



SoftM

2008

THIRD QUARTER GROUP REPORT
SEPTEMBER 30, 2008

- EBITDA increases to 2.9 million euro (previous year 1.4)
- Significant EBIT increase to 0.5 million euro (previous year -1.4)
- Nine month revenues of 39.7 million euro (previous year 40.3)
- Software revenues after three quarters of 14.9 million euro (previous year 13.9)

SoftM Software und Beratung AG

GROUP REPORT AS OF SEPTEMBER 30, 2008 IN ACCORDANCE WITH IFRS/IAS (NOT AUDITED)

The positive developments of the first six months of 2008 at SoftM continued in the third quarter. The result, thereby, increased substantially. The EBITDA in the first nine months improved to 2.9 million euro (previous year -1.4). EBIT rose to 0.5 million euro which represented an increase of 2 million euro compared to the previous year (previous year -1.4). Total revenues of 39.7 million euro approximately reached those of the previous year (previous year 40.3). Software revenues increased to 14.9 million euro (previous year 13.9) There was a significant increase in total revenues for the third quarter alone to 13.2 million euro (previous year 12.0).

The nine month report has been neither audited nor has it undergone audit verification.

STANDARD SOFTWARE

The standard software business unit – incorporating licensing and service fees – recorded revenues after nine months of 14.9 million euro (previous year 13.9) representing an increase of 7 percent over the previous year. This growth can especially be traced back to the new Java based ERPII platform Semiramis which is being directly marketed by SoftM and partners. Additional sales success is being achieved by means of newly developed industry solutions developed by sales partners on the basis of Semiramis. In the third quarter software revenue was at 5.1 million euro (Q2/2007: 4.8).

The new solution Semiramis On-Demand has been presented at the end of September 2008. With the on-demand solution customers no longer have to install the software locally, but can employ it as a serv-

ice over the Internet. The software will be operated via an IBM data center. With this on-demand offer, Semiramis once again underlines its leadership role in the ERP market.

CONSULTING

In the consulting business unit – service and consulting for the introduction and support of standard software – revenues reached 13.1 million euro (previous year 12.9) in the first nine months. Revenues in this business unit were thereby slightly higher than last year despite fewer staff resulting from changes in the consolidated Group. The per-capita sales in consulting clearly rose compared to the previous year. In the third quarter consulting revenue was at 3.9 million euro (Q2 2007: 3.3).

SYSTEM INTEGRATION

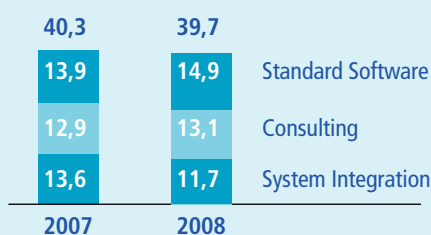
The business unit system integration revenues – product and services for IT infrastructure – were at 11.7 million euro (previous year 13.6) after nine months.

After weak sales in the first quarter and a second quarter slightly under previous year's level, revenues in the third quarter rose over the previous year's level to 4.2 million euro (Q3 2007: 4.0). The system integration business unit took a new strategic direction last year and today emphasizes infrastructure solutions – as opposed to hardware sales only.

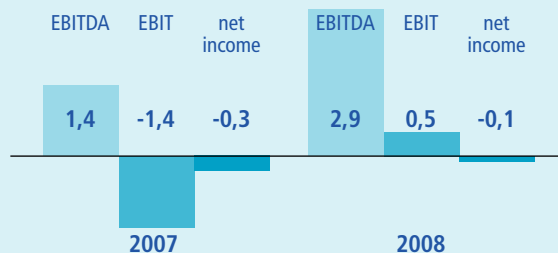
RESULT AND INVESTMENT

In the first nine months of 2008 SoftM realized an operating result before taxes, interest and depreciations (EBITDA) of 2.9 million euro (previous year 1.4). EBIT improved to 0.5 million euro (previous

Sales by business units SoftM Group
(in € million January, 1 – Sept., 30)



Income development SoftM Group
(in € million January, 1 – Sept., 30)



year -1.4). The result of normal business activities (EBT) was 0.4 million euro (previous year -1.7). SoftM was able to clearly improve its position after the first nine months when compared to the previous year.

