

# Interim Financial Report 2/2008

according to  
International Financial  
Reporting Standards  
(IFRS) as of June 30, 2008

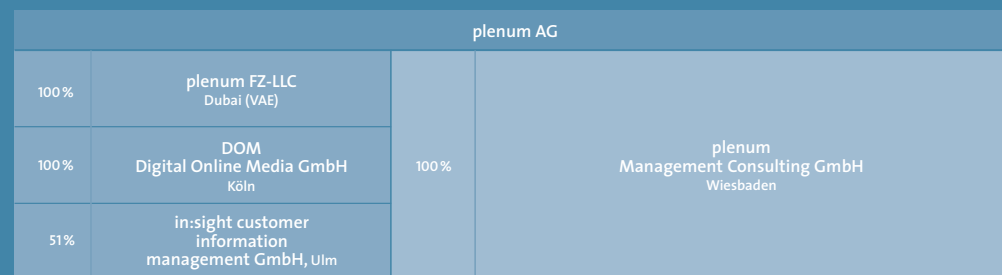
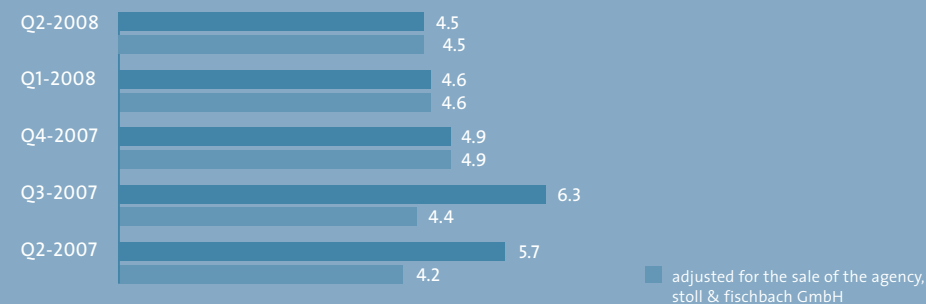
# Overview

Key performance indicators in € thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Sales revenues	4.451	5.688/ 4.224*	9,053	11,217 / 7,346*
Gross profit	1.556	1.832	3,202	3,289
EBITDA	214	-168	492	-403
EBIT	156	-281	372	-630
Group net result	145	-196	398	-517
Thereof attributable to:				
- equity holders of the parent	160	-201	401	-522
- minority interests	-15	5	-3	5
Earnings per share in € (undiluted)	0,01	-0,02	0,03	-0,05
Average number of shares outstanding (undiluted, in thousands)	11.757	9.624	11,757	9,601

Key figures	6/30/2008	12/31/2007
Equity ratio	71.7%	59.2%
Net liquidity* in € thousands	3,393	3,980
Employees	112	114

\* Revenues development as adjusted for the sale of the agency, stoll & fischbach GmbH, in € thousands

## Revenue development in € millions



Organizational structure as of June, 30 2008

# Letter to the Stockholders

Dear Stockholders:

On the whole, sales revenues for the first half year increased by 23% to EUR 9.1 million compared with EUR\* 7.3 million in the same period last year. At the same time, the earnings performance significantly improved with EBIT of EUR 0.4 million (prior year: EUR -0.6 million) and EBIT margin of 4.1% (prior year: -5.6%), thus reaching an outstanding gross margin of 35.4%.



Hartmut Skubch,  
Chairman of the Management Board  
plenum AG, Wiesbaden

The extraordinary growth tempo from the first quarter of over 20% slowed down considerably in the second quarter. If revenues would have risen over 20% in Q1 versus the prior year's quarter, plenum's revenues of EUR 4.5 million in Q2 would have represented growth of 5.4%. Only the first quarter's level (EUR 4.6 million) could be reached instead of the anticipated EUR 4.8 million. Correspondingly, EBIT of about EUR 0.2 million was generated instead of the expected EUR 0.3 million, which represents the earnings performance of the previous quarter.

Uncertainties surrounding the financial crisis coupled with a falling economy resulted in a noticeable restraint by our clients in placing orders over the past months. This development is also reflected in the order backlog, which is more than the 2007 year-end balance, but did however drop by approximately 10% or EUR 0.6 million compared with the end of the first quarter.

Since our main client sectors - banks and insurance - have reduced or even abandoned their own prognoses

in the past weeks, we have also been cautious with our assessment of further business development.

Accordingly, we do not assume a drop in business over the next months, but rather stagnation at the most. When the previous growth tempo should take off again remains to be seen over the next weeks and will indicate which effects this temporary restraint in order placement will have on the annual performance.

Because we assume gross margin of > 30% in the second half year period, positive earnings (EBIT) on the whole are still expected even in the event of the lack of growth.

Regardless of economic developments in Germany and Europe, growth impulses for plenum will be generated from our activities in the emerging markets in the Gulf region. Hence, we were able to win yet another important client with high order potential in Dubai over the past weeks. Our engagement confirms to us that our excellent reputation in Germany counts among one

of the important success factors in expanding our activities even further in this growing market and in gradually reducing our dependency on economic developments on the home front.

