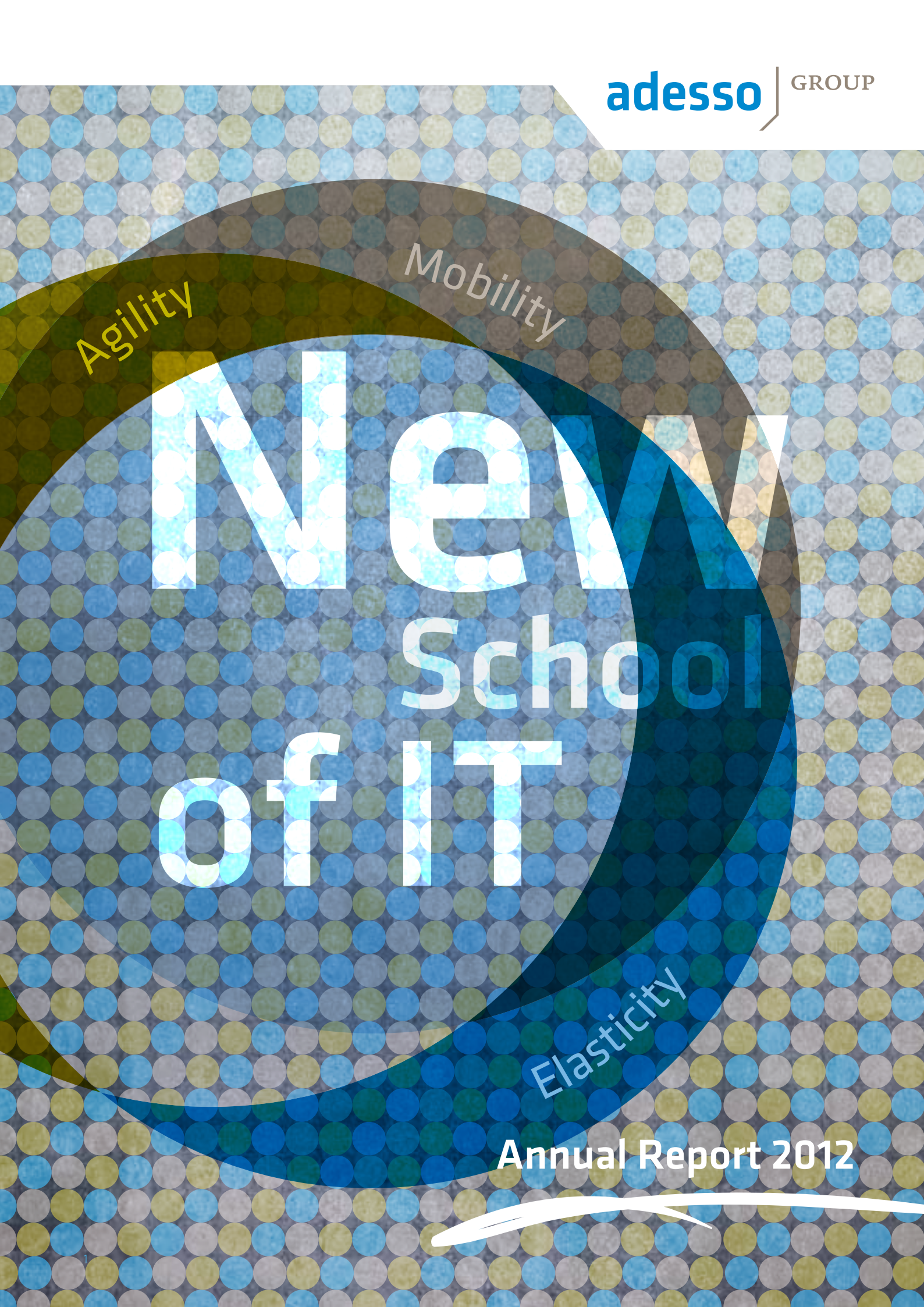
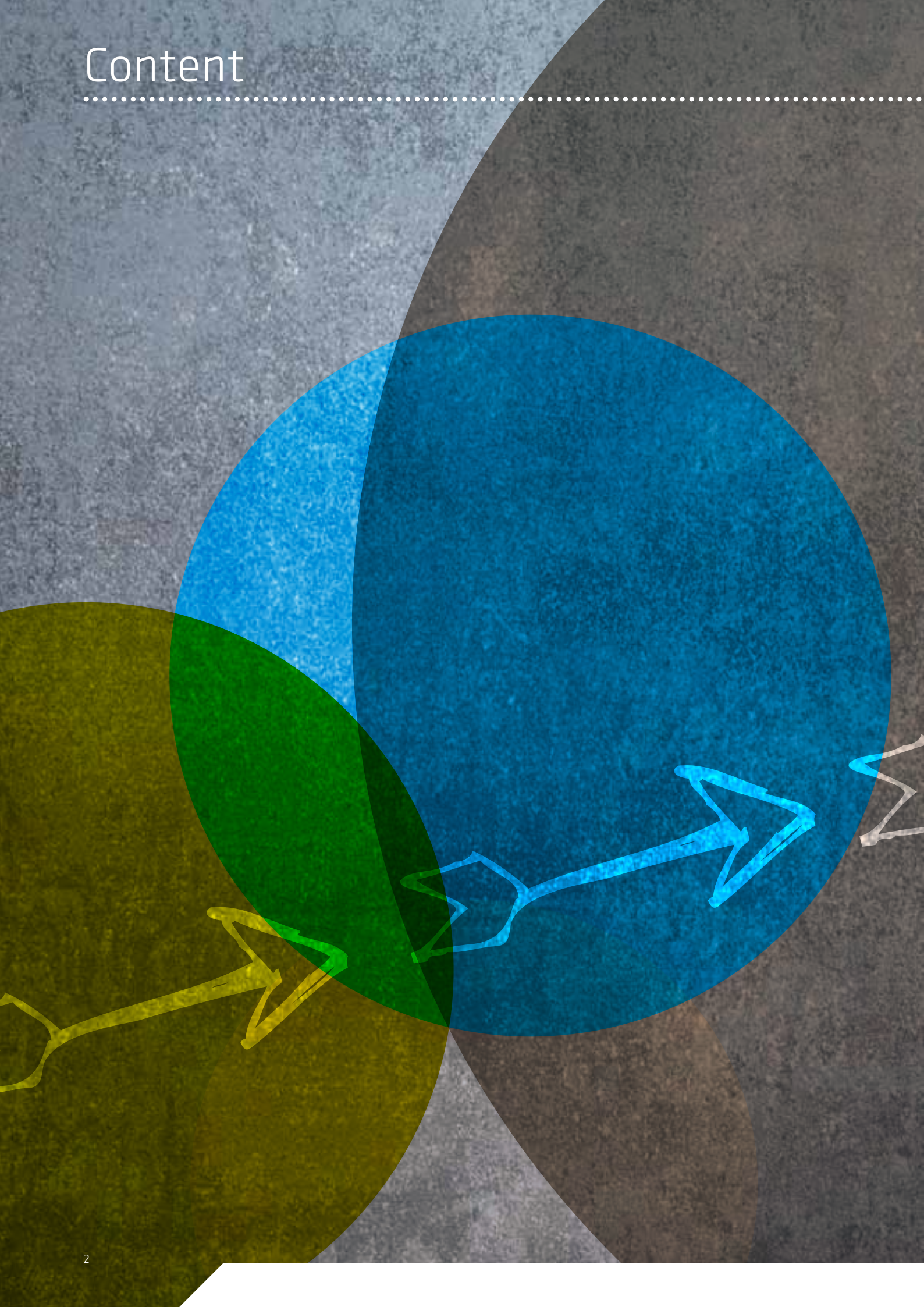
adesso GROUP



Annual Report 2012

Content



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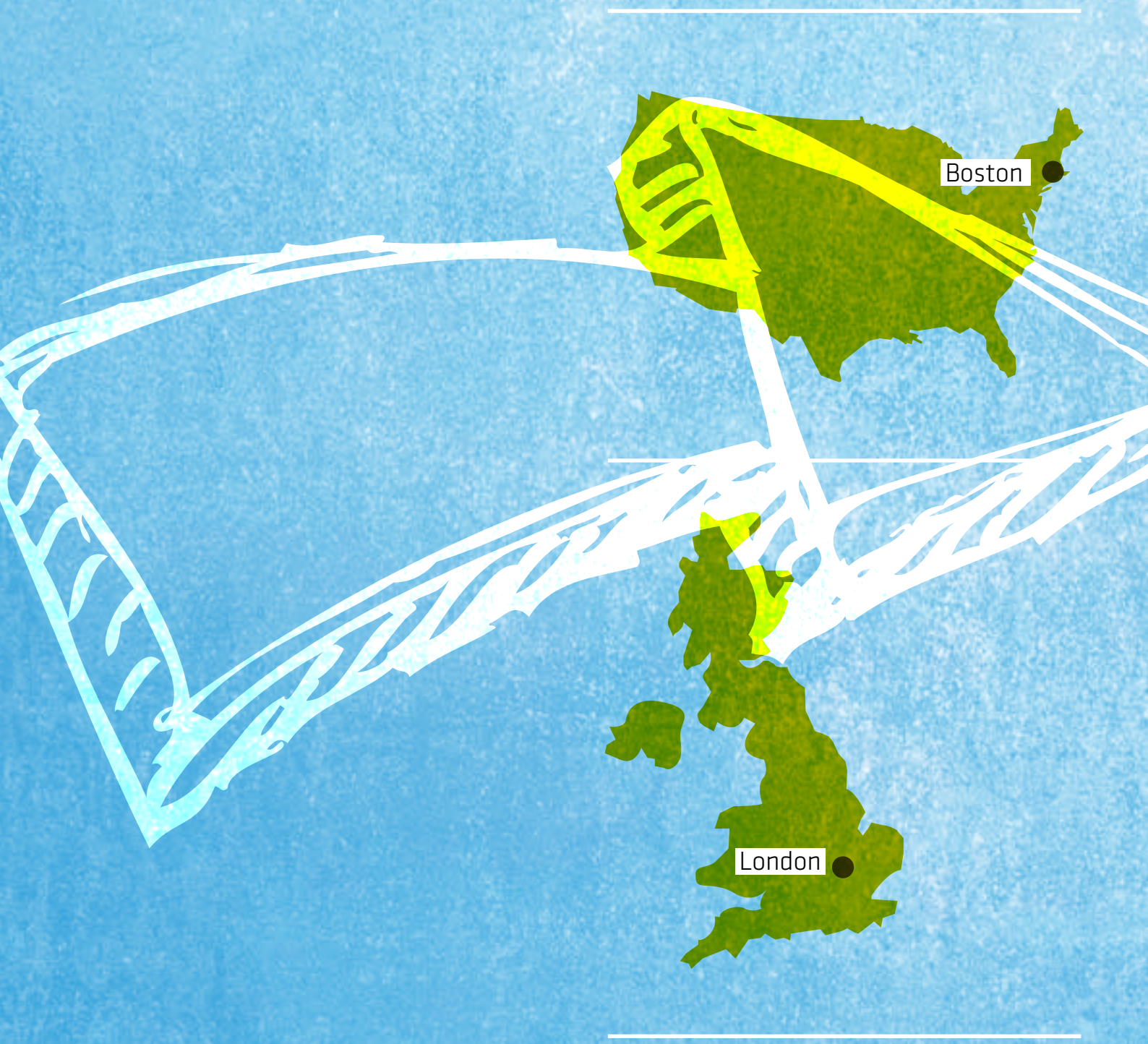


Hamburg
Stralsund
Berlin
Dortmund
Cologne
Much
Frankfurt
Stuttgart
Vienna
Munich
Zurich

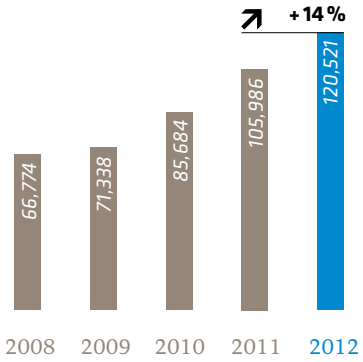
Companies in adesso Group

adesso AG
Dortmund
adesso Schweiz AG
Zurich, Switzerland
100 %
adesso Austria GmbH
Vienna, Austria
100 %
adesso mobile solutions GmbH
Dortmund
100 %
areal drei advisory GmbH
Cologne
100 %
gadiv GmbH
Much
61 %
PSLife GmbH
Cologne
50 %
ARITHNEA GmbH
Neubiberg
51 %
percision GmbH
Dortmund
100 %
evu.it GmbH
Dortmund
60 %
e-Spirit AG
Dortmund
100 %
e-Spirit Inc.
Delaware, USA
100 %
percision Schweiz AG
Zurich, Switzerland
100 %
adesso hosting services GmbH
Dortmund
51 %
e-Spirit UK Ltd.
London, UK
100 %
e-Spirit Schweiz AG
Zurich, Switzerland
100 %

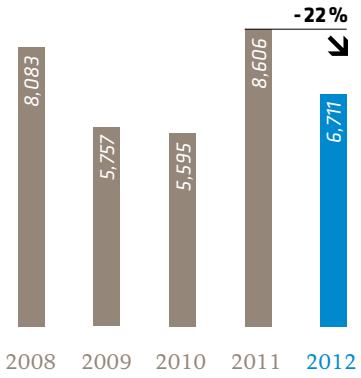
Key Figures

in EUR k	2012	2011	Change	in %
Profit situation				
Sales revenues	120,521	105,986	14,535	14
domestic	97,504	85,375	12,129	14
foreign	23,017	20,611	2,406	12
EBITDA	6,711	8,606	-1,895	-22
EBITDA margin (in %)	5.6	8.1	-2.5	-31
Consolidated earnings	-92	3,911	-4,003	-102
Balance sheet				
Balace sheet total	76,603	69,850	6,753	10
Equity	34,139	34,368	-229	-1
Equity ratio (in %)	44.6	49.2	-4.6	-9
Liquid assets	21,368	22,491	-1,123	-5
Net cash position	13,661	17,706	-4,045	-23
Employees				
Employees (FTE)	1,084	847	237	28
domestic	986	752	234	31
foreign	98	95	3	3
Gross profit/Employees	106	118	-12	-10
Share				
Number	5,747,716	5,741,663	6,053	0
Price at the end of the period (in EUR)	6.40	6.30	0.10	2
Market capitalisation at the end of the period (in EUR m)	36.8	36.2	0.6	2
Earnings per share (in EUR)	0.12	0.72	-0.60	-83
P/E ratio	53.3	8.8	44.5	506

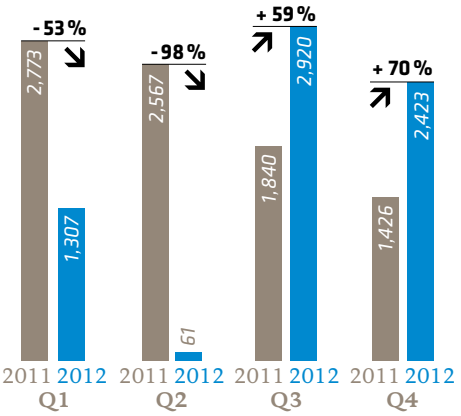
Growth in Sales
in EUR k



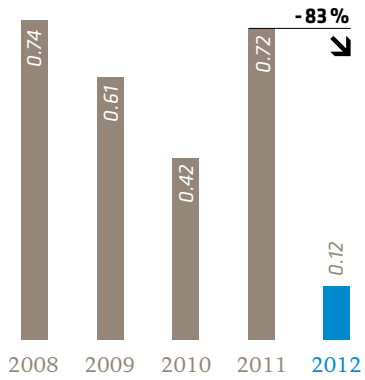
EBITDA Development
in EUR k



EBITDA Development (per Quarter)
in EUR k



Earnings per Share
in EUR



Michael Kenfenheuer, Christoph Junge, Dr. Rüdiger Striemer (left to right)

Foreword by the Executive Board

Dear Shareholders, Employees and Friends of the company,

It is with mixed feelings that we report to you on 2012. Encouraged by the previous year's excellent figures, we announced – and made – investments in the continued growth of adesso. These focused on the development of new products and new business fields as well as the associated need to also expand staff. adesso made great progress in 2012, even though not all plans panned out. At EUR 6.7 million, we did not quite make our operating earnings target.

After our sales surpassed the EUR 100-million mark in 2011, sales grew by another 14 % in 2012 to EUR 121 million. Organic growth drivers included the renewed expansion of business in Switzerland and mobile solutions as well as the development of new business units, such as Business Intelligence and Telecommunication.

The "New School of IT", launched by adesso last year, bears witness to adesso's innovative prowess and will become a pivotal element for both its positioning as one of the most strategically important IT companies in Central Europe as well as further growth. We believe that the three trends of mobility, agility and elasticity will combine forces to revolutionise corporate IT. We are pleased to show you our potential in these three areas in this Annual Report.

We took an important step by taking over a majority share in Arithnea GmbH at the start of the second quarter of 2012. Arithnea, with more than 120 employees, has for years been a rapidly growing, profitable consulting company for the use of e-commerce and content management systems. The integrated media agency's expertise, in connection with web shop systems and content management, is an ideal addition to adesso's portfolio. Together with the founders of Arithnea, we are driving the integration of the company with adesso Group and are building the basis for further growth in this field.

However, the investments in developing the energy sector business and its product family, dynamic.suite, led to significant expenses in 2012. Sales here fell by 24 %, and the consultancy business was restructured. We have shelved the development of dynamic.suite. The development of new business units and adesso's highly dynamic hiring policies in Germany, especially in the first half of 2012, demonstrate adesso's strength in a highly competitive labour market and highlight the momentum behind the company's growth. At the same time, this also led to lower average capacity utilisation in the first half of the year, despite establishing the basis for additional earnings potential. This became clearly apparent in the second half of 2012.

At EUR 6.7 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) was below our target range of EUR 7.2 to 7.5 million. EUR 5.3 million of this was generated in the second half of the year alone. We therefore recorded the highest figure so far for a half-year period and, in keeping with a "race to catch up", almost four times more than in the first half of the year. In particular, the high write-downs in connection with dynamic.suite and tax effects led to earnings per share of EUR 0.12.

Nevertheless, in the interest of a sustainable dividend policy, the Executive and Supervisory Boards propose distributing an unchanged dividend of EUR 0.18 per share. Both our comfortable situation in terms of cash and cash equivalents of more than EUR 21 million and our solid balance sheet structure give us the necessary flexibility to do so.

We have big plans for 2013. We intend to expand our sales team for our content management system FirstSpirit in the USA, England and Scandinavia. adesso plans to enter the Turkish market in 2013. And we will expand our portfolio to include clever hosting and cloud solutions with the newly founded adesso hosting services GmbH.

In the current financial year, we anticipate a 7 to 9 % increase in sales revenues to around EUR 130 million. We intend to increase operating margin to 6 %, which corresponds to growth in operating earnings to between EUR 7.5 and 8.0 million. The intensive internationalisation activities as well as the flu wave at the start of the year, which had a significant adverse effect on adesso's labour-intensive business, prevent a more pronounced increase in margin.

Dear shareholders, thank you very much for your faith in our company and our work. We would like to thank our employees for their great commitment, creativity and enthusiasm for their company. We would like to extend special thanks to our clients for their trust in our company. We are convinced that the New School of IT has the potential to offer a great deal of new inspiration for your work, and we look forward to working together with you to translate this momentum into values.

Dortmund, March 2013

The Executive Board

Michael Kenfenheuer

Dr. Rüdiger Striemer

Christoph Junge

Prof. Dr. Volker Gruhn, Chairman of the Supervisory Board

Report by the Supervisory Board

In financial year 2012, the Supervisory Board constantly monitored the management activities of the Executive Board in accordance with legal provisions and the company's bylaws. Furthermore, it advised the Executive Board in all important decisions affecting the company. The Executive Board informed it regularly about the situation and the course of business development at the company and its key subsidiaries in a timely and comprehensive manner. The Supervisory Board received documents about the asset, financial and earnings situation for this purpose on a quarterly basis. Additionally, it received comprehensive information from the Executive Board about key business transactions.

Four Supervisory Board meetings took place in financial year 2012. All members of the Supervisory Board participated in at least half of the meetings. The meetings regularly dealt with the current asset, financial and earnings situation as well as key questions pertaining to the business development, strategy, risk management and controlling, and personnel development and policies at the company and its key subsidiaries. They also discussed important individual business transactions and projects. In addition, current individual topics were discussed in regular meetings between the members of the Executive Board and the Chairman of the Supervisory Board. Events of extraordinary significance for the situation and development of adesso Group as well as business transactions requiring the approval of the Supervisory Board were always discussed immediately. The Supervisory Board formed no committees.

The March 2012 Supervisory Board meeting discussed, critically examined and approved the Annual Report and Consolidated Financial Statements for financial year 2011. The Supervisory Board meeting was also used to approve the planning for financial year 2012 and prepare the agenda and the proposals for the General Meeting, which were approved by the Supervisory Board during the meeting.

The Executive Board reported on the planned acquisition of Arithnea GmbH, Neubiberg, which added e-commerce and agency services to adesso's portfolio, and presented the valuation of the acquisition as well as additional transaction parameters. The Supervisory Board voted in favour of concluding corresponding contracts.

The second Supervisory Board meeting, in May 2012, held directly after the General Meeting, presented and discussed the results of the first months of the financial year. This was followed by a report on the development of the individual group companies. The meeting discussed in depth the cessation of financing with the consequence of the imminent insolvency of dynamicutilities GmbH and the reasons behind the situation. The Executive Board discussed the planned investment in the US market entry of e-Spirit AG, which was approved in the proposed form.

The third Supervisory Board meeting, held in September, presented and discussed the preliminary figures for the first half of the year, analysed the development of the individual Group companies and presented the ongoing business performance. In particular, discussions focused on the reasons for adesso AG's weaker earnings situation in Germany as well as the energy sector business. Additionally, the meeting took a look at the current or potential measures aimed at improving these units' earnings.

The fourth Supervisory Board meeting of adesso AG, held in December, presented the interim half-yearly financial statements as of 30 September 2012 and reported on the development of the asset, financial and earnings situation of the company and its subsidiaries in the ongoing financial year. adesso Group's forecast for full-year 2012 was also discussed.

The Executive Board explained the purpose and procedures of concluding profit transfer agreements with several adesso AG subsidiaries. Following thorough discussion, the Supervisory Board decided to put forward a motion for approval of the profit transfer agreements with individual adesso AG subsidiaries to the shareholders at the next adesso AG General Meeting.

The meeting also presented and discussed the planned establishment of a company in the field of hosting for the operation and management of software developed by adesso on behalf of clients. The Supervisory Board welcomed the establishment of the company and approved the modalities that had been presented.

In addition, the meeting resolved to update the Declaration of Conformity with the German Corporate Governance Code.

DOSU AG Wirtschaftsprüfungsgesellschaft, Dortmund, the auditor elected by the General Meeting, has audited the Annual Financial Statements and the Management Report of the parent company (adesso AG), the Consolidated Financial Statements and the Group Management Report for financial year 2012 and has issued an unqualified audit opinion.

The responsible auditor from DOSU AG Wirtschaftsprüfungsgesellschaft took part in the balance sheet meeting in March 2013. He explained the key findings of his audit and was available to the Supervisory Board for questions. He informed the Supervisory Board about services performed by DOSU AG Wirtschaftsprüfungsgesellschaft in addition to the audit.

The Supervisory Board is thoroughly convinced that the operating and financial risks are hedged through organisational and internal approval processes. A sound reporting system and an internal control system exist for the company and the group, both of which are subject to continued further development. The Supervisory Board was informed at regular intervals about project development and the development of the group companies.

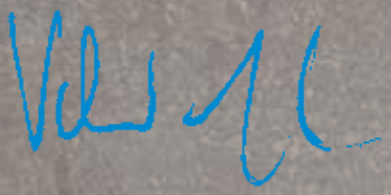
The Supervisory Board thoroughly examined the Management Report and Annual Financial Statements of adesso AG, the Group Management Report and Consolidated Financial Statements as of 31 December 2012 as well as the proposed appropriation of income for financial year 2012. To do so, the Supervisory Board consulted the auditor's reports. The Supervisory Board has agreed with the findings of the audit of the Management Report and Annual Financial Statements of adesso AG and has approved the Annual Financial Statements and Consolidated Financial Statements for financial year 2012. The Annual Financial Statements have therefore been approved (Section 172 of the German Stock Corporation – Aktiengesetz, AktG).

The Supervisory Board concurs with the Executive Board's proposed appropriation of income.

The Supervisory Board would like to thank employees of all group companies and their management as well as the Executive Board of adesso AG for their commitment.

Dortmund, 21 March 2013

The Supervisory Board



Prof. Dr. Volker Gruhn, Chairman

Investor Relations

The Share

The Trading Year 2012 – General Conditions

After suffering a loss of 15 % in the previous year, the German lead index DAX put in a convincing performance in 2012, closing the year at 7,612 points and a plus of 29 %. The MDAX developed even more favourably and gained 34 %. The TecDAX still managed to increase by 21 % during the course of the year. Although most analysts became cautiously optimistic again at the beginning of 2012, hardly anyone expected such positive developments. Estimates for the DAX were around 1,000 points down on average on the actual figures at year-end closing.

At the beginning of the year, a continuously low base rate and some of the lowest returns for long-term government bonds gave the impression that the stock market was developing favourably. Surprisingly positive German economic data and positive US labour market data helped the DAX to an excellent start to the first quarter of the year. However, a correction set in as early as April. Euphoria increasingly gave way to a factual analysis of the still unsolved euro and debt crisis. Despite being given billions of euros in loans, Greece faced insolvency and the consequences of the central banks' extensive monetary policies as well as the stability of the euro got caught up in the crossfire of critics again. By June, the DAX had dropped back down to its opening balance at the beginning of the year.

The unconditional support of the economic and monetary union and the related expansion of the "euro rescue fund" as well as massive intervention by the European Central Bank to support government bonds managed to restore trust in the European markets. More than any other country, Germany profited from the willingness to invest in German companies shown by German and foreign investors and a proverbial stock market rally set in until the end of the year as a result. Investor confidence merely suffered a short setback in the run-up to the US presidential elections in November on account of uncertainties about their outcome.

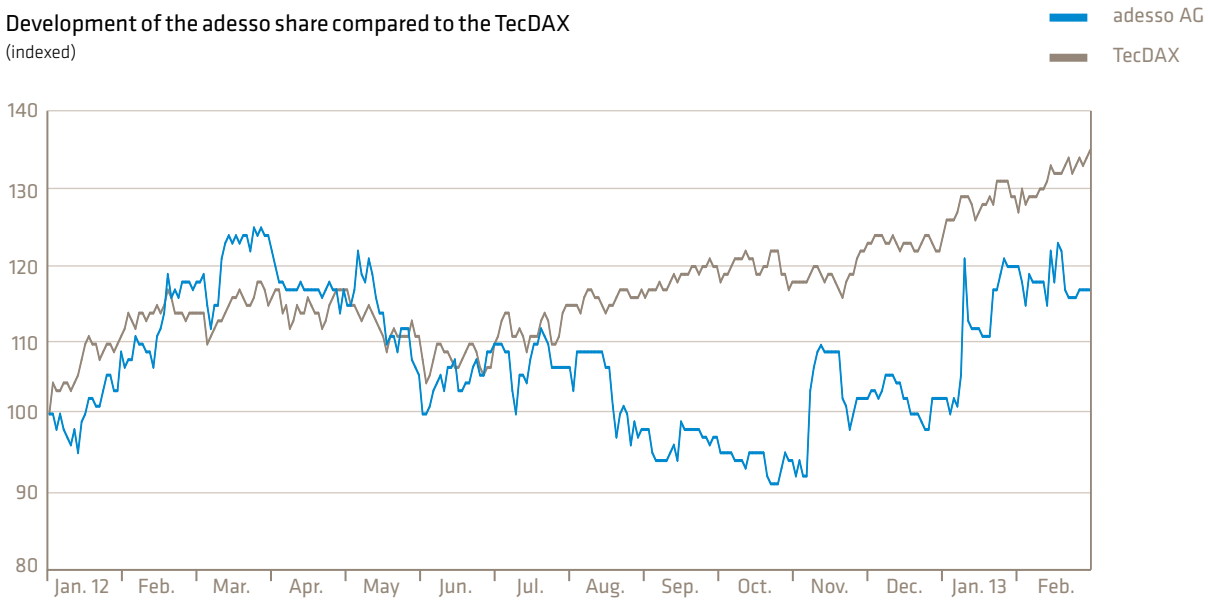
Development of the adesso Share

In 2012, the adesso share did not manage to follow up on the strong year 2011 that saw it outperform the TecDAX by 36 percentage points. Although the share closed the year with a 2% gain on the previous year, it fell considerably short of the 21 % rise of its benchmark index, the TecDAX. Initially, the share continued its positive development from the previous year until March. It rose by 24% from the beginning of the year to its annual high of EUR 7.80 on 27 March 2012. This development was supported by a positive market environment and the ad hoc advance publication of the positive 2011 business figures as well as large orders placed by one shareholder to stock up his voting rights share to more than 10 % (this limit was exceeded at the beginning of May). At the end of March, the adesso share had gained 6 percentage points on the TecDAX. The share was unable to escape the subsequent consolidation period in the markets, but still managed to keep ahead of the index in the beginning.