This is even more apparent when profit from last year resulting from the sale of a consolidated subsidiary to the amount of 2.4 million euro last year is taken into account. Upon elimination of this special item the improvement amounts to 4.4 million euro.

The nine month annual net income came to -0.1 million euro (previous year -0.3). Result per share amounted to -0.03 euro (previous year -0.05).

SoftM showed an operating cash flow from normal business activities in the first nine months of 9.6 million euro (previous year 10.7). Corporate funds on Sept. 30, 2008 were at 1.7 million euro (previous year 1.7).

GROUP CONSOLIDATION

Two changes were made in the consolidated Group: The previously consolidated Group company SoftM Software und Beratung, Waiblingen was de-consolidated as of July 1, 2007. The SoftM Solutions GmbH in Kirchbichl/Austria has been added to the Consolidated Group as of Dec. 1, 2007.

ACCOUNTING AND VALUATION

In the report at hand the same accounting and valuation methods have been employed for the compilation as in the Group Report for the year 2007.

The amortization of capitalized development costs for the new Java products Semiramis and SharkNex as well as the purchased IP rights of Semiramis will be carried out over a five year period. As of the third quarter 2008 regular depreciation for the SharkNex product will be undertaken.

Results from equity shares will not be accounted for in the quarterly profit and loss statements during the fiscal year.

Receivables and or respectively current liabilities will be represented as falling due during the fiscal year on the next regular day of record.

Last year's figures for capitalized development have been correspondingly adjusted to the financial accounting in the Group report 2007 in the form of a back posting for the first nine months (old:

1.6 million euro; new: 1.2 million euro). Last year's results have changed accordingly regarding the 2007 quarterly reports.

INCOMING ORDERS FOR STANDARD SOFTWARE

In the first nine months of 2008 new orders for software licenses amounted to 3.2 million euro (previous year 3.8). In comparison to the previous year, a large order to the amount of 0.45 million euro from June of 2007 has to be taken into account. A substantial rise in incoming orders was booked for the Java based software Semiramis. 32 new customers were able to be acquired for the ERP II software in the first three quarters of 2008 (previous year 17). The new accounting product, SharkNex, which was launched at the beginning of 2008 has in the meantime been sold 16 times.

RESEARCH AND DEVELOPMENT

A major focus of activity in the research and marketing sector remains the development, or respectively, the continuing development of new java-based products. After the release for distribution of Semiramis Release 4.4 at the end of the first quarter of 2008 with numerous innovations in warehouse logistics and procurement development began on Release 4.5, which is due to be launched at the beginning of 2009. Focus of development is on point of sales integration, mobile processes and the continuing internationalization (for example, a polish version). Above and beyond this, the upgrading of the system basis for optimal support of the Semiramis "inside strategy" (Semiramis as platform for industry solutions) will be promoted.

For the new Java based accounting system, SharkNex, a software for financial and asset accounting, controlling and business intelligence based on the Java development environment of an external development partner, work on a new Release has begun, in addition to the optimization within the framework of market introduction of the software. The focal point here will be national versions for Switzerland, the Czech Republic and Slovakia.

The development of the new Release 3.5 of ERP-product SoftM Suite has begun, which is positioned for the IBM i server system and addresses trade and the process industry. The new Release will offer among others new functions for disposition and material planning. In the area of production new functions for the food industry will be added. After the completion of the Schilling Accounting System Release 2.08, which among other functions offers SEPA functionality (Single Euro Payments Area) work has begun on the Release 2.09. Developmental focal point of the personnel software TOPAS is legal adaptations for 2009.

The financial accounting system DKS is being enhanced by the development of additional products in the costing and asset accounting areas, as well as a new graphic interface. Several integrations with workflow systems, signature servers and storage systems have been the focus of development for the document management system Info-Store.

INVESTMENTS

Investment in the first nine months of 2008 came to 2.4 million euro (previous year 2.4), of which 1.8 million euro (previous year 1.8) were booked in capitalized development, as well as 0.6 million Euro (previous year 0.6) booked in other assets.

