9-Month Report

April 1, 2012 to December 31, 2012

P&I Personal & Informatik AG

» EACH QUARTER NEVER CEASES TO AMAZE US, WHICH PROVES THAT OUR STRATEGIC ORIENTATION ON SUSTAINED BUSINESS SUCCESS IS THE RIGHT PATH TO TAKE. «

Vasilios Triadis, CEO

DEAR SHAREHOLDERS, CUSTOMERS, BUSINESS PARTNERS AND EMPLOYEES,

Once again we have broken our own record during the third quarter of our fiscal year, which ended on December 31, 2012. This quarter was the best in our Company's history and this is reflected in our excellent 9-month result. Sales during the first nine months increased by 14.6 per cent to 60.9 million euros. The EBIT also reached 17.0 million euros, an increase of 27.2 per cent and the EBIT margin grew from 25.2 per cent to 27.9 per cent.

Each quarter never ceases to amaze us, which proves that our strategic orientation on sustained business success is the right path to take. We are of the opinion that by continuing to follow this path we will certainly record our most successful fiscal year results ever.

The 16 per cent increase recorded in our Licensing sales is particularly encouraging, as each licence sale normally results in recurring sales in the Consulting and Software maintenance sectors over a period of several years.

The Consulting business was also extremely positive during the third quarter and we were able to offer our customers in Germany and Austria regular seminars at the end of the year, in which we informed them about the legal changes coming into effect in the new-year and the effects they will have on our software.

We have welcomed more than 2,000 participants to these events during this fiscal year. We also use these events on an "outside-in" basis, as they enable us to discuss matters with our customers and we learn a lot about the wishes of our customers and our customers learn a lot about our quarter planning regarding the further development of our software.

For the remaining weeks up until the end of our fiscal year on March 31, 2013 I wish you all the best and every success to the entire team at P&I AG.

We will do everything to ensure that we never loose the trust that you have placed in us.

Yours faithfully,

Vasilios Triadis
P&I AG, CEO

KEY FIGURES

KEY FIGURES ACC. TO IFRS	1.4. to 31.12.2012	1.4. to 31.12.2011	Change	Change
Details in '000 euros				in percent
Sales	60,902	53,122	7,780	14.6%
Earnings before interest, taxes and depreciation (EBITDA)	19,035	14,841	4,194	28.3%
Earnings before interest and taxes (EBIT)	17,018	13,379	3,639	27.2%
Result of ordinary activities before tax (EBT)	18,015	14,167	3,848	27.2%
Profit/loss for the period	14,332	9,881	4,451	45.0%
Return on Sales (RoS)	23.5%	18.6%	./.	./.
Earnings per Share (diluted/undiluted)	€ 1.90	€ 1.31	€ 0.59	45.0%
Number of employees (average)	357	328	29	8.8%

HIGHLIGHTS

SALES INCREASED WITH CONSISTENT HIGH PROFITABILITY

Group sales increased during the nine months of the 2012/2013 fiscal year by 14.6 per cent to 60.9 million euros and the P&I Group also improved the operating result (EBIT), which increased from 13.4 million euros to 17.0 million euros and generated an EBIT margin of 27.9 per cent (previous year: 25.2 per cent). This growth in sales and result can be attributed to the increase in licensing sales, the high-profit maintenance business as well as the sales resulting from the acquisition of MIRUS Software AG, of Davos, in Switzerland.

THE NEW P&I SUPPORT CONCEPT ARRIVES

After a P&I software solution has been commissioned the users are helped so that they can make optimum use of the software and this is an integral part of our new P&I support concept: we also hold seminars at the end of the year and during the course of the year, provide assistance with release changes as well as offering a service package, which guarantees that personal and individual customer support will be provided by a consultant. Regular participation in P&I's seminar curriculum during the 2012 calendar year has enabled many P&I LOGA users to update their product and specific expertise, most recently with the seminars that we held at the end of the year.

