1,640	-1.8	3,294	3,183	3.5
Depreciation	256	223	14.8	497	428	16.1
Other operating expenses	720	817	-11.9	1,553	1,610	-3.5
Total expenditure	**4,800**	**3,656**	**31.3**	**9,482**	**7,158**	**32.5**

Employee Number Trends

in TEUR	Average Number of Employees (not including trainees)		Number on reporting date (not including trainees)	
	6-Mon 10	6-Mon 09	June 30, 2010	June 30, 2009
Synaxon AG (controlling company)	115	109	113	120
Other group companies	11	13	10	12
SYNAXON Group	**126**	**122**	**123**	**132**

The average number of employees (salaried personnel, not including the Executive Board or trainees) at the SYNAXON Group increased in the first half-year to 126 (previous year: 122). In addition, the Group employed an average of 6 trainees during the reporting period (previous year: 6 trainees). On the reporting date of June 30, 2010, the number of employees (salaried personnel, not including the Executive Board and trainees) in the Group totaled 123 (previous year: 132) and the number of trainees was 7 (previous year: 6). The Group employed an average of 7 employees abroad in the first half-year and, on the reporting date of June 30, 2010, 6 employees were working abroad.

Business Segment Trends

Business Segments

in TEUR	Franchise		Cooperations		Online Trading/ Central Commodity Trading		Total	
	6-Mon 10	6-Mon 09	6-Mon 10	6-Mon 09	6-Mon 10	6-Mon 09	6-Mon 10	6-Mon 09
Sales revenue	1,075	1,157	5,504	5,200	2,319	144	8,898	6,501
Segment result	-74	-73	779	741	-590	-312	115	356

An overview of the segment indicates that the Group succeeded in increasing sales in the Cooperations and Online Trading/Central Commodity Trading segment compared with the same period of the previous year, whereas a drop was reported in the Franchise segment. The segment result for the Franchise segment remained at the same level as the previous year and the Cooperations segment was up slightly on the previous year. In Online Trading, the segment result was down on the previous year as expected due to increased start-up costs/investments.

Geographical segments

in TEUR	Germany		UK		Total	
	6-Mon 10	6-Mon 09	6-Mon 10	6-Mon 09	6-Mon 10	6-Mon 09
Sales revenue	8,722	6,436	176	65	8,898	6,501
Segment result	190	487	-75	-131	115	356

The SYNAXON Group has its geographical focus in Germany. In the Germany segment, an increase in sales was achieved despite the decrease in the segment result. In the UK segment, sales grew by € 111,000. At the same time, the segment loss of -€ 131,000 for the previous year was reduced to -€ 75,000.

Assets and financial position

The Group's equity for the period ending June 30, 2010 came to € 16,442,000 (December 31, 2009: € 16,341,000). The equity ratio stood at 76.0% (December 31, 2009: 76.5%). The Group's balance sheet total climbed to € 21,637,000 (December 31, 2009: € 21,354,000).

In the first half-year of 2010, the Group posted a decrease in its cash flow from operating activities to € 357,000 (previous year: € 1,058,000).

The cash flow from investment activities was up slightly to -€ 601,000 on the reporting date against the backdrop of the investment program (previous year: -€ 572,000).

The Group had no cash flow from financing activities in the first half-year. Synaxon AG's entire balance sheet profit for 2009 was allocated to retained earnings by resolution of the 2010 Annual General Meeting, whereas the company had distributed a total dividend of € 708,000 to shareholders in the previous year.

On June 30, 2010, available cash and cash equivalents (cash funds) fell to €2,685,000 (previous year: € 2,817,000, as of December 31, 2009: €2,929,000). Cash funds do not include treasury shares held by the company. As of June 30, 2010, the number of treasury shares held by the company remained unchanged at 352,500 with a market value of € 1,551,000 on the reporting date.

Risk report

Action seeking disclosure by franchisees at the District Court of Dortmund

The date for delivery of the decision has been put off again and postponed until August 19, 2010.

Written warning due to alleged breaches of trademark

On 18 March 2010, Synaxon AG received a letter from a lawyer concerning alleged breaches of trademark because it had used the brand name "SYNAXON". The law firm was representing a company which, according to its own statement, provides name development and trademark consulting services. This company has been owner of the German and European trademark SYNEXION with priority since September 22, 2000. Synaxon AG is the owner of the German trademark SYNAXON, registered on July 25, 2005 and the IR trademark SYNAXON for Great Britain, registered on September 18, 2008. Both trademarks partially overlap in the Goods and Services Directory. The abovementioned letter warned and requested Synaxon AG to stop using the SYNAXON trademark in the European Union for services in the directory and as a company name. The parties have since settled out-of-court and concluded a purchase and transfer agreement. Under that agreement, Synaxon AG acquires the German trademark SYNEXION, the European trademark SYNEXION, as well as both Internet domains synexion.de and synexion.com.