Overall, we are convinced that the demand in consulting services will continue to rise in Germany and central Europe. A driving force behind this development is the necessity of banks and insurance companies for further industrialization. Once the losses arising from the financial market crisis have been digested, the structural optimization of companies will have to be addressed at full throttle. In order to be successful and to significantly stand out against the competitors, customers are dependent on competencies like those developed by plenum and offered on the market - customer management, business process optimization, IT management and skill management.

That is why we continue to adhere to our growth target of approximately 15 - 20% for the coming years.

The fixed-cost allocation arising from this plus the targeted gross margin of > 30% already reached will initiate the gradual rise in the EBIT margin to about 12%.

Therefore, I am convinced that our company will continue to perform positively on a lasting basis and that you - our esteemed Stockholders - who have entrusted us, will profit therefrom.

Wiesbaden, August 2008

A handwritten signature in blue ink, appearing to read 'H. Skubch', written over a light blue circular graphic element.

Hartmut Skubch  
Chairman of the Management Board  
plenum AG

\* adjusted for the sale of the agency,  
stoll & fischbach GmbH

# Interim Financial Report

## A. Market and Industry Development

Following the good economic start this fiscal year with Gross Domestic Product (GDP) of 1.3% in Q1, performance slowed down noticeably in Q2. After the powerful expansion of the overall economic production - which also benefited from special effects - in the first quarter 2008, the second quarter was marked by a slight decline in the real GDP by 0.5%. The dampening factors on the German economy are now becoming more noticeable.

In contrast, the GDP rose by 3.1% in Q2 2008 compared with the same quarter last year. Calendar-adjusted, the growth rate represents 1.7%, because the quarter under review had three more working days than the second quarter 2007.

According to the Federal Association of German Management Consultants (BDU), the industry's growth trend remains unbroken also in 2008: After a considerable rise in 2007, an increase of approximately 11% is expected for the fiscal year 2008. Demand is aligned mostly towards consulting projects for strengthening growth and optimizing the organization of the client's company. Vigorous impulses are anticipated to come from the chemicals and pharmaceuticals industry, machinery and equipment construction and from energy and water utilities. In contrast, lesser growth is promised from financial service providers because of turbulences on the international financial markets.

The mood of the high-tech industry is predominantly optimistic. 62 percent of companies expect higher revenues in 2008 and only 15 percent expect a decrease. This is based on the findings from a current quarterly survey of the IT segment from the German Association for Information Technology, Telecommunications and New Media e.V. (BITKOM). Following a pleasing start into the year, dynamics in certain market segments slightly regressed. Parallel to the Ifo economic index, the BITKOM segment index for Q2 fell by four points to 36 points.

Prognosis and segment data from the Federal Association for Digital Economy e.V. (BVDW) continue to indicate a positive industry performance. Thus, the online advertising market reached a new record with almost EUR 2.9 billion in the past year; which, according to experts, is expected to be significantly surpassed with EUR 3.7 billion. However, the industry is seriously affected by a lack of trained professionals and pertinent regulatory measures and threatens to endanger growth according to Arndt Groth, BVDW President.

## B. Sales and new orders

As already noted in the previous interim financial report, the presentation of segments as conducted until 2007 is no longer performed in 2008 because of plenum's positioning as a pure consulting firm.

Jan. 1, 2008	Q1-2008		Q2-2008		June 30, 2008	Calculated lifespan of the order backlog in months
Order backlog € thousands	New orders € thousands	Revenues € thousands	New orders € thousands	Revenues € thousands	Order backlog € thousands	
5,025	5,367	4,602	3,883	4,451	5,222	3.5

Revenues comparison with the prior period is also affected in the second quarter by the disposal of the agency, stoll & fischbach GmbH, as of September 30, 2007: Sales revenues for the first half year 2008 fell by approximately 19% or TEUR 2,164 from TEUR 11,217 to TEUR 9,053. The adjusted sales performance for H1 2008 reflects a rise of approx. 23% or TEUR 1,707 versus the same period last year. Compared with the first quarter, sales revenues in Q2 slightly declined by approx. 3% or TEUR 151 and at TEUR 4,451 are about TEUR 350 below our expectations for this period.

Compared with the end of the fiscal year 2007, the order backlog rose by approx. 4% or TEUR 197 as of June 30, 2008 thus amounting to TEUR 5,222. The order backlog for the first six-month period declined by approx. 10% or TEUR 568 versus the end of the first quarter.

A predominant reason for the sales performance and order backlog is customer restraint in project bidding in the finance and insurance sectors due to the adverse affects from the financial crisis.

## Important projects during the first half year 2008

In the face of customer cautiousness in order placement caused by the financial crisis, plenum was nevertheless able to well assert itself on the market and gained about 30 new projects in the second quarter. Financial service providers are currently under high competitive pressure; whereby they are forced to identify impending changes in a timely manner and to react accordingly. For several companies this takes the form of diverse activities - such as mergers, outsourcing, insourcing activities, strategic partnerships and cost savings programs. In this respect, plenum supports its clients as an experienced IT consultant, with numerous, time-tested and innovative solution concepts.