P&I NEW CUSTOMERS: UNIQUENESS

Uniqueness is the driving force behind our P&I product development. High demands are placed on the separate products as customers always have these with regard to their own business sector and they are also reflected in HR work. P&I's customers also make the following demands with regard to our P&I products: i.e. centralised databases, redundancy-free and historical data storage, integrated analysis generator, drill-down querying for deeper transparency regarding the collected data together with graphic displays.

1. ECONOMIC CONDITIONS

The Deutschen Instituts für Wirtschaft (DIW Berlin) has assessed the German economy as having had a growth rate of 0.8 per cent during 2012 and, after a poor winter half year, it should brighten up and gather speed so that it will grow by 0.9 per cent during 2013 and a GDP increase of more than two per cent is expected in 2014. The perpetual flaring-up of the crisis in the euro zone combined with the uncertainty resulting from this has encumbered growth during 2012. On the other hand, the Federal Government of Germany issued a new 2013 forecast in January 2013 that no longer predicts 1.0 % growth but merely 0.4 per cent growth.

Conversely, German small and medium sized IT businesses have continued to develop positively according to information released by the BITKOM industry association and three-quarters of the IT companies expect to record an increase in sales as compared to the previous year. BITKOM estimates growth of 1.6 per cent.

2. ORDERS AND SALES

Sales volumes of 21.4 million euros (previous year: 18.6 million euros) recorded during the third quarter of our 2012/2013 fiscal year increased nine-month sales up to 60.9 million euros. This corresponds to an overall increase of 14.6 per cent (7.8 million euros), when compared to the same period during the previous year and 2.9 million euros of this increase can be traced back to the acquisition of MIRUS Software AG, of Davos, in Switzerland, during the previous year. The organic growth amounted to 9.2 per cent.

Licensing sales of 15.3 million euros (previous year: 13.2 million euros) are 16 per cent higher than the level recorded for the previous year and this sum corresponds to a 25 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 25.3 million euros (previous year: 21.8 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 3.5 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 5.9 per cent and this amounted to 17.3 million euros as compared to the same period in the previous year and this means that 28 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 1.8 million euros to 2.9 million euros.

Incoming orders for the coming twelve months amount to 56.3 million euros, which is clearly well above the previous year's level (45.9 million euros). Orders on hand include a future maintenance income of 34.1 million euros (previous year: 27.4 million euros).

3. PROFIT SITUATION AND COST DEVELOPMENT

The operating result increased by 3.6 million euros to 17.0 million euros when compared to the same period in the previous year. This represents an EBIT margin of 27.9 per cent as opposed to 25.2 per cent for the same period in the previous year.

The increase in sales (7.8 million euros) corresponds with an increase in costs that amounted to 4.3 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 as a result of the interest income arising from the loan granted to Argon GmbH, of Munich. Despite the increase in the result from our ordinary business activities the tax expenses have been reduced to 3.7 million euros due to the tax expense reduction effect arising from the affiliated company income tax agreement with Argon GmbH. The result for the period of 14.3 million euros is 4.5 million euros above the previous year's level and profit per share has been increased to 1.90 euros (previous year: 1.31 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.

11.0 million euros (previous year: 9.8 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 18.0 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 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 December 31, 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, with whom a profit transfer agreement exists. The net profit shown in the P&I AG's 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 December 31, 2012 they were valued at 31.3 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 notes to the financial statement 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 intermediate results the cashflow statement as at December 31, 2012 shows an operating cashflow of -10.3 million euros (December 31, 2011: -0,8 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. Declines in the short-term liabilities as well as a reduced tax charge for the affiliated company have revealed important changes to the operating cashflow when compared to the previous comparable period. Special effects arising from an increase in payments received from uncompleted projects resulted in a significantly lower negative operating cashflow in the same comparable period in the previous year and this effect no longer exists in the current fiscal year. One transaction was not shown in the cashflow statement due to the offsetting of the profit against the loan granted to Argon GmbH in September 2012/2013.