The Executive Board's opinion of the other risks for the SYNAXON Group has not changed significantly since the statements made in the 2009 Annual Report.

Events after the balance sheet date

On August 10, 2010, ARF Holding GmbH, Schloß Holte-Stukenbrock, published an announcement about control gained through Synaxon AG in accordance with Article 35 (1) in conjunction with Article 10 (3) of WpÜG (German Securities Acquisition and Takeover Act). The ARF Holding will issue a mandatory offer for the purchase of all bearer shares in Synaxon AG to all shareholders in accordance with Article 35 (2) of WpÜG after the Federal Financial Supervisory Authority has approved publication of the offer document. The offer document is published on the Internet at www.arf-holding.de.

Report on expected developments

Experts believe the economic upturn to be driven largely by export, but domestic demand is also proving stable against the backdrop of the favorable situation on the labor market. According to the DIW (German Institute for Economic Research), the pace of growth seen in the second quarter will slow down in the third quarter, on the one hand, because the economic upturn is thought to be due to catch-up effects and, on the other hand, because the government stimulus packages will gradually be phased out. In Europe, the necessary pressure to make savings in some countries in order to bring the budget under control is also threatening to put a brake on the economic recovery.
Nevertheless, leading economic researchers have now raised their forecast for GDP

growth in Germany to just under 2% for the whole of 2010. However, the current forecast of the German Government and the International Monetary Fund still anticipates only growth of 1.4% in 2010.

In the German IT market, the weakening of the euro against the US dollar in the first half-year has led to an increase in prices for IT goods. The euro is expected to continue to be on the weak side in the second half-year. So far, there have not been any negative side effects on domestic demand for IT goods. The sales figures for IT goods in the first half-year proved extremely robust. If this trend continues into the traditionally-stronger second half-year, this should have a positive effect on any of Synaxon AG's revenues connected with the purchasing volumes of our partner companies.
We are expecting Group sales to continue to increase compared with both the first half-year and the previous year. This increase in sales is expected to result primarily from the further expansion of our online trading activities at www.pcspezialist.de and a continued rise in procurement volumes with respect to the purchase of IT goods and the parcel business (EGIS Logistics). At the same time, though, the results of the second half-year will be marked by persistently high start-up costs/investment in online trading. We are holding to our forecast of an operating profit (EBIT) for the year of between €0.2 and 0.3 million for the Group. However, if business goes well at the end of the year, we believe that we may achieve an even higher profit.

The company is on a solid footing to continue to develop sales and pursue its investment activities. We are expecting the positive cash flow to continue over the next few months, which will allow us to finance our activities with our own resources. Against this backdrop, the appropriate conditions are still in place for Synaxon AG to go on developing its business model successfully.

In the coming months, we will continue to concentrate primarily on expanding the central sales volume of the SYNAXON Group further through online trading and by improving the Group's software solutions (particularly the EGIS trading platform).

Bielefeld, August 2010
The Executive Board

Consolidated Balance Sheet in accordance with IFRS as per June 30, 2010

Assets				**June 30, 2010 EUR**	**Dec. 31, 2009 TEUR**
A.	Non-current assets				
	I.	Property, plant and equipment		329,386.17	369
	II.	Property investments		173,217.28	176
	III.	Intangible assets		12,762,745.04	12,608
	IV.	Financial assets			
		1.	Investments	15,388.91	15
		2.	Shares in associates	220,193.01	223
	V.	Non-current tax receivables		246,950.39	247
	VI.	Deferred taxes		346,053.13	333
	VII.	Other assets		55,963.02	64
				14,149,896.95	**14,033**
B.	Current assets				
	I.	Inventories		867,340.97	88
	II.	Trade receivables		2,024,481.14	3,040
	III.	Receivables from associates		3,175.40	0
	IV.	Current tax receivables		1,005,160.57	636
	V.	Other assets		874,329.61	614
	VI.	Securities		27,100.00	14
	VII.	Cash in hand and bank deposits		2,685,257.35	2,929
				7,486,845.04	**7,321**
				21,636,741.99	**21,354**