PERSONNEL

The number of staff as of Sept 30, 2008 was 408 as compared to 418 on the day of record of the previous year.

ADDITIONAL INFORMATION

As of September 30, 2008 176,011 own shares were in possession of the Group.

SUPPLEMENTARY REPORT

In accordance with the resolution concerning the divestment and acquisition agreement between SoftM Software und Beratung AG and the SoftM Software und Beratung Hamburg GmbH passed at the AGM in 2008 the first measure was taken to rename the SoftM Software und Beratung Hamburg GmbH to the SoftM Solutions GmbH and relocate its headquarters in Munich, Germany.

On Nov. 14, 2008 SoftM announced in an ad-hoc statement that the stock listed Polish IT-Group Comarch S.A., Krakow (Poland), with around 3,000 employees one of the leading Polish IT-companies, acquires through its 100% German subsidiary Comarch Software AG, Dresden, a majority in SoftM Software und Beratung AG.

Comarch acquires 1,750,000 SoftM-shares, i.e. 35.14% of SoftM-shares from several core investors. In parallel to the signing of the share purchase agreement, the management board of SoftM has decided to increase its capital by 1.5 m euro by using the existing authorized capital 2008. The 1.5 m euro will be fully underwritten by Comarch, while subscription rights of the existing shareholders are excluded. The issuing price for the capital increase is 3.45 euro per new share, such that SoftM will receive in total 5.175 m euro additional cash from the capital increase.

Intention of this deal, which is supported by the management board as well as the supervisory board of SoftM AG, is to develop Comarch and SoftM into a leading supplier of IT-solutions for medium-sized businesses throughout Europe. SoftM will be part of the Comarch group as an independent organisation with an unchanged management team and strategic focus. The Head of the Supervisory Board, Dr. Hannes Merten will also retain his position. In total, Comarch group will have approx. 3.500 employees and sales of more than EUR 200 m. For SoftM, new growth opportunities will open in all business areas. Comarch has informed SoftM's management board, that the equivalent for the shareholders of SoftM in the mandatory takeover offer will be 3.45 euro per share. SoftM's management board has decided to tender its 176,011 SoftM shares owned by the company for the mandatory offer.

From the controlling interest results, that SoftM has to dissolve tax loss carry forwards pursuant to the new section 8c EStG of 2 m euro. (as of 30.06.2008), either in part, or in total in case of an acquisition of more than 50% of the shares. This will be reflected in the 2008 after tax results of SoftM.

SHARE DEVELOPMENT

As of Sept. 30, 2008 SoftM shares were quoted at 2.95 euro compared to 3.15 euro on June 30, 2008 and 3.76 euro at the end of the year in 2007.

RISK REPORT

Opportunity and risks are displayed in detail in the Group Annual Report 2007 and have not changed.

OUTLOOK

The Management Board regards the outlook given in the 2007 Group Annual Report – moderate growth in Group revenues compared to the previous year and an improvement in EBIT to a clearly positive result – confirmed by the nine month figures.