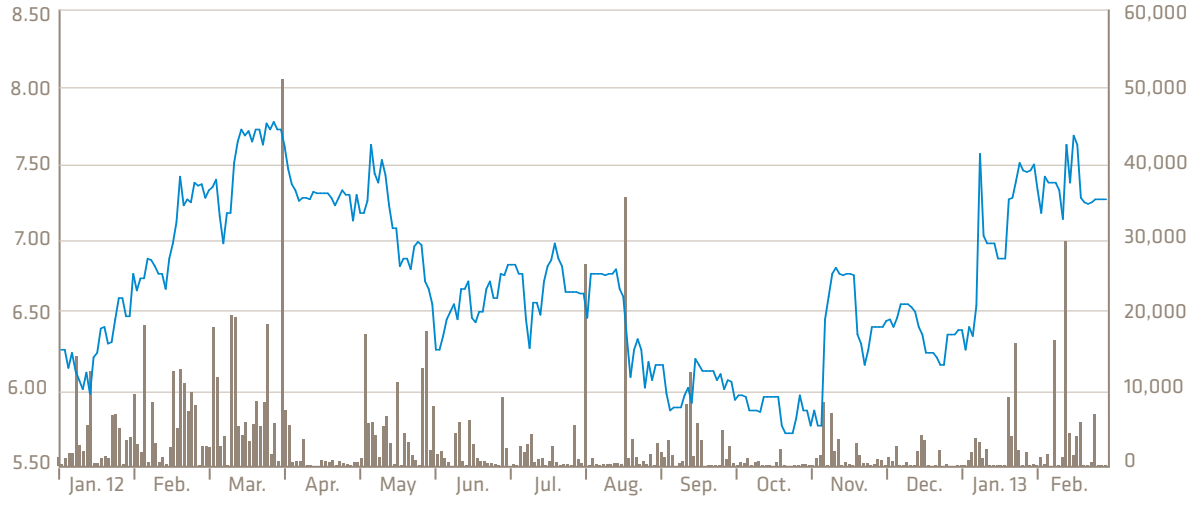
Due to adesso having to announce a slow first quarter in mid-May and the discontinuation of its dynamic.suite product developments at the end of May with resulting high impairments, the share also lost these advantages. Just like the indices, the share continued to fall until June, losing almost all of its gains again since the beginning of the year. However, adesso did not profit from the following "rally" but instead repeatedly suffered setbacks and considerably lower trading volumes. Once the ad hoc report of the preliminary half-yearly figures, including the reduction of the annual guidance, was published in mid-August, the share fell by 5 percentage points in just one day, then lost a further 10 percentage points, with trading volumes still being low, between 16 and 18 October 2012 until it hit its annual low of EUR 5.75. At this point, the share was approximately 10 % down on its opening balance of the year.

At the end of October, adesso positively surprised investors by ad hoc announcing steep profit growth in the third quarter. At comparatively high trading volumes, the share rose by 18 % in one trading week, from EUR 5.81 to EUR 6.84, and caught up significantly with the TecDAX. Despite the improved outlook, demand decreased again and the share did not manage to fully maintain this level, fluctuating around its annual closing price of EUR 6.40 until the end of December.

Development of the adesso share compared to the TecDAX
(indexed)



Development of the adesso share and trading volumes (Xetra)
in EUR/ trading volumes: in shares



adesso's market capitalisation therefore increased only slightly from EUR 36.2 million in 2011 to EUR 36.8 million at the end of 2012.

2012 was a difficult year, particularly for small caps. Total share trading volumes on the spot market dropped steeply and investors primarily focused on buying large caps. Compared with 2011, total share trading volumes decreased by 22 % to EUR 954 billion. TecDAX shares even sold 46 % less. After a 67 % gain in the previous year, adesso's trading volume declined by 41 %, from EUR 12.1 million to EUR 7.2 million in 2012, with March being the strongest month at EUR 1.8 million. In December, on the other hand, a mere EUR 0.1 million was generated. An average of 4,158 shares changed hands each and every trading day in 2012, down 42 % on 2011. Whereas 88,018 adesso shares were traded on a monthly average, the first quarter rose significantly above this figure with a monthly average of 163,281 shares sold. The second half of the year in particular fell considerably short of this figure with an average sales volume of 53,830 shares. April, October and December were the only months in which less than 50,000 shares were traded. Around 75 % of trade in 2012 was carried out on the Xetra trading platform, corresponding to at least 5 percentage points more than in 2011.

The shares of adesso AG continued to recover at the beginning of 2013. Since mid-January, the share has been moving up, largely parallel to developments on the TecDAX, supported by a largely positive stock market environment and increasing trading volumes (monthly average until the end of February: EUR 527,140). On 10 January, it profited from a 15 % hike, soaring from EUR 6.59 to EUR 7.59. Compared with the closing price in 2012, the adesso share was up by 14 % until the end of February, therefore outperforming the TecDAX by 3 percentage points.

Capital Measures

The share capital rose by 0.1 % in the reporting period from EUR 5,741,663 to EUR 5,747,716 after stock options from the company's stock options programme were exercised. The share capital initially rose by EUR 2,640 in June and increased by a further EUR 3,413 in September.

Dividends

The General Meeting held on 30 May 2012 approved the proposal by the Supervisory Board and Executive Board on the appropriation of net income and distributed a dividend of EUR 0.18 per share, which corresponds to an increase of 20 % and a payout ratio of 25 %, based on consolidated net income (previous year: 36 %). The dividend was credited to shareholders' custodian accounts from 31 May. The dividend yield amounted to 2.9 % based on the 2011 closing share price.

Shareholder Structure

The largest shareholder of adesso AG with 29.9 % of the voting rights is Prof. Dr. Volker Gruhn, who holds his share indirectly via the Setanta GmbH investment company. He is the Chairman of the Supervisory Board of adesso AG and its co-founder. As co-founder and previous member of the Executive Board, Rainer Rudolf holds the second-largest share in voting rights at 19.4 %. adesso AG's Supervisory Board holds 30.0 % and its Executive Board 1.7 % of the company's share capital. 81.7 % of the assigned voting rights and therefore the majority is held by private investors. A further 5.3 % is held by institutional investors whose share has risen by 3 percentage points since the last report. The remaining 13.0 % of the company's shares cannot be clearly assigned to a specific class of investors. According to the definition of Deutsche Börse AG, the free float is 35.5 %. This figure has dropped by a total of 2.8 percentage points compared to 38.3 % in the previous year on account of acquisitions by shareholders whose shares can be allocated to non-free float as well as the exercising of options from the company's stock option programme.

Investor Relations Activities

Our investor relations activities are dedicated to active communication and ensure that our business activities are transparent. We not only strive to offer ultimate transparency and ready access to information, but also actively seek dialogue with institutional and private investors, analysts and the financial press. In doing so, we regularly present our developments in the course of one-on-one meetings or roadshows. We also took advantage of numerous investor conferences to present adesso AG and enhance our contact to the capital market.

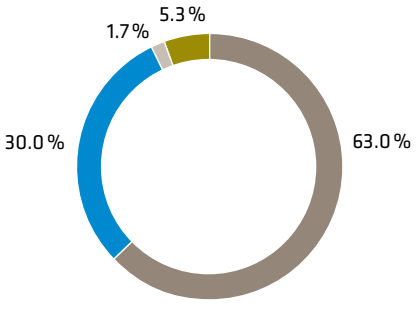
We again presented adesso AG at the German Equity Forum in Frankfurt in 2012, a privilege usually only granted to companies listed in the Prime Standard.

The following table shows the most important share data for 2012 per quarter:

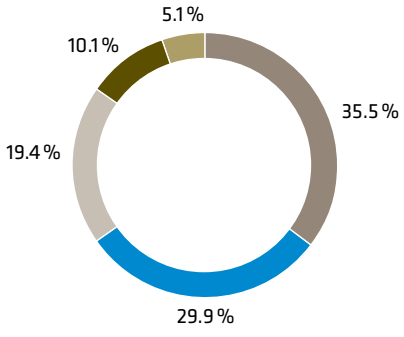
Share Data

	Q1	Q2	Q3	Q4	2012
Price at the end of the quarter	6.01	6.86	6.00	6.40	6.40
Development in 2012 (in %)	21	9	-5	2	2
Development of TecDAX in 2012 (in %)	15	9	18	21	21
Highest price in EUR	7.80	7.65	7.00	6.84	7.80
Lowest price in EUR	6.01	6.30	5.90	5.75	5.75
Volatility (90 days at the end of the quarter in %)	25.8	26.9	30.9	32.3	32.3
Trading volumes in shares per trading day	7,536	3,926	2,916	2,153	4,158
Trading volumes in EUR per trading day	54,126	26,354	18,472	13,029	28,326
Number of shares	5,741,663	5,744,303	5,747,716	5,747,716	5,747,716
Market capitalisation in EUR million	34.5	39.4	34.5	36.8	36.8

Shareholdings
in %



Shareholder structure
in %



The company was also presented at the Entry and General Standard Conference in Frankfurt as well as three other conferences and investor events in Germany. In addition, we published information relevant to the capital market and presentations on our company regularly during the financial year. Interested capital market participants have access to comprehensive information in the "Investor Relations" section of the company website, which goes far beyond the mandatory disclosures. The menu item "Questions for the CFO" is a service that permits direct dialogue with the responsible Executive Board member. Distribution lists for mailing or electronically distributing company press releases and reports allow us to actively and automatically supply interested parties with the latest information on adesso AG. More than 340 individuals and companies have already registered to take advantage of this service. Especially for analysts but also for all other interested investors, adesso offers an investor folder for download which, in addition to the regular publications for the past 12 months, includes a multi-year overview of the most important performance figures as well as the consolidated and interim half-yearly financial statements in Excel format. adesso was analysed regularly by the research departments at two banks in 2012. Updates to analyst studies are offered on the adesso website. The financial calendar for 2013 once again plans for an increase in the number of investor conferences.

adesso AG is a member of the German Investor Relations Association (DIRK e.V.).

Basic share data

ISIN Code	DE000A0Z23Q5
WKN (national security identification number)	A0Z23Q5
Symbol/Code	ADN1
Reuters Instrument Code	ADNGk.DE
Bloomberg Symbol	ADN1:GR
First day of trading	21.06.2000
Trading platforms	Xetra
Market segment	General Standard
Number of shares	5,747,716
Currency	EUR
Nominal value	No share with nominal value; 1.00 EUR (mathematically)
Share capital	5,747,716 EUR
Voting rights per share	1
Index	CDAX, DAXsector All Software, DAXsubsector All IT-Services, General All-Share, General Standard Index, NRW-MIX 50
Reporting standard	IFRS
End of financial year	31.12.

	2012	2011
Number of shares at the end of the year	5,747,716	5,741,663
XETRA closing price at the end of the year (EUR)	6.40	6.30
Market capitalisation at the end of the year (EUR million)	36.8	36.2
Earnings per share (EUR)	0.12	0.72
Cashflow per share (EUR)	0.17	1.77
P/E ratio	53.3	8.8
Price/cash flow ratio	36.6	3.6
Dividend per share	0.18	0.18
Return on dividend	2.8 %	2.9 %

Analyses / Research

Since April 2011, the share of adesso AG has been regularly assessed by Hauck & Aufhäuser Institutional Research through studies and updates and also by WGZ BANK AG since May 2012.

The last updated analyses were published in March 2013. Both recommended buying (WGZ Bank, 18 March 2013: price target EUR 9.10 / Hauck & Aufhäuser, 12 March 2013: price target EUR 10.30). The coverage by Hauck & Aufhäuser was taken as a basis for cooperation with the private bank, which has been advising adesso on access to institutional investors and high net-worth individuals over the last two years. Hauck & Aufhäuser stopped its coverage once its agreement with adesso AG ended in March 2013. WGZ Bank continues its coverage as before and is intensifying its efforts to make contact with investors. adesso aims to find at least one more analyst for regular coverage.

Since the beginning of 2011, trading of the adesso share has been supported by Close Brothers Seydler Bank AG, the designated sponsoring market leader.

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Recommendations

Date	Subject/Recommendation	Evaluation	Source
18 March 2013	Buy	Price target: EUR 9.10	WGZ BANK AG Westdeutsche Genossenschafts-Zentralbank
12 March 2013	Buy	Price target: EUR 10.30	Hauck & Aufhäuser Institutional Research GmbH
January 2013	On the watch list	[…] Positive figures in Q3 show that the period of weakness has passed […]	comdirect compass
6 December 2012	Back on track to success	[…] adesso should be placed on the watch list, especially to take advantage of weak share developments such as in October.	Nebenwerte Journal
8 November 2012	Stock market favourites / Focus on shares	The adesso share is highly likely to make a comeback.	Effecten Spiegel
29 October 2012	IT services watch list	[…] If the announced re-focussing on profitability turned out to be successful, the current situation would yield great recovery potential –both for profit and the share.	SMC Research
20 June 2012	adesso: Forecast has improved again	[…] In view of a successful 2013, weak share prices should be taken advantage of this year (s. NJ 5/12).	Nebenwerte Journal Extra
30 May 2012	adesso adjusts forecast	With a P/E ratio of 10 in 2012, we are confirming our recommendation to hold from 18 April with a stop at EUR 6.10. New subscribers wait.	PLATOW Börse
14 March 2012	adesso radiates optimism	Old subscribers (+16 % since 16 February 2011) trace stop at EUR 6.10. New readers wait.	DER PLATOW Brief

2012 highlights

February

e-Spirit reports the most successful financial year in its history
The adesso subsidiary was able to increase licence sales by 80 % compared to the previous year. In 2011, 33 clients from a wide variety of industries chose FirstSpirit, including Media-Saturn, KLM Royal Dutch Airlines, Geberit, Bayerische Landesbank, the Swiss SFS Gruppe, the French Fives Group, and South Africa's biggest oil and chemical company. Numerous existing customers also upgraded their FirstSpirit installation.

March

Record sales and operating results for both the company and group
Thanks in large part to strong licence sales in its product business, the whole group achieved record performance in the 2011 financial year. The forecasts published in the half-year financial statement were exceeded and new record results were attained in terms of sales and operating results. adesso achieved sales revenues of over EUR 100 million for the first time. The operating result of EUR 8.6 million led to a 74 % increase in shareholder earnings per share, to EUR 0.72.

adesso takes a majority stake in the e-business specialist Arithnea GmbH, which has over 100 employees and sales revenues of EUR 10 million
adesso extended its portfolio in the field of consultancy and the provision of e-commerce solutions with its purchase of 51 % of the shares in Arithnea GmbH, thereby also strengthening its ability to introduce content management systems. The company is highly profitable, debt free, has a strong balance-sheet structure and sufficient liquidity.

adesso remains one of the best employers in Germany and Switzerland
In the context of national competitions, adesso Germany and adesso Switzerland were awarded the coveted titles "Germany's Best Employer" and "Switzerland's Top Employer" respectively. This underlines adesso's position as a particularly attractive employer in the competition for the best expert employees and leaders.

adesso's joint venture develops successfully and brings the new inventory management system of Barmenia Lebensversicherung into productive operation
After a project duration of one-and-a-half years, PSLife, the new inventory management system of Barmenia Lebensversicherung was successfully brought into operation. The model-based solution for life insurance management was developed by PSLife in Cologne, which is a joint holding of the Dortmund-based IT service provider adesso AG and BELTIOS GmbH, which is headquartered in Munich.

April

adesso underlines commitment to quality and sustainable environmental practices by means of ISO certifications
adesso AG has again implemented significant developments to its quality management system and been certified according to ISO 9001. As a result of further optimisation of its business processes and its innovative services, which put the client clearly in focus, adesso has also thereby improved its competitive performance. It has also fulfilled the requirements of the internationally recognised environmental standard ISO 14001.

May

adesso shareholders receive an increased dividend of EUR 0.18 per share
At the Annual General Meeting on 30 May 2012, the suggestions of the Executive Board and the Supervisory Board regarding the allocation of profits were confirmed, leading to a dividend per share of EUR 0.18. This was the third time adesso has paid out profits to investors in the form of a dividend. With regard to the 2011 year-end closing price, this represents a dividend yield of 2.9 %.

June

adesso AG receives contract for order volumes of several million euros from the Federal Ministry of the Interior
adesso AG made a successful bid for development and support of the central tender platform of the ministry's procurement office in a Europe-wide application process. The contract lays the foundation for the procurement of software consultancy and development services with an annual value of up to EUR 2 million per year for a period of two to four years. The project in the area

of "public administration" will increase adesso's visibility in this sector, and represents an important step in developing this area of business into one of adesso's core areas of activity.

adesso takes on its 1,000th employee
At the beginning of June, the adesso team welcomed the 1,000th employee of the group and celebrated its uninterrupted growth. The number of employees has doubled in less than 5 years.

August

Nintendo executes its European web relaunch using a content integration platform from e-Spirit
A further renowned client has opted for the advantages of the content management system from the adesso Group. Nintendo of Europe GmbH is executing the relaunch of its European web presence using FirstSpirit from e-Spirit AG.

September

adesso supports BARMER GEK in software tests for major projects
adesso AG won its bid for an attractive framework contract offered by BARMER GEK in a tender process, and will become a strategic partner of Germany's largest health insurance fund in the area of software testing. The object of the appointment is the execution of user tests for an increasing number of major projects at the health insurer.

New version 5 of FirstSpirit launched on schedule
e-Spirit launched FirstSpirit 5, the new major version of its content management system. The new version of the CMS includes numerous new developments that simplify the creation and publication of content for all channels, make the continual improvement of the "user experience" easier, and allow internal content management process to be created more efficiently.

October

adesso announces a jump in third-quarter profits
After the original forecasts for the year were adjusted downwards before the half-year report, the outlook was significantly better in the third quarter. Sales revenues of EUR 31.6 million generated EBITDA of EUR 2.9 million. While the adjusted outlook for 2012 expected significant improvement in the second half of the year, third quarter results were better than forecast. High licence sales in the product business and the successful restructuring of the company's energy and water sector activities were drivers of the positive development.

November

adesso receives a contract worth over EUR 2 million from the University of Vienna
adesso Austria was chosen to carry out a multi-million euro project for the University of Vienna in an open bidding process. adesso will cooperate with the university to conceive, develop, and implement a new online portal for students and lecturers, which is due for completion in mid-2014. The project includes a total volume of consultancy and software development services of EUR 2.3 million.

December

adesso wins tender from KfW Bankengruppe
Another successful project bid was celebrated at the end of the year: adesso received a contract for the migration and modernisation of the internet presence of Germany's largest development bank, KfW Bankengruppe (Kreditanstalt für Wiederaufbau), in an open bidding process. The contract also includes a four-year consultancy and software development partnership for the continuing strategic expansion of KfW's online communications.

“Changes only benefit those that are prepared for them.”
Louis Pasteur

Welcome to the “New School of IT”

Today, there is no question that information technology plays a role in almost every area of our lives. Its short innovation cycles have allowed it to embed itself in our daily routines, modern society, and particularly in economic processes. Its innovative power drives a virtuous cycle by promoting the exchange of new ideas, providing access to collective knowledge, and leaving the limitations of time and space in the past. We are experiencing undreamed of flexibility and mobility.

This is due to three trends that are revolutionising the potential of IT in business. The effects of “mobility”, “agility”, and “elasticity” require completely new ways of seeing applications and IT architecture, which the adesso Group makes available to its clients in the form of the New School of IT.

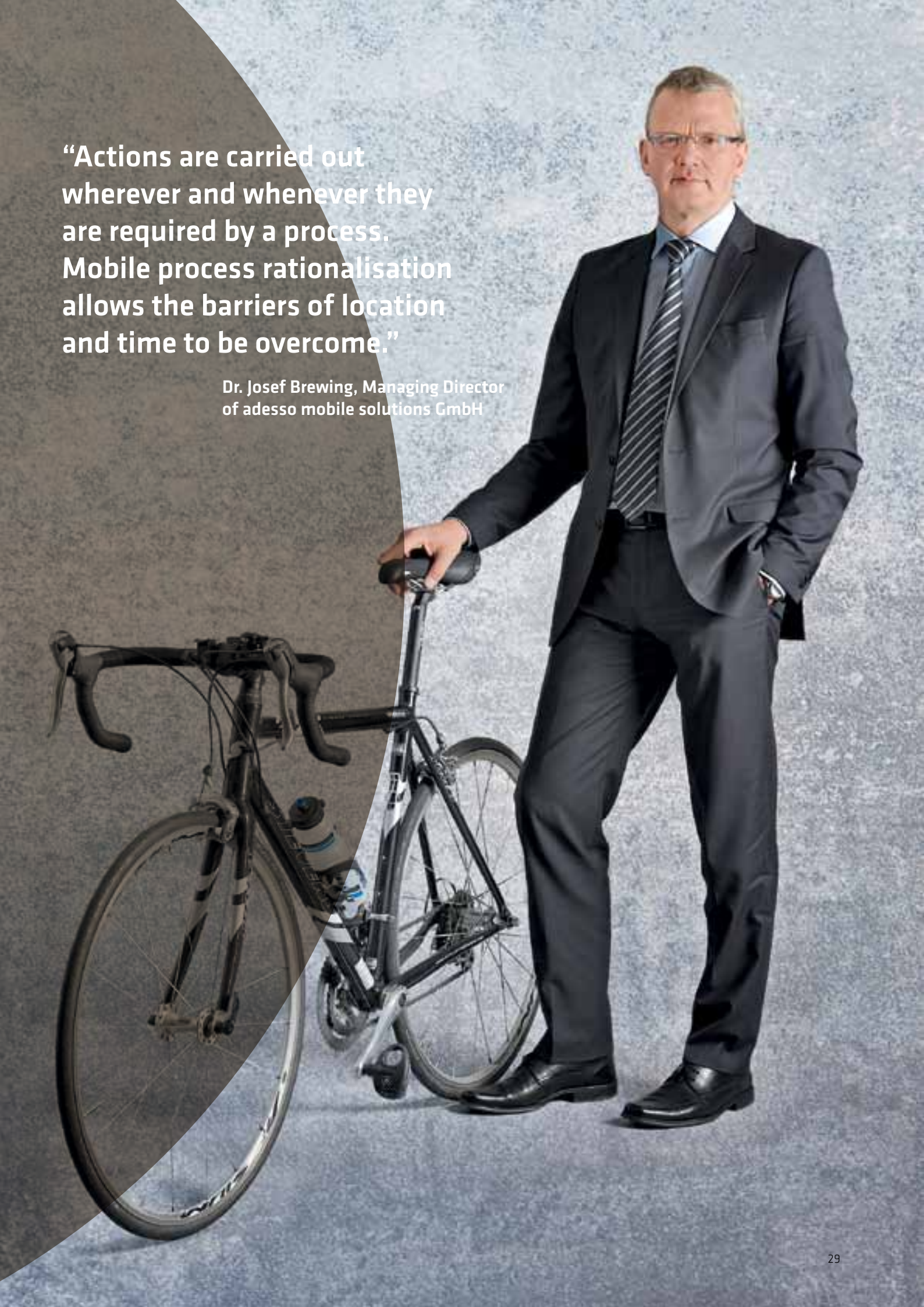
adesso has thereby positioned itself as a market leader, offering solutions in numerous application areas that were unthinkable just a short time ago. Its increasing competence, combined with its technological and conceptual leadership, will enable adesso to continue its trajectory of rapid growth. Join us on our journey.

Mobility

Everything is becoming mobile. Not just end user devices, but also future business processes. Market observers predict that internet use on smartphones and tablets will overtake use from static connections in 2013. It is no surprise then that users have learned to appreciate the convenience of apps and the constant availability of the mobile internet. Thanks to the constantly increasing performance of end user devices, the commercial sector is starting to make use of the mobile internet. Actions are carried out wherever and whenever they are required by a process. Mobile process rationalisation allows the barriers of location and time to be overcome. At adesso, we gather these developments under the heading "Your business. Always. Everywhere."

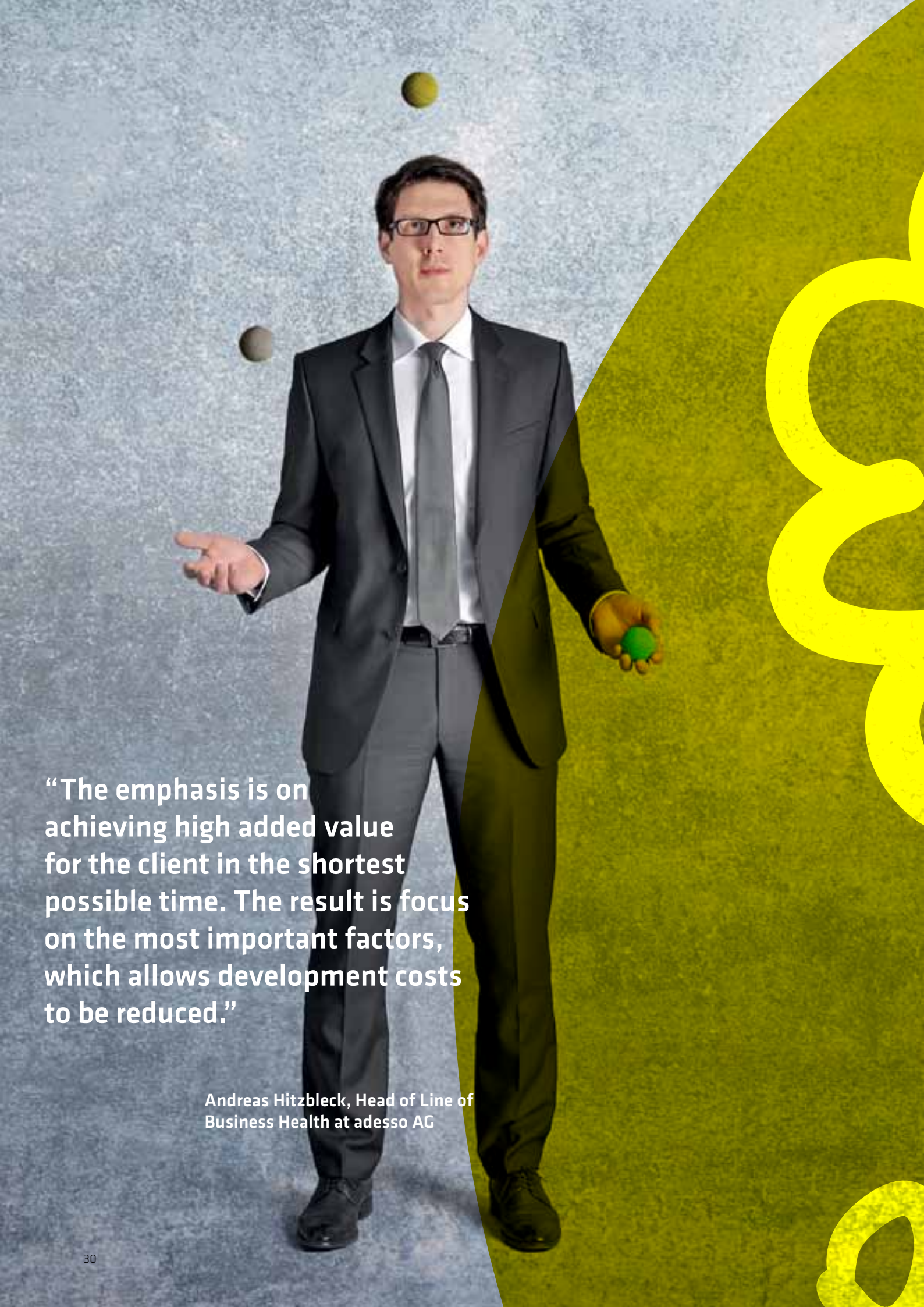
The strategic integration of mobile applications in business processes is a decisive factor for success. adesso supports companies in developing the right mobility strategy and in implementing mobile solutions. That includes far more that creating websites that are optimised for mobile end user devices. The mobile channel is a fully-fledged additional sales channel. The core business processes of companies can be accessed by employees regardless of their location. Products, services, and information are available to clients. The provision of applications that support the sales activities of field staff and insurance brokers, which allow full access to data and offer full process support through to the conclusion of contracts and the transfer of client data to a company's core systems, is just one example among many.

The growing diversity of mobile applications and end user devices, along with increasing data volumes and constantly improving stability, security, and availability, call for a rethink in terms of the level of agility in application development and the higher elasticity of infrastructures. These are areas in which adesso has considerable experience.



“Actions are carried out wherever and whenever they are required by a process. Mobile process rationalisation allows the barriers of location and time to be overcome.”

Dr. Josef Brewing, Managing Director of adesso mobile solutions GmbH



“The emphasis is on achieving high added value for the client in the shortest possible time. The result is focus on the most important factors, which allows development costs to be reduced.”

