P&I

Group Half-yearly Financial Report

1. April 2012 bis 30. September 2012

P&I Personal & Informatik AG

» IN THE PAST OUR COMPANY HAS SHOWN THAT, THANKS TO FRESH IDEAS, IT HAS ALWAYS BEEN IN THE POSITION TO REALISE INNOVATIONS AND TO IMPLEMENT PIONEERING WORK. «

Vasilios Triadis
Vorstandsvorsitzender

DEAR SHAREHOLDERS, CUSTOMERS, BUSINESS PARTNERS AND EMPLOYEES,

With total sales of 39.5 million euros recorded during the first half-year of the current fiscal year I think that once again we can all be very proud of our performance and that this 14.3 per cent increase in sales confirms the success of our growth strategy.

I would now like to take a look at what the future holds for our Company. Where do we stand today with regard to the reorganisation of P&I that I have continually mentioned in the past? Both current and long term economic developments clearly show that we have to react as early as possible to important changes.

It is clearer than ever before just how important the role of HR resources will be in the global business world in the future. The globalisation of the economy, which is linked with the uncertainty of the forecasts made regarding economic development in specific markets, new technologies such as cloud computing, the struggle over personnel resources and the necessity of generating sustained growth are the current challenges facing the Company.

It is not only flexibility that is demanded here, as it also involves being ready for every paradigm shift and in particular, the ability to react promptly and quickly to any changes. In the past our Company has shown that, thanks to fresh ideas, it has always been in the position to realise innovations and to implement pioneering work. These abilities are the decisive factors that our claim to be the leading company in the HR software sector is based on.

We take great pleasure in presenting our products and services. Our aim is to reorganise the entire company as well as rethinking the products and the business model, so that we will be able to react both promptly and quickly to the turbulences caused by the economic situation. We must also be prepared to react to new trends such as cloud computing and software-as-a-service (SaaS), which will involve the transformation of business processes and open up opportunities for new types of businesses.

Dear Shareholders, our objective with regard to the reorganisation of our Company is to combine the development of ground-breaking technology and top quality products whilst simultaneously increasing sales and profitability as well as re-affirming market leadership in our industry.

I am sure that you will agree with this objective and that you are of the opinion that the shares you hold in P&I AG represent a sustainable and successful investment.

Yours sincerely

Vasilios Triadis
P&I AG, CEO

KEY FIGURES

KEY FIGURES ACCORDING TO IFRS	1.4. to 30.9.2012	1.4. to 30.9.2011	Change	Change
Details in '000 euros				in percent
Group sales	39,520	34,568	4,952	14.3%
Earnings before depreciation (EBITDA)	11,882	8,822	3,060	34.7%
Earnings before interest and taxes (EBIT)	10,531	7,840	2,691	34.3%
Earnings before tax (EBT)	11,243	8,264	2,979	36.0%
Period result	8,633	5,794	2,839	49.0%
Return on Sales (RoS)	21.8%	16.8%	./.	./.
Earnings per share (DVFA/SG)	€ 1.15	€ 0.77	€ 0.38	49.0%
Employment quotient (average/BQU)	358	331	27	8.2%

HIGHLIGHTS

SALES INCREASED WITH CONSISTENT HIGH PROFITABILITY

Group sales increased during the first half of the 2012/2013 fiscal year by 14.3 per cent to 39.5 million euros and the P&I Group also improved the operating result (EBIT), which increased from 7.8 million euros to 10.5 million euros and generated an EBIT margin of 26.6 per cent (previous year: 22.7 per cent). This growth in sales and result can be attributed to the high level of licensing sales, the high-profit maintenance business as well as the sales resulting from the acquisition of MIRUS Software AG, of Davos, in Switzerland.

P&I LOGA – NEXT GENERATION: SIMPLE YET VERY FUNCTIONAL TOOL THAT IS EASY TO USE

P&I granted the participants at the P&I User Conference that was held in Wiesbaden in September 2012 a first look at the new generation of P&I LOGA. The software is a simple yet very functional tool that is easy to use. A new user interface ensures that operating it is both intuitive and logical and the software has been designed to be process orientated and this means that the required information can be obtained from our P&I HR software solution using no more than three mouse-clicks. All of the HR processes have been restructured into 10 clearly defined roles for HR administrative processing.

RESIGNATION OF A MEMBER OF THE BOARD OF DIRECTORS: DR. MASSMANN RESIGNED ON SEPTEMBER 30, 2012

Dr. Massmann, who has been responsible for the Finance, Administration, Human Resources, Investor relations and Legal departments since September 1, 2010, resigned prematurely from the Company's Board of Directors on September 30, 2012. His employment relationship with the Company was also terminated on this date.

1. ECONOMIC CONDITIONS

The Deutsche Institut für Wirtschaft (DIW Berlin) has assessed the German economy as having a growth rate of 0.2 per cent during the fourth quarter, which is a slight cooling down when compared to the previous quarters as DIW Berlin estimated a growth rate of 0.3 per cent for the third quarter. This sustained economic growth is reflected in the development of the Economic Research Institute's business climate index, which has continually dropped back since the beginning of April 2012. However, according to DIW Berlin, economic development should start to accelerate over the coming months. The Federal Government of Germany issued new forecasts in October 2012 that estimates a 0.8 per cent growth rate being realised during 2012.

Conversely, German small and medium sized IT businesses have continued to develop positively according to information released by the BITKOM industry association, despite the euro debt crisis and weak growth. Two-thirds of the IT companies recorded increased growth when compared to the previous year. BITKOM estimates growth of 2.8 per cent.

2. ORDERS AND SALES

Sales volumes of 20.3 million euros (previous year: 17.2 million euros) recorded during the second quarter of our 2012/2013 fiscal year increased half-year sales up to 39.5 million euros. This corresponds to an overall increase of 14.3 per cent (5.0 million euros), when compared to the same period during the previous year and 2.0 million euros of this increase can be traced back to the acquisition of MIRUS Software AG, of Davos, in Switzerland, during the previous year.

