

3 Months Report 2008

CENIT AG Systemhaus

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The logo for CENIT, consisting of the word "cenit" in a bold, lowercase, sans-serif font. The letters are white with a teal outline, set against a teal background.

CENIT AT A GLANCE (unaudified)		
At a glance - January 1 until March 31, 2008		
in Mill. EUR	March 31, 2008	March 31, 2007
Sales	15.82	17.61
Gross profits	13.79	15.64
EBITDA	0.60	3.29
Operating returns (EBIT)	0.33	3.02
EBT	0.54	3.14
Netincome of the group	0.46	2.00
Result per share (basic) in EURO	0.05	0.24
Result per share (diluted) in EURO	0.05	0.24
Number of employees at end of period	650	565
EBIT - Margin in %	2.1%	17.2%
Profit - Margin in %	2.9%	11.4%
in Mill. EUR	March 31, 2008	March 31, 2007
Equity in ratio in %	66%	72%
Equity	26.65	26.18
Liabilities	13.55	10.43
Balance sheet total	40.20	36.61

GROUP SITUATION REPORT

Dear shareholders, partners, customers and other interested parties,

Commonly a business holds on to its outlook for the ongoing business year even where 1st Quarter results are significantly weaker than the previous year. And a simple on-quarter view does not do CENIT justice in a situation in which we are required to make early investments towards coming projects and orders. These costs falsify an assessment that only looks at a key date. Thus we feel justified to adhere to our statements as to the future development of CENIT.

Naturally, we are aware that financial markets in particular are subject to a quarterly assessment. But in CENIT's case, business opportunities and the earnings they bring have always been characterized by high volatility. Not every success can be repeated at will, not every product is infinitely scaleable. Nevertheless, our business model remains attractive and promises success. We have demonstrated this in the past and will continue to do so in the future.

Our customers are poised to make important decisions, and we intend to successfully participate in them. We will do everything in our power to do justice to the expectations of our shareholders, our partners, and our employees.

We thank you for your confidence!

The Board

GROUP SITUATION REPORT

OVERALL ECONOMIC SITUATION AND SECTOR CLIMATE

Despite the financial crisis, sky-high Euro rates and record oil prices, the German economy has remained surprisingly optimistic during the first Quarter of 2008. For the third time running, the Ifo business sentiment index has grown, currently from 104.1 to 104.8 points. According to Ifo, the results indicate that the German economy has picked up steam since the beginning of the year. In March, the 7000 polled enterprises even expressed slightly more positive expectations for the coming half-year than they had in February. The expectations part-index increased slightly, from 98.2 to 98.4 points, because enterprises are taking a more positive view of their export business. 80% of German exports are accounted in Euro, thus reducing exchange rate effects. The Ifo experts believe that the financial crisis has not yet unfolded to the feared extent in the real European economy, and maintain that the German economy has decoupled from the weaker US economy. Thus there is currently no decline in investments by the financial services sector, particularly with regard to critical IT applications.

In the automotive sector, the overall situation is increasingly viewed as positive. Despite higher production volumes, the number of show-room vehicles is generally regarded as too low. However, optimism and pessimism balance each other out in terms of business expectations, and the skeptics are slightly in the majority with respect to the future export business.

The mechanical engineering sector has seen a continued increased in demand, so that the overall volume of orders in hand remain significantly above usual levels.

The information, telecoms and communications industry has continued to grow across all of Europe. The assumptions below are based on recent research by the European Information Technology Observatory (EITO) and the results of market research by BITKOM. During 2008, growth is expected to continue by about 3%. For the EU, a further sales plus of 2.4% is expected for 2009, to then 780 billion Euros for the high-tech sector.

