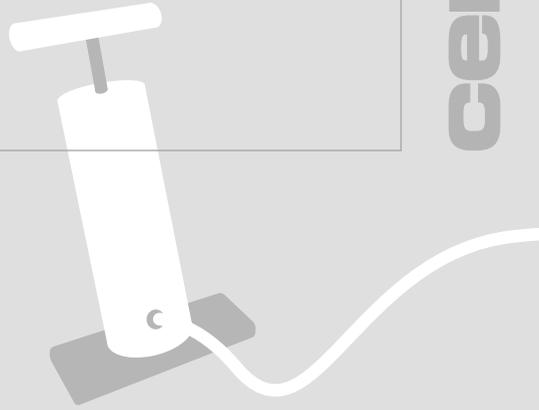


6-MONTHS REPORT 2001 / CENIT AG SYSTEMHAUS

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CENIT AG SYSTEMHAUS

SCHULZE-DELITZSCH-STRASSE 50

D-70565 STUTTGART

PHONE: +49.711.78073-0

FAX: +49.711.78073-466

INTERNET: [HTTP://WWW.CENIT.DE](http://www.cenit.de)

INVESTOR RELATIONS:

FABIAN RAU

PHONE: +49.711.78073-185

FAX: +49.711.78073-485

E-MAIL: AKTIE@CENIT.DE

FIRST HALF YEAR 2001 AT A GLANCE

| | 6-months 2001 | 6-months 2000 |
|---|---------------------|---------------|
| | kEUR | kEUR |
| Sales | 62.539 | 44.729 |
| Gross Profit | 35.703 | 25.785 |
| EBITDA | -2.181 | 1.150 |
| EBITA | -4.212 | 60 |
| Operative earnings (EBIT) | -4.985 | -370 |
| Consolidated net loss | -5.659 | -663 |
| Earnings per share | in EUR -1,35 | -0,16 |
| Number of employees (at end of reporting period) | 885 | 808 |



DEAR SHAREHOLDERS,

I would like to start the first half year report 2001 by looking back at the shareholders' meeting at CENIT AG Systemhaus in Stuttgart on the 20th of June. The positive development of CENIT in the previous business year became evident to our shareholders in that they had to decide on the utilization of retained earnings. Following the suggestions of the executive board and the supervisory board to 99.98 percent, the profit of more than 1 million EURO was transferred to profit reserves. Another clear decision made at the general meeting was that the executive board was authorized to obtain up to 400,000 shares of its own for the enterprise until November 2002. Using this possibility can protect the stock exchange value of the company in extreme market situations and also provide financing funds for possible acquisitions. We are very pleased with your approval and want to thank you for your expressed confidence.

In this 6-months report 2001 we will give you an insight into the economic situation of the company, and comment on the further development of the company and the present market situation. For the first time in the CENIT company history, we will not present a costly printed quarterly report, but refer to an online-version (pdf-file) and a corresponding copying presentation. The reason for this is the increased

effort to prepare the report on the ground of the new German Stock Exchange regulations, which from our point of view considerably delays necessary current reports. We wish to present current and comprehensive information and therefore ask for your understanding.

Sincerely Yours,

Falk Engelmann

Chairman of the Executive Board

DRAFTED COST REDUCTION PROGRAM

In the course of the second quarter the market conditions have further deteriorated in the IT field. Presently many leading market analysts are predicting a negative growth rate, particularly in the e-business area for the financial year 2001. In our assessments the market trend remains difficult for the second half of the calendar year 2001; there are not any clear signs for market recovery within the next few months. Due to these economic framework conditions, CENIT expects a considerably weaker sales volume growth for the third and fourth quarter as well as a balanced result for the complete financial year 2001.

The weak demand, particularly in the e-business area has led to a substantially worse sales turnover and result. A definite investment restraint in new IT projects of the bank and insurance line of business can be clearly recognized. At present, CENIT does not see any clear signs for demand recovery. Moreover, CENIT expects that the current downturn of the automobile market will also impair the CENIT core business in the e-engineering area, particularly in the USA in connection to the weakness of the global economy. CENIT can still profit here from the strong customer base, but however must accept losses in the USA. The subsidiary CENIT America shows losses for the first time, which strongly load the overall result of the CENIT group. A direct reaction to this development in the USA is the significant reduction of employee numbers and the closing of the office in Charlotte.