In IT-Management, plenum successfully leads projects regarding "IT-Cockpit" and "IT Efficiency Audit", which serve to determine the needs for actions with respect to raising efficiency and effectiveness in our customer's companies. Also the strategy consultancy segment, plenum won a new order with the IT service provider of an insurance group. The main focus of the project is

strategy updating and formalization. The goals of the project activities are to gain transparency in perspectives and paths such as an entire picture of the company to outsiders as well as tapping into IT synergies.

Over the past year, plenum successfully supported a leading IT service provider in Germany as part of a project focusing on "optimizing the applications development organization and product marketing". Since the beginning of the first quarter 2008, the System Technology & Operations division has continued a project for designing an organization based on "Change & Run". The customer receives support in project management and in quality assurance measures towards successful transformation of the redesigned organization. On a parallel basis, plenum was appointed with the review and coaching of a start-up project for the customer's intranet. The project's objective is to reduce bureaucracy and to attain a higher acceptance of the intranet by employees. After redesigning, the needs-oriented intranet provides all users with faster and simplified access to the company's information.

Our customers are faced with challenges arising from current legislation, which can frequently only be successfully confronted with external support in terms of time and content. A current project with a transaction bank deals with settlement taxes in effect starting January 1, 2009. Besides the project and specifications management, plenum is responsible for technical consulting, project management of single projects and resource planning for the entire project portfolio.

The projects launched by plenum in 2007 in the United Arab Emirates are still running successfully. The first national health insurance in Emirates Abu Dhabi promises numerous, exciting tasks until the end of 2009. Among others, this includes relaunching the Internet homepage, defining Online Business Processes and the set-up of a support organization with the following functions: e-Channel Management, IT Development and Program Management.

The success of projects depends on trained personnel, which is why plenum is active in the area of developing human resources and trained professionals. At an IT service provider, a development program will be designed and implemented during 2008 for purposes of attaining a vision for working in a more customer and service oriented manner in the future.

### C. Earnings performance and Cost Development

Despite the substantially lower sales revenues versus the same period last year, gross profit declined by TEUR 87 during the first half year 2008. The gross profit margin saw a jump from 29.3% to 35.4%. This was mainly due to the sale of the communications business with weak margins, which was still included in H1 2007. Quarter-on-quarter, Q2 reflected a stable margin of 35% (Q1 2008: 35.8%) based on a slightly lower gross profit of TEUR 1,556.

Compared with the same period last year (TEUR 1,489 or 13.4% of sales), selling costs of TEUR 950 in H1 2008 (10.5% of sales) significantly dropped. The reasons for the predominant drop over the prior year's quarter is in part due to the selling costs for the agency, stoll & fischbach, which were still included as of June 30, 2007, and in part to the lower order backlog at the end of 2006, which necessitated intensified sales activities during the first months in 2007. However, the second quarter's figure of TEUR 569 (12.8% of sales) versus the previous quarter's figure (TEUR 381 or 8.3% of sales) indicated a noticeable rise, which mainly relates to the selling reaction to the weakened market situation.

The administrative costs declined during the first six-month period of 2008 from 23.3% to 19.0% of sales or by TEUR 890 to TEUR 1,721 versus the same period last year. This considerable drop was also due to the differing figures since the administrative costs for the agency, stoll & fischbach, which were still included in H1 2007. Compared with the prior quarter (TEUR 840), the administrative costs of TEUR 881 for Q2 remained at an almost constant level.

Compared with the prior year, research and development costs fell from TEUR 758 to TEUR 609; in relation to sales, this remained virtually constant at 6.7% (H1 2008: 6.8%). The intensity of development of new topics in consulting was maintained also in the second quarter; costs of TEUR 292 in Q2 remained at the prior quarter's level (Q1 2008: TEUR 317).

Since the prior year's net balance of other operating income and expenses (TEUR 895) was largely affected by the release of provisions no longer needed, this period's balance profited from reversals of TEUR 344 and book gains (TEUR 87) from financial assets sold.

Overall, the operating result of TEUR 372 (EBIT) for the first six-month period significantly rose over the same period last year (H1 2007: TEUR -630) and generated an EBIT margin of 4.1%. At TEUR 156 the EBIT in Q2 is however below the prior quarter's amount of TEUR 216 and perceptibly below our expectations. This weak development - which is similar to the development of sale revenues - relates to the noticeable customer restraint in project bidding within the finance and insurance sectors.

Following a financial result of TEUR 11, taxable income of TEUR 15 and the deduction of minority interest of TEUR 3, the Group net result amounted to TEUR 398 for the first half year 2008 (H1 2007: TEUR -517).

