Reply
Living network

Reply Deutschland AG
Quarterly Report 3/2011

Reply Deutschland at a Glance

Criterion		Q1-Q3 2011	Q1-Q3 2010	Change
Revenue	Euro million	43.9	43.7	+ 0%
EBITDA	Euro million	4.86	3.35	+ 45%
EBIT	Euro million	4.11	2.21	+ 86%
EBT	Euro million	4.13	2.27	+ 82%
Net profit for the period	Euro million	2.63	1.38	+ 91%
Earnings per share (basic)	Euro	0.55	0.29	+ 91%
Earnings per share (diluted)	Euro	0.55	0.29	+ 91%
Return on revenue (EBITDA)	%	11.1	7.7	
Return on revenue (EBIT)	%	9.4	5.1	
Return on revenue (EBT)	%	9.4	5.2	
Payroll employees (average fulltime equivalents)		392	402	(3)%
Payroll employees (end of period)		393	411	(4)%
Balance sheet total	Euro million	50.4	52.8 [1)]	(5)%
Equity	Euro million	31.0	30.5 [1)]	+ 2%
Liquid funds	Euro million	21.3	22.0 [1)]	(3)%
Change in cash and cash equivalents	Euro million	(0.63)	(2.37)	
Cash flow according DVFA/SG	Euro million	3.78	3.11	+ 22%
Number of shares		4,749,039	4,745,069	+ 0%

1) Comparative Figures as at 12/31/2010

Report of the Executive Board

Welcome to Reply Deutschland

Maybe you already remarked: the layout of the current quarterly report formally demonstrates what was initiated in the 2nd quarter: syskoplan AG is called Reply Deutschland AG now and appears under the uniform, popular and agile IT brand Reply in Europe in future.

Reply Deutschland AG manages all German Reply activities. The different business units focus on the following topics under the new brand roof:

- Syskoplan Reply remains the strong brand for all SAP activities of the group.
- Cluster Reply is responsible for the Microsoft activities in the Reply group.
- The label Macros Reply stands for document management and workflow processes, primarily in the area of financial services.
- Xpress Reply is the competence center for business processes and IT solutions in retail industry.
- Xuccess Reply renders consulting services in the areas of regulatory supervision and bank management.
- The consumer goods and computer center activities – today subsumed under is4 – will be active with the label 4brands Reply in the future. The prerequisites for the rebranding of this unit in the 4th quarter 2011 were created in meantime.
- With Twice Reply another company founded as a startup will start its business activities in the 4th quarter 2011. The unit will work in the areas of media, telecommunications and gaming.

The change of the name was executed at the stock exchange during the third quarter. Under Reply Deutschland AG the company remains listed in the Prime standard at the German stock exchange in Frankfurt.

Course of business

In first nine months of 2011 Reply Deutschland Group achieved sales of Euro 43.9 million. In comparison to the first nine months of 2010 sales remained unchanged.

The performance of the business segments of Reply Deutschland Group varied. While the segment "System Integration" was able to increase its business by 9% to Euro 34.4 million, the segments "Consulting" [(16)% to Euro 5.1 million] and "Managed Services" [(35)% to Euro 5.3 million] posted declining revenues. "Managed Services" suffered from the expired contract with an outsourcing client.

In terms of industries the increase in retail business normalized posting a growth of 6% to Euro 7.2 million. In manufacturing a growth rate of 8% to Euro 11.9 million was achieved. Business in Financial Services decreased by 10% to Euro 20.0 million, nevertheless remaining the largest Reply Deutschland industry with a current business share of 46%.

In the third quarter 2011 revenue decreased by 19% to Euro 12.9 million – compared to the respective quarter of 2010. In relation to the second quarter 2011 a reduction of 14% had to be posted.

Personnel

As of September 30, 2011, the Reply Deutschland Group employed 393 members of staff [12/31/2010: 409 employees]. Converted to the average number of full-time staff, the personnel capacity – compared to the same period the previous year – decreased by 3% to 392 employees.