CENIT has already taken a number of further measures to stop the economic consequences of the current

market weakness. Putting into action the cost reduction programs is part of it, including halt in recruitments at the CENIT subsidiaries in Germany, UK, the USA, Canada, Mexico and Switzerland. CENIT will pursue these necessary programs to increase productivity. This means that the CENIT group is newly aligned by a previous growth course with a consolidation course and the serious cost reduction measures are realized with stress and time concerns. In addition to this the branch office in Manchester, UK, was closed and the operative business moved to Oxford. First signs show that the initiated measures are successful. The economic developments in the previously problematic countries, the UK and Switzerland, are promising. Both CENIT subsidiaries have managed to stop their negative trend and gain positive results in the second quarter of 2001. For the first time, CENIT Switzerland obtained a positive result in the 2nd quarter and established an improved capacity after the clear losses of the first quarter. In the UK the employee number was reduced considerably and the cost reduction program transferred.

In Germany, as the first necessary cost saving measure, the office in Friedrichshafen was closed. The reduction of employees in the administrative area was decided at the beginning of July. The low demand for e-business services in Germany also affects the result development of CENIT negatively. The services offered by CENIT in this area have remained behind the sales volume and result expectations.

The subsidiary Spring in France develops satisfactorily. This subsidiary could gain a definite positive result and clearly exceed the sales volume expectations.

RESULT DEVELOPMENT

The sales turnover of the CENIT AG System Provider group records an increase of 40 per cent to 62.5 m. EUR in the first six months of 2001 (for the previous year 2000: 44.7 m. EUR). Thereby CENIT gained a sales turnover of 43.3 m. EUR in Germany, meaning an increase of 13 per cent in comparison to the previous year. The gross profits of the CENIT group increased by 38 per cent to 35.7 m. EUR (previous year 2000: 25.8 m. EUR). The operative result (EBIT) of the CENIT group results to minus 4.985 m. EUR (for previous year 2000: minus 0.4 m. EUR) and is therefore clearly below expectations. The EBITDA equals minus 2.18 m. EUR (for previous year 2000: 1.1 m. EUR). The earnings per share result to minus 1.35 EUR (for previous year 2000: minus 0.16 EUR). The employee number of the CENIT group increased by 9.5 per cent to 885 employees worldwide (June 30th 2000: 808 employees).

NEW ORDERS AND PARTNERSHIPS

The current order accumulation has been increased by 42 per cent compared to last year's time period. CENIT received an order from Ferrari over approximately 1.7 m. EUR per annum, which ties 17 employees to CENIT. Corresponding to this, CENIT attained the title "Official Supplier of Ferrari" which is resplendent on the red racing car of Michael Schumacher and Rubens Barrichello during the current F1 season. We assume that the small and medium sized companies will strengthen and the optimization of the business

and product processes in Italy will be reinforced within the next years, therein laying the strength of the CENIT group. CENIT will, over the medium range, offer the entire IT service pallet to the Italian market. Ferrari is not only a valuable marketing partner, but also a strong reference in the Italian market, which will open many a door.

At the beginning of June CENIT AG Systemhaus entered a strategic partnership with Peregrine Systems, San Diego, an American provider for IT-Infrastructure management solutions. By selling software licenses from the worldwide operating company, and own service performances concerning these products, CENIT will obtain 1 million marks in this year. By this, CENIT will concentrate on the German market and the Peregrine products "ServiceCenter" and "AssetCenter". These applications make possible the efficient, computer-assisted administration of a company's infrastructure. The expansion of the partnership into other countries and products is striven.

TRW Inc., the leading automobile supplier for person restraint systems with its headquarters in the USA, decided on the cooperation with CENIT. CENIT takes the worldwide Rollout of the software solution ENOVIA-VPM worldwide to seven TRW locations.

In the context of the bulk order with EADS Airbus announced in the first quarter 2001, the CENIT group received the first DELMIA follow-up service order

from the airplane manufacturer. This order covers the set-up as well as the modeling and animation of simulation surroundings for a partial equipment assembly project of the new super Jumbo jet A380.

Also, the VR Kreditwerk Hamburg-Schwäbisch Hall AG positions CENIT as a partner in an order estimated at approx. 1 m. EUR in the Lotus Notes/Domino-surrounding. CENIT provides reverberation for this with the partners of Schwäbisch Hall, DG HYP and Volks- und Raiffeisenbank, so that the enterprise's Lotus Notes applications are permanently available and the storage of the relevant notes data is guaranteed.