Andreas Hitzbleck, Head of Line of Business Health at adesso AG

Agility

Agile software development has been a dominant topic for years. Customer requirements can be fulfilled rapidly because development work is carried out without full specifications. This approach is also more open to the changes that usually present themselves during the course of a project. In the end, close cooperation with the client also ensures that the right components are developed at the right time.

Paradoxically, however, this pragmatic fundamental concept is often discussed in the context of major projects, but then seldom used in practice. The concept has often led to insecurity in terms of timing, budgeting, and in questions relating to warranties.

That has changed, so that in the future the method will be able to fulfil its true potential in major projects. Comprehensive practical experience from numerous medium-sized projects is available. New, reliable planning tools and billing agreements have helped overcome the final reasons for insecurity. And the business models of many adesso clients are changing in ways that make agile processes essential in order to ensure the rapid delivery of urgently needed software solutions.

The division of the remaining risks also represents an innovation in this respect. Software developers and clients work together as partners for the delivery of a solution. The emphasis is on achieving high added value for the client in the shortest possible time. The result is a focus on the most important factors, which allows development costs and times to be reduced. Professional and technical experts work together from the outset in the “interaction room” to achieve these aims.

adesso has all the necessary tools and experience to realise such agility in software projects of all sizes.

Elasticity

Virtualisation is now common. Virtual computers have replaced “real” hardware. In this way, server groups can be efficiently consolidated, which leads to cost reductions. However, a further element is hardly ever taken advantage of: elasticity.

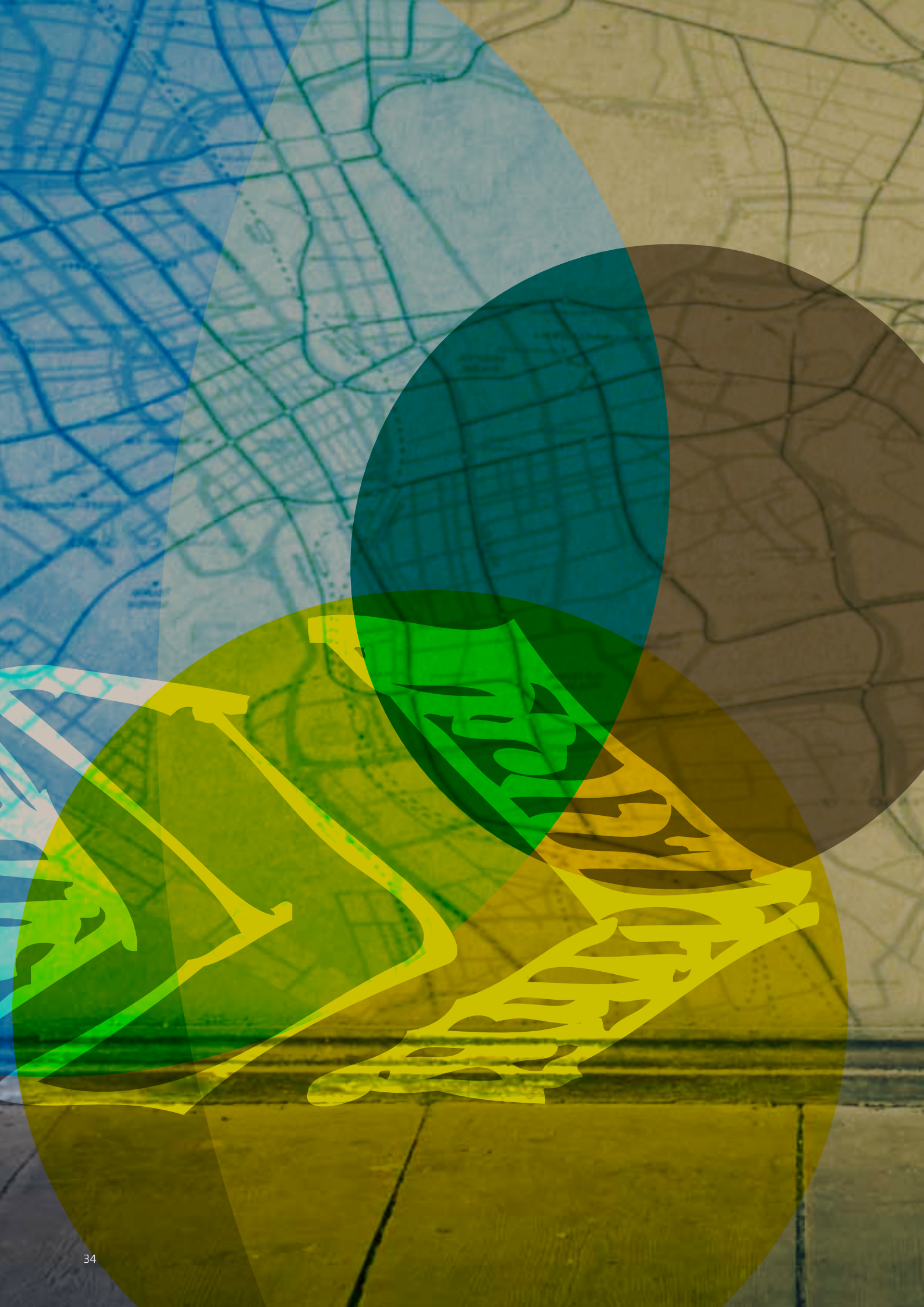
New computers are available immediately – without the need for complex organisational or purchasing processes. Infrastructure is no longer necessarily located in internal data centres, but can be accessed as required from the “cloud”. When new infrastructure can be created at the click of a mouse, it opens up whole new possibilities. The technological basis of IT will change fundamentally as a result of elasticity. Software projects can also take advantage of this shift, because test environments and even product launches are now possible at the click of a mouse.

Elasticity also offers great potential in the process of making the software “executable”. Even if the term is confusing, people often speak of “continuous delivery”. This does not necessarily mean continuous delivery in production, instead it usually refers to automation. That increases the reproducibility and reliability of processes, and reduces the risks associated with a product launch. This makes use of agility, because such development processes can very rapidly deliver software that could not previously be made usable at such speeds. Continuous delivery closes this gap. Software therefore contributes to business success far more quickly.

Despite the automatic provision of infrastructure, the knowledge of IT administrators remains essential. Far closer cooperation with developer teams becomes necessary, meaning that development and operations become fused in so-called “DevOps”. A number of other changes also result: New approaches help in areas where database requirements have often created problems. NoSQL databases are not just flexible and elastic, they also offer advantages when working with ever-increasing data volumes. And they impress thanks to their low cost, making the analysis of large data volumes (Big Data) more cost-effective. Efficiency can also be increased by using more cost-effective or virtualised infrastructure.

The IT world is changing fundamentally. adesso understands the requirements of different technical areas, including application development and IT operations. This allows it to help companies to adapt profitably to the “New School of IT”.

“The technological basis of IT will change fundamentally as a result of elasticity.”
Eberhard Wolff, Architecture & Technology Manager at adesso AG



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Group Principles

Business Model, Targets and Strategies

adesso is a rapidly growing IT service provider with the aim of joining the ranks of the leading consulting and technology groups for industry-specific business processes in Central Europe. adesso applies its extensive expertise in the relevant industries to act as an interface between the worlds of business processes and IT and realise software projects that meet the highest technical standards. Through the development of in-house software solutions, adesso has increased its market penetration and established an outstanding position when it comes to future-oriented IT solutions such as mobilisation or enterprise content management. One of adesso's strategic targets is the internationalisation of the sale of its own products. Business operations are also complemented by a defined acquisition strategy.

Coupled with a focused business model and the mission to outperform standard industry margins, the growth adesso has achieved in the past has increased the value of the company on a sustainable basis and the growth that is on the horizon will continue to do so. adesso invests a great deal of resources in targeted business development, the expansion of sales capacity, recruiting and marketing. These investments, paired with significant industry and consulting expertise, allow adesso to generate growth that far exceeds the industry average. adesso is a leading technology provider in the software development industry and invests an above-average amount in training its employees as well as in the ongoing development of the in-house adesso software development model.
The Executive Board is committed to the strategy of striving for the right balance of growth, solid finances and earning performance.

For 2012, the Executive Board declared its targets of increasing sales by 5 % to between EUR 110 million and EUR 112 million and generating EBITDA of between EUR 7.2 million and EUR 7.5 million and earnings before taxes of EUR 5.0 million.

Employees and Structure

adesso was founded in 1997 and employed a total of 1,084 people in Germany, Austria, Switzerland and the USA as of the end of 2012. While 98 foreign employees are employed by the adesso Group, 637 employees in Germany work for parent company adesso AG, which, alongside its functions as a holding company, therefore also represents the adesso's largest operating unit. adesso's largest location is Dortmund, which is also the city in which adesso AG was founded and the location of the company headquarters. In Germany, adesso maintains eight further offices in all of the country's key economic regions, both to ensure constant customer proximity and to keep travel costs as low as possible. adesso's international locations are in Boston, London, Vienna and Zurich.

As of the reporting date, adesso Group consisted of adesso AG as the largest operating unit and parent company, a number of companies in which adesso holds a majority share, consolidated subsidiaries of subsidiaries and one joint venture. adesso differentiates between two business areas: IT Services and IT Solutions. In the IT Services business area, adesso offers tailor-made, project-oriented services in the consulting and software development industries and, in the IT Solutions business area, markets its own solutions or standard software products. The company is listed on all German stock exchanges (ISIN code: DE000A0Z23Q5, WKN [national security identification number]: A0Z23Q).

Management System

adesso AG spearheads adesso Group and defines the strategy and operating targets of all companies contained within it. It manages the legally independent companies in adesso Group using a target-based system and a continuous reporting process and by occupying positions on supervisory boards. As the parent company, adesso AG provides services for the various subsidiaries throughout the group in the areas of accounting, human resources and marketing in the form of shared service centres. A standardised, group-wide reporting system guarantees operative management. Each company in adesso Group prepares full monthly financial statements in accordance with the respective national legal regulations. The key figures used in reporting are sales, EBITDA, earnings before taxes (EBT), EBT margin, number and proportion of employees not operating a full capacity, headcount and net cash position. For the most important key figures, plan data is continuously compared with actual data. All key figures are carried forward and subject to an internal group benchmark. Every quarter, a rolling full-year forecast is prepared for each company in adesso Group in order to identify potential deviations from plan at an early stage. Fixed reporting channels and cycles are defined and there is also a fixed schedule for management meetings. There are no fundamental differences between key figures in each business area's reporting systems.

Research and Development

The lion's share of adesso's sales is attributed to IT Services. Apart from a few exceptions, adesso solutions form the core of project solutions which are then tailored to customer requirements in customer-specific projects. In comparison with group expenses, research expenses in the IT Solutions business area are negligible. No company in adesso Group possesses its own dedicated research department. In 2012, development costs for self-created intangible assets amounting to EUR 0.3 million were recognised as assets on the income statement. In the wake of the discontinuation of development of dynamic.suite in May 2012, development costs recognised as assets amounting to EUR 1.3 million were written off in full.

Economic Report

Macroeconomic Climate and Industry-specific Conditions

Macroeconomic Climate

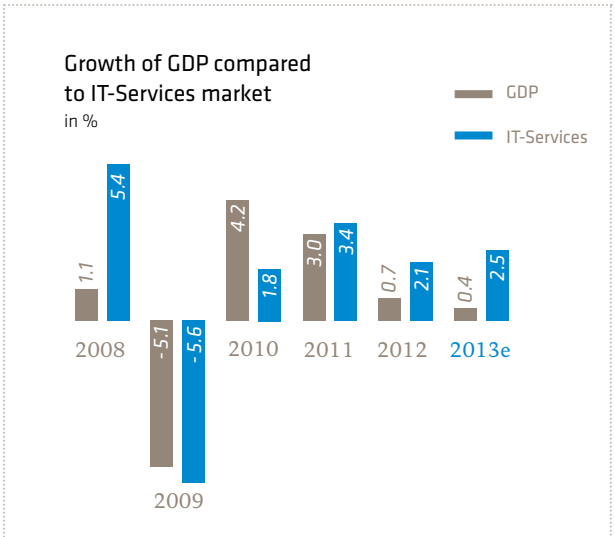
As anticipated by many economists, economic growth in Germany also slowed down considerably in 2012. After GDP growth of 3.0 % in the previous year, 2012 saw growth of a mere 0.7 %. According to the Federal Ministry of Economics and Technology, the pivotal reasons for this have been weak growth in the global economy and a loss of confidence in the eurozone. In terms of growth generated over the course of the year, Germany is still on better footing than most other economies in the eurozone, whose total economic output shrank by 0.6 %. However, Germany also saw a slowdown in growth from the start of the year into the third quarter, before generating negative growth of -0.6 % in the final quarter. According to the Federal Government, this phase of weak development is only temporary, although a further loss of momentum is forecast for 2013 with growth falling to 0.4%.

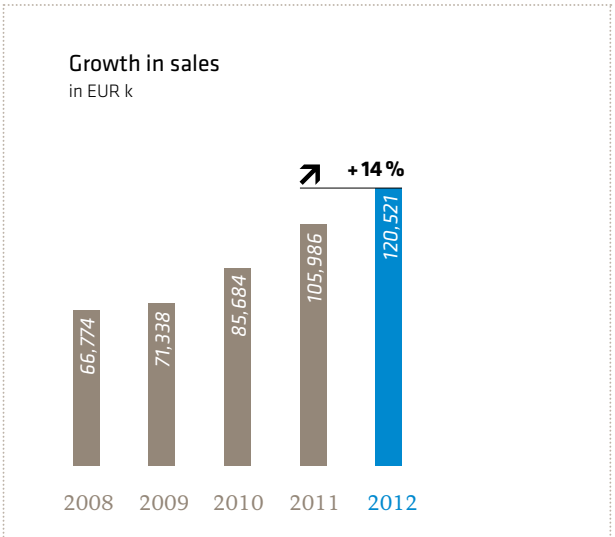
Industry-specific Conditions

According to investigations carried out by industry association BITKOM, the German IT products and services market expanded by 2.7 % to EUR 73.4 billion in 2012. Growth has fallen year on year, but the IT market lost less momentum than the economy as a whole and grew almost four times as quickly. The software segment saw the most positive development, with market volume growth of 5.1 % to EUR 17.1 billion. The most important business area for adesso's sales, IT services, also expanded considerably by 2.1 % to EUR 34.9 billion. Industry-specific conditions therefore continued to be positive for adesso's business performance.

Business Performance

There were no individual events that could be seen as having affected the business performance in the reporting period. However, in 2012 the sum of a number of factors led to problematic developments: lower capacity utilisation in the first half of the year as a result of a substantial increase in the headcount in Germany, losses attributed to a major fixed-price project, restructuring expenses in the energy industry as well as discontinuation of development on the dynamic.suite product





family. By contrast, the acquisition of a majority share in Arithnea GmbH at the start of the second quarter of 2012 made a significant contribution to sales and operating result.

Overall Statement on Business Performance by the Management

Both the operating performance of adesso AG and the earnings performance of adesso Group failed to match figures from the previous year. Internal group factors were chiefly responsible for this. By contrast, adesso's target market developed positively. While adesso achieved its targets of operating growth above the industry average, further internationalisation and development of in-house solutions and products and its sales target, it was unsuccessful in meeting its EBITDA and EBT targets and its aim to generate an operating margin and profitability above the industry average. In spite of an extremely good second half of the year, adesso was unable to compensate for the sluggish first six months of the year, meaning that EBITDA of EUR 6.7 million fell short of the target of between EUR 7.2 million and EUR 7.5 million. Earnings before taxes were negatively impacted by EUR 1.5 million as a result of a discontinuation of development on the dynamic.suite, meaning that total earnings before taxes came to EUR 2.4 million and therefore fell short of the target of EUR 5.0 million.

Position

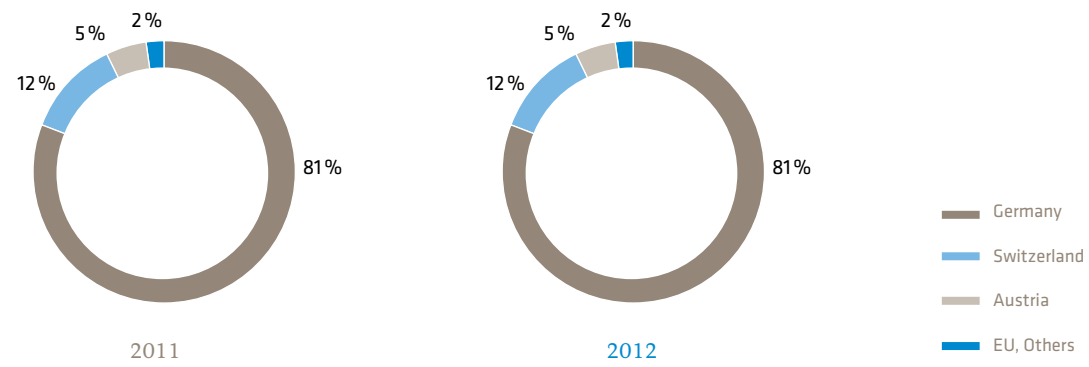
Earnings situation

Growth in Sales

adesso increased its sales from EUR 106.0 million to EUR 120.5 million in financial year 2012, which amounted to sales growth of 14 %. Of this growth, 5 % was organic and 10 % was accounted for by changes in the basis of consolidation, in particular the majority takeover of Arithnea GmbH at the beginning of the second quarter of 2012. With market growth of 2 % for the industry, adesso once again had higher organic growth than the market in 2012. Yet the rate of organic growth is low compared to the previous years. Here, the decrease in sales by EUR 1.9 million in the restructured energy sector has to be taken into account. The remaining business areas were able to expand their activities organically by 6 %.

Sales revenues increased from quarter to quarter within the year. While sales in the first quarter totalled EUR 27.4 million, they reached a new high of EUR 32.7 million in the fourth quarter. This was driven by increasing capacity utilisation, a significant increase in the number of employees due to hiring in the course of the year, higher licensing income from own products, and the integration of Arithnea GmbH into the adesso Group in the second quarter.

Sales by country
in %



All of the growth was generated by the IT Services business area. Sales in the IT Services business area increased by 18 % to EUR 112.6 million (non-IFRS) while the IT Solutions business area remained unchanged at EUR 23.7 million. IT Services therefore accounted for 83 %, an increase over the previous year (80 %). The three adesso subsidiaries in Germany, Austria and Switzerland boosted sales revenues by between 17 % and 30 % in the IT Services business area. Sales in the "Expert Resourcing" area also grew substantially at 16 %. As a specialist for the deployment of e-commerce and content management systems, Arithnea GmbH is assigned to the IT Services business area, contributing to its further growth.

In the IT Solutions business area, Content Solutions was able to maintain licensing and maintenance sales for the in-house high-end content management system FirstSpirit at the high level of the previous year. Mobile Solutions once again boosted its sales by over 30 %. One of the fastest growing areas in IT is mobilising web content and business processes. Here, adesso is a leading provider in Germany with its own in|MOTION technology along with proven expertise in the development of mobile applications. The implementation business with the existing PSLife system for life insurance companies dropped off for project-related reasons.

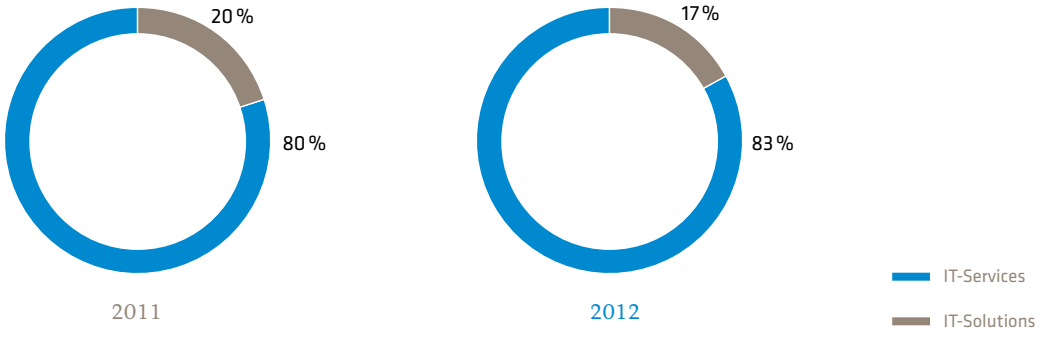
Higher sales were generated in all established core industries including insurance, banking, lottery and healthcare. In the new target sector of public administration, sales remained constant while decreasing by 24 % in the energy industry. The "Other" business area outside of the core industries grew particularly fast. The Content Solutions and Mobile Solutions business areas as well as the growing business with the Microsoft technologies SharePoint and Dynamics CRM are able to position the products and services in numerous sectors even without detailed industry knowledge. Business Intelligence, which was newly initiated in 2012, serves a similarly broad range of customers. This means that market penetration in the established core industries for adesso can be increased while also serving additional sectors. This effect was further intensified since Arithnea GmbH, with its focus on e-commerce, counts numerous manufacturers and commercial enterprises among its customers.

The export business grew as the adesso subsidiary in Switzerland once again developed favourably and business in Austria increased as well. Product sales to other countries did not increase in 2012. The proportion of export sales remains unchanged at 19 %.

Earnings

At sales growth of 14 %, the average number of employees (FTE) grew disproportionately by 28 % or by 223 employees to 1,007 in 2012. With a lower material usage ratio of 11 % (previous year: 12%), gross profit per employee decreased significantly by 10 % to EUR 106 thousand (previous year: EUR 118 thousand). Since the employees exceed the importance of all other driving forces by far, both in terms of service provisioning and as a portion of costs, the decrease in gross profit per employee is key to the negative

Sales by segment
in %



development of the operating margin in 2012. A number of factors are responsible for this development. In the adesso subsidiary in Germany, which increased its number of employees organically by 25 % to 701, the average capacity utilisation of the consultants and software developers fell – especially during the first six months – and a lower average daily rate was realised. A fixed price project for a long-standing customer resulted in significant losses which had to be compensated as well. The lower capacity utilisation is in part due to the usual lead times for new hires. New areas such as Business Intelligence and Telecommunication were also developed in 2012, with average capacity utilisation that was lower during the ongoing initiation phase compared to the established business. This was compounded by the restructuring phase of the energy sector, which led to high expenditures in the development of own products and in the consulting business.

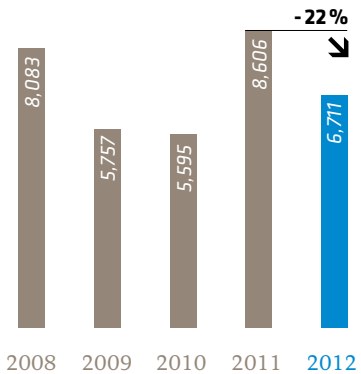
At EUR 2.9 million, other operating income increased by EUR 1.2 million on the previous year. This includes the release of a financial liability at EUR 878 thousand for the elimination of a conditional purchase price increase, which is related to exercising an option under a purchase contract for shares in evu.it GmbH. The purchase price for the 20 % of shares in evu.it GmbH under the option decreased to EUR 0 as a result of losses in the energy sector.

The 4 % increase in cost of materials at EUR 13.8 million (previous year: EUR 13.3 million), mainly for the project integration of subcontractors, was significantly lower than the rise in sales, which grew by 14 %. A higher proportion of sales was therefore generated with own employees, which is a normal development in view of low capacity utilisation. Gross profit grew faster than sales by 15 % to EUR 106.8 million (previous year: EUR 92.7 million) as a result. Personnel costs, on the other hand, grew disproportionately by 18 % to EUR 77.4 million. Average expenses per employee decreased by 9 % to EUR 77 thousand, in particular due to lower variable compensation and changes to the basis of consolidation; this prevented an even more severe drop in the operating margin.

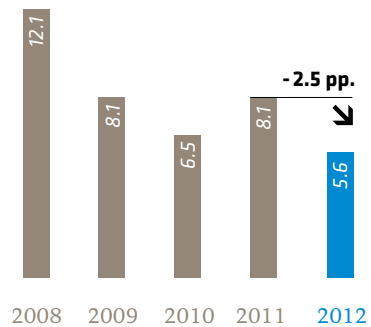
Other operating expenses increased by 22 % to EUR 25.8 million (previous year: EUR 21.2 million). Most of the increase in other operating income is due to the higher number of employees. Additional office space was leased and high fees for personnel consulting were once again paid. Cost items such as travel expenses, vehicle and training costs totalling EUR 1.0 million in 2012 alone (previous year: EUR 0.5 million) tend to increase proportionally with each employee. Other operating expenses for 2012 included a subsequent purchase price tranche (earn out) of EUR 885 thousand due to the final purchase price allocation from the acquisition of Arithnea GmbH, recorded through profit or loss. Without this item other operating expenses would have increased by 17 %.

Total operating earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by 22 % or EUR 1.9 million to EUR 6.7 million (previous year: EUR 8.6 million). The operating EBITDA margin is 5.6 % compared to 8.1 %. This means the targets for 2012 were not met.

EBITDA development
in EUR k



EBITDA-margin
in %



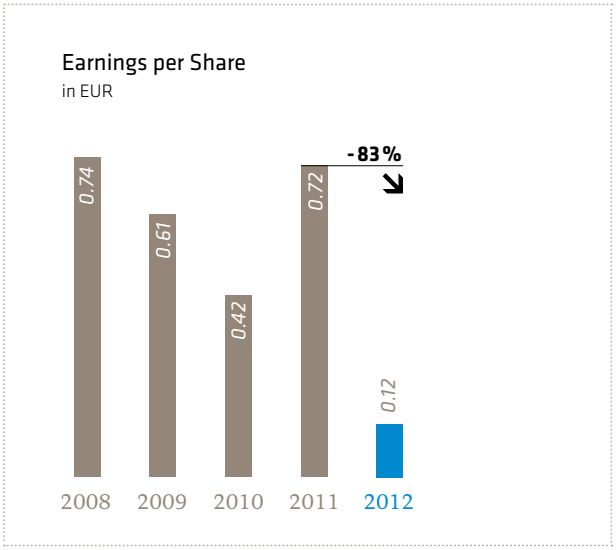
Income was increased significantly in the course of the year. After a weak first half of the year in 2012 with EBITDA of EUR 1.4 million, the value increased to EUR 5.3 million in the last six months and therefore to a new half-year high for the adesso Group. The clear improvement in results is due to the suspension of development activities and the restructuring measures in the energy sector, which are starting to take effect, significantly improved capacity utilisation in Germany, the conclusion of a fixed price project with severe losses, and higher license sales. Arithnea GmbH being part the adesso Group for the entire year also had an effect. The EBITDA margin was 2.4 % in the first half of the year and 8.3 % in the second.

EBITDA (non-IFRS) decreased noticeably over the previous year by EUR 0.8 million or 31 % to EUR 1.8 million in the IT Solutions business area only, while the IT Services business area generated an unchanged EUR 6.3 million. The poor earnings situation of the energy sector business within the IT Services business area was offset by the highly profitable Arithnea GmbH. As expected, Content Management Systems in the IT Solutions business area fell slightly below the record values of the previous year. The EBITDA fell to 5.6 % (previous year: 6.6 %) for IT Services and 7.6 % (previous year: 11.1 %) for IT Solutions.

Depreciation and amortisation increased by EUR 0.7 million to EUR 4.2 million in the reporting period. Planned amortisation on intangible assets such as customer lists and order backlog from mergers increased to EUR 1.4 million (previous year: EUR 1.0 million) due to the acquisition of Arithnea GmbH. Depreciation on capital assets increased by EUR 0.4 million to EUR 1.2 million. Unplanned amortisation on intangible assets was also recognised in the amount of EUR 1.3 million related to the deconsolidation of dynamicutilities GmbH i.L.

The financial result came to EUR -139 thousand compared to EUR -150 thousand in the previous year. Earnings before taxes (EBT) decreased by 52 % to EUR 2.4 million (previous year: EUR 5.0 million) due to lower operating earnings as well as higher depreciation and amortisation. Income tax expense was EUR 2.5 million (previous year: EUR 1.1 million). Tax expenses increased in particular because the usable deferred taxes on loss carry-forwards for adesso AG were valued at EUR 1.1 million less, leading to a deferred tax expense in this amount. This resulted in negative consolidated earnings of EUR -0.1 million in 2012 compared to EUR 3.9 million in the previous year. Earnings per share amounted to EUR 0.12 compared to EUR 0.72.

The Supervisory Board and Executive Board of adesso AG shall propose an unchanged dividend of EUR 0.18 per share to the Annual General Meeting. Based on the year-end closing price of the adesso share, the dividend yield is 3 % (previous year: 3 %).