### D. Net Assets and Financial Position

Material changes on the assets side versus December 31, 2007 relate to the repayment of loans in the amount of TEUR 828 and the reduction of receivables of TEUR 378 to TEUR 4,134. The movement in non-current assets is marked by the rise in other assets of TEUR 661, which is largely due to the recognition of a repayment claim at present value arising from a bonus payment to a board member for his activities as Managing Director of a group company (Sign-on Bonus). The repayment claim is reduced in accordance with the length of his activities;

the repayment claim will no longer exist by the latest as of December 31, 2011. The payment is included in the cash flow statement under the line item "changes in other assets and liabilities" in the amount of TEUR 823.

Compared with December 31, 2007, the cash and cash equivalents balance declined by TEUR 879 to TEUR 3,570 as of the end of the second quarter 2008. Cash outflow for operating activities were reported in the amount of TEUR 1,771 as of June 30, 2008. Besides the aforementioned line item "changes in other assets and liabilities", this was caused by the payment of annual variable compensation components, which, among others, is attributable to the decrease in provisions (TEUR 1,050). The cash inflow from investing activities in the amount of TEUR 902 is mainly due to the repayment of a loan (TEUR 848).

Because of the decrease in liabilities (TEUR 797), the balance sheet total fell by 12.5% to TEUR 11, 603 in comparison to December 31, 2007.

The equity ratio climbed from 59.2 % as of December 31, 2007 to 71.7 %. While the long-term financial position (the ratio of non-current assets to non-current equity) remained virtually unchanged, the short-term financial position (the ratio of current assets to non-current equity) significantly improved over the end of 2007.

Only minimum replacement investments were conducted during the first six-month period 2008. As disclosed in the Company Annual Report 2007, material capital spending is not planned for 2008.

plenum AG did not pay or propose to pay any interim dividends or make any other distribution for the reporting period from January 1 to June 30, 2008.

## E. Employees

Corresponding to the growth targets, plenum invests in targeted training and in the expansion of our employees in the core business - Consulting.

The focus of recruiting is placed on both the experienced consultant with credentials in client contact and Junior Consultants. In all, the number of employees totaled 112 as of June 30, 2008 (3/31/2008: 112).

## F. Risk Situation Development

No changes have taken place in the risk situation of plenum AG and its subsidiaries since those stated in the Company Annual Report 2007.

## G. Outlook

Because of the slackened economic mood - particularly in the financial service provider market - the Management Board has decided to adjust the strong organic growth targets of 15% and 20% announced at the beginning of the year to the changed risk structure of the market in order to assure continued high capacity utilization and earnings performance.

Since we anticipate a gross margin of > 30% also for the second half year, positive earnings (EBIT) are also expected on the whole even in the case of the lack of growth. We do not expect a business decline in the coming months, but rather stagnation at the most. We anticipate continued annual growth of approximately 15 % to 20 % in the coming years - provided that the economy does not take a dramatic downturn. The related improvement in fixed cost allocation in conjunction with the targeted gross margin of approx. 30 % already reached in 2008 opens up the possibility to gradually raise the EBIT margin to approx. 12%.

## H. Subsequent Events

Events of significant importance for the operations of the company occurring after the balance sheet date have not been identified.

## plenum Stock

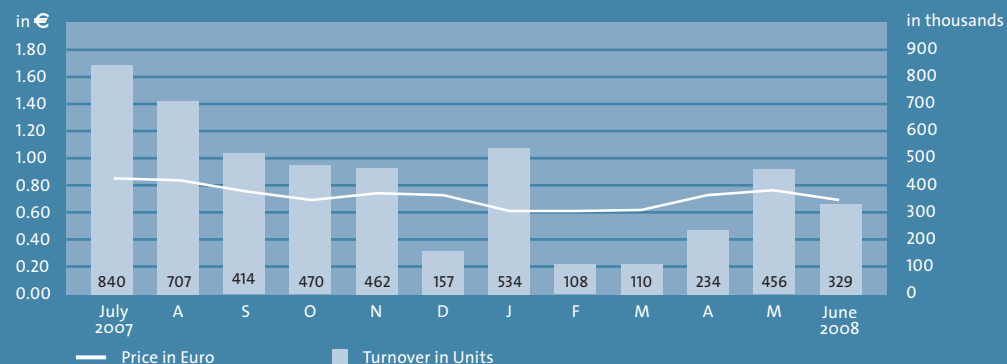
After bottoming at the historically lowest price of EUR 0.68 in March 2008, the plenum stock slightly rose to a higher level in April 2008. Following the figures reported from 2007 and the first quarter ended in 2008, significant interest for the stock was expressed at the end of April. By mid-May the stock reached EUR 1.18 representing this year's highest price-to-date. During the course of the second half of the quarter, profits were realized with a stock price of EUR 1, later stopping to the rate at the beginning of the year and then dropping to about EUR 0.90. This phase of falling stock prices occurred without any substantial revenues and completely parallel to the re-ignited crisis on the global financial markets.

Inssofar, the plenum stock could not avoid the overall collapse of the stock markets. In general, it can be noted that stocks in the Small-Cap area particularly suffered from the strong disinterests expressed by investors - this also applied to plenum. Fewer buyers or sellers were able to generate high volatility within a short time, because there was barely any demand for such instruments, but the supply was also correspondingly scarce.