Licensing sales of 10.2 million euros (previous year: 9.2 million euros) are higher than the level recorded for the previous year and this sum corresponds to a 26 per cent share of the Group's overall sales.

The maintenance business continued to grow as planned when compared to the comparable period in the previous year and it amounted to 16.8 million euros (same period in previous year: 14.3 million euros). 42 per cent of the P&I Groups sales were generated by the recurring maintenance business. Increases in the recurring maintenance business were realised as the result of our successful previous year as well as focussing on our existing customers. About one third of the recorded growth in Maintenance sales, which totalled 2.5 million euros, can be directly attributed to the acquisition of MIRUS Software AG. A climb in maintenance income resulted in increased earning power, since the expenses for maintaining the software remain virtually independent of the number of customers that have to be serviced.

The Service business recorded an increase in sales of 7.2 per cent and this amounted to 10.7 million euros as compared to the same period in the previous year and this means that 27 per cent of the P&I Group's overall sales were generated by this business sector. Consulting sales also includes the ongoing support provided to existing customers in addition to sales from introductory projects.

The other sales are acquisition related as compared to the sales recorded during the same period in the previous year and these increased by 1.1 million euros to 1.8 million euros. Incoming orders for the coming twelve months amount to 54.9 million euros, which is clearly well above the previous year's level (42.7 million euros). Orders on hand include a future maintenance income of 32.7 million euros (previous year: 26.9 million euros).

3. PROFIT SITUATION AND COST DEVELOPMENT

The operating result increased by 2.7 million euros to 10.5 million euros when compared to the same period in the previous year. This represents an EBIT margin of 26.6 per cent as opposed to 22.7 per cent for the same period in the previous year.

The increase in sales (5.0 million euros) corresponds with an increase in costs that amounted to 2.3 million euros and this increase in costs is mainly the result of the purchasing of MIRUS Software AG, which was acquired on March 1, 2012 and was not included in the costs and the result for the same period in the previous year, as well as additional personnel costs arising from the increase in personnel. However, the overall cost ratio has been reduced when compared to the previous year.

The financial result rose due to the interest income from the loan granted to Argon GmbH, of Munich. The consequence of the increase in the results is that P&I recorded an increase in the tax expenses for the ordinary business activities, however, at only 2.6 million euros this turns out to be clearly less than the increase in the result before taxes due to the tax expense reduction effect arising from the affiliated company income tax agreement with Argon GmbH. The result for the period of 8.6 million euros is 2.8 million euros above the previous year's level and profit per share has been increased to 1.15 euros (previous year: 0.77 euros).

As before the profit situation within the group is determined by P&I AG and the domestic business, however, our foreign businesses are starting to play a significant role. The strong increase in sales in Austria has resulted in clear increases in the operating results. The Swiss division has also shown a clear increase in sales and the operating result as a result of the acquisition of MIRUS Software AG,

4. RESEARCH & DEVELOPMENT

A strong product is the prerequisite for sustainable development. P&I has established itself in the market with four strong HR brands. Our P&I LOGA, P&I TIME and P&I PLUS products ensure that P&I possesses a valuable brand portfolio in the European software industry. P&I SMART has enabled P&I to separate off the lower part of its market segment.

7.4 million euros (previous year: 6.4 million euros) has been invested in R&D for product development of P&I LOGA, updates and changes in legislation and collective bargaining agreements as well as technical innovations. This corresponds to 18.7 per cent of total sales (previous year: 18.5 per cent). This expenditure covers all P&I products as well as the maintenance of the acquired products.

A process orientated design is the main characteristic of the new generation of P&I LOGA. All of the HR processes have been restructured into 10 clearly defined roles for HR administrative processing. The software is a simple yet very functional tool that is easy to use. The user is able to obtain the required information from our P&I HR software solution using a maximum of just three mouse-clicks.

Legal changes to the tax and social security areas traditionally create a development focal point. Existing and newly developed reporting processes will require extensive development services during the current fiscal year. The previously simple and valid process in which the employer reported to a specific receiving office has been increasingly superseded by a "dialogue process", in which specific data has to be reported back in addition to the normal verification of the respective reports, all of which have to be processed in the system afterwards. This also includes: integration of the new ERIC system, which is part of the Elster transfer method, in preparation for ELStAM (electronic wage-tax deduction feature), implementation of the DSBD operating data administration module, which is part of the DEÜV system, the new ELStAM tax reporting procedure (required from November 2012 or January 2013 onwards) as well as EEL account optimisation with regard to fictitious payroll accounts.

As always, the main focus of these intended optimisations is to ease the workload for the employers and their employees, cost-efficient working in the HR sector and the user friendliness of our software. In addition to this, P&I has made important investments in our basic P&I LOGA product, whereby the technical infrastructure enables standardisation and harmonisation to be undertaken so that the growing number of requirements can be taken into account.

Our P&I LOGA products are permanently improved as part of the ongoing R&D projects undertaken at P&I. Furthermore, the P&I projects all go through cyclical or iterative phases. New ideas (research) and idea implementation (development) never run sequentially, which means that the research and development phases cannot be separated. Research costs are recognised as an expense in the period in which they were incurred. The development costs for a specific project can only be recorded as intangible assets if the technical feasibility of the completion of the intangible asset, the capability of being able to use it and to sell it, the future economic benefits attributable to the asset as well as the attributable expenses incurred during the development phase can all be reliably determined. The R&D costs at P&I up to September 30, 2012 did not correspond to the requirements for capitalising an intangible asset.