The cash and cash equivalents stands at 17.3 million euros (March 31, 2012: 14.2 million euros) and this means that the P&I Group still remains in a solid position. Up to March 31, 2012 there existed short-term financial assets that amounted to 19.5 million euros and these term deposits were reversed prior to December 31, 2012. The liquid funds holding was reduced on target up to the end of the calendar year due to the systematics of the Maintenance business, which generates high growth in payments at the start of the fiscal year and expenses as well as expenditure for the Maintenance business are incurred periodically over the twelve-month period. In addition to the liquid funds and the short-term financial assets the Group possesses two bonds worth a total of 4.7 million euros, which provide collateral for a line of credit and loan guarantees that are recorded in the balance sheet under long-term financial assets.

The balance sheet total for the P&I Group was reduced by 23.1 million euros when compared to the March 31, 2012 balance sheet date and it now stands at 85.3 million euros and the reasons for this reduction are mainly the profit transfer and the reduction in deferred income (by 20 million euros), which correspond to the decline in financial assets (by 19.5 million euros).

The equity ratio increased from 33.2 per cent (March 31, 2012) to 59.7 per cent. The reason for this is that in addition to the reduction in the balance sheet total P&I AG's intermediate results remains in equity, 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 4.2 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 38.7 million euros to 30.2 million euros when compared to March 31, 2012. The main reason for this was the profit transfer and the dissolution 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 revenue recognition. 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 376 people up to December 31, 2012 (December 31, 2011: 348). The yearly average of full-time equivalent employees increased from 328 to 357, which resulted from a personnel growth in other european countries.

The average number of employees increased by 19 as a result of the acquisition of MIRUS Software AG and the remaining increase is the result of organic growth. A total of 249 are employed in Germany (December 31, 2011: 246), with a total of 108 employees working in other European countries (December 31, 2011: 82) and there are 45 employees working at the development centre in Slovakia (December 31, 2011: 42) and the Company is represented in Austria with 32 employees (December 31, 2011: 30).

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 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 resulting from acquisitions include inherent risks and fluctuations in value and these are regularly reviewed for impairment. 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 goodwill 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.

In October 2011 P&I AG entered into a financing agreement with Argon GmbH, according to plan 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 December 31, 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 recorded double digit sales growth and an excellent operating result during the first nine months of fiscal 2012/2013. Sales and earnings are in line with the forecasts made at the start of the fiscal year.

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.

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET ACC. TO IFRS	December 31, 2012	March 31, 2012
Details in '000 euros		
Assets		
Long-term assets		
Customer bases	6,341	7,290
Goodwill	3,938	3,938
Other intangible assets	1,656	1,875
Tangible assets	1,410	1,390
Financial assets	36,008	45,120
Deferred tax assets	48	219
Deferred tax assets resulting from tax-sharing agreement	6	6
Total long-term assets	**49,407**	**59,838**
Short-term assets		
Inventories	162	167
Trade receivables	15,379	9,940
Short-term financial assets	0	19,500
Tax refund claims from current taxes on profits	0	2,741
Tax refund claims from allocation of current taxes	2,547	0
Other short-term assets	521	1,979
Cash and cash equivalents	17,288	14,239
Total short-term assets	**35,897**	**48,566**
Total assets	**85,304**	**108,404**