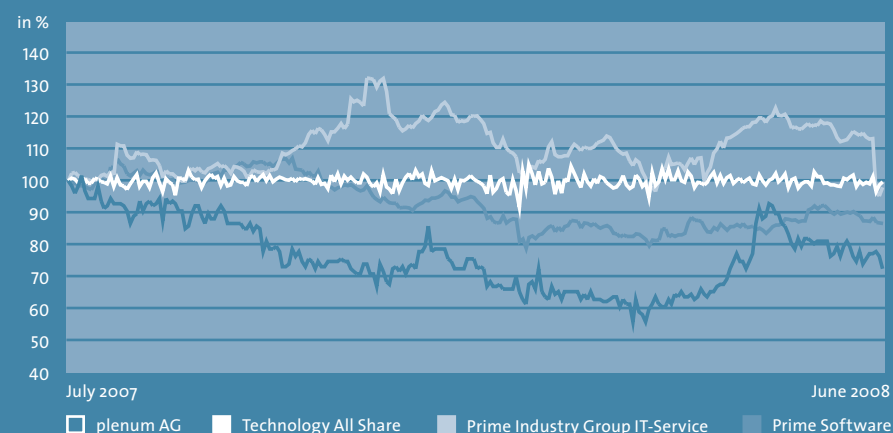
As usual, private investors can download all relevant information concerning investor relations via the company's website: [www.plenum.de/investorrelations](http://www.plenum.de/investorrelations).

# plenum Stock

Price move and trading volume from July 2007 through June 2008



Price move from July 2007 through June 2008 (index-linked)



# Consolidated Income Statement

(unaudited)

€ thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Sales revenues	4,451	5,688	9,053	11,217
Cost of revenues	-2,895	-3,856	-5,851	-7,928
<b>Gross profit</b>	<b>1,556</b>	<b>1,832</b>	<b>3,202</b>	<b>3,289</b>
Selling costs	-569	-772	-950	-1,498
General administrative expenses	-881	-1,350	-1,721	-2,611
Research and development expenses	-292	-530	-609	-758
Other operating income and expenses	342	539	450	948
<b>Operating result</b>	<b>156</b>	<b>-281</b>	<b>372</b>	<b>-630</b>
Financial result	-20	49	11	67
<b>Result from continuing operations before income taxes</b>	<b>136</b>	<b>-232</b>	<b>383</b>	<b>-563</b>
Income taxes	9	36	15	46
<b>Group net result</b>	<b>145</b>	<b>-196</b>	<b>398</b>	<b>-517</b>
Thereof attributable to				
- Equity holders of the parent	160	-201	401	-522
- Minority interests	-15	5	-3	5
Earnings per share (in €, diluted and undiluted) from Group net result	0,01	-0,02	0,03	-0,05
Average number of shares outstanding (in thousands, undiluted)	11,757	9,624	11,757	9,601
Average number of shares outstanding (in thousands, diluted)	11,757	9,629	11,757	9,615

# Consolidated Balance Sheet

(unaudited)

Assets, € thousands	6/30/2008	12/31/2007
Cash and cash equivalents/securities	3,570	4,449
Trade accounts receivable	4,134	4,512
Loans	430	1,258
Prepaid expenses and other current assets	987	1,282
<b>Total current assets</b>	<b>9,121</b>	<b>11,501</b>
Property, plant and equipment	344	402
Intangible assets	43	54
Financial assets	577	592
Non-current tax receivable	658	658
Deferred tax asset	199	59
Other non-current assets	661	0
<b>Total non-current assets</b>	<b>2,482</b>	<b>1,765</b>
<b>Total assets</b>	<b>11,603</b>	<b>13,266</b>

Stockholders' equity and liabilities, € thousands	6/30/2008	12/31/2007
Trade accounts payable	425	1,222
Advance payments received	177	469
Current provisions	1,274	2,336
Income tax payable	2	2
Other current liabilities	400	522
<b>Total current liabilities</b>	<b>2,278</b>	<b>4,551</b>
Deferred tax liabilities	183	43
Pension provision	828	816
<b>Total non-current liabilities</b>	<b>1,011</b>	<b>859</b>
Capital stock	11,757	11,757
Capital reserves	14,524	14,464
Treasury stock	- 83	- 83
Income and expenses recognized directly in equity	24	24
Accumulated losses brought forward	-17,934	- 18,335
Minority interests	26	29
<b>Total stockholders' equity</b>	<b>8,314</b>	<b>7,856</b>
<b>Total stockholders' equity and liabilities</b>	<b>11,603</b>	<b>13,266</b>

# Consolidated Cash Flow Statement

(unaudited)