Liabilities		June 30, 2010 EUR	Dec. 31, 2009 TEUR
A.	Equity		
I.	Subscribed capital	3,891,000.00	3,891
II.	Treasury shares	-4,046,066.78	-4,046
III.	Capital reserves	4,647,609.31	4,648
IV.	Retained earnings	9,464,277.33	9,439
V.	Consolidated profit carried forward	2,455,851.21	1,494
VI.	Consolidated annual net profit	89,450.81	962
		16,502,121.88	16,388
VII.	Shares of non-controlling shareholders	-59,663.36	-47
		16,442,458.52	**16,341**
B.	Non-current liabilities		
	Deferred taxes	1,967,959.72	1,915
C.	Current liabilities		
I.	Trade payables	1,687,580.09	878
II.	Current tax liabilities	80,296.29	34
III.	Provisions	276,000.00	266
IV.	Other liabilities	1,182,447.37	1,920
		3,226,323.75	**3,098**
		21,636,741.99	**21,354**

Consolidated Profit and Loss Account in accordance with IFRS for the period from January 1, 2010 to June 30, 2010

		Jan. 01, 2010 - June 30, 2010 EUR	Jan. 01, 2009 - June 30, 2009 TEUR
1.	Sales revenue	8,898,116.70	6,501
2.	Other operating income	201,585.64	439
3.	Other internally produced and capitalized assets	497,199.59	575
		9,596,901.93	7,515
4.	Material expenses		
	a) Costs of goods purchased	-4,026,628.48	-1,649
	b) Costs of services purchased	-111,316.56	-288
5.	Personnel expenses		
	a) Wages and salaries	-2,834,250.55	-2,759
	b) Social security contributions	-459,466.15	-424
6.	Depreciation	-497,294.83	-429
7.	Other operating expenses	-1,552,995.41	-1,610
	Operating profit/EBIT	**114,949.95**	**356**
8.	Other interest and similar income	28,942.94	21
9.	Interest and similar expenses	-4,710.39	0
10.	Profit from associates	-2,927.43	0
11.	**Profit before taxes and minority interests**	**136,255.07**	**377**
12.	Tax expenses	-55,601.52	-128
13.	Profit attributable to non-controlling shareholders of limited companies	-3,942.77	-4
14.	**Profit for the period**	**76,710.78**	**245**
	Profit for the period attributable to		
	non-controlling shareholders	-12,740.03	-29
	shareholders of the parent company	89,450.81	274
	Average number of current shares	3,538,500.00	3,538,500
	Earnings per share (diluted)	0.03	0.08
	Earnings per share (basic)	0.03	0.08
	Other profit (after tax)		
	Foreign exchange differences	15,692.27	25
	Changes in valuation surplus	13,350.00	1
	Income tax on parts of other income	-3,978.31	0
15.	Other net income after tax	25,063.96	26
16.	**Net income**	**101,774.74**	**271**
	Net income attributable to		
	non-controlling shareholders	-8,816.96	-22
	shareholders of the parent company	110,591.70	293

Consolidated Cash Flow Statement in accordance with IFRS for the period from January 1, 2010 to June 30, 2010

in TEUR	Jan. 01, 2010 - June 30, 2010	Jan. 01, 2009. - June 30, 2009
Earnings before Interest and Tax	115	356
Depreciation of property, plant and equipment	497	428
Cash flow	**612**	**784**
Profit from asset disposals	-3	-9
Increase (previous year: decrease) in provisions	10	-50
Decrease (previous year: increase) in inventories, trade receivables and other assets	-401	1,098
Increase (previous year: decrease) in trade payables and other liabilities	136	-712
Interest received	29	21
Interest paid	-5	0
Income tax	-20	-75
Cash flow from operating activities	**357**	**1,058**
Incoming payments from asset disposals	23	47
Payments from companies accounted for using the equity method	0	6
Payments for property, plant and equipment	-66	-50
Payments for intangible assets	-558	-575
Cash flow from investment activities	**-601**	**-572**
Payout to shareholders	0	-708
Cash flow from financing activities	**0**	**-708**
Net increase in cash and cash equivalents	**-244**	**-222**
Cash and cash equivalents at the beginning of the period	**2,929**	**3,039**
Cash and cash equivalents at the end of the period (cash in hand and bank deposits)	**2,685**	**2,817**