Cost development

In a year-on-year comparison, total costs during the course of business decreased by 2%, or by Euro 0.8 million, to Euro 41.0 million. Included here were personnel costs of Euro 24.3 million, decreasing by 5%. The operating expenses totaling Euro 11.1 million were 2% under the level of the previous year.

Manufacturing costs decreased by 1% to Euro 32.2 million during the reporting period, with personnel costs down by 4%. Costs for purchased services in-

creased 15% to Euro 5.6 million – due to the increased usage of freelancers – while other operating expenses decreased 2% to Euro 6.9 million. Marketing costs fell by 7% compared to the level of the previous year, bringing them to Euro 4.1 million. Personnel costs in this category decreased 12% whereas operating expenses did not change in a year-on-year comparison. Also administrative costs were down by 3% compared to the same period the previous year, amounting to Euro 4.7 million. Personnel costs fell by 4% as well as operating expenses decreased by 2% to Euro 2.4 million.

Earnings and profitability situation

Earnings before taxes, interest, depreciation and amortization [EBITDA] with Euro 4.86 million were 45% above the level of the previous year. Earnings before taxes and interest [EBIT] amounted to Euro 4.11 million during the reporting period, or 86% higher than the EBIT of the same period the previous year. Earnings before taxes [EBT] amounted to Euro 4.13 million compared to Euro 2.27 million the previous year. During the present course of business, the Reply Deutschland Group achieved a net profit of Euro 2.6 million after deducting taxes and minority interests, 91% above previous year's level of Euro 1.4 million. This represented earnings per share of 55 cents [previous year: 29 cents]. Results from discontinued operations are not posted any longer since 2011.

While interpreting the profit development it has to be taken into account that the settlement of two larger projects caused one-off special effects which have influenced the result positively. The possible resumption of these projects most likely will not be carried out before the year 2012.

After adjustment measures in the first half-year 2011, a positive EBT of Euro 0.1 million in the third quarter 2011 was recorded in the segment Managed services.

Development of key balance sheet items

The balance sheet total decreased slightly by 5% compared to the final figures of 2010, bringing it to Euro 50.4 million. Non-current assets remained unchanged at the level reached at the end of 2010 while current assets fell by 6% to Euro 33.5 million. The reduction of liquid assets to Euro 21.3 million following 22.0 Euro million at year-end 2010, the decrease of trade receivables by 9% to Euro 10.9 million and the decrease of tax assets from Euro 1.0 million to Euro 0.1 million were accompanied by a slight increase of other non-financial assets.

On the liabilities side of the balance sheet, shareholders' equity remained constant at the end of 2010 level, amounting to Euro 31.0 million. The capital ratio rose from 58% to 62% on September 30, 2011. While long-term liabilities declined slightly to Euro 7.3 million, current liabilities fell by 19% to Euro 12.1 million. The development of current liabilities was mainly due to the decrease of trade payables [(66%) to Euro 0.8 million] and the reduction of provisions [(14%) to Euro 4.9 million].

Development of cash flow

For the first nine months of 2011, the cash flow statement showed an operating inflow of funds of Euro 3.1 million [previous year: inflow of Euro 1.2 million]. The improvement was mainly due to the significantly improved operating income (EBIT). In the definition according to DVFA/SG, cash flow in the first nine months was Euro 3.78 million compared to Euro 3.11 million during the same period the previous year. This represents an increase of Euro 0.67 million in a year-on-year comparison.

Liquid assets of Euro 0.5 million were used for investments during the reporting period [previous year: cash outflow Euro 1.5 million]. The cash outflow from financing activities increased 58% to Euro 3.2 million, following Euro 2.0 million in first nine months 2010. The general meeting in June 2011 decided to pay a dividend of 45 cents per share [2010: 15 cents per share]. Apart from that significantly increased amortization of financial lease obligations was posted.

The liquidity amounted to Euro 21.3 million on September 30. Only a slight cash reduction of Euro 0.6 million was noted compared to December 31, 2010.