5. ASSETS AND PROFIT

The financial and liquidity planning is updated regularly in order to ensure that the necessary liquidity is available for the ongoing business. During fiscal 2011/12 a loan amounting to 40 million euros, on which interest will be paid at customary market interest rates, was granted to the controlling company, Argon GmbH, of Munich, with whom a profit transfer agreement exists. The net profit shown in the 2011/2012 financial statement will be ceded to Argon GmbH in accordance with the existing profit transfer agreement and during the second quarter it was offset against the loan that was granted to them in accordance with the agreement existing between the companies. Furthermore, two new long-term loans were granted to Argon GmbH in September 2012 and these loans amounted to 5.2 million euros. The loans include accumulated interest, and on September 30, 2012 they were valued at 31.1 million euros (March 31, 2012: 40.6 million euros). The current liquid assets correspond with our planning and this will ensure that the solid financing needed for our future business is available. Please refer to the details given in the Appendix with regard to our business dealings with Argon GmbH.

The Group has had no need for short-term refinancing and it has access to adequate financial resources for the future development of the Group. As a result of the increased half-yearly results the cashflow statement for the first half-year of fiscal 2012/2013 shows an operating cashflow of -9.5 million euros (September 30, 2011: 24.5 million euros). The reason for the negative but seasonally-related operating cashflow is mainly due to the systematics of the annual invoicing undertaken by the Maintenance business. The annual invoices for the Maintenance business are sent out at the start of the calendar year and this results in comparatively higher payments being made in the fourth quarter of the respective fiscal year, whereas the income is subsequently realised over the entire period. Expenses and expenditure from the Maintenance business are periodically distributed over the full year. This means that it is traditional for liquid funds to increase comparably at the end of the old fiscal year and the start of the new fiscal year. In the same period in the previous year special effects resulted in a positive operating cashflow being recorded for the first half of the fiscal year and this was mainly due to a one-off working capital measure as well as the increase in payments received for uncompleted projects. This transaction was not shown in the cashflow statement due to the offsetting of the profit against the loan granted to Argon GmbH in the first half-year of fiscal 2012/2013.

The liquid assets holding stands at 13.8 million euros (March 31, 2012: 14.2 million euros) and short-term financial assets amounted to 4.5 million euros (March 31, 2012: 19.5 million euros) and this means that the P&I Group still remains in a solid position. In addition to the liquid assets and the short-term financial assets the Group possesses two bonds worth a total of 4.6 million euros, which provide collateral for a line of credit and loan guarantees that are recorded in the balance sheet under Financial Assets.

The balance sheet total for the P&I Group was reduced by 26.1 million euros when compared to the March 31, 2012 balance sheet date and it now stands at 82.3 million euros and the reasons for this reduction are mainly the profit transfer and the reduction in deferred income (Maintenance by more than 15.5 million euros), which correspond to the decline in financial assets as well as the short-term assets (by 15.0 million euros).

The equity ratio increased from 33.2 per cent (March 31, 2012) to 54.7 per cent. The reason fort his is that in addition to the reduction in the balance sheet equity remains in P&I AG's half-yearly results, as the profit transfer agreement is only applied after the fiscal year has ended.

The P&I Group holds long-term liabilities to the value of 4.0 million euros (March 31, 2012: 3.5 million euros), which now consist mainly of deferred tax liabilities and deferred liabilities arising from the tax-sharing agreement. Also included here is a long-term component that arose from the conditional price liability resulting from the acquisition of MIRUS Software AG.

Short-term liabilities fell by 35.6 million euros to 33.4 million euros when compared to March 31, 2012. The main reason for this was the profit transfer and the liquidation of the prepaid maintenance fees, which have to be presented in advance at the start of the calendar year and consist of annual invoices that have to be paid and these are reversed on a monthly basis in compliance with the sales realisations. The other short-term liabilities have declined when compared to March 31, 2012 and this is partly due to reduced liabilities relating to the employees.

6. EMPLOYEES

The P&I Group employed 378 people up to September 30, 2012 (September 2011: 361). The half-yearly average of full-time equivalent employees increased from 331 to 358). The average number of employees increased by 18 as a result of the acquisition of MIRUS Software AG and the remaining increase is the result of organic growth. A total of 252 are employed In Germany (September 30, 2011: 249), with a total of 106 employees working in other European countries (September 30, 2011: 82) and there are 45 employees working at the development centre in Slovakia (September 30, 2011: 42) and the Company is strongly represented in Austria with 33 employees (September 30, 2011: 29).

7. OPPORTUNITIES AND RISKS INVOLVED IN FUTURE DEVELOPMENT

There have been no significant changes to the risks and chances with regard to the assessments set out in the annual report released on March 31, 2012. Controllable risk is managed in the P&I Group under a company-wide risk management system.

In the past, we have made certain acquisitions, and we shall continue to consider possible purchases for the future. This of course means that the P&I group is subject to acquisition and integration risks. Intangible assets accrued as the result of acquisitions includes inherent risks and fluctuations in value and these are regularly reviewed for impairment of value. Should the original conditions change vis-à-vis the original planning and this results in an impairment being indicated, then these value adjustments will have a considerable effect on the intangible assets, including the goodwill and company values, and the profit or loss account.

With regard to the Licensing business there is always the risk that the customers, especially those in the public sector, will postpone IT projects as a result of the tense economic situation. We are of the opinion that investments made in the private sector will compensate for any downturns in the public sector.

Chances for increasing our earning power will arise if our new and innovative P&I support quotes and the new generation of our P&I LOGA software are well received in the market.

The controlling and profit transfer agreement continues. The loans granted to Argon GmbH undergo regular recoverability tests. The risk assessment made by the Board of Directors with regard to the controlling and profit transfer agreement as well as the loans that were granted has not changed.

P&I AG entered into a financing agreement with Argon GmbH, as planned in October 2011 and the volume involved amounted to 110 million euros. Various collateral securities had to be provided for the banks providing the financing as well as Argon GmbH's subordinate obligation agreement covering interest payments and the repayment of loans and these were closed in accordance with the existing liquidity plan. The loan was valued at approximately 67 million euros on September 30, 2012 and the Board of Directors does not see any increased risk for the Company with regard to the current status of P&I AG's planning in relation to the in-flow of liquidity as well as the present interest and loan repayment plan.