€ thousands	1/1 to 6/30/2008	1/1 to 6/30/2007
Group net result	401	-522
Minority interests	-3	5
Depreciation	120	227
Income taxes	-15	-46
Gain / loss from disposal of intangible assets and property, plant and equipment	-2	15
Gain from disposal of financial assets	-87	0
Financial result	-11	-67
Other non-cash income and expenses	37	22
<b>Changes in working capital</b>		
Inventories	0	-17
Receivables	378	-658
Prepaid expenses and other assets	282	-301
Trade accounts payable	-797	337
Other liabilities	-115	110
Changes in provisions	-1,050	-875
Changes in other assets and liabilities	-1,045	2
Interest proceeds	36	42
Income tax proceeds	100	0
<b>Cash outflow for operating activities</b>	<b>-1,771</b>	<b>-1,726</b>
Proceeds from the disposal of intangible assets and property, plant and equipment	6	18
Proceeds from the disposal of financial assets	103	0
Payments for the purchase of intangible assets and property, plant and equipment	-55	-118
Proceeds from repayment of loans	848	0
<b>Cash inflow / outflow for investing activities</b>	<b>902</b>	<b>-100</b>
Change in minority interests	-3	0
Net inflow from capital increase	0	400
<b>Cash inflow / outflow for financing activities</b>	<b>-3</b>	<b>400</b>
Change in cash and cash equivalents / securities	-872	-1,426
Changes due to foreign exchange rates	-7	0
<b>Cash and cash equivalents / securities at the beginning of the period</b>	<b>4,449</b>	<b>3,581</b>
<b>Cash and cash equivalents / securities at the end of the period</b>	<b>3,570</b>	<b>2,155</b>

# Statement of Changes in Group Equity

(unaudited)

€ thousands	Number of shares in thousands	Group net result	Capital stock	Capital reserves	Treasury stock	Income and expenses recognized directly in equity	Accumulated loss	Minority interests	Total equity
Jan. 1, 2007	9,577		9,577	14,224	-83	-52	-18,626	0	5,040
Stock Options				22					22
Capital increase	2,180		2,180	217					2,397
Deposits from minority interests								24	24
Group net result		-517					-522	5	-517
June 30, 2007	11,757		11,757	14,463	-83	-52	-19,148	29	6,996
Jan. 1, 2008	11,757		11,757	14,464	-83	24	-18,335	29	7,856
Stock Options				60					60
Group net result		0					398	-3	398
June 30, 2008	11,757	398	11,757	14,524	-83	24	-17,934	26	8,314



## Notes to the Interim Financial Statements for the first half year ended June 30, 2008

### A. General presentation

The consolidated financial statements of plenum AG as at December 31, 2007 were prepared in conformity with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), London, which are endorsed by the European Union, in effect as of the balance sheet date. The consolidated interim financial statements (interim report) as at June 30, 2008, which have been prepared according to International Accounting Standard (IAS) 34 "Interim Financial Reporting", primarily apply the same accounting principles as applied to the consolidated financial statements for the financial year ended 2007. Necessary adjustments did not arise. All binding Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) have been recognized as at June 30, 2008. In addition, this interim report is consistent with the German Accounting Standard No. 6 (DRS 6) – Interim reporting of the German Accounting Standards Committee e.V. (DRSC). The interim financial statements have been neither audited nor reviewed by the Group auditors, Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft. Regarding further information to the individual accounting and valuation principles, please refer to the consolidated financial statements of plenum AG as at December 31, 2007.

From management's standpoint, these unaudited consolidated financial interim statements contain all customary, regular adjustments to be made to give a true and fair view of the company's business development during the interim reporting period. The results generated for the first six months of the financial

year 2008 do not necessarily allow projections to be made about the development of further business trends.

plenum prepares and publishes its consolidated financial statements in euros (€ or EUR). plenum is an international company based in Germany with a balanced portfolio of business activities in the consultancy market.

#### Scope of consolidation

The consolidated financial interim statements of plenum AG as of June 30, 2008 include plenum AG, three domestic subsidiaries and one foreign subsidiary. A change in the scope of consolidated entities as of December 31, 2007 did not arise.

#### Use of estimates

The preparation of consolidated interim financial statements requires the use of estimates and assumptions that may affect the reported amounts of assets, liabilities, disclosure of contingent liabilities as of the balance sheet date (June 30, 2008) as well as the income and expenses during the reporting period (January 1 to June 30, 2008). Existing uncertainties are reasonably taken into account as of the balance sheet date. However, actual amounts could differ from those estimates.

#### Taxes

The current income tax expense reported in the interim financial statements has been determined on the basis of the expected tax rate for the entire year.

### Standards amended during the first six months in 2008

In January 2008, the IASB published the revised standards IFRS 3 "Business Combinations" (IFRS 3 (2008)) and IAS 27 "Consolidated and Separate Financial Statements" (IAS 27 (2008)).

Under IFRS 3 (2008), business combinations continue to be accounted for by the purchase method. The changes affect, for example, the accounting treatment of any minority interest in goodwill and its recognition in stockholders' equity, the recognition of successive business combinations and the treatment of purchase price components and incidental acquisition costs. According to the revised standard, the measurement of minority interests (now called noncontrolling interest (NCI)) can be made either at fair value (Full Goodwill method) or at the fair value of the allocable identifiable net assets. In a successive business combination, revaluation is recognized at the date ownership of the shares held is transferred. An adjustment to contingent purchase price components reported as a payable at the date of acquisition shall be recognized to profit or loss. Incidental acquisition costs shall be recognized as an expense at the date incurred.