Outlook

All in all Reply Deutschland is moving along the announced development path at present. The profitability develops solidly as demonstrated by the EBITDA margin improved by 3.4% points to 11.1%, compared with

the previous year. The pre-tax result has developed still better; the margin almost has doubled in comparison with 2010. As expected the revenue was on last year's level till now. The settlement of two larger projects, whose possible resumption most likely will not be carried out before the year 2012, explains the business development particularly in the third quarter.

In the fourth quarter revenue shall improve again. For the financial year 2011 Reply Deutschland expects to be able to slightly improve the EBITDA margin of 10.1% obtained in 2010. Revenue shall be in a range of Euro 58 million to Euro 59.5 million (previous year: Euro 60.2 million).

Worries accelerate that the willingness to invest of the enterprises could decrease in view of the unsolved sovereign debt and banking crisis. The business climate index of the Ifo institute decreased in consequence in September for the third time. An economic slowdown could follow the good current business situation.

Reply Deutschland almost has completed the project "truly colorful", the implementation of a popular European brand in a network with more than 3.000 employees in Europe. We want to show truly colorful in competition and society in future. In this sense, furthermore we want to add various colorful accents for you as Reply Deutschland; by team spirit, innovative IT solutions and by the quality of our services you know of us. New colorful accents are under way, by further startup companies and acquisitions in planning.

Gütersloh, October 2011

Reply Deutschland AG
The Executive Board

Consolidated Financial Statements

Group Balance Sheet

Assets (all figures in Euro thousand)	09/30/2011	12/31/2010	Change
Non-current assets			
Goodwill	10,159	10,171	(0)%
Other intangible assets	60	85	(29)%
Property, plant, and equipment	3,648	3,851	(5)%
Financial assets	2,822	2,694	5%
Deferred tax assets	148	115	28%
Total non-current assets	**16,837**	**16,916**	**(0)%**
Current assets			
Trade accounts receivable and other assets	10,868	11,932	(9)%
Other financial assets	285	356	(20)%
Tax assets	200	981	(80)%
Other non-financial assets	870	633	38%
Cash at bank and cash in hand	21,315	21,950	(3)%
Total current assets	**33,538**	**35,852**	**(6)%**
Balance sheet total	**50,375**	**52,768**	**(5)%**

Liabilities (all figures in Euro thousand)	09/30/2011	12/31/2010	Change
Equity			
Subscribed capital	4,751	4,746	0%
Capital reserve	19,251	19,218	0%
Retained earnings	7,017	6,505	8%
Reserve for hedges	0	(38)	(100)%
Treasury stock	0	(2)	(100)%
Equity held by shareholders of Reply Deutschland AG	**31,019**	**30,429**	**2%**
Non-controlling shareholders' interest	25	25	0%
Total equity	**31,044**	**30,454**	**2%**
Non-current liabilities			
Obligations to compensate minority partners in limited partnerships	2,665	2,665	0%
Bank loans	863	978	(12)%
Pension obligations	2,564	2,487	3%
Provisions	815	988	(18)%
Other financial liabilities	184	239	(23)%
Deferred tax liabilities	167	0	
Total non-current liabilities	**7,258**	**7,357**	**(1)%**
Current liabilities			
Provisions	4,850	5,647	(14)%
Tax liabilities	220	295	(25)%
Bank loans	115	115	(0)%
Trade accounts payable	842	2,490	(66)%
Other financial liabilities	2,292	2,005	14%
Other liabilities	3,754	4,405	(15)%
Total current liabilities	**12,073**	**14,957**	**(19)%**
Total liabilities	**19,331**	**22,314**	**(13)%**
Balance sheet total	**50,375**	**52,768**	**(5)%**