SoftM Software und Beratung AG
Munich, November 2008

Franz Wiesholler, CEO

Ludwig Ametsbichler, CFO

Ralf Gärtner, Marketing Director

Group Balance Sheet

Assets	9-months report January 01, 2008 – September 30, 2008 €	Annual report January 01, 2007 – December 31, 2007 €
Short-term assets		
Cash and cash equivalents	1,731,485.81	606,980.24
Accounts receivable from sales and services	8,617,848.29	14,548,030.79
Inventories	456,049.07	326,615.57
Other receivables and assets	735,185.75	1,392,891.80
Accrued and deferred items	317,253.96	322,590.16
Total short-term assets	11,857,822.88	17,197,108.56
Long-term assets		
Intangible assets acquired through payment	3,402,514.73	5,067,609.69
Capital development costs	6,224,500.00	4,921,000.00
Fixed assets	1,509,297.19	1,111,632.02
Stake in associated companies	51,212.25	51,212.25
Financial assets	30,823.01	30,823.01
Accounts receivables from associated companies	164,196.50	165,058.13
Goodwill	10,340,800.00	10,340,800.00
Deferred taxes	2,103,240.65	1,899,642.00
Total long-term assets	23,826,584.33	23,587,777.10
Total assets	35,684,407.21	40,784,885.66
Liabilities		
Short-term liabilities		
Short-term loans and short-term participation of long-term loans	1,842,910.03	7,941,743.55
Liabilities from sales and services	1,948,254.17	2,641,051.17
Received advanced payment	94,432.20	90,852.22
Accrued expenses	5,045,757.78	7,310,834.35
Deferred items	3,496,445.68	20,785.74
Accruals on income tax	152,669.21	148,446.60
Other short-term liabilities	1,666,047.25	1,611,622.16
Total short-term liabilities	14,246,516.32	19,765,335.79
Long-term liabilities		
Long-term participation of bank liabilities	2,500,000.00	2,500,000.00
Deferred tax liability	2,462,639.85	1,937,387.00
Long-term participation on other liabilities	20,451.67	40,903.34
Total long-term liabilities	4,983,091.52	4,478,290.34
Eigenkapital		
Subscribed capital	4,980,000.00	4,980,000.00
Capital surplus	11,068,684.25	11,068,684.25
Earned surplus	1,876,440.31	2,020,753.66
Reserve for foreign exchange difference	-8,372.91	-25,484.91
Own shares not designated for redemption	-1,520,402.32	-1,520,402.32
Total equity capital	16,396,349.33	16,523,550.68
Minority interest	58,450.04	17,708.85
Total liabilities	35,684,407.21	40,784,885.66

Income Statement

	Quarterly report III/2008 July 01, 2008 – September 30, 2008 €	Quarterly report III/2007 July 01, 2007 – September 30, 2007 €	9-month report January 01, 2008 – September 30, 2008 €	9-month report January 01, 2007 – September 30, 2007 €
Revenues	13,222,881.36	12,044,631.97	39,681,142.90	40,334,038.09
Other operating income	256,941.94	2,515,586.01	1,047,364.35	3,430,174.34
Changes in inventory – finished goods and work in progress	27,422.66	2,775.21	48,515.06	27,412.62
Other capitalized self-constructed assets	565,000.00	634,000.00	1,845,000.00	1,829,000.00
Costs for purchased materials and services	-4,463,516.16	-4,212,807.28	-12,829,989.62	-14,242,216.48
Personnel costs	-6,162,785.78	-6,330,090.39	-19,927,949.01	-21,391,054.94
Depreciation and amortization of fixed and intangible assets	-884,117.18	-911,748.28	-2,321,340.36	-2,803,093.21
Other operating expenses	-2,186,477.18	-2,665,340.16	-6,954,002.46	-8,604,560.78
Other taxes	-10,139.06	-3,746.57	-44,506.32	-15,869.96
Depreciation of current assets	0.00	0.00	0.00	0.00
Operating result	365,210.60	1,073,260.51	544,234.54	-1,436,170.32
Interest income and expense	-63,180.62	-84,481.56	-167,095.21	-279,502.92
Income from investment and participation	0.00	0.00	0.00	0.00
Income / expenses from related parties	0.00	0.00	0.00	0.00
Foreign currency exchange profits/losses	0.00	0.00	0.00	0.00
Other income / expenses	0.00	0.00	0.00	0.00
Result before income taxes (and minority interest)	302,029.98	988,778.95	377,139.33	-1,715,673.24
Taxes from income and revenues	-159,003.63	211,867.60	-468,325.45	1,535,551.85
Extraordinary income / expenditures	0.00	0.00	0.00	0.00
Result before minority interest	143,026.35	1,200,646.55	-91,186.12	-180,121.39
Minority interest	-20,233.08	-6,512.48	-40,741.18	-79,103.21
Net income / loss	122,793.27	1,194,134.07	-131,927.30	-259,224.60
Net income per share	0.0256	0.2486	-0.0275	-0.0540
Weighted average shares outstanding	4,803,989	4,803,989	4,803,989	4,803,989