Consolidates Income Statement

in EUR k	2012	2011	2010	2009	2008
Sales revenues	120,521	105,986	85,864	71,338	66,774
Other operating income	2,857	1,703	1,350	2,135	2,307
Own work capitalised	290	910	0	0	0
Total income	**123,668**	**108,599**	**87,034**	**73,473**	**69,081**
Costs of material	-13,767	-13,292	-9,422	-7,977	-6,416
Personnel costs	-77,426	-65,454	-54,604	-45,372	-40,149
Other operating expenses	-25,764	-21,247	-17,413	-14,367	-14,433
EBITDA	**6,711**	**8,606**	**5,595**	**5,757**	**8,083**
Depreciation and amortisation	-4,154	-3,454	-2,934	-2,760	-3,579
EBIT	**2,557**	**5,152**	**2,661**	**2,997**	**4,504**
Income from financing and investment activities	-139	-150	-203	293	126
EBT	**2,418**	**5,002**	**2,458**	**3,290**	**4,630**
Income taxes	-2,510	-1,091	34	293	-352
Consolidated earnings	**-92**	**3,911**	**2,492**	**3,583**	**4,278**
Gross income	106,754	93,695	76,262	63,361	60,358
Gross income margin (in %)	89	88	89	89	90
EBITDA margin (in %)	**5,6**	**8,1**	**6,5**	**8,1**	**12,1**
Growth in sales (in %)	14	24	20	7	46
Change in personnel costs (in %)	18	20	20	13	50
Change in other operating expenses (in %)	21	22	21	0	18

Orders

The order volume continued to increase in parallel to sales growth. Demand remained consistently dynamic in the course of the year. With the exception of the energy sector, a slump in demand was not observed in any region, segment or industry. The order backlog on the reporting date is comparable to previous years. Business activities continue at the start of 2013 with the vast majority of the leading customers for 2012. Thanks to a Europe-wide tender won by adesso in numerous partial lots, cooperation for the next two years was assured with a leading customer of the adesso Group in terms of sales.

Employees

The leading performance figures for employees developed as follows:

	2012	2011	2010	2009	2008
Employees at year end	1,138	922	789	652	582
Full time equivalents (FTE) at year end	1,084	847	729	598	529
Full time equivalents (FTE), average for the year	1,007	784	683	573	501
Sales per Ø FTE (in EUR thousand)	120	135	126	125	133
Gross profit per Ø FTE (in EUR thousand)	106	118	112	111	120
Personnel costs per Ø FTE (in EUR thousand)	77	83	80	79	80

Financial Position

Financial Management Principles and Objectives

adesso pursues a balanced financial policy. The objective of financial management is to assure short-term liquidity, including a margin of safety, as well as securing and acquiring financial assets to fund medium- and long-term investment projects. In principle, the company does not enter into transactions with speculative elements. There are no variable interest rates on investments. The maximum investment term is nine months, with one to three months being the most common in order to remain flexible in response to investment opportunities that arise. Central cash management at the level of daily account clearing has not been set up. Bank borrowing is centralised with the parent company. The account balances and financial position of all companies are transparent to the group's Executive Board, and constitute a standard element of the monthly reporting system. Off balance sheet financing, such as leasing, is utilised to a minor extent only. Company vehicles as well as office furnishings and equipment are leased. Factoring or other methods of selling receivables are not used.

Capital Structure

Financing is needed primarily for the receivables portfolio and services that have not been settled in the amount of EUR 29.3 million (previous year: EUR 22.7 million). Working capital is EUR 22.0 million as of 31 December 2012 (previous year: EUR 14.5 million). Advance financing of business operations has therefore increased by 52 %, tying up liquidity. A loan of EUR 5.0 million was taken out in the course of an acquisition in 2012. Like all current bank loans, it has a total term of five years and is paid back in instalments. The favourable balance sheet structure of adesso and the lower overall interest level resulted in a competitive interest rate of 2.3 %. No special guarantees were granted for the loan. The portfolio of interest-bearing financial liabilities increased from EUR 4.9 million in the previous year to EUR 7.7 million on the reporting date. Since a loan with an interest rate of 5.7 % was fully redeemed and a new loan taken out at 2.3 %, the average interest rate on this portfolio has fallen. The remaining terms of the loans on the reporting date range from 14 months to four years and three months. Interest is fixed over the entire term. A fixed interest rate was secured for a variable interest-bearing loan by means of an interest rate swap. All interest-bearing liabilities are denominated in euros. Credit balances are largely available in the short term and bear interest at fixed rates. Net liquidity (liquidity less liabilities) is EUR 13.7 million (previous year: EUR 17.6 million).

Investments, Acquisitions and Divestments

The adesso business model requires relatively low investments in capital assets. The capital assets of EUR 2.0 million (previous year: EUR 1.4 million) largely consist of hardware such as laptops and servers as well as office furnishings. There are no significant subsequent obligations from capital asset investment projects as of 31 December 2012, and no investment backlog to report. Two significant investments were realised in the reporting period.

The acquisition of 51 % of the shares in Arithnea GmbH, Neubiberg near Munich, led to a purchase price payment of EUR 4.1 million in the reporting period. Thanks to the highly successful business development of Arithnea GmbH in its deviating 2011/12 financial year, which is used for the measurement of a conditional purchase price payment (earn out), an additional payment of EUR 1.1 million will be payable in 2013. The group received the liquid assets of Arithnea in the amount of EUR 2.6 million at the time of the acquisition. The development of

dynamic.suite until May of 2012 led to negative contributions to earnings in the amount of EUR -0.7 million and corresponding outflows of liquidity until further development of the project was cancelled. Further details regarding the balance sheet impact are provided in the consolidated notes.

adesso hosting services GmbH was founded as another subsidiary of adesso AG at the end of 2012. adesso AG holds 51 % of this company; the remaining shares are held by Adacor Hosting GmbH, Essen, co-founder of the company. The founding and payment of the full capital stock of EUR 0.1 million was realised in December of 2012, with entry in the commercial register in January 2013. Business operations commenced in January 2013. With the new company's portfolio of individual and complex hosting and cloud services solutions, adesso will be in a position to optimally serve the entire software development value chain in the future. This opens up additional business models for adesso, for example running applications on behalf of customers. adesso hosting services GmbH is based in Dortmund.

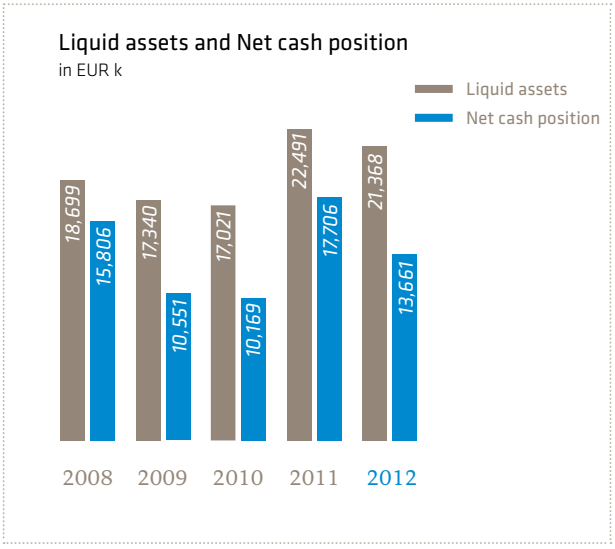
Liquidity

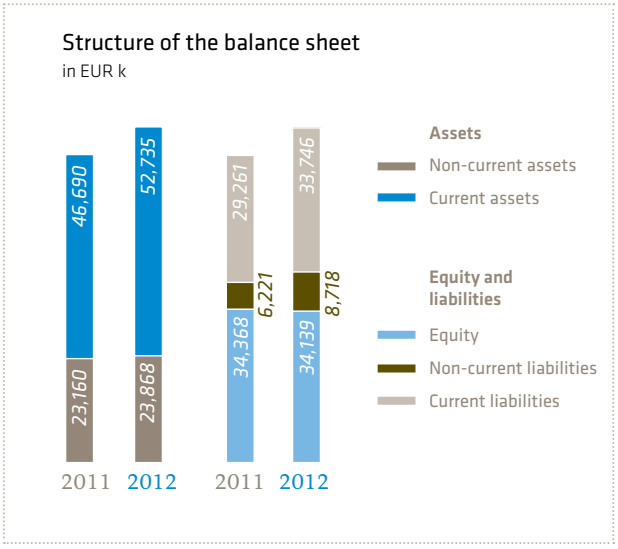
Cash and cash equivalents total EUR 21.4 million on the reporting date (previous year: EUR 22.5 million). They are partly offset by interest-bearing liabilities, mainly from several acquisition loans, in the amount of EUR 7.7 million (previous year: EUR 4.9 million). Net liquidity (liquidity less interest-bearing liabilities) is EUR 13.7 million (previous year: EUR 17.7 million).

Cash flow from operating activities dropped noticeably to EUR 1.0 million (previous year: EUR 10.2 million). This decrease is largely due to lower earnings with higher tax payments, and especially the working capital increase of EUR 7.5 million. The change to net operating assets tied up an additional EUR 3.7 million after EUR 1.5 million was released here in the previous year. Cash flow from investment activities was EUR -3.3 million (previous year: EUR -1.9 million). Investments of EUR 1.5 million (previous year: EUR 1.0 million) in capital assets for the acquisition of new hardware and software as well as office furnishings and equipment increased due to growth. A reduced amount of EUR 0.4 million (previous year: EUR 1.0 million) was paid out for investments in intangible assets, especially in the form of developing own capitalised software products since the development of dynamic.suite was cancelled. The net cash effect from the acquisition of Arithnea GmbH led to an outflow from investment activities of EUR 1.5 million. Cash flow from financing activities was EUR 1.2 million (previous year: EUR -2.9 million). The positive financing contribution was largely the result of taking out a new loan of EUR 5.0 million, regular redemption payments on financial liabilities in the amount of EUR 2.9 million (previous year: EUR 2.0 million) and the dividend payment of EUR 1.1 million (previous year: EUR 0.9 million).

The availment of approved lines of credit with several banks totalled EUR 1.7 million, which is EUR 0.8 million more than in the previous year. The additional credit line applies to Arithnea GmbH. There was no availment of credit lines on the reporting date.

Cash and cash equivalents decreased by EUR 1.1 million overall, compared to an increase of EUR 5.5 million in the previous year.





Cash at bank and financial liabilities

in EUR k	Cash at bank	Change in %	Financial liabilities	Change in %
2008	18,699	61	7,412	-11
2009	17,340	-7	8,574	16
2010	17,021	-2	7,659	-11
2011	22,491	32	5,878	-23
2012	21,368	-5	10,359	76

Development of liquidity

in EUR k	2012	2011	2010	Veränderung 2012
Liquid assets	21,368	22,491	17,021	-1,123
(-) Interest-bearing liabilities	7,707	4,785	6,852	2,922
(=) Net cash position	13,661	17,706	10,169	-4,045
Net cash position in relation to sales	11%	17%	12%	-6%-pp.
Liquid assets	21,368	22,491	17,021	-1,123
(+) Trade accounts receivable and receivables PoC	29,306	22,718	20,285	6,588
(-) Current liabilities	33,746	29,261	23,921	4,485
(=) Net cash position 2	16,928	15,948	13,385	980

Financial position

in EUR k	2012	2011	2010	2009	2008
Liquid assets	21,368	22,491	17,021	17,340	18,699
Interest-bearing liabilities	7,707	4,785	6,852	6,789	2,893
Net cash position	**13,661**	**17,631**	**10,169**	**10,551**	**15,806**
Cash flow from operating activities	1,004	10,188	4,209	2,311	8,400
Cash flow from investment activities	-3,308	-1,876	-573	-5,254	-687
Cash flow from financing activities	1,156	-2,888	-4,034	1,579	-751
Currency translation differences	25	46	79	5	140
Total change in liquid assets	**-1,123**	**5,470**	**-319**	**-1,359**	**7,102**
Income from financing	**-139**	**-150**	**-203**	**293**	**126**

Cash and cash equivalents include larger amounts, typical for the business, which will be paid out in the first few months of 2013. Variable compensation payable in the first quarter of 2012 is the biggest item. Overall, the liquidity of the adesso Group is adequate to carry on current business operations for the planned redemption of liabilities and to compensate for ordinary fluctuations in capacity utilisation.

Net Assets

Analysis of the Asset Structure

Total assets on the reporting date increased by 10 % or EUR 6.8 million to EUR 76.6 million (previous year: EUR 69.8 million). On the assets side, trade receivables and the value of work in progress accounted for the bulk of the increase at a total of EUR 6.6 million. The increase in non-current assets was far less at EUR 23.9 million compared to EUR 23.2 million in the previous year. Planned amortisation on intangible assets from purchase price allocations as well as the revaluation of deferred taxes for the utilisation potential of loss carry-forwards have had an impact here. On the liabilities side, current and non-current liabilities increased mainly due to a new loan while equity remained virtually unchanged at EUR 34.1 million (previous year: EUR 34.4 million). The equity ratio therefore fell to 44.6 % compared to 49.2 % in the previous year.

Financial and Non-financial Performance Indicators

The key financial performance indicators used for internal control of the group are sales growth, EBITDA and the EBITDA margin. Targets and actual values for the reporting period as well as the medium- and long-term target corridor are provided in the table.

Pre-tax earnings are not a general financial performance indicator of adesso for the internal control of the group. The forecast for 2012 was included in the presentation for better comprehension. adesso does not use any non-financial performance indicators for the internal control of the group.

Subsequent Events

No further events of material importance to adesso AG occurred after the reporting date on 31 December 2012. On 3 January 2013, rku.it GmbH exercised its put option relating to 20 % of the shares in evu.it GmbH This means that adesso is obliged to purchase a further 20 % of evu.it GmbH and therefore increase its stake to 80 %. The purchase price is set to amount to EUR 0.

Forecast, Opportunities and Risk Reports

Forecast Report

Group Orientation over the Next Two Financial Years

adesso's vision of becoming one of Central Europe's leading IT consulting firms for industry-specific business processes will be pursued with vigour. The strategic guidelines for growth through industry segmentation, portfolio expansion in IT Services, internationalisation and the expansion of the company's solution portfolio in the IT Solutions business area will continue to determine what action adesso takes over the next two years. In comparison to 2012, adesso is aiming to strike a better balance between growth and profitability. The same acquisition policy will be pursued. Irrespective of the acquisition policy, organic growth will continue to be spurred on in all industries and regions. The sales generated abroad are to be increased in particular through further internationalisation of FirstSpirit product sales and further growth at subsidiaries in Austria and Switzerland. In terms of the adesso subsidiary currently being established in Turkey, sales are only expected to be generated from 2014 onwards.

Future Macroeconomic Situation

With annual GDP growth of 0.7 %, the German economy lost a substantial amount of momentum over the course of 2012 and even slipped into negative growth in the fourth quarter. According to the Federal Government, a notable slowdown in the global economy coupled with growing uncertainty among market participants as a result of high levels of debt held by industrialised nations are the factors responsible for this weak development, something that also negatively impacted investment propensity in the German economy. However, the stabilisation in the international environment both on the financial markets as well as in terms of the real economy has strengthened confidence among businesses and consumers alike. On

Multi-period view of assets and liabilities

in EUR k	2012	2011	2010	2009	2008
Balance sheet total	76,603	69,850	62,320	58,883	55,818
Current assets	52,735	46,690	38,907	35,260	38,282
of which liquid assets	21,368	22,491	17,021	17,340	18,699
of which trade accounts receivable and receivables PoC	29,306	22,718	20,285	16,441	14,284
Non-current assets	23,868	23,160	23,413	23,623	17,536
Current liabilities	33,746	29,261	23,921	22,168	26,005
of which loans and other financial liabilities	4,482	2,236	2,173	2,976	5,288
of which trade accounts payable and liabilities PoC	7,284	8,205	5,771	5,956	7,342
Non-current liabilities	8,718	6,221	7,497	7,868	4,472
Equity	34,139	34,368	30,902	28,847	25,341

Financial performance indicators

	2012 target	2012 actual	Target corridor
Growth in sales (organic)	5 % to EUR 110 to 112 million	EUR 120.5 million (EUR 110.5 million organic)	At least twice industry growth
EBITDA	EUR 7.2 to 7.5 million	EUR 6.7 million	-
EBITDA margin (indirect)	6 % to 7 %	6 %	9 % to 11 %
Earnings before taxes (EBT)	EUR 5.0 million	EUR 2.4 million	-

the basis of the gradual improvements in economic indicators, the Federal Ministry of Economics and Technology is only forecasting a short period of weak development that will be overcome over the course of 2013. In 2013, gross domestic product is set to grow further, however, due to the weak winter period, the increase will remain moderate at around 0.4 %. With the increasing recovery experienced throughout the global economy, the competitive German economy should gain more momentum over the course of the year. A return to stronger growth of 1.6 % is expected in 2014.

Based on information provided by an expert group commissioned by the government, the Swiss State Secretariat for Economic Affairs SECO is expecting moderate GDP growth in Switzerland of 1.3 % in 2013, which should be consolidated at 2.0 % in 2014. On the basis of forecasts published by the Austrian Institute of Economic Research and the Institute for Advanced Studies, the Austrian Economic Chambers (WKO) is anticipating growth in Austrian GDP of 1.0 % and 0.8 % respectively in 2013 and 1.8 % in 2014.

As a result, 2013 will once again offer a sluggish macroeconomic climate for adesso which, in view of current development, poses significant risks. However, due to central banks' monetary policy which has been supportive thus far, it is not yet expected that the positive trend in terms of further economic growth in adesso-relevant sectors will take a turn for the worse in 2013 and 2014.

Future Industry Situation

According to industry association BITKOM, the IT market in Germany continues to progress far more positively than the economy as a whole. With market volume of EUR 73.4 billion in 2012, the 2 % growth rate expected in 2013 is significantly

above that of GDP as a whole. Within the IT sector, BITKOM anticipates that the software segment will experienced significantly stronger growth of 4.6 % than the adesso-relevant IT services segment, which is only set to grow by 2.5 %. According to forecasts, the services and software segments of the IT market relevant for adesso are highly likely to develop positively in 2013. Internally, adesso is anticipating growth of 3 % in 2013 in relevant markets in the DACH region. Similar figures are expected for 2014.

Anticipated Sales and Earnings Situation

The report on risks and opportunities is a pivotal part of the management's considerations of the further development of adesso and of the forecast report. Potential acquisitions are not included in the forecast calculations.

Based on anticipated economic growth of 3 % in relevant segments of the IT market as well as on internal calculations, the adesso management is expecting the following in 2013:

- An increase in sales revenues of between 7 % and 9 % to between EUR 129 million and EUR 131 million (2012: EUR 121 million).
- The operating EBITDA margin is to rise to between 5.8 % and 6.1 % (2012: 5.6 %).
- The operating result, EBITDA, is expected to amount to between EUR 7.5 million and EUR 8.0 million (2012: 6.7 million) and therefore increase by between 12 % and 19 %.

This growth, which is significantly above the industry average, is expected to predominantly originate from the IT Services business area. This includes a contribution of up to 3 % through the full-year inclusion of Arithnea GmbH (previous year: three quarters). The expansion of the headcount by 25 % in the adesso subsidiary in Germany in 2012 also led to rising sales expectations.

The increase in the operating margin is based on expectations that the restructuring of the energy industry successfully takes effect and margins at subsidiaries in Germany and Austria can be increased. Stronger growth in terms of the EBITDA margin toward the target of between 9 % and 11 % is to be hindered by scheduled start-up losses from the entry into the US market and further internationalisation in the IT Solutions business area. In addition, the establishment of the subsidiary in Turkey and the marked declines in sales as a result of an unusually high number of employees on sick leave caused by a flu epidemic in January and February 2013 will also negatively impact the margin.

For 2014, we are anticipating further sales growth as well as further positive development of the operating result.

Expected Financial Position

adesso's liquid asset base is solid and will be sufficient to cover financial obligations in 2013 should the forecast business development come to fruition. adesso's balance sheet structure allows it to assume additional liabilities for investment projects to ensure that there are no shortfalls in terms of financing. adesso continues to strive for a positive net cash position. Only in the event of the potential acquisition of an unusually large company of extremely high strategic value for adesso would there be any deviation from this strategy.

On this basis, the Executive Board is to continue pursuing the current dividend policy. If the profit targets can be achieved to a large extent, the Executive Board will strive to increase the dividend. The dividend proposed for 2013 will reflect actual developments.

Opportunities and Risk Report

Risk management is a pivotal component of all decisions and business processes. In a wider context, adesso understands risks as the danger of not achieving financial and operating targets as planned and, in the strictest sense, as factors endangering the existence of the company. In order to safeguard the success of the company over the long term, it is therefore essential that adesso identifies and analyses risks efficiently and combats or mitigates them by implementing sufficient control measures. adesso's active risk management therefore also opens up opportunities for the company.

Risk Management System

adesso possesses a system of processes and data analysis structures to monitor risks posed to the company. An exclusive risk management software system is not used. Instead, adesso uses an integrated system developed by Corporate Planning AG for financial and operational planning as well as operational controlling. All plan and actual data from all business areas is stored in a central database for the purposes of reporting. Current figures are inputted directly from financial accounting. In addition, key figures such as sales per employee, available liquidity, resources not at full capacity, order intake and order backlog are also recorded. All companies included in the scope of consolidation are part of the reporting system.

Fixed reporting channels have been established for other risks, such as those arising from the absence of contracts, high levels of receivables from customers or projects that are threatening to go over budget. Certain reporting thresholds apply, which, if breached, result in the issue being included on the agenda of

Executive Board meetings. Similar risks posed to companies in adesso Group are identified through close cooperation with the respective responsible Executive Board member of adesso AG. adesso does not have a central risk manager. Risk reporting and assessment is documented in a risk manual. The risk manual is submitted to the Supervisory Board so that the risk management system can be acknowledged and reviewed.

Recognising opportunities and new areas of business are just as important for the development of adesso. Working groups consisting of the Executive Board, Business Development, the management of companies in adesso Group and heads of business areas, meet on a regular basis to analyse new business opportunities and develop new business models, industries, solutions or regions. The progress made in implementing these measures is presented at regular intervals.

Within the scope of a risk inventory, the following risks were assessed as relevant to our business and subsequently assessed in view of their probability of occurrence and amount of loss. In principal, only risks that would have negative implications for the asset, financial or profit situation if they were to come to fruition are listed here.

Moreover, adesso is potentially exposed to further risks which may not be known or be considered as major risks at the current time. The risk factor is calculated as a product of probability of occurrence and the amount of loss and forms the basis for the relevance of the risk. The following risks were identified as of the reporting date and as of the preparation of the management report as having a risk factor worthy of inclusion in this report:

Primary Risk Carrier

Risks from a Shortfall in Planned Sales

In the event of a high gross margin and a large share of fixed costs, low sales can be directly reflected in adesso's result. In 2012, the two halves of the year were very different. For example, almost the entire operating profit was generated in the second half of the year and the full-year target was not reached. General expectations in terms of economic development in 2013 are cautiously optimistic. At the moment, it is more difficult to assess demand than it has been in previous planning periods. In the IT Services business area, capacity utilisation is expected to increase on average in 2013. However, a decline in order intake or the termination of important ongoing customer orders could result in idle periods with corresponding implications for the profit and financial situation within a short period of time. Given that the IT Services business area in particular generates business over specific periods of time, such idle periods are difficult to compensate for. This risk factor will increase in significance in comparison with the previous year due to the more positive forecast in terms of capacity utilisation, even though general economic risks are anticipated to fall as a result of further stabilisation of the financial crisis in the eurozone. Given that this risk factor is highly relevant to the company, adesso monitors the following values on a monthly, and sometimes biweekly basis in order to identify trends at an early stage and take corresponding action: order backlog, order intake, number of hours invoiced and capacity utilisation rates, number of employees not working at full capacity.

The IT Solutions business area pursues a product strategy. In this business area, even standard solutions developed by adesso are sold and implemented through licensing with maintenance contracts. While maintenance contracts represent a relatively stable basis for sales, the achievement of targets and the result of product companies are reliant on order intake and much more volatile than the service business given the low number of new licences sold. Sales revenues from maintenance activities do not cover total ongoing costs at any of the companies in adesso Group. As a result, the product companies' licence sales and related sales pipelines are monitored in detail in terms of structure and development over time. The plan deviation risk factor is also set to increase in 2013 in the IT Solutions business area, as a substantial volume of investment will go toward further internationalisation in regions such as the USA, Scandinavia, the UK and Switzerland. Based on internationalisation planning, seven-figure licence sales are already anticipated from new international customers. However, planned sales in new regions are hampered by increased uncertainty.

In each business area, there are detailed plans in which actual figures and previous year's figures are compared on a monthly basis. A revised forecast continues to be produced every quarter detailing anticipated plan deviations at an early stage. The corresponding reports form the foundations for monthly meetings on business development and business prospects. This applies to all companies of adesso Group.

Project Risks

In the event of the budgeted time frame and costs being exceeded, fixed-price projects can lead to project-related losses. Budget deviations are identified and analysed constantly during every fixed-price project. There is also an escalation mechanism that extends to the Executive Board. As of the reporting date, there were several cases in which customers refused to accept delivery. Two customers claimed back payments that had been made totalling over EUR 0.5 million. Several projects presented for customer approval have not yet been formally accepted by the customer. However, as there has been no case of refusal to accept delivery, this delay

is not unusual for standard business operations. The backlog of fixed-price projects that have yet to be invoiced in full rose year on year. Project risks are anticipated to have increased, as there have been several cases of refusal to accept delivery and claims for repayment and one extensive, high-loss fixed-price project in Germany, which led to substantial negative effects in 2012.

At adesso, an Excel-based project controlling and reporting system is used. Depending on the project structure, sub-projects are defined and mapped on adesso's web-based project and schedule management system. Expenses are distributed across the sub-projects and milestones are defined. Over the course of the project, the actual time and expenses are compared with plan figures, the remaining expenses are calculated and compliance with the defined schedule is documented. Additional monthly assessments of work that is still to be completed are used to calculate the level of completion. By comparing the level of completion and the remaining expenses, any potential budget deviations can be identified at an early stage. Projects that are given "overspend" status where it is likely that the budget will be exceeded are then added to the agenda of subsequent Executive Board meetings. Aside from acknowledging the risk, the Executive Board meeting also discusses potential strategies to improve the situation by analysing the reasons for the overspending. However, the share of projects with fixed budgets in the form of service contracts in terms of overall adesso sales is low at under 20 %. In spite of this, the negative effects of budget overspends in fixed-price projects over the past few years have risen. In order to counteract this trend, adesso AG has established a Project Management Office (PMO) where experts supervise particularly large-scale or challenging projects using standardised tools and mechanisms alongside the regular project management team. Project risks exist in both business areas to the same extent.

Personnel Risks

adesso is an IT company without any notable fixed assets. The company's most important assets are its employees. As a result, adesso constantly monitors and assesses a number of key performance indicators such as headcount, number of unproductive employees, number of employees on sick leave, employee, costs/sales per employee and capacity utilisation. The top-level management is always informed about every dismissal and new recruit. The Executive Board regularly analyses trends and discussed measures in its meetings. This allows any potential loss of knowledge and expertise to be identified promptly. In the product segments, essential knowledge is concentrated around a small group of key developers. These developers are a particular focus of human resources activities.

The search for suitable, experienced employees remains characterised by an ever-increasing demand surplus from the companies. By contrast, the resulting entry-level salary expectations expressed by new recruits as well as existing employees' expectations regarding pay rises are not always able to be compensated through a corresponding adjustment of market prices, meaning that the operating margin can be negatively impacted as a result. adesso reinforces its position as a premium IT service provider through extraordinarily talented employees with a vast amount of experience in their fields. Competitors in this area continue to increase their headcounts – not simply IT service providers, but also between user companies and the IT industry, A small number of employees are responsible for adesso's outstanding position in its core industries. The simultaneous departure of more than one of these employees would expose the company to medium-term risks in terms of its further development. Such risks are combatted through active recruiting, strategies to intensify employee loyalty and excellent career prospects in a prospering company.

Employee turnover remained at a stable level that is average for the industry in 2012. The risk of the lack of availability of experienced employees as well as risks from high employee turnover and salaries increasing disproportionately to market prices were assessed as being constant. As a result, personnel risk remains one of the group's main risks.

Risks from the Development of New Products and Solutions

In 2011 and 2012, adesso Group significantly increased its investment in the development of new products and solutions and therefore shifted the risk profile of its service-oriented business model more towards its product business. The volume of investment was substantial in relation to the consolidated income statement and, as a result, was included as one of the main risks in 2011. This risk mainly affects the IT Solutions business area. Development of the dynamic.suite, the company's single most important development, was stopped in the middle of 2012; investment made thus far has been written off. While this signifies the relevance of this risk, it has declined year on year as a result of the substantial decline in development work, which is now confined to several small-scale projects.

Other Relevant Risks

Risks from Business Activities in other Legal Systems

adesso Group continues to expand internationally and enter new legal systems. This strategy presents potential risks in both business areas from lack of knowledge of legal affairs and practical business operations. However, as of the reporting date, the IT Solutions business area was more exposed to these risks

than the IT Services business area, after e-Spirit AG established a new company in the USA known as e-Spirit Inc. based in Delaware with offices in Boston. In the USA, the risk of product manufacturers taking legal action is greater than it is in Germany. The German management team lacks experience in dealing with American customers. e-Spirit Inc. has an insurance policy with the maximum amount of liability that it could be granted. In terms of both the legal structure of the company as well as internal cost allocation, it has been ensured that the potential for any problems to spread across to e-Spirit AG is as low as possible. In the IT Services business area, adesso is set to launch a subsidiary in Turkey. It is to be ensured that a management team is in place that has experience of the local market, however, the company will also be exposed to lack of knowledge of Turkish law. In view of the marginal scope of business compared with the rest of the group, this risk is still classified under other relevant risks at the current time.