8. CONTROLLING AND PROFIT TRANSFER AGREEMENT/PROFIT APPROPRIATION

A controlling and profit transfer agreement has existed with Argon GmbH since fiscal 2011/2012. The loan granted to Argon GmbH under the agreement made with Argon GmbH on July 1, 2012 was offset against the net profit shown in P&I AG's annual financial statement for fiscal 2011/2012, which amounted to 15.2 million euros. The outside shareholders of P&I AG will receive a compensation payment from Argon GmbH amounting to 1.55 euros per P&I share after tax.

Furthermore, the controlling and profit transfer agreement also states that Argon GmbH must pay cash compensation on demand to outside P&I shareholders. An appeal has been lodged against the actions brought by shareholders disputing the controlling and profit transfer agreement. The acceptance deadline for the legal challenge will end in accordance with § 305, Para. 4, Sentence 3 AktG, i.e. two months from the day on which the decision covering the final positive application is published in the electronic pages of the Bundesanzeiger.

9. OTHER DEVELOPMENTS

The majority of the annulment actions lodged against the AGM held in September 2010 have been rejected with the exception of the discharge resolutions for the Board of Directors and the Supervisory Board and this preceding continues to depend on the higher regional court in Frankfurt. The preceding has been postponed until the District Court rules on the conformation resolutions resolved by the AGM held on August 30, 2011. Annulment actions against specific resolutions passed at the AGM held in September 2011 were rejected in the first instance. The opposing parties have lodged objections against this ruling. The preceding against former members of the Supervisory Board is currently pending.

To the best of our knowledge, the Board of Directors does not expect these proceedings to have any effect on the Group's assets, financial situation or profit and loss situation.

10. FORECAST

The P&I Group has started the new 2012/2013 business year by recording two-digit growth and an excellent operating result during the first half-year and sales and the result are proceeding as planned.

All in all, P&I can restate its forecasts for fiscal 2012/2013: to realise total sales of 80 million euros after taking into account the acquisition of MIRUS Software AG, Licensing sales of around 18 - 20 million euros and an EBIT margin at the same level of 26 per cent that was realised during fiscal 2011/2012.

Expertise and continuity are the hallmarks of P&I – we are the standard HR management software experts and have been for more than 40 years. P&I's wealth lies in its software, which is firmly anchored to our HR management expertise, the technological maturity of the software as well as the reliability and the credibility of the entire organisation: which covers our Administration, Consulting, R&D and Sales divisions. The build-up in our services and systems means that P&I are well positioned to enjoy a very successful future.

We are confident that we will continue to realise our goals in the future as well. Our claim as a specialist provider of integrated HR management processes is that we are the best there is.

GROUP CONSOLIDATED BALANCE SHEET

GROUP BALANCING ACC. TO IFRS	September 30, 2012	March 31, 2012
Details in 000 euros		
Assets		
Long-term assets		
Customer base	6,658	7,290
Goodwill	3,938	3,938
Other intangible assets	1,829	1,875
Tangible assets	1,424	1,390
Financial assets	35,683	45,120
Deferred taxes	81	219
Deferred tax assets resulting from tax sharing agreement	6	6
Total long-term assets	**49,619**	**59,838**
Short-term assets		
Inventories	164	167
Trade receivables	11,739	9,940
Short-term financial assets	4,500	19,500
Tax refund claims from current taxes on profits	0	2,741
Tax refund claims from allocation of current taxes	1,654	0
Other short-term assets	860	1,979
Cash and cash equivalents	13,808	14,239
Total short-term assets	**32,725**	**48,566**
Total financial assets	**82,344**	**108,404**

GROUP CONSOLIDATED BALANCE SHEET

GROUP BALANCING ACC. TO IFRS	September 30, 2012	March 31, 2012
Details in 000 euros		
Equity and Liabilities		
Shareholders' Equity		
Subscribed capital	7,700	7,700
Capital reserve	195	-121
Revenue reserve less	38,849	30,216
Own shares	-1,924	-1,961
Other accumulated equity	213	157
Total shareholders' equity	**45,033**	**35,991**
Long-term liablities		
Deferred taxes	1,077	1,149
Deferred tax assets resulting from tax sharing agreement	2,050	1,471
Other long-term liabilities	830	830
Total long-term liabilities	**3,957**	**3,450**
Short-term liabilities		
Trade payables	2,140	2,277
Liabilities from the profit transfer	0	15,227
Obligations from taxes on income	1,356	1,706
Tax liabilities resulting from tax sharing agreement	1,474	3,179
Accruals and deferrals	8,554	24,013
Advance payments for services not yet received	9,279	10,214
Other short-term liabilities	10,551	12,347
Total short-term liabilities	**33,354**	**68,963**
Total liablities	**37,311**	**72,413**
Total equity and liabilities	**82,344**	**108,404**

GROUP CONSOLIDATED STATEMENT OF INCOME

GROUP CONSOLIDATED STATEMENT OF INCOME ACC. TO IFRS	Quarterly report 1. 7.-30. 9. 2012	Quarterly report 1. 7-30. 9. 2011	Half Yearly report 1. 4.-30. 9. 2012	Half Yearly report 1. 4-30. 9. 2011
Details in 000 euros	*not verified*	*not verified*		*not verified*
Sales	20,262	17,161	39,520	34,568
Cost of sales	6,712	5,393	12,613	10,622
Gross profit	**13,550**	**11,768**	**26,907**	**23,946**
Research and development expenses	3,599	3,161	7,371	6,379
Sales and distribution expenses	2,442	2,350	5,004	4,876
Administrative expenses	1,463	1,490	2,897	2,838
Write-down of goodwill and customer bases	316	224	632	544
Other operating income	137	69	173	80
Other operating expenses	490	1,294	645	1,549
Result of ordinary activities (EBIT)	**5,377**	**3,318**	**10,531**	**7,840**
Income from investments	328	227	717	457
Financing expenses	2	-5	5	33
Result of ordinary activities before tax (EBT)	**5,703**	**3,550**	**11,243**	**8,264**
Tax expenses	929	895	2,610	2,471
Profit or loss for the period	**4,774**	**2,655**	**8,633**	**5,793**
thereof shareholders of P&I AG	4,774	2,655	8,633	5,793
Average number of shares (diluted/undiluted)	7,528,809	7,522,752	7,528,809	7,522,752
Earnings per share in euros (diluted/undiluted)	0.63	0.35	1.15	0.77