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET ACC. TO IFRS	December 31, 2012	March 31, 2012
Details in '000 euros		
Equity and Liabilities		
Shareholders Equity		
Subscribed capital	7,700	7,700
Capital reserve	322	-121
Revenue reserve	44,548	30,216
Own shares	-1,924	-1,961
Accumulated other Group Result	268	157
Total shareholders' equity	**50,914**	**35,991**
Long-term liabilities		
Deferred tax liabilities	1,040	1,149
Deferred tax liabilities resulting from tax-sharing agreement	2,299	1,471
Other long-term liabilities	830	830
Total long-term liabilities	**4,169**	**3,450**
Short-term liabilities		
Trade payables	2,027	2,277
Liabilities from the profit transfer	0	15,227
Obligations from taxes on income	1,532	1,706
Liabilities resulting from tax-sharing agreement	2,069	3,179
Accruals and deferrals	3,968	24,013
Billings in excess of costs and estimated earnings uncompleted contracts	9,508	10,214
Other short-term liabilities	11,117	12,347
Total short-term liabilities	**30,221**	**68,963**
Total liablities	**34,390**	**72,413**
Total equity and liabilities	**85,304**	**108,404**

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME ACC. TO IRFS	Quarterly Report 1. 10.-31. 12. 2012	Quarterly Report 1. 10-31. 12. 2011	9-Monthly Report 1. 4.-31. 12. 2012	9-Monthly Report 1. 4-31. 12. 2011
Details in '000 euros				
Sales	21,382	18,554	60,902	53,122
Cost of sales	7,072	5,503	19,685	16,125
Gross profit	**14,310**	**13,051**	**41,217**	**36,997**
Research and development expenses	3,614	3,435	10,985	9,814
Sales and distribution expenses	2,306	2,403	7,310	7,279
Administrative expenses	1,471	1,276	4,368	4,114
Write-down of goodwill and customer bases	317	225	949	769
Other operating income	24	-28	197	52
Other operating expenses	139	145	784	1,694
Result of ordinary activities (EBIT)	**6,487**	**5,539**	**17,018**	**13,379**
Income from investments	290	348	1,007	805
Financing expenses	5	-16	10	17
Result of ordinary activities before tax (EBT)	**6,772**	**5,903**	**18,015**	**14,167**
Tax expenses	1,073	1,815	3,683	4,286
Profit or loss for the period	**5,699**	**4,088**	**14,332**	**9,881**
of which attributable to shareholders of P&I AG	5,699	4,088	14,332	9,881
Average number of shares (diluted/undiluted)	7,531,127	7,522,766	7,529,584	7,522,766
Earnings per share in euros (diluted/undiluted)	0.76	0.54	1.90	1.31

CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME ACC. TO IRFS	Quarterly Report 1. 10.-31. 12. 2012	Quarterly Report 1. 10-31. 12. 2011	9-Monthly Report 1. 4.-31. 12. 2012	9-Monthly Report 1. 4-31. 12. 2011
Details in '000 euros				
Profit/loss of the period	5,699	4,088	14,332	9,881
Foreign exchange translations for foreign business operations				
thereof change in not realised gains and losses	0	5	2	42
thereof realised gains an losses	0	0	0	0
Effects on tax on income	0	0	0	0
Total	**0**	**5**	**2**	**42**
Change in market value of financial assets held for sale				
thereof change in not realised gains and losses	90	-198	169	-280
thereof change in realised gains and losses	-7	0	-7	0
Effects on tax on income	-28	62	-53	88
Total	**55**	**-136**	**109**	**-192**
Other consolidated earnings	55	-131	111	-150
Group's Statement of recognised income and expenditure	5,754	3,957	14,443	9,731