Risks from the Customer Structure

As sales from individual customers or customer groups increase, so does the risk posed by such customer relationships from potential project terminations or normal project expiry. In 2012, the largest customer accounted for 8 % (previous year: 8 %) of total sales. A total of 33 % of overall sales were generated from adesso's 10 largest customers (previous year: 37 %). Risks from the customer structure have been falling as a result of adesso's growth. The assessment of this risk remains the same as the previous year and is still classified under the group's other relevant risks. However, the abrupt loss of one of the group's 10 largest customers would have the potential to negatively impact the earnings and financial situation of the company substantially, at least in the short term. The relationship to each of these top customers is managed by a member of the Executive Board or by the management of the respective subsidiary in order to recognise potential risks promptly and take appropriate action.

Each quarter, the top 10 customers are listed by sales and each customer's share of overall sales is calculated. This avoids a concentration on a small number of customer relationships and therefore allows a cluster risk to be recognised promptly.

Risks from Regulatory Law

As a listed company on the regulated market, adesso AG is subject to a number of additional legal requirements and obligations, such as the Aktiengesetz (AktG – German Stock Corporation Act), the Wertpapierhandelsgesetz (WpHG– German Securities Trading Act) and the Wertpapierübernahmegesetz (WpÜG – German Securities Acquisition and Takeover Act). adesso follows corresponding developments in case law, obtains assessments from experience solicitors and familiarises its entire workforce with the fulfilment of the legal obligations of a listed company. As a consequence, adesso has established a Compliance Officer, set up an insider directory and continuously reviews incidents that could lead to insider trading or result in an imbalance of information on the capital market.

In September 2012, the Federal Financial Supervisory Authority (BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht) began a review into the suspicion of the late publication of insider information contrary to Article 15 (1) Sentence 1 WpHG and filed charges on three counts relating to communication in 2011. According to the Ordnungswidrigkeitengesetz (OWiG – German Act on Regulatory Offences), the maximum penalty for such breaches of the law is a fine of up to EUR 1 million, depending on their severity. adesso has issued a full statement on the allegations and contradicted BaFin's version of events through its legal representative. In this regard, adesso AG is unaware of any further procedures on the part of BaFin.

Financial Risks

The risks posed by the financial situation and liquidity have increased. In spite of ongoing repayments in 2012 amounting to EUR 3.0 million, interest-bearing liabilities have increased as a result of the assumption of a further acquisition loan of EUR 5.0 million. These repayments must be made, even in the absence of business success. However, liquid assets far exceed loan liabilities meaning that the complete repayment of loans using cash reserves remains a possibility.

Currency risks remain low for adesso. Only a small proportion of sales are conducted in a currency other than the euro. These transactions mainly concern adesso Schweiz AG and e-Spirit Schweiz AG, which conduct business in Swiss francs, e-Spirit UK Ltd., which conducts business in British pounds and e-Sprit Inc., which operates in the US dollar currency area. These companies process the majority of their business in the respective national currency. No currency hedging transactions were carried out.

adesso AG's loss carryforwards for trade tax and corporation tax purposes as of 31 December 2006 continued to be utilised in relation to BOV AG in consideration of minimum taxation following the fusion of adesso AG (old). However, the possibility cannot be ruled out that financial administration at adesso AG will not recognise the restructuring of business operations of BOV AG in accordance with Section 8 (4) Körperschaftssteuergesetz (KStG – German Corporation Tax Act) at all or to the full extent. Non-recognition would mean that adesso AG's loss carryforwards for trade tax and corporation tax purposes would expire either in part or in full. Tax expenses in adesso AG's 2012 annual report would increase by EUR 783 thousand

(previous year: EUR 913 thousand) without the utilisation of loss carryforwards and, since the loss carryforwards have been utilised, by a total of EUR 4,681 thousand. If adesso's financial administration does not recognise this tax benefit, this amount would have to be reported in the income statement and paid out less interest on arrears of approximately EUR 0.4 million (calculated as of 31 December 2012). In addition, the carrying amount as of 31 December 2012 of deferred tax assets of EUR 5.0 million would have to be reversed on the income statement, which would have substantial negative implications for adesso AG's asset, financial and profit situations.

evu.it GmbH's loss carryforwards existing for trade tax and corporation tax purposes as of its acquisition (April 2010) have been utilised. However, the possibility cannot be ruled out that evu.it's financial administration will not recognise the restructuring of business operations in accordance with Article 8c (1) Sentences 6 – 9 Körperschaftssteuergesetz (KStG – German Corporation Tax Act) at all or to the full extent. Non-recognition would mean that the companies' loss carryforwards existing for trade tax and corporation tax purposes as of the acquisition would expire either in part or in full. Tax expenses in avu.it GmbH's 2012 annual report would increase by EUR 0 thousand (previous year: EUR 0 thousand) without the utilisation of loss carryforwards and, since the loss carryforwards have been utilised, by a total of EUR 242 thousand. As of the reporting date, the carrying amount of evu.it GmbH's loss carryforwards existing as of the acquisition totalled EUR 34 thousand. There were no notable risks from financial instruments.

Overall Statement Concerning the Group's Risk Situation

The overall risk profile of adesso has increased year on year. The main reasons for this are the reduction in the net cash position, increased risks as a result of internationalisation, increased project and planning risks as well as a real risk from regulatory law. In contrast, the risk profile was improved by reducing investment in the development of adesso products. None of the identified risks can be considered at the current point in time as risks that endanger the existence of the company as a going concern. However, the risks detailed above could have a negative impact on the asset, financial and earnings situation as well as on business performance.

Opportunities

adesso has introduced a series of measures to identify, assess and monitor opportunities for positive group development. Alongside sales information systems, these measures are focused on organisational units for portfolio development within the industry (Industry Groups), on the assessment of new technological developments and on the evaluation of the suitability of other industries (Strategy Group). With the group further increasing in size, the systematic networking of all units within adesso Group is leading to ever-increasing synergy effects, particularly in sales, and an integrated service approach for major customers.

In 2013, there will be a wide range of further opportunities to expand business activities and increase profits. The Business Intelligence and Telecommunication areas launched in 2012 have the potential to generate additional business in Germany. The adesso platform drebis is to be expanded to include vehicle damage claims in the automotive sector (previously only legal protection). Marketing activities for the PSLife system in the life insurance industry will be stepped up in 2013. One of these measures has been the appointment of a dedicated manager in order to speed up the positioning of the product on the market. Newly founded adesso hosting services GmbH expands adesso's portfolio with new hosting and cloud services and also offers adesso a basis for operator models. The restructuring of the energy industry has substantial potential to increase profits in comparison with the previous year.

The intensification of product internationalisation strategies in the UK, Scandinavia and the USA over the course of 2013 will lead to additional business prospects in subsequent years in terms of sales and in terms of profits. adesso is also planning to enter the Turkish market, one of the most dynamic regions in the world.

Internal Control System and Risk Management System in Terms of the Consolidated Accounting Process

In the accounting process, there is a risk that the financial reports based on the accounts could contain misrepresentations of facts that could have a significant influence on decisions made by the intended recipients of the reports. These can include the misallocation of resources and non-performance of certain measures by the management in terms of the internal operative management of the company and its subsidiaries, as well as misinterpretation on the part of report recipients, and particularly existing and potential shareholders. The processes and systems established at adesso are geared toward identifying potential sources of errors in the accounting process and thus limiting the resulting risks; they are intended to ensure that the annual report and consolidated financial statement are prepared in accordance with legal requirements. The report is standardised and identical in form for both the management report of the annual financial statement as well as for the group management report of adesso AG.

At adesso, no control and risk management system was defined and documented especially for the purposes of the accounting process. There is no internal auditing structure or risk committee. No external advisors or auditors were engaged to review the efficiency of the controls in place as part of the consolidated accounting process. The structure of the internal control mechanisms and risk management system is the result of how the accounting and reporting processes are organised.

The majority of the accounting is carried out decentrally by each of the companies within adesso Group. As the parent company, adesso AG performs accounting services for some adesso Group companies together with centralised administrative processes such as payroll accounting. These companies' accounts are primarily kept on the same accounting system as clients. The fact that the same people are responsible for this process throughout the group and that the adesso AG CFO has ongoing, direct access to the reporting and accounting processes provides an outstanding basis for the standardised, correct representation of facts. Almost all companies use a standardised consolidated accounts system, minimising the number of discrepancies from the standard style of accounts. The extensive coverage of group accounts means that it is simple to coordinate internal group performance processes. The respective management teams are responsible for individual financial statements. Each financial statement that forms part of the consolidated financial statement is reviewed by the group auditor in terms of its plausibility and compliance with group standards, irrespective of any audits performed by the local auditor or tax consultant. For this purpose, the auditor of the consolidated financial statement visits the respective local auditor and inspects documentation.

All individual financial statements are submitted to a centralised consolidation system in adesso AG's Finance department and consolidated into the consolidated financial statement in accordance with the IFRS reconciliation statement. The software solution specially procured for this purpose was audited and certified in accordance with the "Erteilung und Verwendung von Softwarebescheinigungen" auditing standards ("Issuance and Use of Software Certificates") published by the Institut der Wirtschaftprüfer in Deutschland e.V. (IDW PS 880). All IFRS reconciliation and consolidation processes are fully documented and traceable.

The core elements of the control and risk management system when it comes to accounting is the monthly, standardised reporting of full monthly financial statements on the basis of the consolidated accounts system, the comparison of actual data with plan data and the quarterly update to the full-year forecast. A member of the adesso AG Executive Board is directly responsible for every company in adesso Group. These Executive Board members discuss monthly financial statements with the respective company management and are thus able to identify abnormal developments and discrepancies. The monthly financial statements of all companies are analysed monthly by the adesso AG Executive Board. For the quarterly financial statements, each company must prepare an extensive IFRS package containing information for consolidation and details of the notes. This allows the Finance department of adesso AG to carry out a further audit of all information intended for external reporting during the financial year. The auditor of the consolidated financial statement is referred to for selected issues.

Takeover-relevant Information

adesso reports in accordance with the specification taken from the Übernahmerichtlinie-Umsetzungsgesetz (ÜbernRLUG – German act on the implementation of EU directive on takeover bids) and assumed in Article 315 (4) HGB and Article 289 (4) HGB with the aim of providing potential takeover bidders with a complete overview of adesso as well as any potential takeover hurdles before they submit an offer.
There is only one type of share. Each common share grants one vote. adesso shares do not have restricted transferability. The Executive Board is not authorised to acquire its own shares through adesso AG. As of the reporting date, adesso AG itself held none of its own shares. In addition, we are not aware of any other restrictions with regard to voting rights. In principle, there are no restrictions in respect of the transfer of adesso shares. As of 31 December 2012, no adesso shares were subject to a lock-up agreement. We are not aware of any further restrictions that could arise from agreements between shareholders. Further information on equity and the company's capital measures can be found in the equity section of the notes.

As of 31 December 2012, founding shareholder and Supervisory Board Chairman Prof. Dr. Volker Gruhn held 29.9 % of share capital through a company he controls. Rainer Rudolf, who was a member of the Executive Board until 30 September 2011, held 19.4 % of share capital at the time of his departure. As of his voting rights announcement, Ludwig Fresenius held 10.1 % of share capital. Please see the notes to the annual report and the consolidated financial statement for more information on the company's ownership structure. We are not aware of any other direct or indirect share capital participations which exceed 10 % of voting rights. As the shares in the company are bearer shares, the company is in principle only notified of changes to share ownership insofar as the changes of ownership are subject to notification obligations and the respective parties fulfil these obligations. The company is only made aware of transactions that are completed within minimum and maximum notification thresholds in exceptional cases. Voting rights announcements as well as the shareholder structure derived as a result are always kept up to date in the Investor Relations part of the website at www.adresso-group.de.

The Articles of Association do not permit any adesso shareholder to appoint members of the Supervisory Board. No shareholder possesses any other special rights that confer them powers of control. There are no restrictions to the voting rights of the adesso shares held by our employees.

Members of the Executive Board are appointed or dismissed in accordance with Articles 84 and 85 AktG. The Executive Board consists of at least one person in accordance with Article 6 of the Articles of Association. The Supervisory Board determines the number of Executive Board members, as well as the appointment and dismissal of members and the appointment of a member of the Executive Board as CEO. Changes to our Articles of Association are carried out in accordance with Articles 179 and 133 AktG by means of a resolution by the General Meeting passed with a majority of at least three-quarters of the share capital represented at said meeting. The Articles of Association do not contain any derogative provision. The Supervisory Board is entitled to resolve changes to the wording of the Articles of Association (Article 10 (7) of the Articles of Association). The resolutions of the General Meeting are decided on the basis of a simple majority of submitted votes, unless a different voting system is stipulated by law (Article 15 of the Articles of Association).

The company is not part of any material agreement containing special regulations in the event of a change of control or acquisition of control, such as in the event of a takeover bid. Our Articles of Association do not contain any provisions which grant the Executive Board special powers in the event of a takeover bid. Agreements concerning the phantom share plan stipulate a shorter waiting period of phantom shareholders in the event of a change of control. Moreover, there are no agreements with members of the Executive Board or the Supervisory Board or any employees concerning compensation in the event of a change of control.

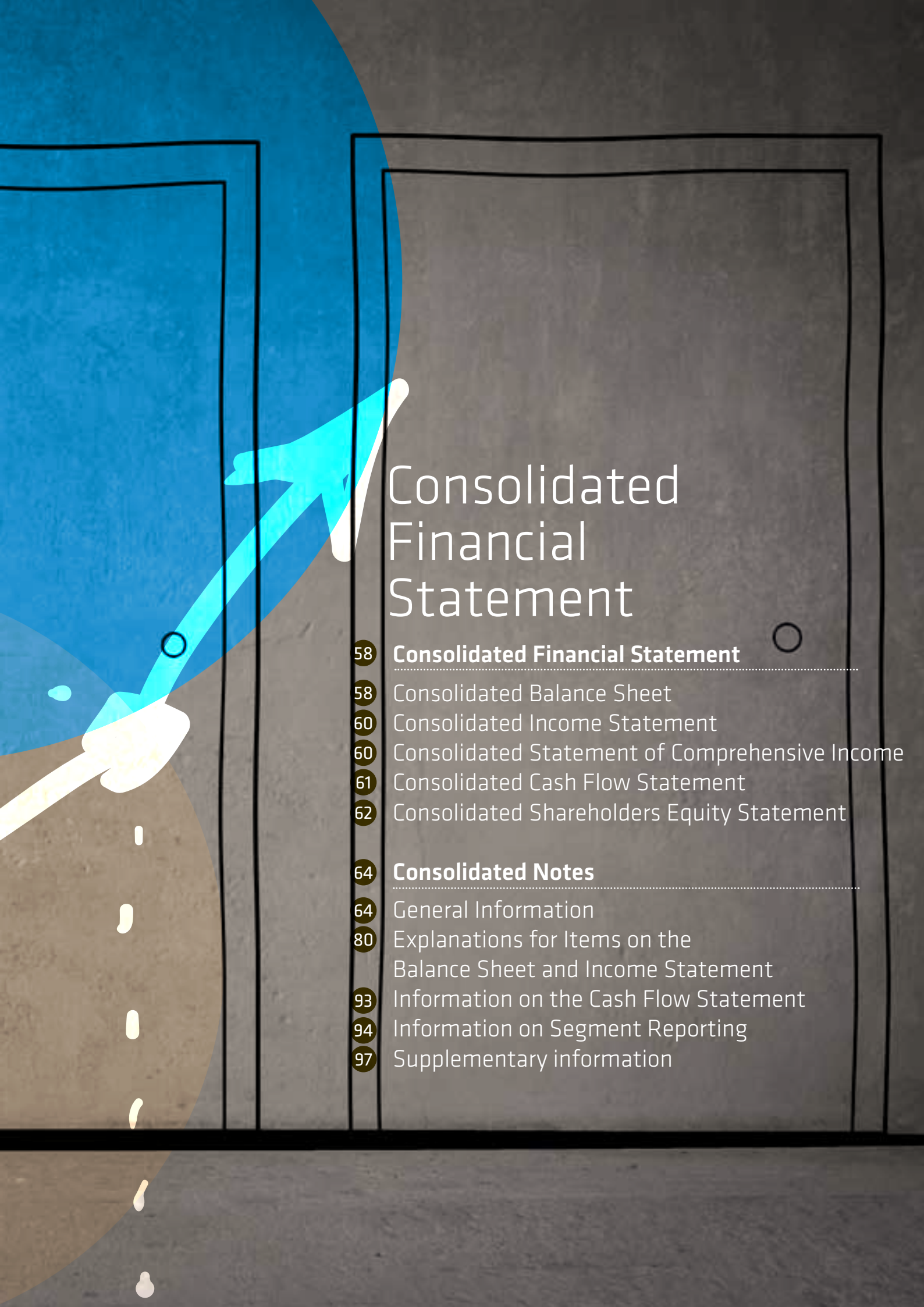
Declaration of Conformity (Article 289a HGB) and Corporate Governance Report

In accordance with Section 3.10 of the German Corporate Governance Code, the Executive Board and Supervisory Board of adesso AG report on an annual basis regarding the corporate governance of the company and publish this report in conjunction with the Declaration of Conformity in accordance with Article 289a HGB. Both the Declaration of Conformity and the Corporate Governance Report are available at www.adesso-group.de (Investor Relations > The Group > Corporate Governance).

Remuneration Report

Principles of the Remuneration System

At adesso, variable remuneration systems are in place throughout the group for a variety of functions. Management remuneration is primarily geared toward the success of the company and industry standards. Alongside basic remuneration, the adesso AG Executive Board also receives a performance-related component depending on the achievement of sales and operating result targets at both an adesso AG level and a group level. One component of the performance-related remuneration is contingent on the achievement of a fixed minimum result, another on the level of target achievement targets over the course of the previous financial year and a further component on the level of target achievement over the course of the last four years and the current year. Another component of the Executive Board's variable remuneration is share-based in the form of share options. The Executive Board is part of the company-wide share option scheme that is available to many employees. Some Executive Board members have been assigned phantom shares as part of a long-term incentive plan which bear a dividend through the Executive Board member's salary and, after a holding period, provide the Executive Board member with a return value, depending on the price of adesso shares. In accordance with Article 11 of the Articles of Association, the members of the Supervisory Board receive an annual salary plus expenses which consists of a fixed component of EUR 5 thousand (the Chairperson receives 1.5 times this amount) and a variable component of 0.0275 % of the company's balance sheet profit less 4 % of the paid-in contributions to the share capital. Further variable remuneration systems are in place at various levels of the corporate hierarchy. These are predominantly pegged to the volume of services invoiced to customers, profit contributions from business units or order intake in sales.
Please see the notes for more information on remuneration, such as the amount and structure of the company's Executive Board and Supervisory Board remuneration.



Consolidated Financial Statement

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Consolidated Balance Sheet of adesso Group
As of 31 December 2012 according to IFRS

Assets in EUR k	Notes	31 Dec. 2012	31 Dec. 2011
Current assets			
Cash on hand and at bank	1.	21,368	22,491
Trade accounts receivable	2.	25,275	19,055
Receivables PoC	3.	4,031	3,663
Receivables from income taxes	9.	923	457
Financial assets	4.	73	78
Other assets	5.	1,065	946
		52,735	**46,690**
Non-current assets			
Goodwill	6.	13,633	11,527
Intangible assets	6.	1,666	2,957
Property, plant and equipment	7.	1,992	1,392
Financial assets	8.	451	186
Receivables from income taxes	9.	49	56
Deferred taxes	9.	5,756	6,760
Other assets	10.	321	282
		23,868	**23,160**
Total assets		**76,603**	**69,850**

Equity and liabilities

in EUR k

	Notes	31 Dec. 2012	31 Dec. 2011
Current liabilities			
Financial liabilities	11.	4,482	2,236
Trade accounts payable	12.	5,136	6,213
Liabilities PoC	12.	2,148	1,992
Liabilities from income taxes	9.	1,661	1,299
Provisions	13.	3,090	1,486
Other current liabilities	14.	17,229	16,035
		33,746	**29,261**
Non-current liabilities			
Financial liabilities	11.	5,877	3,642
Pensions and similar liabilities	15.	697	575
Provisions	13.	676	501
Other non-current liabilities	14.	383	135
Deferred tax liabilities	9.	1,085	1,368
		8,718	**6,221**
Equity	16.		
Subscribed capital		5,748	5,742
Capital reserve		11,457	11,398
Other retained earnings		15,587	12,531
Reserve for currency conversion		501	524
Consolidated earnings		-92	3,911
Minority share		938	262
		34,139	**34,368**
Total equity and liabilities		**76,603**	**69,850**

Consolidated Income Statement of adesso Group
As of 31 December 2012 according to IFRS

in EUR k	Notes	31 Dec. 2012	31 Dec. 2011
Sales revenues	18.	120,521	105,986
Other operating income	19.	2,857	1,703
Own work capitalised	6.	290	910
Total income		**123,668**	**108,599**
Costs of material	20.	-13,767	-13,292
Personnel costs	21.	-77,426	-65,454
Other operating expenses	22.	-25,764	-21,247
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**6,711**	**8,606**
Depreciation on property, plant and equipment	23.	-2,777	-2,037
Extraordinary depreciation on property, plant and equipment	23.	-1,348	0
Amortisation of goodwill	23.	-29	-1,417
Earnings before interest and taxes (EBIT)		**2,557**	**5,152**
Income from investments	24.	0	27
Interest income and similar income	24.	253	178
Interest expenses and similar expenses	24.	-392	-355
Income from ordinary activities (EBT)		**2,418**	**5,002**
Income taxes	25.	-2,510	-1,091
Consolidated earnings		**-92**	**3,911**
of which attributable to minority interests		-785	-235
of which attributable to shareholders of adesso AG		693	4,146
Number of shares at the end of the financial year		5,747,716	5,741,663
Diluted and undiluted earnings per share (in EUR)	26.	**0.12**	**0.72**

Consolidated Statement of Comprehensive Income

in EUR k	31 Dec. 2012	31 Dec. 2011
Actuarial gains and losses	-108	-32
Deferred taxes	34	10
Total	**-74**	**-22**
Measurement of financial instruments	-9	-9
Transferred to the income statement	24	27
Deferred taxes	-3	-6
Total	**11**	**12**
Currency translation differences	-23	110
Total other comprehensive income	**-86**	**100**
Net profit	-92	3,911
Total income	**-178**	**4,011**
of which attributable to shareholders of the parent company	614	4,246
of which attributable to other shareholders	-792	-235

Consolidated Cash Flow Statement of adesso Group

As of 31 December 2012 according to IFRS

in EUR k	31 Dec. 2012	31 Dec. 2011
Earnings before tax	**2,418**	**5,002**
Income from financing and investment activities	139	149
Depreciation and amortization on property, plant and equipment and intangible assets	4,154	3,454
Expenses from the disposal of property, plant and equipment	0	-4
Non-cash income/expenses	-212	244
Change in pension provisions	231	47
Change in other provisions	468	64
Tax payments	-2,427	-230
Change to net operating assets	-3,767	1,462
Cash flow from operating activities	**1,004**	**10,188**
Disinvestments of property, plant and equipment	0	23
Disinvestment of intangible assets	0	16
Change in cash and cash equivalents from initial consolidation	-1,458	58
Payments for investments in property, plant and equipment	-1,479	-995
Payments for investments in intangible assets	-371	-978
Cash flow from investment activities	**-3,308**	**-1,876**
Dividend payments	-1,115	-902
Capital increase	32	135
New liabilities to banks	5,152	0
Repayment of financial liabilities	-2,933	-2,049
Interest paid	-162	-222
Interest received	182	150
Cash flow from financing activities	**1,156**	**-2,888**
Currency differences	25	46
Change in cash and cash equivalents	**-1,123**	**5,470**
Cash and cash equivalents at the beginning of the period	22,491	17,021
Cash and cash equivalents at the end of the period	21,368	22,491

Consolidated Shareholders Equity Statement
as of 31 December 2012

in EUR k	Share capital	Capital reserves	
01 Jan 2011	**5,715**	**11,071**	
Share-based compensation	0	219	
Increase in share capital by exercises of stock otpions	27	108	
Effects from first-time consolidated subsidiaries	0	0	
Other results at the end of the financial year	0	0	
Consolidated result	0	0	
Total	0	0	
Dividend payment	0	0	
31 Dec 2011	**5,742**	**11,398**	
Share-based compensation	0	33	
Increase in share capital by exercises of stock otpions	6	26	
Effects from first-time consolidated subsidiaries	0	0	
Other results at the end of the financial year	0	0	
Consolidated result	0	0	
Total	0	0	
Dividend payment	0	0	
31 Dec 2012	**5,748**	**11,457**	

	Other coprehensive results of the financial period					
	Currency translation differences	Derivatives	Retained earnings / Balance Sheet Profit	**Equity of adesso AG shareholders**	Other shareholders	**Total Equity**
	414	**-29**	**13,424**	**30,595**	**307**	**30,902**
	0	0	0	219	0	219
	0	0	0	135	0	135
	0	0	3	3	0	3
	110	12	-22	100	0	100
	0	0	4,146	4,146	-235	3,911
	110	12	4,124	4,246	-235	4,011
	0	0	-857	-857	-45	-902
	524	**-17**	**16,694**	**34,341**	**27**	**34,368**
	0	0	0	33	0	33
	0	0	0	32	0	32
	0	0	0	0	999	999
	-23	11	-67	-79	-7	-86
	0	0	693	693	-785	-92
	-23	11	626	614	-792	-178
	0	0	-1,034	-1,034	-81	-1,115
	501	**-6**	**16,286**	**33,986**	**153**	**34,139**

Consolidated Notes
for financial year 2012

I. General Information

The adesso Group (hereinafter referred to as adesso) is an IT service provider independent of manufacturers focusing on consulting and software development. On behalf of its customers, adesso provides optimised core business process design and support through the use of information technology.

adesso AG is a corporation under German law. Its registered office is in Dortmund in the Federal Republic of Germany. The address is: adesso AG, Stockholmer Allee 24, 44269 Dortmund, Germany. The commercial register is likewise located in Dortmund (HRB 20663).

The consolidated financial statements were prepared by adesso AG in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), applicable after 31 December 2012 and adopted by the EU, as well as the supplementary regulations pursuant to Section 315a (1) of the German Commercial Code (HGB). All requirements of the applied standards and interpretations were met by adesso.

The consolidated financial statements as of 31 December 2012 are denominated in euros. They were prepared according to the historical acquisition cost principle unless other valuation methods are required by IFRS. Uniform accounting methods based on IFRS were applied to the assets and liabilities of the companies included in the consolidated financial statements. The individual financial statements of the companies included in the consolidated financial statements are issued for the reporting date of the consolidated financial statements.

Assets and liabilities are classified in the balance sheet as current or non-current items according to their maturities. In principle, assets and liabilities are classified as current insofar as they are realised or mature within the normal business cycle or within 12 months after the end of the reporting period. Deferred tax assets and liabilities are not permitted to be reported as current in the IFRS balance sheet regardless of when they are expected to be realised. They are classified as non-current. The income statement is structured according to the total cost format. All amounts are in EUR thousand (EUR K) unless otherwise specified. Some amounts may not add up to the disclosed sums as a result of rounding.

The declaration on the German Corporate Governance Code required pursuant to Section 161 of the German Stock Corporation Act (AktG) has been issued and was made available to the shareholders at www.adesso-group.de.

The consolidated financial statements were approved by the Supervisory Board on 21 March 2013 and released for publication by the Executive Board.

Financial reporting standards that were applied for the first time or amended

The following financial reporting standards were applied by adesso for the first time in financial year 2012. The first-time application of these regulations has no or only an immaterial effect on the financial statements of adesso.

In December 2010, the IASB approved changes to IAS 12 (Deferred Tax: Recovery of Underlying Assets). These changes apply to the measurement of deferred taxes in certain cases, when different tax rates apply for positive contributions to results, depending on whether the future economic benefit of certain assets is realised through their use or sale.

In October 2010, the IASB approved changes to IFRS 7 (Financial Instruments: Disclosures). As a result of the changes, additional disclosures are required for transfers of financial assets and the remaining risk borne by the transferring entity in cases where the financial asset is not fully derecognised or the transferring entity retains a continuing involvement regarding a financial asset that has been transferred. Additional disclosures are required in case of unusually extensive transfer activities towards the end of the accounting period.