GROUP CONSOLIDATED STATEMENT OF INCOME

GROUP CONSOLIDATED STATEMENT OF INCOME ACC. TO IFRS	Quarterly report 1. 7.-30. 9. 2012	Quarterly report 1. 7-30. 9. 2011	Half Yearly report 1. 4.-30. 9. 2012	Half Yearly report 1. 4-30. 9. 2011
Details in 000 euros	*not verified*	*not verified*		*not verified*
Profit/loss of the period	4,774	2,655	8,633	5,793
Foreign exchange translations for foreign business operations				
thereof change in not realised gains and losses	0	-16	2	37
thereof change in realised gains and losses	0	0	0	0
Effects on tax on income	0	0	0	0
Total	**0**	**-16**	**2**	**37**
Change in market value of financial assets held for sale				
thereof change in not realised gains and losses	99	-53	79	-82
thereof change in realised gains and losses	0	0	0	0
Effects on tax on income	-31	17	-25	26
Total	**68**	**-36**	**54**	**-56**
Other consolidated earnings	**68**	**-52**	**56**	**-19**
Group's Statement of recognised income and expenditure	**4,842**	**2,603**	**8,689**	**5,774**

GROUP CASH FLOW STATEMENT

GROUP CASH FLOW ACC. TO IFRS	1. Halbjahr 1. 4. bis 30. 9. 2012	1. Halbjahr 1. 4. bis 30. 9. 2011
Details in '000 euros		*not verified*
Consolidated result	**8,633**	**5,793**
Taxes on income and profit	2,610	2,471
Financial result (finance revenue and finance costs)	-712	-424
Earnings before interest and taxes (EBIT)	**10,531**	**7,840**
Depreciation on tangible assets, intangible assets and financial assets	1,351	983
Change in inventories, trade receivables and other assets not attributable in investing of financing activities	548	20,761
Changes in trade payables and other liabilities not attributable in investing of financing activities	-19,653	-2,045
Losses/gains from sales of non-current assets	11	-2
Losses/gains from sales of current assets	0	0
Changes in other items not affecting payments	326	-38
Interest paid	-1	-30
Interest received	206	582
Tax payments	-2,832	-3,529
Cash flow from operating activities	**-9,513**	**24,522**
Payments for investments in tangible assets	-450	-520
Payments for investments in intangible assets	-268	-145
Proceeds from the sale of tangible/intangible assets	1	2
Proceeds from the sale of short-term financial assets	15,000	10,000
Payments for investments in long-term financial assets	-5,200	-34,500
Payments for investments in short-term financial assets	0	-3,436
Cash flow from investing activities	**9,083**	**-28,599**
Payments of the distribution of the dividend	0	-301
Cash flow aus der Finanzierungstätigkeit	**0**	**-301**
Change in cash and cash equivalents due to currency conversion *)	-1	72
Change in cash and cash equivalents	-431	-4,306
Cash and cash equivalents at the beginning of the fiscal year	14,239	21,862
Cash and cash equivalents at the end of the fiscal year	**13,808**	**17,556**

GROUP CONSOLIDATED STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

					Accumulated Other Group Result		
	Subsribed capital	Capital reserve	Revenue reserve	Own shares	Currency translation effects	Change in market value of financial assets available-for-sale, which in turn altered the gains and losses	Total
Details in '000 euros							
As at March 31, 2011	**7,700**	**-429**	**29,800**	**-2,019**	**34**	**-33**	**35,053**
Total Group Result April to September 2011			5,793		37	-56	5,774
Distribution of dividend			-301				-301
As at September 30, 2011	**7,700**	**-429**	**35,292**	**-2,019**	**71**	**-89**	**40,526**
Disposal of own shares				58			58
Share-based payment		308					308
Total Group Result October 2011 to March 2012			10,151		15	160	10,326
Profit transfer to Argon GmbH			-15,227				-15,227
As at March 31, 2012	**7,700**	**-121**	**30,216**	**-1,961**	**86**	**71**	**35,991**
Disposal of own shares				37			37
Share-based payment		316					316
Total Group Result April to September 2012			8,633		2	54	8,689
As at September 30, 2012	**7,700**	**195**	**38,849**	**-1,924**	**88**	**125**	**45,033**

1. BASIC PRINCIPLES OF THE GROUP FINANCIAL STATEMENT

This interim consolidated financial statement from the P&I Group was prepared in accordance with IAS 34 in shortened form and in accordance with the applicable International Financial Reporting Standards (IFRS) acknowledged by the EU up to September 30, 2012. In compiling the consolidated financial statements, the Company has additionally observed and applied the provisions of § 315a Para. 1 of the German Commercial Code (HGB).

The consolidated financial statements have been compiled in euros. Unless otherwise stated, all of the values have been rounded up to thousand euros.

The same accounting and valuation principles that were applied to the consolidated financial statement released on March 31, 2012 were applied here, except for the accounting regulations listed below that were applied for the first time. These were applied for the first time to fiscal years that started after June 30 or after December 31, 2011 and the P&I Group is obliged to apply them as from fiscal 2012/2013:

- Changes to the IFRS 1 Initial application of the IFRS
- Changes to the IFRS 7 Financial instrument: Details
- Changes to the IAS 12 Taxes on income

The initial application of the new accounting regulations did not affect the consolidated half-yearly financial statement.

The businesses in the P&I Group are not subjected to significant seasonal fluctuations.

The preparation of the interim consolidated financial statement required that assumptions had to be made and estimates had to be used with regard to the amount and reporting of the carried assets and liabilities, the revenue and expenses as well as any possible liabilities that might be incurred. All of the assumptions and estimates are based on premises that will be applied on the balance sheet date.