Group Statement of Cash Flows

		Period
All figures in Euro thousand	**Q1-Q3 2011**	**Q1-Q3 2010**
Cash flow from operating activities		
Net profit for the period	2,634	1,377
Income tax	1,246	711
Result from discontinued operations	0	0
Expenses from revaluation of compensation obligations and from allocation of earnings to the minority partner in limited partnerships	249	178
Financial result before expenses related to the minority partner in limited partnerships	(21)	(54)
Operating income (EBIT)	**4,108**	**2,212**
Depreciation and amortization of non-current assets	755	1,141
Other non-cash items	10	(8)
Change in provisions	(817)	1,615
Profit/loss from the disposal of non-current assets	2	8
Change in receivables and other assets attributable to operating activities	897	(4,097)
Change in liabilities attributable to operating activities	(1,506)	1,192
Interest payments made	(116)	(91)
Interest payments received	146	145
Received dividend	0	0
Income tax payments made	(423)	(904)
Cash flow from operating activities	**3,056**	**1,212**

		Period
All figures in Euro thousand	**Q1-Q3 2011**	**Q1-Q3 2010**
Cash flow from investment activities		
Payments for investments in property, plant, and equipment and other intangible assets	(370)	(349)
Payments for investments in other non-current financial assets	(104)	(112)
Payments for / inpayments from deposits with a fixed term of more than 3 months	0	800
Payments for the acquisition of subsidiaries	0	(1,879)
Proceeds from the sale of property, plant, and equipment	(2)	(6)
Proceeds from the sale of non-current financial assets	0	0
Cash flow from investment activities	**(476)**	**(1,546)**
Cash flow from financing activities		
Dividends paid to shareholders and minority shareholders	(2,138)	(745)
Withdrawal of profits by minority partners in limited partnerships	(252)	(647)
Payments from the issue of new shares	38	104
Proceeds from the sale of treasury stock	18	8
Receipt of outstanding capital contributions from minority shareholders	0	0
Payments for the purchase of treasury stock	0	0
Payments for the acquisition of minority shares of dominated subsidiaries	(100)	(156)
Payments for the redemption of loans	(115)	(115)
Payments for the redemption of finance lease liabilities	(666)	(488)
Cash flow from financing activities	**(3,215)**	**(2,039)**
Change in cash and cash equivalents	**(635)**	**(2,372)**
Cash and cash equivalents at beginning of period	21,950	19,096
Cash and cash equivalents at end of period	**21,315**	**16,724**
plus deposits at banks with a fixed term of more than 3 months	0	0
Cash and cash equivalents in balance sheet	**21,315**	**16,724**

Group Statement of Changes in Shareholders' Equity

All figures in Euro thousand	Subscribed capital	Capital reserve	Retained earnings
Status as at 01/01/2010	**4,731**	**19,106**	**5,419**
Net profit for the period	0	0	2,168
Other income	0	0	0
Total result for the period	**0**	**0**	**2,168**
Dividends	0	0	(714)
Compensatory item for additional acquisitions of minority shares	0	0	(335)
Issuing of new shares	15 *	93	0
Changes from treasury stock	0	19	(32)
Status as at 12/31/2010	**4,746**	**19,218**	**6,505**
Net profit for the period	0	0	2,634
Other income	0	0	0
Total result for the period	**0**	**0**	**2,634**
Dividends	0	0	(2,138)
Compensatory item for additional acquisitions of minority shares	0	0	0
Issuing of new shares	5 *	33	0
Changes from treasury stock	0	0	16
Status as at 09/30/2011	**4,751**	**19,251**	**7,017**

** Due to the exercise of stock options the subscribed capital in 2011 increased by Euro 4,892 (financial year 2010: Euro 14,991)*

Group Statement of Overall Results

All figures in Euro thousand	Q1-Q3 2011	Q1-Q3 2010
Net profit for the period	**2,634**	**1,377**
Results from cash flow hedges recognized directly in equity	55	(23)
Deferred taxes on results directly recognized in equity	(17)	7
Other income	**38**	**(16)**
Total result for the period	**2,672**	**1,361**
Of which attributable to:		
shareholders of Reply Deutschland AG	2,672	1,361
non-controlling shareholders	0	0