Significant changes to IAS 27 (2008) relate to the accounting of business transactions in which plenum retains control, and transactions in which control is lost (changes in ownership interests). Transactions not resulting in the loss of ownership interest shall be recognized as an equity transaction. Remaining shares shall be measured at fair value at the date ownership is lost. Minority interests reported with negative amounts is permissible, i.e. losses will be offset in the future without restriction according to the investment percentage.

Both revised standards are mandatory in annual periods beginning on or after July 1, 2009. These revised standards are not expected to have a material impact on the consolidated financial statements of plenum AG.

## B. Notes to the Consolidated Income Statement

### B1. Other operating income and expenses

The other operating income comprises of the following positions:

€ thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Income from the release of provisions	312	563	344	895
Income from the reduction of valuation allowances	41	5	43	61
Book gains from the disposal of financial assets	0	0	87	0
Other	9	4	16	42
	<b>362</b>	<b>572</b>	<b>490</b>	<b>998</b>

The income from the reversal of provisions relates to personnel accruals in the amount of TEUR 122 for the first half year 2008; of which TEUR 122 relates to Q2 2008 (H1 2007: TEUR 485; Q2 2007: TEUR 161), outstanding invoices of TEUR 32 of which TEUR 0 relates to Q2 2008 (H1 2007: TEUR 29; Q2 2007: TEUR 21) and accommodation of TEUR 134 of which TEUR 134 relates to Q2 2008 (H1 2007: TEUR 328; Q2 2007: TEUR 328). The remaining other operating income items include gains from foreign currency translation of TEUR 5 for the first half year 2008 (H1 2007: TEUR 30).

The other operating expenses amount to TEUR 42 for the first half year, of which TEUR 22 relates to Q2 2008: (H1 2007: TEUR 50; Q2 2007: TEUR 33).

### B2. Financial result

The financial result is broken down as follows:

€ thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Interest income	14	4	30	17
Result from securities and loans	44	48	60	53
Interest and similar expenses	-78	-3	-79	-3
	<b>-20</b>	<b>49</b>	<b>11</b>	<b>67</b>

### B3. Income taxes

The breakdown of income taxes for the Group is as follows:

€ thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Current taxes	9	0	15	0
Deferred taxes	0	36	0	46

### B4. Earnings per share

The earnings per share is calculated by dividing the net result attributable to the equity holders of plenum AG by the weighted average number of ordinary shares outstanding during the period. Earnings per share have diluting effects when the average number of shares increases by conversion of potential ordinary shares issued from option rights. There were no diluting effects in the second quarter of 2008.

## C. Notes to the Consolidated Balance Sheet

### C1. Cash and cash equivalents/securities

The cash and cash equivalents comprise of cash and bank balances with original maturities of less than three months.

The securities under current assets include a short term deposit in a money market fund in the amount of TEUR 535.

### C2. Non-current assets

An amount of T€ 55 was invested in intangible assets and property, plant and equipment and TEUR 22 for financial assets during the reporting period. The non-current assets declined by T€ 120 during the same reporting period for depreciation and amortization and disposals at carrying values totaling TEUR 4. In addition, loans were repaid in the amount of TEUR 848.

### C3. Provisions

The current provisions include provisions for personnel costs in the amount of TEUR 859 (Q2 2007: TEUR 1,663), for outstanding invoices of TEUR 306 (Q2 2007: TEUR 525), for warranties of TEUR 0 (Q2 2007: TEUR 129) and for other miscellaneous provisions of TEUR 109 (Q2 2007: TEUR 179).

#### C4. Stockholders' equity

Capital stock, capital authorized for issue and conditional capital at the beginning (January 1, 2008) and end of the interim reporting period (June 30, 2008) is as follows:

€ thousands	
Capital stock	11,757
Capital authorized for issue	4,789
Conditional capital	235
Conditional capital II	3,832
Conditional capital III	722

On the basis of a resolution passed at the ordinary annual shareholders' meeting of plenum held on July 3, 2008, capital stock, capital authorized for issue and conditional capital is now classified as follows:

€ thousands	
Capital stock	11,757
Capital authorized for issue	5,878
Conditional capital	213
Conditional capital II	3,832
Conditional capital III	722
Conditional capital IV	241

According to a shareholders' meeting resolution dated June 3, 2008, the adjustments made to conditional capital I and the procurement of conditional capital IV serve exclusively to fulfill the options. The removal of the former capital authorized for issue in the amount of EUR 4,788,534 and the procurement of new capital authorized for issue of EUR 5,878,534, which is deemed for cash and capital in-kind increases and expires on June 2, 2013, is intended to serve the management board to execute larger acquisitions and other financing by means of accessing the capital authorized for issue.