GROUP SITUATION REPORT

DEVELOPMENT OF RESULTS

CENIT is starting the 2008 business year with considerable investments towards the training of service experts during the first Quarter of 2008, as well as the restructuring of the PLM software and service business. The latter led to a reduction of capacity in the PLM service sector which could not be compensated during the 1st Quarter. The restructuring efforts were necessary after it became clear that major customers would make important order decisions during the 2nd Quarter. To be able to react in a quick and customer-oriented way, CENIT thus made a number of advance investments which will have long-term effects on expected business trends in 2008 (which remain positive) and beyond. Staff and equipment costs rose accordingly. The number of staff increased by 15% to 650 (2007: 565). In marketing CENIT's software solution FileNet System Monitor, our sales partner IBM has further intensified its sales activities. In the business segment Enterprise Information Management, capacity utilization remains excellent. CENIT has launched a training initiative to even better satisfy customer wishes in this segment. There has also been a delay in the startup of the new Value Added Reseller Model of Dassault Systèmes, which was re-launched this year. Here we were unable to achieve the expected sales volume, in part due to technical problems encountered by the administrative sector.

OVERVIEW OF 1st QUARTER FIGURES

During the 1st Quarter, Group-wide sales contracted by 10% to 15.8 m € (03/2007: 17.6 m €). The gross surplus shrank to 13.8 m € (03/2007: 15.6 m €). EBITDA attained 0.6 m € (03/2007: 3.3 m €/-82%). EBIT for the reporting period were at 0.33 m € (03/2007: 3.0 m €/-89%). The pre-tax result EBT reached 0.54 m € (03/2007: 3.1 m €). The consolidated result was 0.5 m € (03/2007: 2.0 m €). Group EPS (earnings per share) thus derive to 0.05 € per share (03/2007: 0.24 €). The operative cash flow attained 0,7 m € (03/2007: 3.4 m €). On the balance-sheet date, the total of bank deposits and securities incl. current assets amounted to 16.0 m € (31.12.2007: 18.3 m €).

GROUP SITUATION REPORT

BREAKDOWN OF EARNINGS

The sales volume in the service sector contracted by 3% to a current 10.7 m € (03/2007: 11,0m €), making it the strongest contributor to sales with a share of 68%. During the first three months of the current business year, sales of CENIT software amounted to 2.3 m € (03/2007: 3.3 m €/-30%). Thus, approximately 15% of total sales can be attributed to CENIT's proprietary software. Sales of non-CENIT software increased by 21% to 1.9 m € (03/2007: 1.6 m €), thus accounting for 12% of total sales. The hardware business contracted by 49% to 0.9 m € (03/2007: 1.7 m €), equating approx. 5% of CENIT's total sales.

HOLDINGS – FOREIGN SUBSIDIARIES

CENIT (Switzerland) AG achieved sales of 1.0 m € (03/2007: 1.0 m €), with EBIT at 0.5 m € (03/2007: 0.6 m €)

CENIT North America Inc. was able to achieve sales of 1.1 m € (03/2007: 1.1 m €), attaining EBIT of -0.03 m € (03/2007: 0.009 m €).

CENIT SRL attained sales amounting to 0.2 m € and EBIT of 0.08 m €.

The CENIT company in Toulouse, France achieved sales of 0.07 m € and EBIT of 0.02 m €.

CAD Scheffler, the company integrated into CENIT Group since January 2008, has developed as projected, attaining sales of 0.6 m € and EBIT of 0.05 m €.

DEVELOPMENT OF COSTS

Other business-related expenditures have developed as projected.

GROUP SITUATION REPORT

INVESTMENTS

Investments during the first 3 months of 2008 amounted to 2.18 m € (03/2007: 0,42 m €) whereof 1.17 m. € are attributed to the capital assets of cad scheffler GmbH and 0,78 m € to the acquired customer base. The entire purchase price for cad scheffler GmbH amounted 2.43 m. €.

CHANGES IN COMPOSITION OF EXECUTIVE AND SUPERVISORY BOARDS

Elections to the Supervisory Board will be held at this year's General Shareholders' Meeting. During the coming General Meeting, § 101 para. 1 AktG (Corporations Act) in conjunction with § 4 para. 1 One-Third Participation Act will apply for the first time, whereby 1/3 of the Supervisory Board members must be employee representatives. The election of the CENIT employee representative will be held in May.