AWARDS

CENIT received several awards from customers and partners. IBM awarded the title to CENIT together with Dassault in April for "Outstanding Winback jump in 2001" for this year's order with Jungheinrich. CENIT was appointed "International PLM business partner" by IBM in May. In addition, Dassault raised CENIT to the "gold partner" status.

INTERNALIZATION

CENIT AG Systemhaus increases its international presence with the foundation of CENIT Italy in Modena. The priority for CENIT Italy is the enlargement of the existing business around Ferrari. The customer Ferrari is particularly an excellent indicator

in the automobile industry to commercialize the services of CENIT with main emphasis in the e-engineering and e-business area.

EMPLOYEES

The number of employees in Germany is 546, in Switzerland 15, in the UK 30, in France 148 and in America (USA, Canada, Mexico), 146. CENIT AG Systemhaus group employs 885 employees world-wide, this is an increase of 9.5 per cent compared with the comparative time period of the previous year (6-30-2000: 808).

In connection to the closure of the office in Manchester 10 employees left the company. The employee number is unchanged in Switzerland. There were not any essential changes in America and France at this time. The staff growth in Germany has slowed down within the last months compared with last year's time period.

The training of our IT specialists in job- and management training, as well as the individual improvement on the social- and technique competences, were in the foreground of our employee programs.

F I G U R E S

CORPORATE PROFIT AND LOSS STATEMENT

| | 6-months 2001 | 6-months 2000 | Absolute | Change |
|---|---------------|---------------|---------------|-------------|
| | kEUR | kEUR | Change | in % |
| 1. Sales operating | 62.539 | 44.729 | 17.810 | 40 |
| 2. Other income / Changes in inventories | -669 | 2.063 | -2.732 | |
| 3. Overall performance | 61.870 | 46.792 | 15.078 | 32 |
| 4. Cost of materials | 26.167 | 21.007 | 5.160 | 25 |
| 5. Gross profits | 35.703 | 25.785 | 9.918 | 38 |
| 6. Personnel expenditures | 26.062 | 17.306 | 8.756 | 51 |
| 7. Other operating expenses | 11.822 | 7.328 | 4.494 | 61 |
| 8. EBITDA | -2.181 | 1.150 | -3.332 | 290 |
| 9. Depreciation on intangible assets and tangible assets | 2.031 | 1.090 | 941 | 86 |
| 10. EBITA | -4.212 | 60 | -4.273 | 7122 |
| 11. Amortization of Goodwill | 773 | 430 | 343 | |
| 12. Operating result (EBIT) | -4.985 | -370 | -4.616 | 1248 |
| 13. Financial results | -514 | 86 | -600 | 698 |
| 14. Results of ordinary operations | -5.499 | -284 | -5.216 | 1837 |
| 15. Extraordinary expenses/income | -30 | 33 | -63 | |
| 16. Earnings before Taxes (EBT) | -5.529 | -251 | -5.278 | 2103 |
| 17. Taxes | 139 | 412 | -273 | 66 |
| 18. Net losses before minorities | -5.668 | -663 | -5.005 | 755 |
| 19. Profit/Loss attributable to minorities | 9 | 0 | 9 | |
| 20. Corporate results | -5.659 | -663 | -4.996 | 754 |
| Earnings per share | in EURO | -1,35 | -0,16 | |

GROUP BALANCE SHEET

| | 30.06.2001 | 31.12.2000 |
|--|---------------|---------------|
| | kEUR | kEUR |
| ASSETS | | |
| Fixed Assets | | |
| Intangible Assets | 23.848 | 28.335 |
| Tangible Assets | 5.351 | 5.266 |
| Financial Assets | 211 | 172 |
| Deferred Taxes | 502 | 500 |
| | 29.912 | 34.273 |
| Current Assets | | |
| Inventories | 4.150 | 5.349 |
| Receivables | 33.017 | 38.432 |
| Marketable securities | 3 | 3 |
| Cash and cash equivalents | 1.218 | 2.355 |
| | 38.388 | 46.139 |
| Deferred charges and prepaid expenses | 202 | 1.093 |
| | 68.502 | 81.505 |
| LIABILITIES | | |
| Shareholders Equity | | |
| Subscribed Capital | 4.184 | 4.184 |
| Capital surplus | 33.141 | 36.504 |
| Currency reserve | 731 | -138 |
| Earned surplus | 3.869 | 2.769 |
| Retained earnings | -7.750 | -991 |
| Convertible bonds | 10 | 10 |
| | 34.185 | 42.338 |
| Minorities | -68 | -50 |
| Special reserves with an equity portion | 0 | 0 |
| Provisions | 2.170 | 3.958 |
| Deferred taxes | 254 | 232 |
| Liabilities | | |
| Convertible bonds | 79 | 87 |
| Liabilities due to banks | 16.840 | 13.891 |
| Trade liabilities and other liabilities | 15.042 | 21.049 |
| | 31.961 | 35.028 |
| | 68.502 | 81.505 |