In plenum AG's separate financial statements according to German generally accepted accounting principles (HGB) as of June 30, 2008, stockholders' equity amounts to EUR 7.5 million (6/30/2007: EUR 8.4 million). This corresponds to a ratio of 63.8 % of capital stock (6/30/2007: 72%).

plenum continued to hold 16,790 treasury shares as of June 30, 2008, which were acquired at a total price of T€ 83 in 2001 and are offset directly in equity. No treasury shares were acquired, used or drawn during the first half year 2008.

In 2005 and 2007 new option rights were issued to employees of plenum AG and employees of affiliated companies. The capital reserves increased by T€ 60 for the amount of personnel costs reported for the first six months in 2008.

#### Other Disclosures to the Consolidated Income Statement, Balance Sheet and Cash Flow Statement

##### C5. Cost of sales

Cost of sales includes costs for purchased merchandise and services in the amount of TEUR 1.663 for the first half year 2008, of which TEUR 822 relates to Q2 2008 (H1 2007: TEUR 2,097; Q2 2007: TEUR 529).

##### C6. Personnel expenses

The personnel expenses are broken down as follows:

€ thousands	Q2-2008	Q2-2007	1/1 to 6/30/2008	1/1 to 6/30/2007
Wages and salaries	2,292	2,903	4,603	5,807
Social security costs	262	376	513	747
Expenses for pension benefits	11	41	58	67
	2,565	3,320	5,174	6,621

The average number of employees was 112 for the first half year 2008 (H1 2007: 171).

##### C7. Stock-based compensation

Stock options were not issued in the first half year 2008.

##### C8. Consolidated Cash Flow Statement

The cash flow statement does not take into account non-cash increases in the capital reserve of TEUR 60 (H1 2007: TEUR 22).

##### Segment information

Following the disposal of plenum stoll & fischbach GmbH as of September 30, 2007, the plenum Group now focuses its activities on the primary business segment: Management Consulting for strategy development, efficiency improvements and new organization of IT Management/Consulting. The plenum Group does not currently have material, autonomous services that would qualify as a segment.

## C9. Executive bodies of the company

The stock held and stock option rights of the executive bodies of plenum AG are presented as follows:

Shares held by the Management Board Number of shares	Hartmut Skubch	Klaus Gröne	Michael Rohde	Total
Jan. 1, 2008	1,891,253	20,453	6,700	1,918,406
<b>June 30, 2008</b>	<b>1,891,253</b>	<b>20,453</b>	<b>6,700</b>	<b>1,918,406</b>

Stock options of the Management Board Number of shares	Hartmut Skubch	Klaus Gröne	Michael Rohde	Total
Jan. 1, 2008	118,000	80,000	90,000	288,000
<b>June 30, 2008</b>	<b>118,000</b>	<b>80,000</b>	<b>90,000</b>	<b>288,000</b>

Shares held by the Supervisory Board Number of shares	Michael Bauer	Dr. Wolfgang Händel	Norbert Rohrig	Total
Jan. 1, 2008	370,360	17,750	34,200	422,310
<b>June 30, 2008</b>	<b>370,360</b>	<b>17,750</b>	<b>34,200</b>	<b>422,310</b>

## C10. Subsequent events

Important events occurring after the interim balance sheet date did not arise.

## C11. Related party transactions

€ thousands	Liabilities arising from Services used		Expenses incurred for Services used			
	6/30/2008	6/30/2007	Q2-2008	Q2-2007	H1 2008	H1 2007
Informatik Consulting Bauer GmbH, Moos	0	15	3	40	9	56
KomPuls GmbH, Eltville	-24	0	104	2	167	112
Norbert Rohrig	17	0	67	48	177	83
	<b>-7</b>	<b>15</b>	<b>174</b>	<b>90</b>	<b>353</b>	<b>251</b>

With the approval of the Supervisory Board on October 9, 2002, plenum AG granted a loan on October 10, 2002 to Hartmut Skubch, Chairman of the Management Board of plenum AG, in the amount of TEUR 400. The loan was subject to an interest rate of 5% p.a. due upon maturity and had an original term of three years. With the approval of the Supervisory Board on November 25, 2002, plenum AG granted Mr. Skubch another loan on December 6, 2002 in the amount of TEUR 600. This loan was also subject to a 5% interest rate and had an original term of four years. With the approval of the Supervisory Board on August 27, 2007, both loans were extended until December 31, 2008.

Mr Skubch repaid a portion of the loan in the total amount of TEUR 848 in June 2008. The remaining amount of the loan (TEUR 430) will be repaid including interest accrued until June 30, 2008 in accordance with a loan repayment agreement concluded between the company and Mr Skubch extending over a period until 2012. The remaining loan amount is secured by a personal guarantee from the Chairman of the Supervisory Board, Michael Bauer (TEUR 420).

## Responsibility Statement

We declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the future de-velopment of the Group for 2008.

The Management Board



Hartmut Skubch



Klaus Gröne



Michael Rohde

This document is a free translation into English of the original German text. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the German version, which is the authentic text.



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