Reserve for hedges	Treasury stock	Equity held by shareholders of Reply Deutschland AG	Non-controlling shareholders' interest	Total equity
(31)	**(8)**	**29,217**	**118**	**29,335**
0	0	2,168	0	2,168
(7)	0	(7)	0	(7)
(7)	**0**	**2,161**	**0**	**2,161**
0	0	(714)	(33)	(747)
0				
	0	(335)	(60)	(395)
0	0	108	0	108
0	6	(7)	0	(7)
(38)	**(2)**	**30,429**	**25**	**30,454**
0	0	2,634	0	2,634
38	0	38	0	38
38	**0**	**2,672**	**0**	**2,672**
0	0	(2,138)	0	(2,138)
0				
	0	0	0	0
0	0	38	0	38
0	2	18	0	18
0	**0**	**31,019**	**25**	**31,044**

Group Income Statement

All figures in Euro thousand	Q1-Q3 2011	Q1-Q3 2010	Financial Year Change
Revenue	43,855	43,695	0%
Cost of revenue	32,201	32,500	(1)%
Gross profit/loss from sales	**11,654**	**11,195**	**4%**
Selling and marketing expenses	4,086	4,387	(7)%
General administrative expenses	4,690	4,847	(3)%
Other operating income	1,447	427	>100%
Other operating expenses	217	176	23%
Operating income (EBIT)	**4,108**	**2,212**	**86%**
Interest income	146	101	44%
Interest expenses	116	91	27%
Other financial income/expense	(9)	44	<(100)%
Financial result before expenses related to the minority partner in limited partnerships	**21**	**54**	**(61)%**
Earnings before taxes and expenses for group-external limited partners	**4,129**	**2,266**	**82%**
Income tax	1,246	711	75%
Expenses from revaluation of compensation obligations and from allocation of earnings to the minority partner in limited partnerships	249	178	40%
Net profit for the period	**2,634**	**1,377**	**91%**
Of which attributable to:			
shareholders of Reply Deutschland AG	2,634	1,377	91%
non-controlling shareholders	(0)	(0)	(71)%
Total	**2,634**	**1,377**	**91%**
Earnings per share (Euro)			
- basic	0.55	0.29	91%
- diluted	0.55	0.29	91%
Weighted average number of shares outstanding			
- basic	4,749,039	4,745,069	0%
- diluted	4,749,039	4,745,069	0%

Notes to the Quarterly Report

1 Accounting principles

These unaudited financial statements to September 30, 2011 have been prepared in accordance with IFRS and the relevant interpretations of the International Accounting Standards Board (IASB) for Interim Financial Reporting (IAS 34) as applicable in the European Union per September 30, 2011. Therefore, these interim financial statements do not include all of the information and disclosures required by IFRS for consolidated financial statements at the end of the financial year.

In principle, the applied accounting and valuation standards correspond with the methods applied as at December 31, 2010 for the consolidated financial statements.

When producing the financial statements, it is sometimes necessary to make estimates and assumptions for the evaluation of certain assets and liabilities. No changes occurred compared to those used in the consolidated financial statements as at December 31, 2010.

The consolidated financial statements are in Euro. All figures are in Euro thousand. The financial year of Reply Deutschland AG and all subsidiary firms included in the consolidation scope represents the legal year. Seasonal or cyclical effects did not have major impacts on these interim financial statements. In the period under review no events have occurred with a material influence on the company's asset, financial and earnings position.

2 IFRSs issued but neither EU endorsed nor yet adopted

In November 2009, the IASB published IFRS 9 Financial Instruments as part of its project of a revision of the accounting guidance for financial instruments. Requirements for financial liabilities were added to IFRS 9 in October 2010. The requirements for financial liabilities were carried forward unchanged from IAS 39, with the exception of certain changes to the fair value option for financial liabilities that address the consideration of own credit risk. The new standard provides guidance on the accounting of financial assets and financial liabilities as far as classification and measurement are concerned. The standard will be effective for annual periods beginning on or after January 1, 2015 (changed in the IASB meeting of July 22, 2011). Earlier application is permitted. The group will not early adopt IFRS 9 Financial Instruments for 2011. Reply Deutschland AG will determine the expected effects on the group's consolidated financial statements.