EVENTS OF SPECIAL SIGNIFICANCE WHICH COULD AFFECT THE BUSINESS RESULT

None

RISIK ANALYSIS

There was no inventory risk for the Group during the reporting period. For more information, please refer to the detailed risk analysis contained in the 2007 Annual Report.

INTERIM DIVIDEND

No interim dividend was paid out.

DIVIDENDS PAID OR PROPOSED FOR PAYMENT

The Executive and Supervisory Boards will propose to the General Meeting on 30 May 2008 that a dividend of 50 cents per share be paid out to the shareholders, and that reserves be retained in the amount of 1,7 m €.

GROUP SITUATION REPORT

NEW ORDERS

Incoming orders total as previous year approx. 32 m €.

ORDERS OF SPECIAL SIGNIFICANCE

None

LIQUID ASSETS AND SECURITIES

On the balance-sheet date, bank deposits and securities incl. current assets totaled 16.0 m € (31.12.2007: 18.3 m €).

ASSET, FINANCIAL AND EARNINGS SITUATION

The balance-sheet total was 40.2 m €. Trade debtors and other assets totaled 14.4 m €. As at 31 March 2008, the Group's net worth was approx. 26.6 m € (31.12.2007: 26.2 m €), with an equity ratio of 66% (31.12.2007: 72%). The operative cash flow was 659 k € (31.03.2007: 3.4 m €).

STAFF

On the balance-sheet date, CENIT employed a total of 650 staff world-wide (03/2007:565). A number of vacant positions remain to be filled. The staff pool grew by about 15%.

SUPPLEMENTARY REPORT, OPPORTUNITIES AND OUTLOOK

Despite a seemingly disappointing 1st Quarter, for the year as a whole we again expect a significant Group-wide sales plus against 2007. Particularly the increased earnings from the sale of CENIT's proprietary software and the global sales cooperation for our software products with our partners IBM, SAP and Dassault should contribute to an improved Group result. In the consulting sector, we expect increased demand from the aerospace industry. The Enterprise Information Management segment already grew at above-market levels in 2007 and will also benefit in 2008 from a positive investment climate for EIM solutions. Our goal is to achieve a sustainable improvement in the operative performance of the Group.

CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS (unaudited)		
as of March 31, 2008		
in EUR k	March 31, 2008	Dec. 31, 2007
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,074	250
Property, plant and equipment	2,849	1,760
Investment in an associate	51	52
Income tax receivable	644	634
	4,618	2,696
DEFERRED TAX ASSETS	0	0
NON-CURRENT ASSETS	4,618	2,696
CURRENT ASSETS		
Inventories	2,833	607
Trade receivables	14,401	13,715
Current income tax assets	1,636	893
Other receivables	369	254
Other financial assets at fair value through profit or loss	10,896	9,320
Cash	5,108	8,995
Prepaid expenses	338	130
CURRENT ASSETS	35,581	33,914
TOTAL ASSETS	40,199	36,610

CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS (unaudified)		
as of March 31, 2008		
in EUR k	March 31, 2008	Dec. 31, 2007
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8,368	8,368
Capital reserve	1,058	1,058
Currency translation reserve	-356	-372
Revenue legal reserves	418	418
Other revenue reserves	6,483	6,483
Net income of the Group attributable to the equity holders of CENIT AG	10,678	10,222
	26,649	26,177
Minority Interests	0	0
TOTAL EQUITY	26,649	26,177
NON-CURRENT LIABILITIES		
Deferred tax liabilities	580	256
CURRENT LIABILITIES		
Current liabilities to banks	0	0
Trade payables	3,673	3,432
Other liabilities	8,803	6,336
Current income tax liabilities	362	273
Other Provisions	132	136
Deferred Income	0	0
	12,970	10,177
TOTAL EQUITY AND LIABILITIES	40,199	36,610