Cash Flow

	9-month report January 01, 2008 – September 30, 2008 k€	Annual report January 01, 2007 – December 31, 2007 k€
Group net income / loss	-132	-259
Minority interest	41	79
Consolidated net income/loss incl. minority interest	-91	-180
Depreciations (+) /Value adjustments (-) on fixed assets	2,321	2,803
Additions(+) / subtractions(-) of provisions	-1,736	-1,758
Profit (-) / loss (+) from disposal of long term assets	23	-2,404
Addition (-) / subtraction (+) of inventories, accounts receivable as well as other assets, which are not attributable to investment or financing	6,238	11,317
Addition (-) / subtraction (+) of inventories, accounts receivable as well as other liabilities, which are not attributable to investment or financing	2,824	941
Other expenditures not affecting payments	17	12
Net cash provided by operating activities (operating cash flow)	9,596	10,730
Payments (+) from divestiture of tangible fixed assets	0	11
Payments (-) for investment in tangible fixed assets	-432	-591
Payments (-) for investment in intangible fixed assets	-1,949	-1,840
Payments (-) for investments in financial assets	0	0
Payments (+) for investments in financial assets	0	0
Payments (-) for the acquisition of affiliated companies and other business units	0	-30
Receipts from sale of consolidated companies	0	2,300
Cash in-flow (+) / cash out-flow (-) from investment activities	-2,381	-150
Receipts(+) from new equity allocation (increase of share capital, sale of own shares)	0	0
Payments (-) in-company and minority shareholders (dividends, acquisition of own shares, redemption of own shares, other pay outs)	-12	-323
Payments (+) from loan refunds	0	0
Payments(+) from loan acceptance	0	0
Payments (-) for loan redemption	-6,086	-9,403
Cash in-flow (+) / cash out-flow (-) from investment activity	-6,098	-9,726
Outflow of funds from normal business activity, investments and financing activities on balance	1,117	854
Exchange rate-, consolidated companies- and valuation changes of funds	7	2
Funds at the beginning of period	607	844
Cash and cash equivalent at the end of period	1,731	1,700

Capital and Reserves Development

	9-month report January 01, 2008 – September 30, 2008 €	Annual report January 01, 2007 – December 31, 2007 €
Share capital		
Balance at the beginning of period	4,980,000.00	4,980,000.00
Increase	0.00	0.00
Decrease	0.00	0.00
Share capital, total	4,980,000.00	4,980,000.00
Capital reserves		
Balance at the beginning of period	11,068,684.25	11,629,933.37
Increase	0.00	0.00
Decrease	0.00	0.00
Capital reserves, total	11,068,684.25	11,629,933.37
Earned Group equity		
Balance at the beginning of period	2,020,753.66	2,568,961.81
Exchange rate deviations	0.00	466.52
Current result	-131,927.30	-259,224.60
Profit distribution	-12,386.05	-240,199.36
Other changes	0.00	-3,606.59
Group earned own equity, total	1,876,440.31	2,070,004.37
Adjustment for foreign currency conversion		
Balance at the beginning of period	-25,484.91	-17,668.55
Increase	17,112.00	11,917.36
Decrease	0.00	0.00
Adjustment for foreign currency conversion, total	-8,372.91	-5,751.19
Own shares not designated for redemption		
Balance at the beginning of period	-1,520,402.32	-1,520,402.32
Increase	0.00	0.00
Decrease	0.00	0.00
Own shares not designated for redemption, total	-1,520,402.32	-1,520,402.32
Capital and reserves, total	16,396,349.33	17,153,784.23

SoftM in Figures

SoftM Group (in Mio. €)	January 01, 2008 – September 30, 2008	January 01, 2007 – September 30, 2007
Sales	39.7	40.3
Sales by business unit		
Standard Software	14.9	13.9
Consulting	13.1	12.9
System Integration	11.7	13.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2.9	1.4
EBIT	0.5	-1.4
Result from common activities (EBT)	0.4	-1.7
Net income	-0.1	-0.3
Result per share acc. to DVFA/SG (in €)	-0.03	-0.05
Employees (End of period)	408	418



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