On May 12, 2011 the IASB published IFRS 10. IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The group will not early adopt IFRS 10 Consolidated Financial Statements for 2011. Reply Deutschland AG will determine the expected effects on the group's consolidated financial statements.

On May 12, 2011 the IASB published IFRS 11. IFRS 11 Joint Arrangements provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The group will not early

adopt IFRS 11 Joint Arrangements for 2011. Reply Deutschland AG will determine the expected effects on the group's consolidated financial statements.

On May 12, 2011 the IASB published IFRS 12. IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The group will not early adopt IFRS 12 Disclosure of Interests in Other Entities for 2011. Reply Deutschland AG will determine the expected effects on the group's consolidated financial statements.

With IFRS 13 Fair Value Measurement, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) issued on May 12, 2011 new guidance on fair value measurement and disclosure requirements for International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP). The harmonization of fair value measurement and disclosure requirements internationally also forms an important element of the boards' response to the global financial crisis. For IFRSs, IFRS 13 Fair Value Measurement will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It also reflects the FASB's consideration of the different characteristics of public and non-public entities and the needs of users of their financial statements. Non-public entities will be exempt from a number of the new disclosure requirements. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The group will not early adopt IFRS 13 Fair Value Measurement for 2011. Reply Deutschland AG will determine the expected effects on the group's consolidated financial statements.

3 Changes in Equity

On the closing date, the total number of registered shares of Reply Deutschland AG was 4,750,561. The total number of subscription rights to Reply Deutschland AG shares issued as a part of the stock option plan amounts to 290,520. Of these, 4,892 options were exercised in the first nine months 2011. The stock option plan is finalized. The remaining 18,589 outstanding stock options expired.

As at end of September 2011 no shares were held as treasury stock. Thus the number of own shares reduced by 1,720 shares compared to December 31, 2010.

4 Changes in the scope of consolidation

In the first nine months 2011 no changes in the scope of consolidation occurred.

5 Segment reporting

Based on comparable core competencies, margins and ways of value performance the several business units are categorized to the segments Consulting, System Integration and Managed Services:

→ In the segment Consulting Reply Deutschland delivers consulting services in the area of regulatory bank reporting and bank management.

- The business units classified in the segment System Integration are based on a project-related business model. By means of standard software primarily from SAP or Microsoft, the business units develop innovative IT-solutions uniquely adapted to the requirement of the clients.
- In the segment Managed Services Reply Deutschland group offers outsourcing services primarily for medium-sized businesses, running their business processes in an SAP environment. The business is mainly based on a service model founded on long-term contracts. The main part of the segment's revenues is derived from data center operations for Reply Deutschland AG and further local clients. Services in the areas application management and data center-related consulting are rendered additionally.

These groups of business units represent the reportable operational segments classified in the sense of IFRS 8.12 to the segments Consulting, System Integration and Managed Services. Cross-divisional functions such as finance, marketing, HR, IT or investor relations are centrally operated by departments within the Reply Deutschland holding company.

All figures in Euro thousand — **Segments (1)**

	Consulting			System Integration		
	Q1-Q3 2011	**Q1-Q3 2010**	**Delta**	**Q1-Q3 2011**	**Q1-Q3 2010**	**Delta**
Revenue	5,108	6,062	(16)%	34,423	31,706	9%
of which internal:	675	0		600	442	36%
of which external:	4,433	6,062	(27)%	33,823	31,263	8%
EBIT	756	988	(23)%	6,004	4,369	37%
EBT	759	992	(23)%	5,929	4,330	37%
Employees (FTE)	33	35	(4)%	279	270	3%

All figures unconsolidated

All figures in Euro thousand — **Segments (2)**

	Managed Services			Headquarter		
	Q1-Q3 2011	**Q1-Q3 2010**	**Delta**	**Q1-Q3 2011**	**Q1-Q3 2010**	**Delta**
Revenue	5,280	8,126	(35)%	4,438	40	>100%
of which internal:	1,028	1,796	(43)%	3,091	0	
of which external:	4,252	6,330	(33)%	1,347	39	>100%
EBIT	88	384	(77)%	(2,741)	(3,529)	22%
EBT	68	342	(80)%	(2,627)	(3,398)	23%
Employees (FTE)	46	67	(31)%	34	31	11%

All figures unconsolidated

IFRS 8 requires sales to customers who account for more than 10% of total sales to be disclosed, along with the segments concerned. In the first nine months 2011, more than 10% of total sales were generated with two customers. These single customers accounted for 12% of total sales (previous year: 9%) (segment system integration) and accordingly for 18% (previous year: 17%) (segment system integration).