Financial reporting standards that were approved but not yet applied

The International Accounting Standards Board (IASB) has approved standards and interpretations with mandatory application for financial years beginning on or after 1 January 2013. The application of these IFRS presumes adoption by the EU, which is still pending in some cases. The following standards and interpretations were not applied early by adesso:

In October 2012, the IASB approved regulations for investment companies under the title "Investment Entities Amendments to IFRS 10, IFRS 12 and IAS 27". These define the term "investment company" and the rules for exemption from the general consolidation obligation for subsidiaries. Accordingly, companies that are not consolidated must be measured at fair value through profit or loss by investment companies. Additional disclosures are also required. The regulations are applicable for financial years beginning on or after 1 January 2014. The changes have not been adopted by the EU to date. These regulations will have no impact on the financial statements of adesso.

In June 2012, the IASB approved changes to IFRS 10, 11 and 12 under the title "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance". These changes are mainly intended for clarification and facilitation upon first-time adoption. The changes are applicable for financial years beginning on or after 1 January 2013. The EU has not adopted the changes to date.

In May 2012, the IASB approved changes to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 in the course of the annual improvement project. These changes mainly consist of smaller and editorial amendments of the standards in question. The changes are applicable for financial years beginning on or after 1 January 2013. The EU has not adopted the changes to date.

In December 2011, the IASB approved new regulations for offsetting financial assets and liabilities (IAS 32) as well as the related disclosures (IFRS 7). The changes to IAS 32 (Offsetting Financial Assets and Financial Liabilities) approved in December 2011 apply for the first time to financial years beginning on or after 1 January 2014. They contain detailed regulations for offsetting financial assets and liabilities. The changes to IFRS 7 apply to financial years beginning on or after 1 January 2013. IFRS 7 calls for detailed information on financial assets and liabilities that were offset, or are part of a so-called "master netting arrangement". These new regulations are not expected to have a material impact on the financial statements of adesso.
IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine) was approved in October 2011. This interpretation applies to financial years beginning on or after 1 January 2013, and contains regulations for the recognition of stripping costs as assets in the production phase of surface mining as well as regulations for the measurement of the asset at the time of recognition and subsequently. IFRIC 20 will have no impact on the financial statements of adesso.

In May 2011, the IASB approved three new standards containing regulations to account for business combinations: IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities). Changes to existing standards were issued simultaneously with IAS 27 (Separate Financial Statements, amended in 2011) and IAS 28 (Investments in Associates and Joint Ventures, amended in 2011). The new standards as well as the amendments to IAS 27 and IAS 28 apply to financial years beginning on or after 1 January 2013.

IFRS 10 replaces IAS 27 (Separate Financial Statements) and SIC-12 (Consolidation – Special Purpose Entities). The standard defines which companies must be included in the consolidated financial statements as subsidiaries. Accordingly a company must be included in the consolidated financial statements of the parent company if the parent company has control over the subsidiary. Control is deemed to exist if the company has power over another company (power over the investee), the company is exposed to variable returns from the investee and/or has a right to the same, and the company can use its power over the investee to influence the variable returns. IFRS 10 also contains further regulations, for example for accounting for shares of third-party companies or reporting after a loss of control. Management is examining the impact of IFRS 10 on the consolidated financial statements of adesso.

IFRS 11 replaces IAS 31 (Interests in Joint Ventures) and SIC-13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers). The standard contains regulations for accounting for joint agreements, which are divided into two groups – jointly controlled entities and joint ventures. While each company in case of a jointly controlled entity has to record the corresponding assets, liabilities, income and expenses, interests in joint ventures have to be accounted for using the equity method according to IAS 28 in the future. The first-time application of IFRS 11 is expected to have an impact on the consolidated financial statements of adesso. PSLife GmbH is being included in the consolidated financial statements as of 31 December 2012 using proportional consolidation according to the accounting policy choice offered by IAS 31. According to IFRS 11, the shares in PSLife GmbH would have to be accounted for using the equity method. The net assets of PSLife GmbH as of 31 December 2012 are EUR 72 thousand.

IFRS 12 replaces the disclosure requirements of IAS 27 (Separate Financial Statements), IAS 28 (Investments in Associates and Joint Ventures) and IAS 31 (Interests in Joint Ventures).

Due to the new IFRS 10 standard, IAS 27 (Separate Financial Statements) now only contains regulations affecting the individual financial statements.

The new IAS 28 (Investments in Associates and Joint Ventures) contains regulations on accounting for shares in associated companies and joint ventures. Here, the equity method must be uniformly applied.

In June 2011, the IASB approved changes to IAS 1 (Presentation of Financial Statements). The changes apply to financial years beginning on or after 1 July 2012. The new IAS 1 requires other comprehensive income (OCI) to be broken down into amounts that can be reclassified to the income statement in the future (recycling) and those that cannot be reclassified to the income statement.

In June 2011, the IASB approved changes to IAS 19 (Employee Benefits) which apply to financial years beginning on or after 1 January 2013. Application of the so-called corridor method is no longer permitted in the future. According to the corridor

method, gains and losses based on changes to actuarial assumptions (actuarial gains and losses) are not recognised immediately but only in subsequent periods. In the future, such gains and losses are to be recorded directly in other comprehensive income without affecting profit or loss. The latter method also exists according to IAS 19 which currently applies and is used by adesso. Accordingly, the future expected return on plan assets is not determined on the basis of an estimated expected yield, but using the same interest rate applied for compounding the pension obligations. The basis for determining the interest rate does not change. Unvested past service costs must be directly expensed in full in the future. Currently, these amounts are distributed over the period until they become vested. Expanded disclosure and explanation requirements were also introduced. Since adesso has not endowed any plan assets and already records actuarial gains and losses entirely in other comprehensive income, the changes to IAS 19 are not expected to have a material impact on the group's consolidated financial statements.

In May of 2011, the IASB published IFRS 13 (Fair Value Measurement), which applies to financial years beginning on or after 1 January 2013. The new standard defines the term fair value and harmonises disclosure requirements for measurement at fair value.

Mergers

On 1 April 2012, adesso AG acquired 51 % of the shares in Arithnea GmbH, Neubiberg. Arithnea has established an excellent reputation over the last few years among a number of corporate groups in the fields of consulting as well as the implementation and maintenance of e-business applications. The company combines agency services such as design and user experience with the implementation of e-commerce platforms. The acquisition cost of EUR 3.514 million is comprised as follows:

- Cash payment: EUR 4.080 million
- Conditional obligation: EUR 227 thousand
- Subsidy: EUR -106 thousand
- Elimination of pre-existing relationships: EUR -687 thousand

The conditional purchase price payment depends on the EBIT of Arithnea GmbH for the financial year from 1 October 2011 to 30 September 2012. As of 1 April 2012, the conditional purchase price payment was valued at EUR 227 thousand. This was determined on the basis of operative planning by Arithnea. A value between EUR 150 thousand and EUR 350 thousand was considered possible as of 1 April 2012. Based on the extremely positive business development of Arithnea in 2012, the purchase price ultimately stands at EUR 1.113 million. The difference of EUR 886 thousand was recorded under other operating expenses through profit or loss.

A low-interest loan was taken out to finance the acquisition of Arithnea GmbH. This loan was measured at fair value. The benefit of the low interest rate is EUR 106 thousand. At the time of acquisition, adesso had liabilities to Arithnea of EUR 724 thousand and receivables of EUR 37 thousand. These so-called pre-existing relationships were eliminated in the course of the merger and are taken into account in determining the acquisition cost. Since the receivables and liabilities were recorded at fair value by adesso, no resulting income or expense has to be recognised.

The fair value of the receivables acquired is EUR 1.813 million. This amount also corresponds to the contractual cash flows and the fair value of the receivables. The non-controlling interest at 49 % of the shares in Arithnea GmbH as of 1 April 2012 is valued at the pro-rata share of the net assets of Arithnea at that time measured according to IFRS 3. Ancillary acquisition costs totalled EUR 22 thousand. They are reported under "Other operating expenses" in the income statement.

Goodwill resulting from the merger mainly represents the synergy potential obtained with the acquisition of Arithnea GmbH as well as the possibility of developing long-term customer relationships in the fields of consulting and the implementation of e-commerce solutions. The employees of Arithnea GmbH are also accounted for under goodwill. According to IFRS, this amount cannot be capitalised as an asset.

The group obtained the following assets and liabilities in the course of the merger:

in EUR k	Arithnea GmbH
Goodwill	2,473
Customer lists	1,069
Order backlog	175
Other intangible assets	26
Property, plant and equipment	356
Receivables PoC	1,601
Receivables	1,813
Other current assets	387
Cash and cash equivalents	2,622
Total assets	**10,522**
Non-current liabilities	1,417
Tax liabilities	166
Current financial liabilities	2,456
Other current liabilities	630
Current provisions	837
Deferred tax liabilities	505
Total liabilities	**6,011**
Net assets	4,511
Thereof non-controlling interest (49 % of net assets less goodwill)	998
Thereof attributable to adesso AG	3,513
Consideration	3,513
Cash and cash equivalents received	2,622
Actual cash outflow for acquisition	1,458

The revenues included in the adesso income statement as well as the profit or loss of Arithnea GmbH included in the adesso income statement are provided in the following table:

in EUR k	**Arithnea GmbH**
Sales revenues	10,771
Net profit for the period	182

If Arithnea GmbH had already been consolidated as of 1 January 2012, consolidated sales revenues would be EUR 123.928 million and net consolidated profit for the period would be EUR 151 thousand.

The changes compared to preliminary reporting about the merger in the 2012 half-yearly figures mainly relate to the presentation of the non-controlling interest, intangible assets and non-current liabilities.

Information on company acquisitions in the previous year

On 28 February 2011 evu.it GmbH, an 80 % subsidiary of adesso AG, acquired 100 % of the shares in dynamicutilities GmbH i. L., Münster. dynamicutilities GmbH i. L. was developing a software program (dynamic.suite) mainly intended for use by public utilities. The buyer and seller agreed in 2012 that the originally agreed purchase price of EUR 250 thousand is not payable. The income of derecognising the liability is recorded under other operating income. The fair value of the receivables acquired was EUR 52 thousand. Cash flows pursuant to the contract were EUR 87 thousand. The difference was mainly due to a specific provision for a receivable from existing shareholders. Ancillary acquisition costs totalled EUR 9 thousand. They are reported under "Other operating expenses" in the income statement.

Goodwill resulting from the merger mainly represents the possibility of developing long-term customer relationships in the public utilities market obtained with the acquisition of dynamicutilities GmbH i. L. The employees of dynamicutilities GmbH i. L. are also accounted for under goodwill. According to IFRS, this amount cannot be capitalised as an asset.

The group obtained the following assets and liabilities in the course of the merger:

in EUR k	dynamicutilities GmbH i. L.
Goodwill	368
Software developed in house	148
Property, plant and equipment	39
Deferred tax assets	148
Trade accounts receivable	30
Other current assets	41
Cash on hand	8
Total assets	**782**
Non-current liabilities	347
Current provisions	137
Deferred tax liabilities	48
Total liabilities	**532**
Net assets	250
Consideration (financial liabilities)	250
Cash and cash equivalents received	8
Actual cash inflow for acquisition	8

The revenues included in the adesso income statement as well as the profit or loss of dynamicutilities GmbH i. L. included in the adesso income statement are provided in the following table:

in EUR k	dynamicutilities GmbH i. L.
Sales revenues	214
Net loss for the period	-1,239

If dynamicutilities GmbH i. L. had already been consolidated as of 1 January 2011, consolidated sales revenues would be EUR 105.995 million and net consolidated profit for the period EUR 3.744 million in 2011.

In April 2012, the Executive Board of adesso AG decided to discontinue product development for dynamic.suite. An expense of EUR 1.348 million was recognised for writing off the dynamic.suite software. Deferred tax assets on loss carry-forwards in the amount of EUR 315 thousand were written off and goodwill was also reduced by EUR 29 thousand on that date. No profit contribution was recorded for the deconsolidation.

In addition to dynamicutilities GmbH i. L., two previously inactive companies were fully consolidated in financial year 2011. These were areal drei advisory GmbH, Cologne, effective 1 April 2011 and percision GmbH, Dortmund, effective 1 January 2011. 50 % of the shares in the previously inactive company PSLife GmbH, Cologne, were also sold. The latter has been included in the consolidated financial statements as a joint venture since 1 March 2011. The first-time consolidation of this company mainly resulted in an increase in cash and cash equivalents of EUR 50 thousand, the recognition of deferred tax assets on loss carry-forwards in the amount of EUR 3 thousand and the derecognition of the carrying amount of the investment in the company at EUR 53 thousand.

On 1 May 2010, adesso acquired 60 % of the shares in evu.it GmbH, Dortmund. The purchase price was a symbolic cash payment in the amount of EUR 3. After three years, the stake in evu.it GmbH held by adesso AG is to be increased by a further 20 % to 80 %. Accordingly, adesso AG has the right to acquire another 20 % of the shares in evu.it GmbH as of 1 May 2013 for a price that depends on the net profit of evu.it GmbH. At the same time, the non-controlling shareholders have the right to sell 20 % of the shares in evu.it GmbH as of 1 May 2013 to adesso for a price that depends on the net profit of evu.it GmbH. This combined call/put option is presented in the consolidated financial statements as though adesso had already acquired the 20 %. The amount payable under the call/put option was reported in the consolidated financial statements as a conditional purchase price payment. On the acquisition date, the value of the resulting conditional obligation was EUR 788 thousand. As of 31 December 2012, the conditional purchase price obligation was valued at the fair value of EUR 0. The resulting income of EUR 878 thousand are reported under other operating income. In the half-year, the entire deconsolidation result was recorded under income from investments.

Divestments

The subsidiary dynamicutilities GmbH i. L. acquired on 28 February 2011 filed for insolvency on 30 May 2012. The company was deconsolidated on that date. Insolvency proceedings were declined on 28 September 2012 due to a lack of assets. The table below lists the assets and liabilities eliminated from the consolidated financial statements as of 30 May 2012:

in EUR k	dynamicutilities GmbH i. L.
Goodwill	339
Other intangible assets	1
Property, plant and equipment	77
Receivables	41
Other current assets	38
Total assets	**496**
Non-current liabilities	98
Other current liabilities	154
Current provisions	244
Total liabilities	**496**
Net assets	0
Thereof attributable to adesso AG	0
Actual cash outflow for disinvestment	0

Basis of consolidation

Next to the parent company adesso AG, Dortmund, all material subsidiaries were included in the consolidated financial statements as of 31 December 2012. A company controlled by adesso AG is a subsidiary of the same. IAS 27 defines control as the ability to determine the financial and business policies of a company in order to benefit from its activities. Control is refutably assumed when a company holds more than 50 % of the voting rights in another company, directly or indirectly through subsidiaries.

Potential voting rights that can currently be exercised must be taken into account in establishing control over a company.

The consolidated financial statements of adesso AG include 13 (previous year: 12) fully consolidated subsidiaries. This increase in the number of subsidiaries is due to the following circumstances:

- Acquisition of Arithnea GmbH, Neubiberg
- Founding of e-Spirit Schweiz AG, Zurich
- Deconsolidation of dynamicutilities GmbH i. L., Münster

The subsidiaries were consolidated on the basis of annual financial statements as of 31 December 2012 prepared according to national law and adjusted for IFRS.

One subsidiary which is immaterial to the net assets, financial position and results of operations of the adesso Group was not consolidated.

adesso holds 50 % of the shares in PSLife GmbH, which has been included in the consolidated financial statements since 1 March 2011. The interest in PSLife GmbH is included in the consolidated financial statements using proportional consolidation. The assets, liabilities, income and expenses of PSLife GmbH included in the adesso consolidated financial statements are shown in the following table:

in EUR k	2012	2011
Non-current assets	1	1
Current assets	224	531
Non-current liabilities	0	0
Current liabilities	142	485
Income	1,506	2,767
Expenses	587	2,733

adesso holds no shares in affiliated companies.

The companies included in the consolidated financial statements of adesso AG are shown in the list of investments (see page 106).

Consolidation method

Assets and liabilities as well as expenses and income of subsidiaries are included in the consolidated financial statements at 100 %. Insofar as non-controlling shareholders hold an interest in a subsidiary, the equity allocated to them is reported as "Non-controlling interests" in equity. In the consolidated financial statements according to IFRS, the consolidated companies are presented as though they were a single economic unit. All intragroup relationships between the consolidated companies therefore have to be eliminated. As part of the consolidation of investments in subsidiaries, participations in subsidiaries are offset against the pro-rata equity of the respective subsidiary. Obligations between the group companies are eliminated in the course of debt consolidation. Intercompany profit and loss from intragroup transactions included in the assets and liabilities is eliminated as part of the elimination of unrealised profits; income and expenses are eliminated in the course of income and expense consolidation.

Joint ventures are included in the adesso consolidated financial statements using proportional consolidation. This means that the assets and liabilities as well as income and expenses are included in the consolidated financial statements on a pro-rata basis according to the participation percentage. Debt consolidation, the elimination of unrealised profits and the consolidation of income and expenses are also proportional.

Currency conversion principles

The functional currency of a company corresponds to the currency of the primary economic environment in which the company operates. This functional currency for the companies included in the adesso consolidated financial statements corresponds to the respective currency of the country where the company has its registered office. Conversion of the financial statements prepared in the national currency of companies whose functional currency is not the Euro is performed according to the modified closing rate method (IAS 21.39).

Equity for the companies with a functional currency other than the Euro included in the consolidated financial statements is converted at historical rates. All assets and liabilities are converted at the closing rate. Income and expenses included in the income statement as well as the annual profit are generally converted at the rate on the transaction date or, for simplification as far as permitted, the average exchange rate according to IAS 21.40. Translation differences are reported as a separate item under consolidated equity without affecting profit or loss. Currency conversion was performed using the exchange rates below:

Exchange rates in relation to the Euro

	Closing rate		Average rate	
in EUR	2012	2011	2012	2011
Swiss franc (CHF)	0.8284	0.8221	0.8297	0.8125
British pound (GBP)	1.2253	1.199	1.2332	1.1525
US dollar (USD)	0.7579	0.7716	0.7783	0.7189

Accounting and valuation principles

a) Sales revenues

adesso mainly generates revenues from consulting projects, the sale of software and maintenance contracts. Sales revenues from service agreements are recognised according to IAS 18. In keeping with IAS 18, sales revenues from contracts for work and labour are recognised according to the percentage of completion method (PoC). Accordingly, the sales revenues and project costs are recognised on a pro-rata basis according to the degree of completion. The degree of completion is determined on the basis of costs incurred by the reporting date as a proportion of the estimated total costs for the project. Insofar as a reliable estimate of the total project income or total project costs cannot be made, revenues are only recorded in the amount of the recognised project costs. Contingent losses are immediately recognised in full.

b) Borrowing costs

Borrowing costs are generally included as an expense in the income statement. Insofar as interest on debt can be allocated directly to the acquisition, construction or production of a qualified asset, it is capitalised as part of the acquisition or production cost of said asset.

c) Goodwill

In case of a merger, goodwill is the positive difference between the acquisition cost for the merger and the pro-rata equity of the acquired company measured according to IFRS 3. Goodwill has to be assigned to the groups of cash-generating units that benefit from the merger. According to IAS 36.80, the highest allocation level in the company is the level on which goodwill is observed by management, and no higher than the level of operating segments before they are combined into reportable segments. An impairment test for goodwill has to be performed on this basis at least once a year. Goodwill also has to be tested for impairment when there are indications of a decrease in value. In the reporting period, goodwill is allocated on the basis of operating segments according to IFRS 8. For the purpose of the impairment test, the carrying amount of the cash-generating unit including the carrying amount of goodwill is compared to the realisable amount. The latter is the higher of the value in use and the fair value less the disposal costs for the cash-generating unit. Should the carrying amount be higher than the realisable value, the goodwill first has to be written down to as low as EUR 0 where applicable. If an additional impairment has to be recorded, the carrying amounts of the assets of the cash-generating units covered by IAS 36 have to be reduced on a pro-rata basis according to the total carrying amounts.

d) Intangible assets and property, plant and equipment

Intangible assets and property, plant, and equipment are recognised at the cost of acquisition or production. They are subsequently valued at the amortised cost of acquisition or production. Assets are amortised using the linear method over the course of their expected economic useful life. Residual values are taken into account in determining depreciation on property, plant, and equipment. For intangible assets, residual values are only taken into account insofar as a third party is obligated to assume the intangible asset at the end of its useful life. Furthermore, residual values are taken into account when there is an active market for the intangible asset, the residual value can be established in reference to said market and the active market is expected to exist at the end of the useful life of the intangible asset.

An impairment test is carried out for intangible assets under development and those with an indefinite useful life at least once a year. Here, an impairment test is also performed when there are indications of a decrease in value.

An analysis is performed on each reporting date to determine whether there are indications that an intangible asset with a definite useful life or an item of property, plant and equipment has been impaired. If this is the case, the intangible assets or item of property, plant and equipment is tested for impairment.

Intangible assets are generally amortised over three years. Additions as a result of mergers, such as customer lists or order backlog, are exceptions. The carrying amount of the order backlog is recorded through profit or loss as soon as the sales revenue on the respective order is realised. Customer lists are written off over three to six years.

Property, plant, and equipment is classified as technical equipment and machinery, which is generally written off over three years, as well as office and other equipment, which is written off over five to 13 years.

Depreciation and amortisation is reported in the income statement under “Depreciation and amortisation”

The carrying amount of intangible assets with an indefinite useful life is EUR 29 thousand.

e) Leases

Lease transactions are classified as financing leases or operating leases based on the economic nature of the transaction. The transaction is classified as a financing lease insofar as all material risks and opportunities are transferred to the lessee, and otherwise as an operating lease.

When a lease transaction is classified as a financing lease, the lease object is recognised by the lessee at the present value of the minimum lease payments or the lower fair value. A lease liability of the same amount is recognised. The lease object is subject to regular depreciation over the shorter of the economic useful life and the lease term. Since the lease payments are allocated to interest and redemption, interest on the remaining lease liability remains constant.

Gains on sale and leaseback transactions are deferred as liabilities and allocated over the lease term insofar as the lease transaction is classified as a financing lease.

When a lease transaction is classified as an operating lease, the lease payments are recorded over the lease term on a linear basis.

f) Financial assets

Financial assets include loans issued, receivables, equity securities and debt instruments as well as cash and cash equivalents. They are recognised as soon as the adesso Group becomes a contractual partner for a corresponding financial instrument. Financial assets are measured at fair value when they are recognised. Transaction costs are capitalised except

for financial assets in the category "measured at fair value through profit or loss". The subsequent valuation of financial assets depends on the category they are assigned to. adesso does not use the categories "measured at fair value through profit or loss" and "financial assets held to maturity".

- "Loans and receivables" are primary financial assets with a payment or series of payments that is fixed or can be determined, and that are not traded in an active market. They mainly encompass cash on hand and bank balances, trade accounts receivable and loans issued. Loans and receivables are valued at amortised acquisition cost using the effective interest method. Impairments are initially recorded in the form of specific provisions. Furthermore, impairments are recorded in the form of flat-rate specific provisions. Here, the loans and receivables are divided into groups with a similar risk of default and flat-rate specific provisions are applied to these groups.

- "Available for sale": this category includes assets that are not assigned to any other category. Financial assets generally assigned to the categories "financial assets held to maturity" or "loans and receivables" may also be designated as "available for sale". Financial assets in the category "available for sale" must be measured at fair value on each reporting date. Changes in value are not reported on the income statement but directly in other comprehensive income. The amount included in other comprehensive income flows to the income statement in case of an impairment or when the financial asset is sold. If the fair value of an asset classified as "available for sale" cannot be reliably determined, it must be valued at the cost of acquisition.

g) Hedging relationships

adesso has classified a hedging relationship as a cash flow hedge. The hedging instrument is an interest rate swap, the underlying transaction a liability bearing variable interest. The risk of the variable interest payments is hedged. The variable-interest liability is valued at amortised cost. The interest rate swap is measured at fair value. Changes in the fair value of the interest rate swap are recorded in other comprehensive income. When the underlying transaction is realised, the profit contributions recorded in other comprehensive income are reclassified to the income statement.

h) Other assets and liabilities

The accruals and other receivables and liabilities reported under this item are generally measured at nominal value.

i) Receivables PoC

Consulting projects in progress are recognised according to the percentage of completion (PoC) method explained in IAS 11. Progress is determined on the basis of project costs incurred by the reporting date as a proportion of the estimated total costs. Partial settlements are deducted from receivables PoC. Down payments are reported as liabilities. Receivables PoC are comprised of the production costs, the pro-rata recognised profit and, where applicable, a contingent loss which is to be recognised in full, less partial settlements.

j) Cash on hand and at bank

This item includes cash on hand and bank balances as well as current, highly liquid investments with a remaining term of no more than three months from the acquisition date. These investments can be converted into a specific amount of cash at any time and are subject to immaterial valuation risk only.

k) Financial liabilities

Current liabilities are valued at the repayment or redemption amount. Non-current liabilities are recognised at the fair value of the consideration received on the transaction date. Transaction costs are included in the carrying amount of liabilities when they are recognised. Non-current liabilities are valued at amortised acquisition cost using the effective interest method. The option to classify financial liabilities as "measured at fair value through profit or loss" according to IAS 39.9 was not exercised.

l) Provisions

Provisions are recognised for actual, legal or factual obligations arising from past events which are likely to result in an outflow of resources that embody an economic benefit and the amount of which can be estimated reliably. Furthermore, either the amount or the timing of the outflow of resources that embody an economic benefit is uncertain. Provisions are recognised at the amount that is expected to be realised and not offset against a right of recourse. For warranty claims, provisions are established based on past or estimated future claims. Individual provisions are recognised for known losses.

Provisions for contingent losses on orders and other business-related obligations are valued on the basis of pending performance, usually in the amount of expected future production costs.

Provisions that do not result in an outflow of resources in the following year are recognised at their redemption amount discounted to the reporting date. Market rates are used for discounting. The redemption amount includes expected cost increases. Discounting is also performed insofar as the discount amount is material.

When the amount of a provision is expected to be reimbursed, for example based on insurance coverage, a reimbursement is only recognised as a separate asset if it is as good as certain. The income of reimbursement is not offset against expenses.

m) Provisions for pensions

Pension provisions are measured at the present value of the defined benefit obligation. Plan assets were not endowed by adesso. Actuarial gains and losses are recorded in other comprehensive income and then in retained earnings according to IAS 19.93A. The present value of pension provisions is determined using the projected unit credit method in accordance with IAS 19. The calculations are based on the biometric parameters of the Heubeck 2005G mortality tables. adesso commissioned external experts to value the pension obligation as of 31 December 2012. The applied discount rate corresponds to the interest rate on corporate bonds with the best credit rating and a term corresponding to the pension provisions.

n) Share-based compensation

adesso has issued options to employees for the acquisition of shares in adesso AG. The vesting period pursuant to IFRS 2 is two years. Total personnel costs to be recognised are determined by multiplying the fair value of the option on the grant date by the number of options expected to be exercisable after the end of the vesting period. In general, the total personnel costs are recognised on a linear basis against the capital reserve over the vesting period. The number of options expected to be exercised after the end of the vesting period has to be adjusted to current estimates on each reporting date.

In regards to share-based compensation issued in payment instruments, a recognised debt is remeasured at present value on each reporting date. Changes in the amount of this debt flow to the income statement.

o) Income taxes

Income taxes include both actual income taxes and deferred taxes. The actual tax liabilities and taxes receivable encompass all obligations and claims for domestic and foreign income tax. They are calculated based on the applicable tax laws.

Deferred taxes are recognised on deductible or taxable temporary differences. These are positive or negative differences between the carrying amount according to IFRS and the tax value of an asset or liability with a future impact on taxable income. Deferred taxes are measured at the future tax rate expected to be applicable on the date when the difference reverses. Furthermore, deferred tax assets have to be recognised for the benefit associated with a tax loss carry-forward. Deferred tax assets on deductible temporary differences are recognised at least in the amount applicable to taxable temporary differences with the same tax authority that reverse in the same period as the deductible temporary differences. Furthermore, deferred tax assets are recognised in the amount of the corresponding future economic benefit that is expected to be realised.

p) Government grants

According to IAS 20, government grants have to be classified as investment grants or grants for expenses. Grants are only recognised according to IAS 20 ("Accounting for Government Grants and Disclosure of Government Assistance") when it is sufficiently certain that the related conditions will be met and the grants issued. They are allocated through profit or loss in the periods in which the expenses compensated by the grants are incurred. Investment grants are deducted from the acquired assets. Grants for expenses are recorded through profit or loss in the period in which the corresponding expenses are recognised.

q) Mergers

Mergers are reported according to IFRS 3. Pursuant to IFRS 3, all acquired assets and liabilities have to be recognised insofar as they meet the criteria defining an asset or liability. The likelihood that funds will be received or paid is irrelevant, or rather, it is taken into account in measurement. In general, the acquired assets and liabilities are recognised at fair value. IFRS 3 specifies exceptions to the recognition and measurement principles, for example in regard to pension provisions, deferred taxes, reacquired rights and contingent liabilities. Non-controlling interests pursuant to IFRS 3 can be valued according to the pro-rata net assets measured pursuant to IFRS 3 or at fair value. The latter option also includes the recognition of goodwill for the non-controlling interest. adesso values non-controlling interests according to the pro-rata net assets measured pursuant to IFRS 3. The goodwill allocated to the shareholders of the parent company generally corresponds to the difference between the value of consideration given in exchange for control and the pro-rata assets acquired, measured according to IFRS 3. To determine the value of consideration given, IFRS 3 prescribes that so-called pre-existing relationships have to be eliminated prior to consolidation. Resulting gains or losses have to be recognised. According to IFRS 3, contingent liabilities are measured at fair value through profit or loss on reporting dates following the merger. Insofar as the identification and measurement of the acquired assets and liabilities and/or the determination of the consideration given has not been completed on the reporting date following the merger, preliminary reporting of the merger in the financial statements is required. Reporting for the merger has to be finalised within 12 months from the merger date (measurement period).