CASH-FLOW STATEMENT

CASH-FLOW ACC. TO IFRS	9-Monthly Report 1. 4. to 31. 12. 2012	9-Monthly Report 1. 4. to 31. 12. 2011
Details in '000 euros		
Consolidated result	**14,332**	**9,881**
Taxes on income and profit	3,683	4,286
Financial result (finance revenue and finance costs)	-997	-788
Earnings before interest and taxes (EBIT)	**17,018**	**13,379**
Depreciation on tangible assets, intangible assets and financial assets	2,017	1,462
Change in inventories, trade receivables and other assets not attributable in investing of financing activities	-3,611	-1,226
Changes in trade payables and other liabilities not attributable in investing of financing activities	-22,394	-10,512
Losses/gains from sales of non-current assets	36	-5
Changes in other items not affecting payments	420	283
Interest paid	-9	-30
Interest received	261	510
Tax payments	-4,085	-4,705
Cash flow from operating activities	**-10,347**	**-844**
Payments for investments in tangible assets	-637	-803
Payments for investments in intangible assets	-284	-169
Proceeds from the sale of tangible/intangible assets	18	11
Proceeds from the sale of short-term financial assets	19,500	33,554
Payments for investments in long-term financial assets	-5,200	-37,936
Payments for investments in short-term financial assets	0	0
Cash flow from investing activities	**13,397**	**-5,343**
Payments of the distribution of the dividend	0	-301
Cash flow from financing activities	**0**	**-301**
Change in cash and cash equivalents due to currency conversion	-1	76
Change in cash and cash equivalents	3,049	-6,412
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	**17,288**	**15,450**

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**
Disposal of own shares				58			58
Share-based payment		180					180
Group Result April to December 2011			9,881		42	-192	9,731
Distribution of dividend			-301				-301
As at Dezember 31, 2011	**7,700**	**-249**	**39,380**	**-1,961**	**76**	**-225**	**44,721**
Share-based payment		128					128
Group Result January 2012 to March 2012			6,063		10	296	6,369
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		443					443
Group Result April to December 2012			14,332		2	109	14,443
As at December 31, 2012	**7,700**	**322**	**44,548**	**-1,924**	**88**	**180**	**50,914**

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 December 31, 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: Disclosures
- Changes to the IAS 12 Taxes on income

The initial application of the new accounting regulations did not affect the interim consolidated 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.

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. Compensation for damages are recorded under other operating expenses in addition to investor relations expenditure and Supervisory Board costs.

The financial result amounting to 997,000 euros (previous year: 788,000 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 corporate tax rate of 15 per cent and the solidarity surcharge of 5.5 per cent. A difference between the interim consolidated financial statement issued on December 31, 2011 and the interim consolidated financial statement up to December 31, 2012 is that intermediate result from Argon GmbH up to December 31, 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	December 31, 2012	December 31, 2011
Tax on income from tax-sharing agreement	2,141	3,584
Deferred tax revenue from tax-sharing agreement	775	312
Tax expenses arising from the tax-sharing agreement between Argon GmbH / P&I AG	**2,916**	**3,896**
Taxes on income	704	401
Deferred tax expenses / income (-)	63	-11
Tax expenses	**767**	**390**
Group tax expenses	**3,683**	**4,286**

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 1.90 euros (previous year: 1.31 euros).

3. SEGMENT RESULTS

Segment reporting is now carried out by applying the "through the management's eyes" approach. 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). Financial expenses, financial income and taxes on income are managed at Group level.

Business segments are set out as follows:

SEGMENT REPORT FOR THE 3RD QUARTER 2012/2013

	Germany		Austria		Switzerland		Other foreign countries		Elimination		Group	
	Q3. 2012	Q3. 2011	Q3. 2012	Q3. 2011	Q3. 2012	Q3. 2011	Q3. 2012	Q3. 2011	Q3. 2012	Q3. 2011	Q3. 2012	Q3. 2011
Details in '000 euros												
Sales to third parties	16,035	14,443	2,626	2,371	2,398	1,230	323	510	0	0	21,382	18,554
Intersegment sales	1,376	1,169	0	0	0	0	50	36	-1,426	-1,205	0	0
Segment sales	**17,411**	**15,612**	**2,626**	**2,371**	**2,398**	**1,230**	**373**	**546**	**-1,426**	**-1,205**	**21,382**	**18,554**
Segment result (EBIT)	4,883	4,147	602	497	476	254	526	641	0	0	6,487	5,539
Financial result											285	364
Group result before tax											**6,772**	**5,903**