The consolidated half-yearly statement underwent a review report that was completed in accordance with § 37w Para. 5, WpHG on September 30, 2012.

2. NOTES ON THE PROFIT AND LOSS ACCOUNTING

The two “Other operating income“ and “Other operating expenses“ postings include income and expenses, which cannot be assigned to specific functional sectors. Bad debt losses / payment of damages are recorded under other operating expenses in addition to investor relations expenditure and Supervisory Board costs.

The financial result amounting to 712,000 euros (previous year: 424,000 euros) mainly includes the interest income from the long-term loan made to Argon GmbH as well as the interest income from the bank accounts.

The Group's tax expenses take into account the combined income tax rate applicable to P&I AG of 31.23 per cent, the business tax assessment rate of 432 per cent, the new corporate tax rate of 15 per cent and the solidarity surcharge of 5.5 per cent. A difference between the half-yearly financial statement issued on September 30, 2011 and the half-yearly financial statement up to September 30, 2012 is that the half-yearly result from Argon GmbH up to September 30, 2012 was also taken into consideration in order to determine the tax expenses from the tax-sharing agreement.

The Group's tax expenses are shown as follows:

Details in '000 euros	September 30, 2012	September 30, 2011
Tax on income from tax-sharing agreement	1,531	2,422
Deferred tax revenue from tax-sharing agreement	554	-71
Tax expenses arising from the tax-sharing agreement between Argon GmbH / P&I AG	**2,085**	**2,351**
Taxes on income	459	124
Deferred tax revenue	66	-4
Tax expenses/income (-)	**525**	**120**
Group tax expenses	**2,610**	**2,471**

The deferred tax liability arising from the tax-sharing agreement and the deferred tax liability arise from the sales realisation according to the percentage of completion method, which is not counted for tax purposes.

Earnings per share amount to 1.15 euros (previous year: 0.77 euros).

3. SEGMENT RESULTS

Please refer to the explanatory notes contained in Section 4 in the Notes to the financial statement issued on March 31, 2012 for an explanation of the segmentation.

Segment reporting within the P&I Group has been expanded by the addition of the Swiss division, which was included from the start of the 2012/2013 business year as a result of the acquisition of MIRUS Software AG on March 1, 2012.

The Board of Directors monitors each business segment's operating results separately, in order to determine the allocation of resources and to undertake an evaluation of the earning power of each segment. The earning power of each individual segment is assessed on the basis of its operating result (EBIT). Segment EBITs are measured in compliance with IFRS in the same way as the Group operating result (EBIT). Finance costs, finance revenues and taxes on income are managed at Group level.

Their business segments are set out as follows:

SEGMENT REPORTING FOR THE 2ND QUARTER 2012/2013

	Germany		Austria		Switzerland		Other foreign countries		Elimination		Group	
	Q2. 2012	Q2. 2011	Q2. 2012	Q2. 2011	Q2. 2012	Q2. 2011	Q2. 2012	Q2. 2011	Q2. 2012	Q2. 2011	Q2. 2012	Q2. 2011
Details in '000 euros												
Sales to third parties	15,349	14,085	2,197	1,633	2,352	1,147	364	296	0	0	20,262	17,161
Intersegment sales	1,378	1,152	7	2	0	0	50	27	-1,435	-1,181	0	0
Segment Sales	**16,727**	**15,237**	**2,204**	**1,635**	**2,352**	**1,147**	**414**	**323**	**-1,435**	**-1,181**	**20,262**	**17,161**
Segment Result (EBIT)	3,971	2,486	231	532	562	235	613	65	0	0	5,377	3,318
Financial Result											326	232
Group Result before tax											**5,703**	**3,550**

SEGMENT REPORTING FOR 1ST SIX MONTH 2012/2013

	Germany		Austria		Switzerland		Other foreign countries		Elimination		Group	
	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11
Details in '000 euros												
Sales to third parties	29,512	27,854	4,338	3,162	4,955	2,454	715	1,098	0	0	39,520	34,568
Intersegment sales	2,843	2,269	7	0	0	0	50	27	-2,900	-2,296	0	0
Segment Sales	**32,355**	**30,123**	**4,345**	**3,162**	**4,955**	**2,454**	**765**	**1,125**	**-2,900**	**-2,296**	**39,520**	**34,568**
Segment Result (EBIT)	7,480	6,065	615	39	1,249	528	1,187	1,208	0	0	10,531	7,840
Financial Result											712	424
Group Result before tax											**11,243**	**8,264**

4. NOTES ON THE BALANCE SHEET

Long-term financial assets that amount to 35.7 million euros (March 31, 2012: 45.1 million euros) include a loan together with the accumulated interest made to an associated company that amounts to 31.1 million euros (March 31, 2012: 40.6 million euros). The loan was made to Argon GmbH.

Investments made in the first half-year of fiscal 2012/2013 amounted to 718,000 euros (previous year: 665,000 euros).

Cash and short-term the financial assets available for sale are constituted as follows:

Details in '000 euros	September 30, 2012	March 31, 2012	September 30, 2011
Cash on hand and in bank balances	13,808	14,239	17,556
Available-for-sale financial assets	4,500	19,500	0
Total	**18,308**	**33,739**	**17,556**

Of the trade receivables of 11,739,000 euros (March 31, 2012: 9,940,000 euros) there was still 42 per cent (March 31, 2012: 35 per cent) that was not yet due.

The capital stock of the Company remained unchanged at 7,700,000 euros as at September 30, 2012 and is divided into 7,700,000 individual share certificates made out to bearer.

In accordance with the resolution passed at the AGM held on August 30, 2011, the Board of Directors, with the consent of the Supervisory Board, were authorised to transfer own shares to people, who have an employment relationship with P&I Personal & Informatik AG. The variable component claim lodged by one of the members of the Board of Directors was fully converted into P&I shares as part of the variable component for fiscal 2011/2012. 3,289 shares were transferred for this reason during the quarter that has just finished.