Estimates and assumptions

Numerous estimates and assumptions have to be made by management in preparing the consolidated financial statements. These relate to the following in particular:

- Mergers: In general, the identifiable assets and liabilities acquired in a merger are measured at fair value. Since there is no active market for many assets and liabilities, the fair values have to be determined on the basis of recognised measurement methods. For example, these include the relief from royalty method and the multi-period excess earnings method. Significant valuation parameters that have to be estimated for these methods are the future cash flows resulting from the assets and liabilities as well as the applicable discount rates. For the measurement of contingent payment obligations related to mergers, assumptions have to be made regarding the values of parameters underlying the valuation.

- Non-current assets: The useful life of non-current assets subject to regular depreciation and amortisation has to be estimated. An estimate of the residual value which has to be taken into account in calculating regular depreciation and amortisation is also required.

- Impairment test: According to IAS 36, numerous parameters have to be estimated for the impairment test to verify the recoverability of the assets held by adesso. These mainly include estimates of future cash flows as well as discount rates applied to those future cash flows. Here, risks are primarily associated with goodwill (carrying amount EUR 13.633 million (previous year: EUR 11.527 million)).

- Receivables: The recoverability of trade accounts receivable and receivables PoC has to be assessed. This requires an estimate of the extent to which adesso customers meet their payment obligations.

- Provisions and contingent liabilities: Recognising provisions often requires an assessment of whether the grounds for recognising a provision are met. For example, this applies to possible provisions for contingent losses on orders, warranty provisions, provisions for removal, shutdown or similar obligations as well as provisions for legal risks. The measurement of provisions requires an estimate and assumptions regarding the future amount required to redeem or settle the debt. This also applies to employee benefits after the end of the employment relationship. If a reliable estimate for the amount of an obligation cannot be made, it needs to be disclosed in the notes as a contingent liability.

- Pension provisions and the related income/expenses are determined on the basis of actuarial calculations. The calculation of pension provisions is based on actuarial assumptions (probability of death and disability, interest rate and other biometric assumptions).

- Deferred taxes: The measurement and realisation of deferred tax assets on loss carry-forwards requires a management estimate of the extent to which the benefit associated with the tax loss carry-forward can be realised. Deferred tax assets are recognised based on the assumption that the fiscal authorities approve the application of the tax loss carry-forwards. Failure to do so would mean that the commercial and corporate tax loss carry-forwards of adesso AG would be eliminated in whole or in part. The deferred tax assets of adesso AG on these loss carry-forwards are EUR 5.006 million as of 31 December 2012 (previous year: EUR 6.111 million). The benefit of tax loss carry-forwards eligible for capitalisation is determined by adesso on the basis of a five-year plan. Further benefits are not capitalised. evu.it GmbH has loss carry-forwards pursuant to Section 8c (1), sentence 6-9 of the Corporate Tax Act (KStG). The resulting deferred tax assets total EUR 210 thousand. As of 31 December 2012, the total value of deferred tax assets is EUR 613 thousand (previous year: EUR 210 thousand). areal drei advisory GmbH recognised deferred tax assets of EUR 64 thousand on tax loss carry-forwards (previous year: EUR 49 thousand). As with adesso AG, the benefit eligible for capitalisation is determined on the basis of a five-year plan for evu.it GmbH and drei advisory GmbH. adesso assumes that these tax loss carry-forwards can be realised.

- Sales revenues: adesso provides services for its customers. According to IAS 18, sales revenues from services must be recognised using the percentage of completion method. This means sales are realised according to the degree of completion. Estimating the degree of completion is of particular importance with this method. Furthermore, it is necessary to estimate the entire project costs that will be incurred up to completion, the entire project income, the risks associated with the project and other key parameters.

- Share-based compensation expenses: To recognise personnel costs from share-based compensation, management has to estimate how many rights are expected to be exercisable after the end of the vesting period.

II. Explanations for Items on the Balance Sheet and Income Statement

Information on the Consolidated Balance Sheet

1. Cash on hand and at bank

Cash on hand and at bank is EUR 21.368 million (previous year: EUR 22.491 million).

2. Trade accounts receivable

All trade accounts receivable are due within one year. The allowance for doubtful trade accounts receivable has developed as follows:

in EUR k	Total 2012	Total 2011
As of 1 January	46	492
Availment	15	25
Release	20	428
Addition	272	7
As of 31 December	**283**	**46**

The table below shows the maturity structure of trade accounts receivable not subject to impairment:

2012	Carrying amount	Neither impaired nor overdue	Not impaired and overdue as follows				
in EUR k			3 months or less	Over 3 months, up to 6 months	Over 6 months, up to 1 year	Over 1 year	Im-paired
Trade accounts receivable	25,275	20,791	2,996	896	198	111	283

2011	Carrying amount	Neither impaired nor overdue	Not impaired and overdue as follows				
in EUR k			3 months or less	Over 3 months, up to 6 months	Over 6 months, up to 1 year	Over 1 year	Im-paired
Trade accounts receivable	19,055	16,694	1,401	629	218	67	46

3. Receivables PoC

Receivables PoC are comprised of production costs including pro-rata profit and amount to EUR 4.031 million (previous year: EUR 3.663 million). Down payments received by customers in the amount of EUR 2.148 million (previous year: EUR 1.992 million) are reported under liabilities.

4. Current financial assets

Current financial assets are classified as follows:

in EUR k	2012	2011
Deposits	53	47
Employee loans	20	27
Other	0	4
Total	**73**	**78**

The current financial assets are neither impaired nor overdue.

5. Other current assets

Other current assets are comprised as follows:

in EUR k	2012	2011
Accruals	715	688
Receivables from personnel	130	16
Receivables from health insurers	15	15
Sales taxes receivable	0	134
Other	205	93
Total	**1,065**	**946**

The accruals mainly consist of maintenance expenses for the following year in the amount of EUR 150 thousand (previous year: EUR 199 thousand), other personnel costs of EUR 67 thousand (previous year: EUR 14 thousand), advertising expenses of EUR 182 thousand (previous year: EUR 164 thousand), insurance of EUR 134 thousand (previous year: EUR 75 thousand), travel expenses of EUR 2 thousand (previous year: EUR 6 thousand), training of EUR 3 thousand (previous year: EUR 54 thousand), limited-term licenses of EUR 41 thousand (previous year: EUR 0) and motor vehicle taxes of EUR 2 thousand (previous year: EUR 13 thousand).

6. Intangible assets and goodwill

Intangible assets and goodwill developed as follows:

2012 in EUR k	Goodwill	Customer lists	Internally generated intangible assets	Other intangible assets	Total
Gross value 1 January	12,944	7,328	1,058	3,058	24,388
Accumulated amortisation 1 January	1,417	5,675	0	2,812	9,904
Carrying amount 1 January	11,527	1,653	1,058	246	14,484
Currency differences	0	0	0	-13	-13
Company acquisitions	2,473	1,069	0	201	3,743
Additions	0	0	290	82	372
Amortisation	0	1,244	0	328	1,572
Impairment	29	0	1,348	0	1,377
Disposals	338	0	0	0	338
Gross value 31 December	15,050	8,397	0	3,328	26,775
Accumulated amortisation 31 December	1,417	6,919	0	3,140	11,476
Carrying amount 31 December	**13,633**	**1,478**	**0**	**188**	**15,299**

2011 in EUR k	Goodwill	Customer lists	Internally generated intangible assets	Other intangible assets	Total
Gross value 1 January	12,576	7,328	0	2,966	22,870
Accumulated amortisation 1 January	0	4,647	0	2,619	7,266
Carrying amount 1 January	12,576	2,681	0	347	15,604
Currency differences	0	0	0	24	24
Company acquisitions	368	0	148	0	516
Additions	0	0	910	68	978
Amortisation	0	1,028	0	193	1,221
Impairment	1,417	0	0	0	1,417
Gross value 31 December	12,944	7,328	1,058	3,058	24,388
Accumulated amortisation 31 December	1,417	5,675	0	2,812	9,904
Carrying amount 31 December	**11,527**	**1,653**	**1,058**	**246**	**14,484**

Intangible assets are mainly comprised of customer lists acquired in the course of mergers (EUR 1.478 million (previous year: EUR 1.653 million)). Development costs for the "dynamic.suite" software product which was under development at the beginning of the year were initially capitalised in the amount of EUR 290 thousand. Failure to meet interim targets indicated a need for impairment. Management determined the realisable value of the asset in the course of an impairment test. It analysed what benefit could be obtained from further development, subsequent exploitation and disposal. Based on this analysis, the intangible asset was written off in the full amount of EUR 1.348 million (impairment). An impairment test was also performed in this context for the entire cash-generating unit of dynamicutilities GmbH i. L. This impairment test resulted in writing off the goodwill of EUR 29 thousand assigned to dynamicutilities GmbH i. L. Impairment of intangible assets is included in the income statement under "Impairment of intangible assets", and on goodwill under "Impairment of goodwill". dynamicutilities GmbH i. L. was assigned to the Solutions business area.

Goodwill is tested for impairment on the basis of operating segments according to IFRS 8. The goodwill is allocated to adesso AG (EUR 6.398 million), adesso Austria GmbH (EUR 4.331 million), Arithnea GmbH (EUR 2.474 million), evu.it GmbH (EUR 232 thousand) and gadiv GmbH (EUR 198 thousand).

For the purpose of the impairment test according to IAS 36, goodwill is assigned to the (groups of) cash-generating units that benefit from the merger. According to IAS 36.80, the highest allocation level in the company in this context is the level at which management monitors goodwill; the level to which goodwill is allocated can be no higher than the level of operating segments before they are combined into reportable segments. An impairment test for goodwill has to be performed on this basis at least once a year and whenever there are indications of an impairment. The annual impairment test of goodwill is performed by adesso at the end of the financial year.

The realisable value of the operating segments is the value in use determined using the discounted cash flow method. The management of adesso believes that the value in use of the cash-generating units mainly responds to changes in the estimated sales revenues, the gross margin and the discount rate.

Estimating the value in use and therefore also estimating sales revenues is based on management's most recent operational planning. Detailed planning covers five years. The assumed growth rate for periods beyond this planning horizon is 1 %. This growth rate does not exceed the long-term expected growth rate for the markets of adesso. This is based on analyses by external parties. The gross margin is generally assumed to be the same as the gross margin realised in the past. For adesso Austria GmbH, a somewhat higher than the gross margin realised in the past was planned since the gross margin will no longer be reduced in the future by inefficiencies due to the integration of adesso Austria GmbH into the group. Furthermore, the gross margin of adesso Austria GmbH is to be increased by focusing on sophisticated, high-end IT projects. The gross margin of evu.it GmbH is not measured according to past values either since it was not reduced by operating expenses in the past.

The interest rate before taxes applied to determine the value in use is 9.9 % (previous year: 9.7 %) for operating segments in the Services business area and 8.9 % (previous year: 8.2 %) for operating segments in the Solutions business area (gadiv GmbH). This interest rate corresponds to the weighted average cost of capital determined using the capital asset pricing model. Key parameters for this calculation are the risk-free interest rate, a beta factor derived separately for each segment from a representative peer group (constituting systematic risk), a market premium (difference between the expected yield of a reference market and the risk-free interest rate), the tax rate and the borrowing cost rate. The parameters underlying the calculation of the weighted average cost of capital are based on sources external to the company where possible.

In the course of a sensitivity analysis, adesso examined the need for impairment of goodwill in case of changes to key parameters for the impairment test. A 1 % increase in the weighted average cost of capital and a 10 % reduction in cash flows were assumed. Based on a reasonable commercial assessment, such changes are possible. If the weighted average cost of capital underlying the impairment test were to increase by 1 %, the goodwill for adesso Austria GmbH would be impaired by EUR 292 thousand. If the cash flows underlying the impairment test were to decrease by 10 %, the goodwill for adesso Austria GmbH would be impaired by EUR 82 thousand.

7. Property, plant and equipment

Property, plant, and equipment developed as follows:

in EUR k	2012	2011
Gross value 1 January	5,379	4,360
Accumulated depreciation 1 January	3,988	3,172
Carrying amount 1 January	1,392	1,188
Currency differences	2	1
Company acquisitions	356	39
Additions	1,479	995
Disposals	29	16
Depreciation	1,205	816
Gross value 31 December	7,187	5,379
Accumulated depreciation 31 December	5,195	3,988
Carrying amount 31 December	**1,992**	**1,392**

Property, plant, and equipment mainly consists of office furniture and equipment as well as computer hardware.

8. Non-current financial assets

The financial assets are comprised as follows:

in EUR k	2012	2011
Deposits	336	173
Shares in and receivables from non-consolidated subsidiaries	92	0
Employee loans	22	13
Total	**451**	**186**

The non-current financial assets are neither impaired nor overdue.

Subsidiaries not included in the consolidated financial statements are immaterial overall. They have no or only minor business operations in the financial year.

9. Income tax assets and liabilities, deferred taxes

Among other things, income tax assets include corporate tax credit balances resulting from the amendment to Section 37 of the Corporate Tax Act (KStG) approved by the Bundesrat (German Federal Assembly) on 24 November 2006. Accordingly, credit balances from the former corporate tax allocation procedure are payable to the company over ten years in equal instalments independent of dividend payments. Out of a total of EUR 62 thousand, EUR 12 thousand is classified as a current receivable. In addition to the current portion of the corporate tax credit balance described above, current income tax receivables include corporate tax overpayments.

Deferred tax assets and liabilities are comprised as follows on the reporting date:

in EUR k	2012	2011
Deferred tax assets		
Intangible assets	0	1
Property, plant and equipment	0	1
Receivables and other assets	74	0
Provisions	101	65
Other liabilities	114	63
Loss carry-forwards	5,671	6,685
Offsetting	-205	-55
Total	**5,756**	**6,760**

Deferred tax liabilities		
Intangible assets	440	467
Property, plant and equipment	17	8
Trade accounts receivable	95	129
Receivables PoC	214	265
Provisions	29	105
Other liabilities	496	449
Offsetting	-205	-55
Total	**1,085**	**1,368**

Deferred taxes are measured based on the applicable future tax rates for the respective companies. The applicable overall tax rate is 32.80 % (previous year: 32.21 %). It is comprised of the corporate tax rate of 15.00 %, the solidarity surcharge of 5.50 % and the trade income tax rate of 16.98 %. A tax rate of 21.70 % was applied for the subsidiary in Switzerland, 25.00 % for the subsidiary in Austria, 25.63 % for the company based in Neubiberg and 23.25 % for the company in the USA. Deferred tax assets and liabilities are offset according to the provisions of IAS 12.74.

Deferred tax assets on tax loss carry-forwards are capitalised based on medium-term planning over a period of five years. The future benefits are not sufficiently certain for further capitalisation. No deferred taxes were recognised on corporate tax loss carry-forwards in the amount of EUR 5.023 million (previous year: EUR 4.439 million), trade tax loss carry-forwards of EUR 2.427 million (previous year: EUR 2.021 million) and foreign loss carry-forwards of EUR 505 thousand (previous year: EUR 403 thousand). The loss carry-forwards can be carried forward perpetually.

10. Other non-current assets

Other non-current assets mainly consist of a reinsurance claim in the amount of EUR 293 thousand (previous year: EUR 282 thousand).

11. Financial liabilities

Financial liabilities are comprised as follows:

	2012			2011		
in EUR k	Total	Remaining term up to 1 year	Remaining term 1 to 5 years	Total	Remaining term up to 1 year	Remaining term 1 to 5 years
Loans	7,698	2,514	5,184	4,117	1,865	2,252
Conditional purchase price obligation	1,113	1,113	0	1,092	250	842
Other financial liabilities	1,549	855	693	669	121	548
Total	**10,360**	**4,482**	**5,877**	**5,878**	**2,236**	**3,642**

Loan liabilities are mainly due to loans taken out for the acquisition of subsidiaries. The effective interest rate is between 2.95 % and 5.68 % depending on the form and term of contract.

A variable interest-bearing loan of EUR 3 million was taken out in 2009 for the acquisition of adesso Austria GmbH. The interest rate risk resulting from the variable interest-bearing loan was hedged by an interest rate swap. This hedging relationship is reported as a cash flow hedge according to IAS 39. The present value of the interest rate swap is EUR -9 thousand as of 31 December 2012 (previous year: EUR -25 thousand). The change in value of the interest rate swap is included in other comprehensive income.

12. Trade accounts payable and liabilities PoC

The liabilities are due in full within 12 months. Liabilities PoC include down payments received from customers under service agreements.

13. Provisions

Provisions are comprised as follows:

in EUR k	01.01. 2012	Additions	Company acquisitions	Availment	Reclassification	Currency differences	Release	31 December 2012
Contingent losses	167	40	-153	22	0	0	0	32
Storage costs	9	8	-1	6	5	0	0	15
Other provisions	584	1,725	6	683	4	7	22	1,621
Warranty	726	870	133	352	90	0	45	1,422
Total, current	**1,486**	**2,643**	**-15**	**1,063**	**99**	**7**	**67**	**3,090**
Contingent losses	0	1	0	0	0	0	0	1
Warranty	219	130	0	0	-90	0	0	259
Storage costs	54	18	6	0	-5	0	0	73
Other provisions	228	119	0	0	-4	0	0	343
Total, non-current	**501**	**268**	**6**	**0**	**-99**	**0**	**0**	**676**

Other provisions mainly consist of provisions for annual general meeting costs (EUR 60 thousand), Supervisory Board compensation (EUR 18 thousand), operational provisions (bonuses, quotas etc. (EUR 1.044 million)) and outstanding obligations (Chamber of Industry and Commerce, Employer's Liability Insurance Association, insurance premiums and similar (EUR 576 thousand)). Other non-current provisions include removal obligations for leasehold improvements (EUR 47 thousand) and provisions for the phantom share programme (EUR 282 thousand).

14. Other liabilities

Except for EUR 383 thousand, other liabilities are due within 12 months. They mainly consist of amounts payable to personnel in the amount of EUR 11.258 million (previous year: EUR 11.604 million) under variable salary agreements, premiums and obligations for accumulated holiday time, sales taxes payable of EUR 1.847 million (previous year: EUR 1.469 million), payroll taxes payable of EUR 1.887 million (previous year: EUR 1.589 million) and deferred maintenance and hosting revenues for the following financial year in the amount of EUR 1.976 million (previous year: EUR 1.235 million).

15. Pension provisions

Pension provisions only exist for former employees who have already retired. Therefore, the employee has no further claims in this respect. The pension provisions are covered in part by reinsurance. Interest expense from compounding the obligation is included in the interest result. Provisions for pension and similar obligations include company obligations for entitlements of former employees. The pension obligations are recognised on the basis of an actuarial analysis prepared by an external expert.

The pension provisions developed as follows:

in EUR k	
DBO as of 1 January 2011	528
Interest expense	28
Payments	- 13
Actuarial loss	32
DBO as of 31 December 2011	**575**
Interest expense	27
Payments	- 13
Actuarial loss	108
DBO as of 31 December 2012	**697**

The calculation of pension provisions is based on the following parameters:

	2012	2011
Interest rate	3.18	4.76
Rate of pension progression	2.00	2.00

The table below shows the present value of the defined benefit obligation as well as the empirical adjustments for the current and the four preceding years:

in EUR k	2012	2011	2010	2009	2008
Present value of the defined benefit obligation	697	575	528	497	475
Empirical adjustments	-3	1	0	0	12

Future medical care is not part of the agreement.

The total amount of actuarial gains and losses captured in the reserves since financial year 2006 is EUR -122 thousand as of 31 December 2012 (previous year: EUR -14 thousand).

16. Equity

The fully paid up share capital of adesso AG as of 31 December 2012 is EUR 5,747,716 (previous year: EUR 5,741,663). It is divided into 5,747,716 (previous year: 5,741,663) bearer shares (no-par shares). The face amount per share is EUR 1. Options were exercised and shares acquired under the employee participation plan in the current financial year. Share capital was increased by EUR 6,053 in the course of exercising the options.

The Executive Board is authorised to increase the share capital until 19 May 2013 with the consent of the Supervisory Board in the amount of up to EUR 2,857,266 by issuing new bearer shares, one or more times, in exchange for cash contributions or contributions in kind (authorised capital I). In this case, subscription rights must be granted to shareholders.

However, the Executive Board – with the consent of the Supervisory Board – has the right to exclude fractional amounts from shareholder subscription rights. The Executive Board also has the right to exclude subscription rights with the consent of the Supervisory Board insofar as the capital increase takes place in exchange for contributions in kind for the purpose of acquiring companies or participations in companies.

Furthermore, the Executive Board – with the consent of the Supervisory Board – has the right to exclude shareholder subscription rights for a total nominal amount not exceeding EUR 571,453 when the capital increase takes place in exchange for cash contributions and the issue price of the new shares is not significantly lower than the market price of equivalent shares already listed on the stock market.

The Executive Board also has the right to establish additional details of the capital increase and its realisation with the consent of the Supervisory Board. The Supervisory Board is authorised to amend Section 3 of the bylaws after the increase in share capital is realised in full or in part according to the respective utilisation of the authorised capital and, if the authorised capital is not or not fully utilised by 19 May 2013, after the end of the authorisation period.

The Executive Board is authorised to increase the share capital until 15 December 2013 with the consent of the Supervisory Board in the amount of up to EUR 428,572 by issuing new bearer shares, one or more times, conditionally in exchange for cash contributions (conditional capital II). The conditional capital increase is exclusively for exercising stock options.

In the current financial year, 42,371 stock options under the employee participation plan were converted into 6,053 shares. The difference between the face amount of the shares and the issue price in the amount of EUR 26 thousand (previous year: EUR 108 thousand) was added to the capital reserve.

A detailed overview of the composition and development of equity in the consolidated financial statements is provided in the consolidated statement of shareholders' equity.

17. Employee participation plan

Due to the capital decrease in 2009, the subscription ratio for all options issued up to that time changed by a factor of 7. Until then, one option entitled the holder to acquire one share. Due to the capital decrease at a 7:1 ratio and the provisions for conditional capital in case of capital measures, seven of the options issued prior to the capital decrease now entitle the holder to acquire one share. The reported figures correspond to the current circumstances. A subsequently reported option entitles the holder to acquire one share. Options issued in the year 2010 or after entitle the holder to acquire one share per option.

27,581 options were issued from "conditional capital II" in the financial year. The options issued from this conditional capital can be exercised after a vesting period of 24 months. For the options issued in 2012, the exercise price is EUR 7.37. The exercise price of all outstanding options ranges from EUR 4.81 to EUR 7.37. The average weighted remaining term of the outstanding options is 2.86 years (previous year: 2.37 years) and the weighted present value of the options issued in the reporting period is EUR 1.28 (previous year: EUR 1.28).

The number of outstanding options developed as follows:

	2012		2011	
	Numer	Average exercise price per option in EUR	Numer	Average exercise price per option in EUR
As of 1 January	151,653	6.20	188,680	6.03
New options issued	27,581	7.37	7,700	6.18
Exercised	-6,053	5.29	-27,135	4.96
Expired	-51,974	6.71	-17,592	6.25
As of 31 December	**121,207**	**6.29**	**151,653**	**6.20**
Exercisable as of 31 December	**85,926**	**5.95**	**77,617**	**6.10**

The issued options are measured with the help of the trinomial model. The following parameters are included in measurement:

	2012	2011
Weighted average share price (in EUR)	7.33	5.75
Base price (in EUR)	7.37	6.00
Expected volatility (in %)	35	75
Maximum term of the option	5 years	5 years
Expected dividend yield (in %)	2.5	5.0
Average risk-free interest rate (in %)	0.37	2.38

The expected volatility corresponds to the long run forecast according to the GARCH model (generalised autoregressive conditional heteroscedasticity). Expenses from the stock option programme in the amount of EUR 33 thousand (previous year: EUR 219 thousand) were recognised in financial year 2012.

A phantom share programme was initiated in financial year 2009. Measurement is based on the average closing rate on the Frankfurt Stock Exchange and Xetra trading during the previous 180 stock market trading days. Redemption of the virtual shares in exchange for payment of the fair value of the corresponding number of adesso shares is possible eight years after the start of the commitment at the earliest. The holder of the virtual shares receives payments on said shares corresponding to the approved

dividend per share. These payments are expensed. Expenses from the phantom share programme in the amount of EUR 99 thousand (previous year: EUR 103 thousand) were recognised in the financial year. Total provisions of EUR 282 thousand (previous year: EUR 184) have been recognised.

Information on the Consolidated Income Statement

The income statement is structured according to the total cost format. An overview of the earnings structures by segments is provided in segment reporting.

18. Sales revenues

in EUR k	2012	2011
Services	114,320	96,989
Licensing	6,201	8,997
Total	**120,521**	**105,986**

19. Other operating income

Other operating income is comprised as follows:

in EUR k	2012	2011
Income from the release of provisions	67	372
Income from the redemption of other obligations	372	0
Income from sub-leasing	118	131
Income from trade accounts receivable written off	0	461
Income from translation differences	59	95
Write-up of current assets	0	10
Grants for expenses	373	184
Insurance recoveries	5	23
Commissions and other subsidies	151	0
Income from the derecognition of a financial liability	1,128	0
Other	584	427
Total	**2,857**	**1,703**

There were no material subleases at the end of the financial year. Income from the derecognition of a financial liability refer to the conditional liability for the acquisition of evu.it GmbH in the amount of EUR 878 thousand as well as the derecognition of the liability for the acquisition of dynamicutilities GmbH i. L. in the amount of EUR 250 thousand (also see the information on mergers).

20. Cost of materials

in EUR k	2012	2011
Expenses for purchased merchandise	362	1,164
Expenses for purchased services	13,405	12,128
Total	**13,767**	**13,292**

21. Personnel costs

Personnel costs are comprised as follows:

in EUR k	2012	2011
Wages and salaries	65,979	56,368
Social security contributions	11,447	9,086
Total	**77,426**	**65,454**

The adesso Group had an average of 1,007 FTE (full-time equivalent) employees in 2012 (previous year: 784 FTE).

22. Other operating expenses

An overview of other operating expenses is provided in the table below:

in EUR k	2012	2011
Operating expenses	3,879	3,324
Administrative expenses	10,681	8,252
Selling expenses	11,203	9,671
Total	**25,763**	**21,247**

Other operating expenses include foreign currency expenses of EUR 14 thousand (previous year: EUR 29 thousand), operating lease expenses of EUR 1.672 million (previous year: EUR 1.425 million), travel expenses of EUR 5.829 million (previous year: EUR 5.152 million), personnel recruitment costs of EUR 1.165 million (previous year: EUR 1.168 million), expenses for adjusting a conditional purchase obligation of Arithnea GmbH in the amount of EUR 885 thousand and training expenses of EUR 999 thousand (previous year: EUR 536 thousand).

23. Depreciation and amortisation

Scheduled depreciation and amortisation on non-current assets is EUR 2.777 million for the financial year (previous year: EUR 2.037 million). Of this amount, EUR 1.461 million is accounted for by scheduled amortisation of intangible assets capitalised in the course of mergers. Please refer to the information on intangible assets for impairments.

24. Income from financing and investment activities

Total interest income for the year under review is EUR 253 thousand (previous year: EUR 178 thousand) with EUR 182 thousand affecting payment; total interest expenses are EUR 392 thousand (previous year: EUR 335 thousand) with EUR 162 thousand affecting payment.

Income from investments in the amount of EUR -27 thousand was recognised in the previous year due to a divestment.

25. Income taxes

Income taxes are comprised as follows:

in EUR k	2012	2011
Current taxes	2,137	1,977
Deferred taxes	373	-886
Total	**2,510**	**1,091**

The table below shows the reconciliation of theoretically expected tax expense to the actual income tax expense reported according to IAS 12.81(c):

in EUR k	2012	2011
Consolidated earnings before income taxes	2,417	5,002
Expected tax expense	779	1,611
Effect of foreign tax rates	-282	-115
Effect of IFRS impairment of goodwill	9	456
Capitalisation of additional deferred taxes on loss carry-forwards	-1,032	-1,070
Impairment and non-capitalised deferred taxes on loss carry-forwards	2,390	29
Effect of tax rate changes	43	0
Non-deductible expenses	564	169
Foreign currency expense included in equity	3	5
Tax-exempt income	0	-37
Tax expense from other periods	-11	-11
Other	47	54
Tax expense reported	2,510	-1,091

The tax rate of the parent company at 32.21 % was used to determine the expected tax expense. In subsequent years, the tax rate will be 32.80 %. The resulting effect was incorporated in the tax reconciliation.