SEGMENT REPORTING FOR 9-MONTHLY-REPORT 2012/2013

	Germany		Austria		Switzerland		Other foreign countries		Elimination		Group	
	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11
Details in '000 euros												
Sales to third parties	45,547	42,297	6,964	5,533	7,353	3,684	1,038	1,608	0	0	60,902	53,122
Intersegment sales	4,219	3,438	7	0	0	0	100	63	-4,326	-3,501	0	0
Segment Sales	**49,766**	**45,735**	**6,971**	**5,533**	**7,353**	**3,684**	**1,138**	**1,671**	**-4,326**	**-3,501**	**60,902**	**53,122**
Segment Result (EBIT)	12,363	10,212	1,217	536	1,725	782	1,713	1,849	0	0	17,018	13,379
Financial Result											997	788
Group Result before tax											**18,015**	**14,167**

4. NOTES ON THE BALANCE SHEET

Long-term financial assets that amount to 36.0 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 31.3 million euros (March 31, 2012: 40.6 million euros). The loan was made to Argon GmbH.

Investments made in fiscal 2012/2013 amounted to 921,000 euros (previous year: 997,000 euros).

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

Details in '000 euros	December 31, 2012	March 31, 2012	December 31, 2011
Cash on hand and in bank balances	17,288	14,239	15,450
Short-term financial assets	0	19,500	0
Total	**17,288**	**33,739**	**15,450**

Of the trade receivables of 15,379,000 euros (March 31, 2012: 9,940,000 euros) there was still 70 per cent (March 31, 2012: 35 per cent) that was not yet due. The increase in trade receivables mainly results from the annual maintenance invoices issued by MIRUS Software AG in December.

The capital stock of the Company remained unchanged at 7,700,000 euros as at December 31, 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 fiscal 2012/2013.

The fair 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 comprise the following:

Details in '000 euros	
Capital reserves as of March 31, 2012	-121
Disposal of own shares	60
Long Term Incentive Programme	383
Capital reserves as of December 31, 2012	**322**

The accumulated other group result of 268,000 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 OF THE MEMBERS OF THE EXECUTIVE BODIES

As at December 31, 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 December 31, 2012.

No members of the Board of Directors or Supervisory Board have shareholdings in or options on P&I shares as at December 31, 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.

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 was 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 number of the ordinary shares outstanding.

As at December 31, 2012, the weighted average number of shares was 7,529,584. This results in diluted/undiluted earnings per share of 1.90 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 fiscal year 2011/2012 and the accumulated claim, for which an accrual was set up during previous years, was 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 Para. 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, which can be read on the homepage of the Company's internet site.

11. RELATED PARTY DISCLOSURES

Income and expenses from transactions with related parties resulted in the following outstanding items and are composed of the following:

	Receivables		Revenue	
Details in '000 euros	**Dezember 31, 2012**	**March 31, 2012**	**9 Months 2012/13**	**9 Months 2011/12**
Argon GmbH, of Munich[1)]	31,297	40,578	746	308
H.C. Starck GmbH, of Goslar[2)]	3	1	4	66
Total	**31,300**	**40,579**	**750**	**374**

	Liabilities		Expenditure	
Details in '000 euros	**Dezember 31, 2012**	**March 31, 2012**	**9 Months 2012/13**	**9 Months 2011/12**
Argon GmbH, of Munich	0	18,406	2,141	3,584
Total	**0**	**18,406**	**2,141**	**3,584**

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, two further amounts totalling 5.2 million euros were disbursed to Argon GmbH during the current fiscal year. The decrease in the receivables to 31.3 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 December 31, 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.

With regard to the relationship between the Company and natural persons from the Carlyle Group we refer to Section 10 "Notification of voting rights according to § 26, Para. 1, WpHG".

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, February 14, 2013
P&I Personal & Informatik AG

Vasilios Triadis/CEO

FINANCIAL CALENDAR

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

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