CENIT Aktiengesellschaft Systemhaus			
Consolidated Income Statement prepared in accordance with IFRS (unaudited)			
for the period from January 1 to March 31, 2008			
in EUR k		March 31, 2008	March 31, 2007
1. SALES		15,816	17,606
2. Increase/Decrease in inventories of work in process		1,807	1,512
Total operating performance		17,623	19,117
3. Other operating income		162	222
Operating performance		17,785	19,339
4. Cost of materials	3,997		3,701
5. Personnel expenses	9,542		9,200
6. Amortization of intangible assets and depreciation on property, plant and equipment	272		260
7. Other operating expenses	3,645		3,153
		17,456	16,314
NET OPERATING INCOME		329	3,025
8. Other interest and similar income	109		179
9. Interest and similar expenses	2		37
10. Result from financial instruments at fair value through profit or loss	99		-22
		206	120
RESULT FROM ORDINARY ACTIVITIES		535	3,145
11. Income taxes		79	1,145
12. NET INCOME OF THE GROUP FOR THE YEAR		456	2,000
13. Thereof allocable to the shareholders of CENIT AG		456	2,000
14. Thereof allocable to minority interests		0	0
Earnings per share in EUR			
undiluted		0.05	0.24
diluted		0.05	0.24

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CENIT Aktiengesellschaft Systemhaus		
Consolidated Statement of Cash Flows prepared in accordance with IFRS (unaudited)		
as of March 31, 2008		
in EUR k	March 31, 2008	March 31, 2007
Cash flow from operating activities		
Earnings before income taxes	535	3,145
Adjusted for:		
Amortization of intangible assets and depreciation of property, plant and equipment	272	260
Losses on disposals of non-current assets	1	1
Gains on disposals of non-current assets	0	0
Other non-cash expenses and income	-42	90
Increase/Decrease Provisions	0	0
Interest income	-109	-179
Interest expenses	2	37
Net operating income before changes in net working capital	659	3,354
Increase/decrease in trade receivables		
and other current, non-monetary assets	-1,008	3,505
Increase/Decrease in inventories	-2,226	-1,214
Increase/decrease in current liabilities and provisions	3,117	-1,921
Interest paid	-2	-37
Interest received	71	179
Income taxes paid	-744	-1,456
Net cash flow from operating activities	-133	2,410
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-231	-422
First Consolidation	-1,947	0
Proceeds from the disposal of property, plant and equipment	0	3
Change in other financial assets that are not allocable to cash and cash equivalents	-1,576	-4,071
Net cash paid for investing activities	-3,754	-4,490
Cash flow from financing activities		
Net cash paid for investing activities	0	0
Net increase/decrease in cash and cash equivalents	-3,887	-2,080
Cash and cash equivalents at the beginning of the period	8,995	7,615
Cash and cash equivalents at the end of the period	5,108	5,535

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CENIT Aktiengesellschaft Systemhaus									
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN ACORDANCE WITH IFRS) (unaudified)									
as of March 31, 2008									
Equity allocable to the parent company's shareholders									
in k	Subscribed capital	Capital reserve	Currency translation reserve	Revenue reserve	Revenue reserve	Group result per shareholder of CENIT AG	Group result	Minority interests	Total
as of Jan. 01, 2007	8,368	863	-212	418	2,899	11,968	24,304	0	24,304
Currency fluctuation			-160				-160	-1	-161
Net income of the Group for the year						6,090	6,090	26	6,116
Group for the year	0	0	-160	0	0	6,090	5,930	25	5,955
Reversal of minority interests					56		56		56
Transfer from stock options		195					195		195
Dividend distribution						-4,184	-4,184	-27	-4,211
Allocation to other revenue reserve					3,652	-3,652	0		
Put option minority interest					-124		-124	-64	-188
as of Dec. 31, 2007	8,368	1,058	-372	0	6,483	10,222	26,177	0	26,177
Currency fluctuation			16				16		16
Net income of the Group for the year						456	456		456
Group for the year			16			456	472	0	472
Transfer from stock options							0		0
Dividend distribution							0		0
Allocation to the revenue reserve							0		0
Allocation to the legal revenue reserve							0		0
capital increase from company funds							0		0
Put option minority interest							0		0
as of March 31, 2008	8,368	1,058	-356	0	6,483	10,678	26,649	0	26,649