The reconciliation of the total segment result to the earnings before tax and before expenses relating to limited partners of subsidiaries is as follows:

6 Reconciliation statement

All figures in Euro thousand	Reconciliation		Group key figures	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Revenue	(5,395)	(2,240)	43,855	43,695
of which internal:	(5,395)	(2,240)	0	0
of which external:	0	0	43,855	43,695
EBIT	0	0	4,108	2,212
EBT	0	0	4,129	2,266
Employees (FTE)	0	0	392	402

Figures in the reconciliation column for revenue refer to consolidation figures. The sales relationships between segments involve pooling human resources for customer projects and providing computer center services. Staff services are invoiced at project-specific daily rates. Computer center services are billed on the basis on contracts concluded between the Group companies.

7 Relationships with associated companies and individuals

During the period from January 1 to September 30, 2011, the Group entered into legal transactions with Reply S.p.A. and its associated companies at market conditions. These transactions resulted in other income of Euro 1,705 thousand and expenses of Euro 339 thousand. As of September 30, 2011, there were Euro 974 thousand in receivables from and Euro 267 thousand in liabilities to associated companies and individuals.

Associated companies and individuals are Reply S.p.A. as the direct majority shareholder of Reply Deutschland AG, its associated companies, the members of the Consiglio di Amministrazione and the Collegio Sindacale of Reply S.p.A. and the members of the Executive Board and Supervisory Board of Reply Deutschland AG. Furthermore, Alika s.r.l., and Dott. Mario Rizzante are considered associated individuals as they are indirect majority shareholders.

These companies and individuals hold the following shares and options as at September 30, 2011:

			Number
Person	**Function**	**Shares**	**Options**
Josef Mago	Chairman of the Executive Board	0	0
Dr. Jochen Meier	Member of the Executive Board	1	0
Dott. Flavia Rebuffat	Member of the Executive Board	0	0
Dott. Mario Rizzante	Chairman of the Supervisory Board	3,839,259*	0
Dr. Niels Eskelson	Deputy Chairman of the Supervisory Board	500	0
Dott. Daniele Angelucci	Supervisory Board member (since 06/29/2011)	0	0
Dr. Stefan Duhnkrack	Member of the Supervisory Board	0	0
Dott. Riccardo Lodigiani	Supervisory Board member (until 06/29/2011)	0	0
Dr. Markus Miele	Member of the Supervisory Board	0	0
Dott. Tatiana Rizzante	Member of the Supervisory Board	0	0
Reply Deutschland AG	Treasury stock	0	0

**These shares are assigned directly and indirectly to Mr. Rizzante.*

In the first nine months 2011 the number of shares of Dr. Jochen Meier with 1 share remained unchanged.

8 Special events after the closing date

Since September 30, 2011 no substantive events have occurred with a material influence on the company's asset, financial and earnings position.

Gütersloh, October 2011

Reply Deutschland AG
The Executive Board

Company Calendar

Date	Occasion	Place
October 28, 2011	Report on Q3 2011	Gütersloh
February 1, 2012	Preliminary results of financial year 2011	Gütersloh
February 1, 2012	Financial press conference	Gütersloh
March 30, 2012	Publication of Annual Report 2011	Gütersloh
May 4, 2012	Report on Q1 2012	Gütersloh
June 13, 2012	Annual general meeting	Gütersloh
June 14, 2012	Payment of dividend	Gütersloh
July 27, 2012	Report on Q2 2012	Gütersloh
October 31, 2012	Report on Q3 2012	Gütersloh

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