The present value of the transferred shares amounts to 98,110.87 euros, of which acquisition costs amounting to 37,463.90 euros were previously offset against equity and the remaining amount of 60,646.97 euros was posted in the capital reserves.

No changes have been recorded since the balance sheet date with regard to the long term incentive programme based on stock appreciation rights (SAR) that was closed previously with a member of the Board of Directors. The programme will continue until fiscal 2012/2013. This employee expense will be linearly distributed over the period and it will correspond to an increase in the capital reserves listed in the IFRS consolidated financial statement for fiscal 2012/2013.

The capital reserves shown in the balance are broken down as follows:

Details in '000 euros	
Capital reserves as of March 31, 2012	-121
Disposal of own shares	60
Long Term Incentive Programme	256
Capital reserves as of September 30, 2012	**195**

The cumulative other consolidated result of 213,000 euros (March 31, 2012: 157,000 euros) reflects the exchange rate differences arising from the valuation of securities as well as the effects that the currency exchange rates had on equity.

5. CHANGES IN SHAREHOLDER GROUP AND EXECUTIVE BODIES

In accordance with §95 AktG (German Companies Act) and in conjunction with §6 of the version issued on the September 4, 2012, the Company has a Supervisory Board consisting of three members.

Thomas Volk, Chairman, Vice President EMEA, Dell Inc., of Bobingen
Michael Wand, Deputy Chairman, Managing Director of the Carlyle Group, of London (GB)
Dr. Dr. Thorsten Dippel, director of the The Carlyle Group, of London (GB)

Dr. Erik Massmann, a member of the Board of Directors, resigned from the Company's Board of Directors on September 30, 2012. His employment relationship with the Company was terminated at the same time.

6. SHAREHOLDINGS OF THE COMPANY AND MEMBERS OF THE EXECUTIVE BODIES

As at September 30, 2012, P&I Personal & Informatik AG holds a shareholding of 168,873 of its own stock. The acquisition costs of our own stock amounted to 1,923,575.81 euros and this sum was paid from equity.

No convertible bonds or similar securities pursuant to § 160 Para. 1 No. 5 AktG have been issued by P&I Personal & Informatik AG or other companies pursuant to § 160 Para. 1, No. 2, AktG (German Companies Act) up to September 30, 2012.

No members of the Board of Directors or Supervisory Board have shareholdings in or options on P&I shares as at September 30, 2012. A stock appreciation rights programme was established with a member of the Board of Directors and this is explained in Section 4 and also in the management report issued on March 31, 2012. At the time of his resignation, Dr. Erik Massmann held 8,375 P&I shares acquired from the variable component programmes for the 2010/2011 and 2011/2012 fiscal years.

7. DIVIDEND

The net profit shown in the annual financial statement of P&I Personal & Informatik AG will be ceded to Argon GmbH In accordance with the controlling and profit transfer agreement closed with Argon GmbH. Own shares held by P&I AG that are not entitled to a dividend are not taken into account. The 2011/2012 profit transfer will be offset against the loan granted to Argon GmbH.

The compensation payments to be made to the outside shareholders from fiscal 2011/2012 onwards were defined in the controlling and profit transfer agreement concluded between Argon GmbH and P&I. This agreement came into effect after it was registered in the commercial register on September 9, 2011 and applies as from fiscal 2011/2012 and the compensation payment was made for the first time by Argon GmbH after the AGM held in September 2012.

The profit transfer agreement is considered to be a profit transfer to the controlling partner that only has to be ceded after the fiscal year up to March 31 has ended, as it accumulated over the whole of the commercial and legal year, which means that it does not have to be reported during the year.

8. EARNINGS PER SHARE

In determining the earnings per share according to IAS 33, the annual profit attributable to the shareholders is divided by the weighted average of the ordinary shares issued.

As at September, 30 2012, the weighted average number of shares was 7,528,809. This results in diluted/undiluted earnings per share of 1.15 euros. The earnings per share will not be affected neither by the profit transfer to Argon GmbH nor by the guaranteed dividend payment to the minority shareholders, as both are profit appropriation items.

No further transactions involving ordinary shares or potential ordinary shares have taken place in the period between the balance sheet date and the preparation of the Group consolidated financial statements.

9. BOARD OF DIRECTORS REMUNERATION

Remuneration for the members of the Board of Directors is determined by the Supervisory Board and comprises both fixed and variable components. The fixed component, aside from a fixed-amount monthly remuneration, also includes benefits in kind, in particular the valuation for company vehicles to be applied in compliance with German taxation legislation as well as other financial benefits.

One part of the variable component of the Board of Directors' remuneration constitutes a performance related target income. The amount of the performance related target income is calculated on the basis of the degree to which the target Group sales and Group EBITDA (Group earnings before deduction of interest and taxes) set by the Supervisory Board has been fulfilled.

In order to guarantee long-term target orientation, a specific sum must be realised during the period 2012/2013 to 2014/2015 from sales and the EBITDA and this has been set as a target sum for one of the members of the Board of Directors and this target applies as from fiscal 2012/2013. This applies only to the final bonus allocations for each fiscal year, provided that the stipulated sum has been realised by the end of fiscal 2014/2015.

Payment of a long-term bonus (which provides a long-term incentive) as a variable remuneration component was agreed on with one member of the Board of Directors with effect from September 1, 2007. This agreement extends until the end of the 2011/2012 fiscal year and the accumulated claim, for which a reserve was created during the previous years, will be paid out in September 2012 after the members of the Board of Directors have been discharged for fiscal 2011/2012.