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CENIT Aktiengesellschaft Systemhaus

Segment Reporting by Business Unit in accordance with IFRSs (unaudited)

for the Period from January 1 to March 31, 2008

in EUR k		EIM	PLM	not allocated	Group
External sales	Q1 2008	5.240	10.576	0	15.816
	Q1 2007	5.500	12.106	0	17.606
EBIT	Q1 2008	407	-78	0	329
	Q1 2007	1.266	1.759	0	3.025
Share of profit of an associate	Q1 2008	0	-1	0	-1
	Q1 2007	0	0	0	0
Other interest result and financial result	Q1 2008	0	0	206	206
	Q1 2007	0	0	120	120
Income taxes	Q1 2008	0	0	-79	-79
	Q1 2007	0	0	-1.145	-1.145
Net income of the Group	Q1 2008	445	-2	13	456
	Q1 2007	1.266	1.759	-1.025	2.000
Segment assets	Q1 2008	5.669	16.284	18.246	40.199
	Q1 2007	4.543	12.098	22.434	39.075
Investment in an associate	Q1 2008	0	51	0	51
	Q1 2007	0	0	0	0
Segment liabilities	Q1 2008	4.428	8.361	762	13.551
	Q1 2007	2.869	8.873	931	12.673
Investments in property, plant and equipment and intangible assets	Q1 2008	63	168	0	231
	Q1 2007	97	325	0	422
Amortization and depreciation	Q1 2008	66	206	0	272
	Q1 2007	64	196	0	260

EIM=Enterprise Information Management; PLM = Project Lifecycle Management

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CENIT Aktiengesellschaft Systemhaus

Segment Report by Region prepared in accordance with IFRS (unaudited)

for the period from January 1 to March 31, 2008

in EUR k		Germany	Switzer- land	North America	Romania	France	not allocated	Consolidation	Group
Internal sales	Q1 2008	420	634	138	203	69	0	-1.464	0
	Q1 2007	399	775	123	0	0	0	-1.297	0
External sales	Q1 2008	14.438	389	989	0	0	0	0	15.816
	Q1 2007	16.267	243	1.026	70	0	0	0	17.606
Segment assets	Q1 2008	21.240	3.387	1.380	131	19	18.246	-4.204	40.199
	Q1 2007	15.397	1.655	1.597	82	0	22.434	-2.090	39.075
Investment in an associate	Q1 2008	51	0	0	0	0	0	0	51
	Q1 2007	0	0	0	0	0	0	0	0
Investments in property, plant and equipment and intangible assets	Q1 2008	207	2	19	3	0	0	0	231
	Q1 2007	408	5	2	7	0	0	0	422

INFORMATION ON SHARES AND OPTIONS HELD BY BOARD MEMBERS AND EMPLOYEES; IN ACCORDANCE WITH § 160 para. 1 No. 2 AND 5 AktG

CENIT's Executive and Supervisory Boards hold subscription rights to 39,000 share options. CENIT employees hold subscription rights to 168,000 share options.

Directors' Holdings:

Share Portfolio as at 31.03.2008

Total number of shares: 8,367,758

Executive Board:

Kurt Bengel: 0
Christian Pusch: 0

Supervisory Board:

Falk Engelmann: 187,000
Hubert Leypoldt: 1,600
Dr. Dirk Lippold: 0

Financial Calendar:

30.05.2008 General Shareholders' Meeting
07.08.2008 Publication of 2nd quarter results
06.11.2008 Publication of 3rd quarter results