CONSOLIDATED CASH FLOW STATEMENT FROM 01.01.2001 – 30.06.2001

| | 6-months 2001 | 6-months 2000 |
|---|---------------|----------------|
| | kEUR | kEUR |
| Six-month earnings | -5.659 | -663 |
| Depreciation on tangible and intangible assets | 2.031 | 1.090 |
| Goodwill amortization | 773 | 430 |
| Changes in provisions | -1.788 | -905 |
| Disposal of fixed assets | -63 | 35 |
| Changes in inventories | 1.199 | -3.572 |
| Changes in trade receivables and other assets | 6.306 | -10.404 |
| Changes in advances received, bills of exchange payable, trade liabilities and other liabilities | -6.015 | 9.169 |
| Cash Flow generated by ongoing operations | -3.216 | -4.820 |
| Acquisition of fixed assets | -1.688 | -895 |
| Acquisition of equity participations | -12 | -7.033 |
| Cash Flow from investment operations | -1.700 | -7.928 |
| Securities and own shares | 0 | -520 |
| Changes in financial assets | -39 | -177 |
| Payments from capital increase | 0 | 184 |
| Changes in liabilities due to banks | 2.949 | 1.553 |
| Changes in currency reserve | 869 | -99 |
| Dividend payments to shareholders | 0 | -1.000 |
| Cash Flow generated by financing operations | 3.779 | -59 |
| Net changes in cash and cash equivalents | -1.137 | -12.807 |
| Cash and cash equivalents at start of reporting period | 2.355 | 15.517 |
| Cash and cash equivalents at end of reporting period | 1.218 | 2.710 |

CENIT AG Systemhaus will also strive for a balanced result in the current year 2001. We have managed to achieve a high reputation as a growth enterprise and to have the profit situation in our eye parallel to it for the last 13 years. We and numerous investors and analysts consider us to be an extremely substantial value on the new market. CENIT is to be a strong, healthy, growing and profitable enterprise and earn the confidence of its shareholders in the future, as well. Therefore, we reduce our growth forecasts as well as sales volume expectations for the current financial year. A cost reduction program and recruitment stop, as well as dismissals in the administrative area, flank this. We assume that the introduced cost reduction measures will show results as soon as in the 3rd quarter. Similar to other companies at the stock exchange we have checked stability of our acquisitioning. For the time being we do not see need for any action to conduct corrections of any kind.

The present situation on the IT market is indicated by negative reports and downsizing with our competitors. We cannot escape the pressure of the market, which also had an effect on us by smaller margins in some business fields. We are sure that, through cost reduction

programs and increases of productivity and profitability we will take the CENIT group to the correct course in Germany and primarily internationally. We want to present black figures to our shareholders and justify their confidence lastingly, too. We see sufficient substance in the company to convince with stable performance.

The order situation in the area of e-engineering is very pleasant and lies above the market average. New trend-setting lines of business disclose themselves to us and promise thoroughly positive yields. We are again one step closer to our aim of becoming the largest system integrator worldwide in e-engineering. We are the number one not only in Germany but also Europe-wide. World-wide we are taking place seven, with trend up at the moment.

The current movement of CENIT in the market already contains a plain clearing up with which we are naturally from our point of view not satisfied. CENIT has a solid customer base and the necessary partner network as well as technology know-how, which has excellently placed us in the international information market.

DIRECTOR'S HOLDING

| Shares owned by the Executive Board | | Shares owned by the Supervisory Board | |
|-------------------------------------|---------|---------------------------------------|-----|
| Falk Engelmann | 361.396 | Hubert Leypoldt | 800 |
| Hubertus Manthey | 391.304 | Dr. Axel Sigle | 0 |
| Andreas Schmidt | 398.596 | Dr. Dirk Lippold | 0 |