10. NOTIFICATION OF VOTING RIGHTS PURSUANT TO § 26 PARA. 1 GERMAN SECURITIES TRADING ACT (WPHG).

The Company was notified of the voting rights on September 3, 2012 for the companies and persons listed in the following in accordance with § 21 Paras. 1 & 22 of the German Securities Trade Act (WpHG). The list of the voting rights of P&I Personal und Informatik AG includes the reporting requirements that have been assigned to Argon GmbH, of Munich:

1. David Mark Rubenstein, Maryland, USA: 77.33% of the voting rights (5,954,192 votes from the same number of shares) as of December 7, 2010

2. Daniel Anthony D'Aniello, Virginia, USA: 77.33% of the voting rights (5,954,192 votes from the same number of shares) as of December 7, 2010

3. William Elias Conway, Jr., Virginia, USA: 77.33% of the voting rights (5,954,192 votes from the same number of shares) as of December 7, 2010

4. DBD Cayman Holdings, Limited, Grand Cayman, Cayman Islands: 79.29% of the voting rights (6,105,318 votes from the same number of shares) as of December 21, 2010

5. Carlyle Offshore Partners II Holdings, Limited, Grand Cayman, Cayman Islands: 79.29% of the voting rights (6,105,318 votes from the same number of shares) as of December 21, 2010

6. TC Group Cayman Investment Holdings Sub L.P., Grand Cayman, Cayman Islands: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

7. Carlyle Holdings II L.P., Delaware, USA: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

8. Carlyle Holdings II G.P., Delaware, USA: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

9. The Carlyle Group L.P. Delaware, USA: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

10. TCG Carlyle Global Partners L.L.C., Delaware, USA: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

11. Carlyle Group Management L.L.C., Delaware, USA: 89.31% of the voting rights (6,876,932 votes from the same number of shares) as of May 2, 2012

Please refer to § 26 WpHG Public Notification of Voting Rights for further details.

11. RELATIONS WITH CLOSELY RELATED ENTERPRISES OR PERSONS

The following payments were made to closely related enterprises and persons:

	Receivables		Revenue	
Details in '000 euros	September 30, 2012	March 31, 2012	1st Half Year 12/13	1st Half Year 11/12
Argon GmbH, of Munich[1)]	31,063	40,578	512	34
H,C, Starck GmbH, of Goslar[2)]	0	1	1	18
Total	**31,063**	**40,579**	**513**	**52**

	Liabilities		Expenditure	
Details in '000 euros	September 30, 2012	March 31, 2012	1st Half Year 12/13	1st Half Year 11/12
Argon GmbH, of Munich	0	18,406	1,531	2,422
Total	**0**	**18,406**	**1,534**	**2,422**

1) Argon GmbH is the company that controls P&I AG and a controlling and profit transfer agreement, a tax-sharing agreement covering business and corporation taxes as well as a loan agreement exist between Argon GmbH and P&I AG. Under the loan agreement, Argon will be repaying two further amounts totalling 5.2 million euros during the current fiscal year. The decrease in the receivables to 31.1 million euros arose from the offsetting of the loan against the transfer of the profit made under commercial law in 2011/2012 amounting to 15.2 million euros.

Furthermore, P&I AG entered into a financing agreement with Argon GmbH that amounts to 110 million euros. The loan was valued at approx. 67 million euros on September 30, 2012.

The financial revenue results from the loan that was granted and the expenses incurred by the tax-sharing agreement covering the existing business and corporation taxes.

2) H.C. Starck GmbH, of Goslar, is an affiliated company of the superior parent company of Argon GmbH, i.e. Carlyle Offshore Partners II, Ltd. The business activities with H.C. Starck GmbH cover maintenance and consulting services as well as the sale of software.

The terms and conditions for the transactions with closely related enterprises and persons are in accordance with normal market practice and certainly comparable with any transactions the Company may have arranged with independent third parties (price comparison method in accordance with IAS 24.21).

Wiesbaden, November 14, 2012
P&I Personal & Informatik AG

Vasilios Triadis
CEO

RESPONSIBILITY STATEMENT

"To the best of my knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial situation and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the situation of the group, as well as a description of the principal opportunities and risks associated with the expected development of the group."

Wiesbaden, November 14, 2012
P&I Personal & Informatik AG

Vasilios Triadis
CEO

FINANCIAL CALENDAR

FINANCIAL CALENDAR	
February 14, 2013	Publication of the 9-monthly Report 2012/2013
June 13, 2013	Publication of the Annual Report 2013/2013
August 15, 2013	Publication of the Quarterly Report 2013/2014
September 3, 2013	Shareholders' Meeting (AGM) for 2013 in Wiesbaden

CONTACT

P&I AG
Investor Relations
Kreuzberger Ring 56
65205 Wiesbaden

Telephone +49 (0) 611 7147-267
Telefax +49 (0) 611 7147-367

E-Mail aktie@pi-ag.com
Internet www.pi-ag.com

WKN 691 340
ISIN DE 0006913403

P&I GERMANY
P&I AG (Zentrale)
Kreuzberger Ring 56
D-65205 Wiesbaden
Telephone +49 (0) 611 7147-0
Telefax +49 (0) 611 7147-220
info@pi-ag.com
www.pi-ag.com

P&I AUSTRIA
P&I GmbH
Ares Tower
Donau-City-Straße 11
A-1220 Wien
Telephone +43 (0) 1 260 39-0
Telefax +43 (0) 1 260 39-330
info.at@pi-ag.com
www.pi-ag.com

P&I SWITZERLAND
P&I AG
Dammstrasse 12
CH-8810 Horgen
Telephone +41 (0) 44 722 75-75
Telefax +41 (0) 44 722 75-79
info.ch@pi-ag.com
www.pi-ag.com

P&I NETHERLANDS
P&I B.V.
Kabelweg 37
NL-1014 BA Amsterdam
Telephone +31 (0) 20 6814033
Telefax +31 (0) 20 6814066
info@pi-ag.com
www.pi-ag.com

P&I SLOVAKIA
P&I Personal & Informatik, s.r.o.
Sliezska 1
SK- 831 03 Bratislava
Telephone +421 (0) 2 526361-61
Telefax +421 (0) 2 526361-63
info.sk@pi-ag.com
www.pi-ag.com