Statement of changes in equity in accordance with IFRS as of June 30, 2010

in TEUR	Subscribed capital	Treasury shares	Capital reserve	Statutory reserve	Retained earnings	Valuation surplus	Foreign currency translation reserve	Consolidated profit carried forward	Profit for the period	Stock not including non-controlling shareholders	Stock of other shareholders	Total
01.01.2009	**3,891**	**-4,046**	**4,648**	**42**	**8,694**	**-7**	**-8**	**1,322**	**1,594**	**16,130**	**19**	**16,149**
Allocation to other retained earnings	-	-	-	-	714	-	-	880	-1,594	-	-	-
Payout	-	-	-	-	-	-	-	-708	-	-708	-	-708
Net income	-	-	-	-	-	3	1	-	962	966	-66	900
For period from Dec. 31, 2009 to Jan. 01, 2010	**3,891**	**-4,046**	**4,648**	**42**	**9,408**	**-4**	**-7**	**1,494**	**962**	**16,388**	**-47**	**16,341**
Allocation to other retained earnings	-	-	-	-	-	-	-	962	-962	-	-	-
Net income	-	-	-	-	-	10	15	-	89	114	-13	102
As of June 30, 2010	**3,891**	**-4,046**	**4,648**	**42**	**9,408**	**6**	**8**	**2,456**	**89**	**16,502**	**-60**	**16,443**

Consolidated notes

Consolidation and accounting policies

The Synaxon AG Consolidated Interim Financial Report for the period ending June 30, 2010 has been prepared, as were the Consolidated Financial Statements for the period ending December 31, 2009, in accordance with the International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Boards (IASB). The Interim Financial Report for the period ending June 30, 2010 has been prepared in accordance with the requirements of IAS 34, "Interim Financial Reporting".

When preparing the Interim Financial Statements, as a rule the same consolidation and accounting policies were applied as for the 2009 Consolidated Financial Statements. A detailed description of these policies is published in the Notes to the Consolidated Financial Statements in the 2009 Annual Report.

Basis of Consolidation

Alongside Synaxon AG as the parent company, basically all domestic and foreign subsidiaries in which Synaxon AG directly or indirectly holds more than 50 percent of shares or voting rights were included in the Consolidated Financial Statements for the period ending June 30, 2010.

Profit Appropriation

The Annual General Meeting on June 25, 2010 followed the administration's profit appropriation proposal to retain 100% of the balance sheet profit of the parent company of the Group, Synaxon AG, for the 2009 fiscal year and allocate it to retained earnings.

Treasury shares

The total number of treasury shares as of June 30, 2010 came to 352,500 with a market value of € 1,551,000. This is 9.06% of capital stock. Pursuant to IAS 32.33, treasury shares have been reported in the balance sheet as deductions from equity.

Intangible assets

The following development expenses incurred in the 2010 reporting period were capitalized: the modular, relational database system EGIS to the tune of € 254,000, the BPM used internally to the tune of €49,000, the PC-SPEZIALIST online shop totaling € 138,000 and the trading platform that is currently under development amounting to € 56,000. The carrying amount of the modules already capitalized stood at € 3,378,000 as of June 30, 2010 and will be depreciated over a period of 5 to 10 years. On this basis, depreciation stood at € 287,000 on June 30, 2010.

Segment reporting

IFRS 8 requires the disclosure of information that is used by the "chief operating decision maker" to assess and review financial performance, and to decide on the allocation of resources.

Related Party Disclosures

All related party business relationships are contractually agreed and are conducted at the same prices as would be agreed with unrelated third parties. Expenses of €68,000 were incurred in the reporting period.

Report on post-balance sheet date events

On August 10, 2010, ARF Holding GmbH, Schloß Holte-Stukenbrock, published an announcement about control gained through Synaxon AG in accordance with Article 35 (1) in conjunction with Article 10 (3) of WpÜG (German Securities Acquisition and Takeover Act). The ARF Holding will issue a mandatory offer for the purchase of all bearer shares in Synaxon AG to all shareholders in accordance with Article 35 (2) of WpÜG after the Federal Financial Supervisory Authority has approved publication of the offer document. The offer document is published on the Internet at www.arf-holding.de.

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the interim financial reporting of the Consolidated Financial Statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in what remains of the fiscal year."

Frank Roebers (CEO and Chairman of the Board)

Andreas Wenninger (COO), Board Member

Mark Schröder (CFO), Board Member

2010 Financial Calendar

Date	Financial event
March 31, 2010	Publication of 2009 Annual Financial Statements
May 26, 2010	Publication of 1st Quarter Report 2010
June 25, 2010	2010 General Meeting, Stadthalle Bielefeld, Starts at 10:00 am
August 31, 2010	Publication of 2010 Half-year Report
November 30, 2010	Publication of 3rd Quarter Report 2010

Publication details

Publisher, Concept, Design

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Compiled in August 2010

The Synaxon AG Interim Financial Report for the period ending June 30, 2010 was published in English and German and is also available online at http://www.synaxon.de.
In the case of discrepancies, the Interim Financial Report in German is the definitive version.