Deferred tax revenue of EUR 31 thousand (previous year: EUR 4 thousand) was included in other comprehensive income in the financial year.

26. Earnings per share

According to IAS 33, two different values have to be reported for earnings per share: the undiluted and the diluted earnings per share. The undiluted earnings per share are calculated by dividing the consolidated net income for the year allocated to the shareholders of adesso AG by the average number of shares outstanding in the financial year.

At the end of the financial year, 8,595 (previous year: 10,797) outstanding options under the employee participation plan had to be taken into account in calculating the diluted earnings per share.

The undiluted and diluted earnings per share are as follows:

	2012	2011
Proportion of consolidated earnings allocated to adesso AG shareholders (in EUR thousand)	693	4,146
Average number of shares issued and outstanding	5,743,836	5,726,352
Undiluted earnings per share (in EUR)	0.12	0.72
Average number of shares issued and outstanding, including the dilution effect of outstanding options	5,752,431	5,737,149
Diluted earnings per share (in EUR)	0.12	0.72

III. Information on the Cash Flow Statement

In accordance with IAS 7, the cash flow statement shows the change in cash and cash equivalents of the group during the year under review as a result of inflows and outflows. Cash and cash equivalents are comprised of cash on hand and at bank. According to IAS 7 (Statement of Cash Flows), the cash flows are classified into operating, investment and financing activities.

Cash flow from operating activities decreased by EUR 9.184 million to EUR 1.004 million compared to the previous year. Compared to the previous year, consolidated earnings fell by EUR 2.584 million to EUR 2.418 million. In particular, consolidated earnings were affected by the amortisation of intangible assets acquired in the course of mergers as well as impairment of a company-produced intangible asset. Depreciation and amortisation of property, plant, and equipment as well as intangible assets totals EUR 4.154 million, which is EUR 700 thousand higher compared to the previous year. Taxes were paid in the amount of EUR 2.427 million (previous year: EUR 230 thousand).

Cash outflow for investment activities increased by EUR 1.432 million compared to the previous year. This is mainly due to the acquisition of the subsidiary Arithnea GmbH.

The change in cash inflow from investment activities is mainly due to amortisation payments, the payment of dividends (EUR 1.115 million), taking out a loan and the capital increase due to exercising employee stock options (EUR 32 thousand). The loans taken out and other financial liabilities were redeemed as planned in the amount of EUR 2.933 million during the financial year.

According to IAS 7, non-cash investment and financing transactions have to be reported separately. In this context, the acquisition of Arithnea GmbH has to be disclosed in the current financial year. As explained in the disclosures on mergers, a purchase price of EUR 4.080 million plus a conditional purchase price of EUR 227 thousand was agreed. The conditional purchase price obligation assumed within the scope of this acquisition is not reported as an outflow for the acquisition of subsidiaries in the cash flow statement. Instead, the future repayment of the liabilities will be reported as the repayment of financial liabilities.

No new assets under financing leases were recognised in the current financial year.

IV. Information on Segment Reporting

The adesso consolidated balance sheet and consolidated income statement present data in aggregate form. In order to better identify the risks and opportunities of the adesso business activities, information on the basis of reportable segments has to be disclosed in segment reporting. Here, the first step is to establish the operating segments. According to IFRS 8, a business area is an operating segment if it is engaged in business activities that generate income and expenses, the operating earnings are monitored regularly by a person in charge and separate financial information is available.

These criteria are met by adesso AG, its subsidiaries and the joint venture. Accordingly, each company is an operating segment pursuant to IFRS 8. For the purpose of segment reporting, similar operating segments are combined into a single segment in a second step. This summary results in the Services and Solutions segments.

The IT-Services segment focuses on industry-specific, individual IT consulting as well as software development. Consulting develops concepts for the optimum and efficient support of business processes through IT systems.

The IT-Solutions segment distributes standard software products and industry-specific or industry-neutral solutions.

The individual companies are assigned to these segments as follows:

IT-Services	IT-Solutions
adesso AG	adesso mobile solutions GmbH
adesso Austria GmbH	dynamicutilities GmbH i.L.
adesso Schweiz AG	e-Spirit AG
areal drei advisory GmbH	e-Spirit Inc.
Arithnea GmbH	e-Spirit UK Ltd.
evu.it GmbH	e-Spirit Schweiz AG
percision GmbH	gadiv GmbH
	PS Life GmbH

IFRS 8 consistently implements the so-called management approach for segment reporting. That means that the same information reported for internal purposes is disclosed externally. This applies even when internal reporting does not take place on the basis of figures that correspond to IFRS. Exceptions include information on sales revenues from external customers based on the customer's registered office and information on non-current assets based on the location of the assets. These disclosures must be based on the IFRS figures.

The published segment reporting shows the data presented to the leading decision makers in the course of internal reporting. These figures were determined according to the German Commercial Code (HGB). Scheduled amortisation of goodwill from mergers according to HGB is eliminated for the purpose of internal reporting. Accordingly, this is the same in segment reporting. Non-consolidated figures are reported for each operating segment. This means, for example, that sales revenues between the individual companies are not eliminated in segment reporting. HGB accounting differs from IFRS accounting in significant points. Material differences for the purpose of segment reporting are discussed below:

- Sales revenues for services are generally recognised according to the completed contract method under HGB. This means the sales revenues are only recognised when the contract is 100 % completed. According to IFRS, sales revenues for services and the corresponding expenses are recognised based on the degree of completion on the reporting date. This results in a deviation in the allocation of earnings from service agreements. For clarification, this does not mean that sales revenues reported according to IFRS are generally higher than sales revenues reported according to HGB.

- Production costs according to IFRS encompass the full production-related costs. Other expenses such as general administrative costs cannot be included in production costs.

- Non-current assets are depreciated over their expected economic useful life. This is usually longer than the depreciation period according to HGB. According to IFRS, liabilities are not measured at the redemption amount but at the fair value of the consideration received less incidental costs. They are subsequently valued using the effective interest method.

- According to IFRS 2, expenses from share-based compensation are recognised through profit or loss against the capital reserve over the vesting period.

The "Reconciliation" column in segment reporting contains the differences between the sum of the amounts reported in the segments and the amount reported for an item in the consolidated financial statements. These differences mainly consist of amounts for transactions between the operating segments, accounting differences between IFRS and HGB and amounts that cannot be assigned to the segments. adesso is unable to separate these amounts.

Transactions between the operating segments are settled at market prices.

Segment reporting 2012

in EUR k	IT-Services	IT-Solutions	Reconciliation	Consolidated
Sales revenues	112,629	23,703	-15,811	120,521
Changes in inventories	977	-584	-393	0
Other operating income	4,212	819	-2,174	2,857
Own work capitalised	0	290	0	290
Cost of materials	-21,988	-6,047	14,268	-13,767
Personnel costs	-68,300	-11,755	2,629	-77,426
Other operating expenses	-21,238	-4,616	90	-25,764
EBITDA	**6,292**	**1,810**	**-1,391**	**6,711**
Depreciation and amortisation	-2,507	-1,596	1,326	-2,777
Impairment of intangible assets	0	-1,348	0	-1,348
Amortisation of goodwill	-2,179	-265	2,415	-29
EBIT	1,606	-1,399	2,350	2,557
Income from investments	-4,535	-425	4,960	0
Financial result	-343	68	136	-139
Extraordinary result for the period	369	-2	-367	0
Earnings before tax	-2,903	-1,758	7,079	2,418
Amortisation of goodwill	2,179	265		
EBT before amortisation of goodwill	-724	-1,493		

Segment reporting 2011

in EUR k	Services	Solutions	Reconciliation	Consolidated
Sales revenues	95,688	23,662	-13,363	105,986
Changes in inventories	-190	792	-602	0
Other operating income	4,221	540	-3,058	1,703
Own work capitalised	0	924	-14	910
Cost of materials	-18,921	-8,301	13,930	-13,292
Personnel costs	-56,813	-10,803	2,162	-65,454
Other operating expenses	-17,695	-4,196	644	-21,247
EBITDA	**6,289**	**2,619**	**-302**	**8,606**
Depreciation and amortisation	-835	-887	-316	-2,037
Amortisation of goodwill	-2,179	-265	1,027	-1,417
EBIT	3,275	1,467	409	5,152
Income from investments			27	27
Financial result	-47	20	-150	-177
Earnings before tax	3,228	1,487	286	5,002
Amortisation of goodwill	2,179	265		
EBT before amortisation of goodwill	5,407	1,752		

	Sales with external clients by client's place of business		Non-current assets	
	2012	2011	2012	2011
Germany	97,071	85,571	14,466	11,318
thereof goodwill			10,542	7,196
Austria	5,831	5,180	4,428	4,395
thereof goodwill			4,331	4,331
Switzerland	14,531	12,275	353	163
Other	3,088	2,960	6	0

More than 10 % of the sales generated by adesso were not applicable to any one customer in financial years 2012 and 2011.

Amortisation of goodwill is allocated to the Solutions segment.

V. Supplementary information

Other financial obligations

Other financial obligations are comprised as follows:

2012 in EUR k	Total	Thereof due in year 1	in year 2 to 5	after 5 years
Space and equipment rental	8,371	2,605	5,766	0
Other lease contracts	2,487	1,039	1,448	0
Insurance	349	338	10	0
	11,207	**3,982**	**7,224**	**0**

2011 in EUR k	Total	Thereof due in year 1	in year 2 to 5	after 5 years
Space and equipment rental	6,896	1,747	5,092	56
Other lease contracts	1,798	689	1,109	0
Insurance	248	226	22	0
	8,942	**2,662**	**6,223**	**56**

There are no further financial obligations such as order commitments on the reporting date.

There were no contingent liabilities at the end of financial year 2012.

Financial instrument disclosures according to IFRS 7

The total financial assets held by adesso on the reporting date and in the previous year are assigned to the category "Loans and receivables", and the total financial liabilities to the category "Financial liabilities measured at amortised cost". The following exceptions apply at the end of 2012:

- A derivative financial instrument (see section 11.) is measured at the fair value of EUR -9 thousand at the end of the financial year. Derivative financial instruments used in hedge accounting are not assigned to an IAS 39 valuation category.
- A conditional purchase price obligation from the acquisition of Arithnea GmbH is measured at fair value (EUR 1.113 million) according to IFRS 3.58. The conditional purchase price obligation is not assigned to an IAS 39 valuation category.

The table below shows the carrying amounts at the (amortised) acquisition cost as well as the fair values of the financial assets and liabilities. Determining the present values of financial assets and liabilities is based on market interest rates for similar financial instruments.

		2012		2011	
in EUR k	Valuation category	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	KuF	21,368	21,368	22,491	22,491
Trade accounts receivable	KuF	25,275	25,275	19,055	19,055
Other assets	KuF	1,065	1,065	946	946
Total		**47,708**	**47,708**	**42,492**	**42,492**
Equity and liabilities					
Trade accounts payable	FL	5,136	5,136	6,213	6,213
Loans	FL	7,698	7,664	4,117	4,142
Other financial liabilities	FL	1,539	1,539	894	894
Conditional purchase price obligation	–	1,113	1,113	842	842
Derivative financial instrument	–	9	9	25	25
Other liabilities	FL	17,612	17,612	16,170	16,170
Total		**33,107**	**33,073**	**28,261**	**28,286**

LaR: loans and receivables
FL: financial liabilities, measured at (amortised) cost

The net results reported according to IFRS 7.20 are comprised as follows:

2012 in EUR k	From interest	Impairment	Write-up/ derecognition	Total
Kredite und Forderungen	253	-252	20	21
Zu fortgeführten Anschaffungskosten bewertete finanzielle Verbindlichkeiten	-392	0	250	-392

2011 in EUR k	From interest	Impairment	Write-up	Total
Loans and receivables	178	-7	599	577
Financial liabilities measured at amortised cost	-336	0	0	-336

Net results in the "Loans and receivables" category are due to compounding non-current financial assets and interest-bearing investments in financial assets as well as the impairment of financial assets at risk of default and the write-up of financial assets previously at risk of default. Net results in the category "Financial liabilities measured at amortised cost" are due to interest expenses and the derecognition of a financial liability.

adesso AG is exposed to a variety of risks due to its business activities. These include default risk, liquidity risk and market risk.

Default risk

The group is exposed to default risk on the recognised trade accounts receivable and receivables PoC. Existing and major customers continue to dominate the customer portfolio in 2012. Many of the new customers added in 2012 are also major customers.

Any applicable risks are covered by specific provisions.

No flat-rate specific provisions for groups of receivables were required.

Liquidity risk

adesso is exposed to liquidity risk due to the possibility that future financial obligations may not be met. Medium and long-term liquidity management is centralised in Dortmund under the responsibility of the CFO. All group companies independently plan and monitor their liquidity. Cash management has not been implemented. Liquidity is mainly assured by cash flow from operating activities as well as a high level of cash and cash equivalents. The group companies periodically report their short-term, medium-term and long-term liquidity to adesso AG based on various time horizons. Taking out loans to finance company acquisitions, which require redemption even in times of crisis, has resulted in an overall increase in liquidity risk.

The table below shows the carrying amounts and maturities of the financial liabilities:

2012 in EUR k	Carrying amount	Maturity up to 1 year	> 1 and < 5 years	> 5 years
Trade accounts payable	5,136	5,136	0	0
Loans	7,697	2,569	4,968	709
Other financial liabilities	2,662	1,968	747	0
Other liabilities	17,612	17,229	383	0
Total	**33,107**	**26,902**	**6,098**	**709**

2011 in EUR k	Carrying amount	Maturity up to 1 year	> 1 and < 5 years
Trade accounts payable	6,213	6,213	0
Loans	4,117	1,865	2,252
Other financial liabilities	1,761	371	1,390
Other liabilities	16,170	16,035	135
Total	**28,261**	**24,484**	**3,777**

The payment obligations include both redemption and interest payments.

Market risk

Revenues are largely realised in the national currencies of the respective companies. The exchange rate risk can therefore continue to be considered low. Loans are generally taken out at fixed interest rates. One loan bearing variable interest has been taken out. The interest risk was eliminated by entering into a corresponding interest rate swap.

Capital management

The equity ratio of adesso is 45 % (previous year: 49 %). Active capital management is not performed. The Executive Board manages the company using earnings, yield and liquidity indicators. No capital measures other than the authorised and conditional capital disclosed in section 16 have currently been approved.

Related party disclosures

Executive Board compensation

Compensation for members of the Executive Board is mainly determined according to business performance and accepted industry standards. It is based on contractual provisions established with the Supervisory Board, and includes basic remuneration as well as additional, performance-based compensation.

Short-term compensation

Salary increases of 1 % p.a. are contractually established for Michael Kenfenheuer and Dr. Rüdiger Striemer. Negotiations for salary adjustments are conducted when inflation exceeds 3 %. The salary increase for Christoph Junge is 3 % p.a., and does not apply in the years when the Executive Board of adesso AG passes a resolution to suspend general salary increases for employees. All members of the Executive Board also receive payments in kind and other compensation, including the use of a company car, the reimbursement of travel expenses, coverage of direct insurance premiums, a personal pension and reimbursement of half the documented premiums for voluntary health and nursing care insurance.

Variable, performance-based compensation

The bonus depends exclusively on the profit generated by adesso in the respective year. Here, profit is defined as net income for the year before income taxes and amortisation of goodwill for the adesso Group according to the respective national laws, without taking into account variable compensation and profit sharing for members of the Executive Board. The sum of earnings generated by group companies relevant for Executive Board targets is used, adjusted for items that do not conform with targets where applicable. Profit sharing is calculated on a linear basis at 0 to 25 % of basic remuneration, depending on profitability. In combination with variable compensation for the respective year, profit sharing is not permitted to exceed one-fifth of the total profit for adesso.

The "variable compensation component 1" is paid out depending on the degree to which the annual sales and profit targets are met. If the profit target is not reached or the sales target is not achieved to at least 80 %, no variable compensation is paid. If both targets are achieved to at least 80 %, variable compensation is determined according to the following rules: for each percentage point above the minimum target achievement of 80 %, in reference to profit defined as net income for the year before income taxes and amortisation of goodwill for the adesso Group according to the respective national laws, and without taking into account variable compensation and profit sharing for members of the Executive Board, each member of the Executive Board receives EUR 750 as the variable compensation component 1 limited to a maximum target achievement of 130 % or a maximum amount of EUR 37,500. The sum of earnings generated by group companies relevant for Executive Board targets, adjusted for items that do not conform with targets where applicable, is used to calculate profit sharing.

The "variable compensation component 2" is paid out depending on the degree to which targets are achieved within the past four years and the current year. This takes into account the objective of having a medium to long-term component of Executive Board compensation. The variable compensation component 2 is calculated as the average of the variable compensation component 1 for the year under review and the second-lowest for the past four years. In combination with variable compensation for the respective year, profit sharing is not permitted to exceed one-fifth of the total profit for adesso.

Performance-based variable compensation is paid out in the following year. The table below shows the short-term compensation of the Executive Board for 2012:

in EUR k	Basic remuneration	Performance-based compensation / profit sharing	Performance-based compensation / variable	Payments in kind and other compensation	Other payments	Total
Christoph Junge	170	43	42	16	0	271
Michael Kenfenheuer	200	50	42	20	10	322
Dr. Rüdiger Striemer*	200	50	42	15	10	317
Total	**570**	**143**	**126**	**51**	**20**	**910**

* Dr. Rüdiger Striemer receives a lump-sum reimbursement of expenses in the amount of EUR 6 thousand instead of a company car, and a 1st class BahnCard 100 (EUR 7 thousand).

Information for the previous year:

in EUR k	Basic remuneration	Performance-based compensation / profit sharing	Performance-based compensation / variable ****)	Payments in kind and other compensation	Other payments	Total
Holger Danowsky*	13	0	0	1	144	158
Christoph Junge	155	37	58	29	0	279
Michael Kenfenheuer	158	37	63	19	30	307
Rainer Rudolf**	120	28	28	21	5	202
Dr. Rüdiger Striemer***	160	37	63	27	25	312
Total	**606**	**139**	**212**	**97**	**204**	**1,258**

* Resigned effective 31 January 2011 with settlement / waiting allowance in connection with a non-competition clause
** Resigned effective 30 September 2011
*** Dr. Rüdiger Striemer receives a lump-sum reimbursement of expenses in the amount of EUR 6 thousand instead of a company car, and a 1st class BahnCard 100 (EUR 7 thousand).
**** Includes variable compensation for 2010 that was not disclosed in 2010: Christoph Junge EUR 5 thousand, Michael Kenfenheuer EUR 10 thousand, Rainer Rudolf EUR 5 thousand, Dr. Rüdiger Striemer EUR 10 thousand

In the course of negotiating the Executive Board contracts in effect from 1 January 2012, board members Michael Kenfenheuer and Dr. Rüdiger Striemer were granted a one-time amount of EUR 25 thousand each in 2011, which is to be paid out in 2012.

Long-term compensation

A phantom share programme for certain members of the Executive Board and employees at the first management level of adesso AG was approved by the Supervisory Board in financial year 2009. It was intended to help bind managers to the company in the long term. The phantom shares participate in dividends just like actual shares but the payments are included in salaries. After being with the company for a term of five to eight years, the holders of phantom shares have a right to receive the value represented at the time by the number of phantom shares and the underlying share price. Payment is included in salaries. 57,145 phantom shares were granted to board member Michael Kenfenheuer on 1 September 2010. 57,145 phantom shares were granted to board member Dr. Rüdiger Striemer on 1 September 2009. In 2012, the two board members Michael Kenfenheuer and Dr. Rüdiger Striemer obtained additional rights from these phantom shares. A provision of EUR 89 thousand (previous year: EUR 105 thousand) was

established through profit or loss in the reporting period for the repurchase value of the phantom shares held by the board members, and reported as a long-term incentive component.

in EUR k	Number of phantom shares	Change 2012	Expense 2012 for repurchase value	Expense 2012 for virtual dividend	Repurchase value as of 31 December 2012
Michael Kenfenheuer	57,145	0	45,000 EUR	10,286 EUR	108,000 EUR
Dr. Rüdiger Striemer	57,145	0	44,000 EUR	10,286 EUR	154,300 EUR
Total	**114,290**	**0**	**89,000 EUR**	**20,572 EUR**	**262,300 EUR**

Information for the previous year:

in EUR k	Number of phantom shares	Change 2011	Expense 2011 for repurchase value	Expense 2011 for virtual dividend	Repurchase value as of 31 December 2011
Michael Kenfenheuer	57,145	0	49,400 EUR	8,572 EUR	63,000 EUR
Dr. Rüdiger Striemer	57,145	0	56,000 EUR	8,572 EUR	110,300 EUR
Total	**114,290**	**0**	**105,400 EUR**	**17,144 EUR**	**173,300 EUR**

In case a board member leaves the Executive Board, the following has been established in regards to the phantom share programme:

If a board member leaves before the end of three years from the start of the programme due to termination of contract, the board member only has to return the shares in exchange for compensation in case of a change of control. This is the case if the shareholders Rainer Rudolf and Prof. Dr. Volker Gruhn (or companies through which they hold their shares) hold less than 35 % of the company's total capital through the sum of their shares. If a board member leaves after the end of at least three years, due to termination of contract or if the company fails to make a contract renewal offer at terms and conditions at least equivalent to those of the current contract, the board member has to return the shares. Compensation is 75 % of the applicable value. If a board member leaves after the end of at least eight years, the shares have to be returned.

The members of the Executive Board continue to participate in the company-wide stock option programme, applicable to numerous employees, at identical terms and conditions (exception: the minimum holding period for board members is four instead of two years for stock options from conditional capital II). The number of stock options issued to the Executive Board depends on the variable performance-based compensation component, which means it is also performance-based. The stock options only result in cash value compensation if the exercise criteria are met after the end of the minimum holding period. 140 options are granted for each thousand Euros paid as the performance-based variable compensation component 1 for a year. The options remain valid even if a board member leaves before converting the options into shares. When the stock options are exercised, the board member has to pay the exercise price established under the stock option programme to the company. The cash value benefit, if any, is the difference between the exercise price and the higher share price when the option is exercised. No Executive Board members exercised stock options in 2012. The members of the Executive Board received 2,020 new stock options each for financial year 2012. In the 2012 calendar year, remuneration for all Executive Board members of adesso AG appointed in this period totalled EUR 960 thousand (previous year: EUR 1.208 million) plus "dividends" under the phantom share programme at EUR 21 thousand (previous year: EUR 17 thousand). Former members of the Executive Board do not receive any remuneration, nor were any pension commitments made. No loans or advances were granted to members of the Executive Board or Supervisory Board.

Supervisory Board compensation

According to Section 11 of the bylaws, the members of the Supervisory Board are reimbursed for their expenses and also receive annual compensation. This consists of a fixed component of EUR 5 thousand plus variable compensation at 0.275 % of the company's balance sheet profit, reduced by 4 % of contributions to share capital. The chairman receives one and a half times this compensation. Supervisory Board members who have not held their position for a full financial year receive compensation according to their term in office. The chairperson of the Supervisory Board receives additional compensation under a consulting and brokerage agreement.

Total compensation in the 2012 calendar year for all members of the adesso AG Supervisory Board appointed in this period was EUR 17.5 thousand (previous year: EUR 17.5 thousand) for Supervisory Board activities. Commissions, fees and the reimbursement of expenses totalled EUR 281 thousand (previous year: EUR 291 thousand). Former members of the Supervisory Board do not receive any remuneration, nor were any pension commitments made.

adesso AG has neither granted loans to members of the Supervisory Board nor issued bonds or guarantees on their behalf. There are no family ties between members of the Supervisory Board, nor between members of the Supervisory Board and the Executive Board. There are no service agreements between the Supervisory Board members and adesso or its subsidiaries that call for compensation upon termination.

in EUR k	Basic remuneration	Reimbursement of expenses	Total
Prof. Dr. Volker Gruhn	8	0	8
Prof. Dr. Willibald Folz	5	0,5	5,5
Dr. Friedrich Wöbking	5	0,5	5,5
Total	**18**	**1**	**19**

All transactions with associated companies and persons are concluded at market terms and conditions. Liabilities to associated companies and persons on the reporting date were EUR 120 thousand (previous year: EUR 131 thousand). In addition to compensation, income of EUR 42 thousand and expenses of EUR 368 thousand were recognised in the current year for transactions with associated persons.

Audit fee

According to German law, the auditor is nominated by the Supervisory Board and chosen by the Annual General Meeting. Once the auditor has been chosen, the Supervisory Board issues the mandate, approves the conditions and scope of the audit as well as all audit fees under its own responsibility, and monitors the independence of the auditor.

The Annual General Meeting chose the company DOSU AG Wirtschaftsprüfungsgesellschaft, Dortmund, nominated by the Supervisory Board, as the auditor for 2012.

The activities of the auditing firm are reportable and disclosed in the table below. Fees for the audit of the consolidated financial statements and annual financial statements of adesso AG and its subsidiaries are shown under (1). Compensation for services in the context of acquiring new companies and the review of interim financial reports for the group and select subsidiaries are shown under (2).

in EUR k	DOSU 2012	DOSU 2011
(1) Year-end audit	227*	176
(2) Other consulting services	13**	47
(3) Tax consulting	0	0
(4) Other	0	0
Total	**240**	**223**

* Thereof EUR 14 thousand from 2011
** Thereof EUR 5 thousand from 2011

Events after the reporting date

A call/put option for an additional 20 % of the shares in evu.it GmbH was contractually established in the course of acquiring the shares in evu.it GmbH. On 2 January 2013, rku.it GmbH exercised the put option. Acceptance by adesso AG is already stipulated in the purchase contract. The purchase price for the additional 20 % of the shares is expected to be EUR 0.

Appropriation of net income

The Executive Board and Supervisory Board shall propose the distribution of EUR 1,034,588.88 or EUR 0.18 per share to the Annual General Meeting. The distribution of dividends has no income tax consequences for adesso.

Executive Board

The following persons were members of the adesso AG Executive Board in the year under review:

Michael Kenfenheuer, Frechen, Co-Chairman of the Executive Board
(Consulting and Sales)

Dr. Rüdiger Striemer, Berlin, Co-Chairman of the Executive Board
(Software Development and Corporate Communications)

Dipl.-Wirtschaftsingenieur (industrial engineer) Christoph Junge, Münster, member of the Executive Board
(Finance, Personnel, Administration and Law)

According to the Supervisory Board resolution dated 24 July 2007, Executive Board members Dr. Rüdiger Striemer and Michael Kenfenheuer were granted the power of sole representation. Christoph Junge was granted the power of sole representation according to the Supervisory Board resolution dated 11 January 2007.

The members of the adesso AG Executive Board held the following adesso AG shares as of 31 December 2012:

	Number of no-par bearer shares
Michael Kenfenheuer, Frechen	49,101
Dr. Rüdiger Striemer, Berlin	32,571
Christoph Junge, Münster	17,387
	99,059

The Executive Board of adesso AG held 45,459 stock options on the reporting date, with a fair value of EUR 57 thousand on the date they were granted.

Former members of the Executive Board do not receive any remuneration, nor were any pension commitments made.

The members of the adesso AG Executive Board also hold the following positions in supervisory boards and other governing bodies according to Section 125 (1), sentence 3 in conjunction with Section 125 (2) of the German Stock Corporation Act (AktG):

Michael Kenfenheuer, Frechen
Chairman of the Supervisory Board, e-Spirit AG, Dortmund

Dr. Rüdiger Striemer, Berlin
Member of the Supervisory Board, e-Spirit AG, Dortmund
Member of the Administrative Board, adesso Schweiz AG, Zurich, Switzerland
Member of the Administrative Board, percision Schweiz AG, Zurich, Switzerland
Member of the Administrative Board, e-Spirit Schweiz AG, Zurich, Switzerland

Power of attorney

A power of attorney was granted to Frank Dobelmann, Dortmund and entered in the commercial register on 18 September 2007. A power of attorney was granted to Peter de Lorenzi, Cologne in 2010 and entered in the commercial register on 3 September 2010.

Supervisory Board

The members of the Supervisory Board in 2012 were as follows:

Prof. Dr. Volker Gruhn, Dortmund, Chairman of the Supervisory Board
Head of the Software Engineering Department at University of Duisburg-Essen

Prof. Dr. Willibald Folz, Munich, Deputy Chairman of the Supervisory Board
Lawyer

Dr. Friedrich Wöbking, Pullach
Management consultant

Former members of the Supervisory Board do not receive any remuneration, nor were any pension commitments made.

The members of the adesso AG Supervisory Board held the following shares in adesso AG as of 31 December 2012:

	Number of no-par bearer shares
Prof. Dr. Volker Gruhn, Dortmund, directly and indirectly	1,719,767
Prof. Dr. Willibald Folz, Munich	0
Dr. Friedrich Wöbking, Pullach	4,000
	1,723,767

The members of the adesso AG Supervisory Board also hold the following positions in supervisory boards and other governing bodies according to Section 125 (1), sentence 3 in conjunction with Section 125 (2) of the German Stock Corporation Act (AktG):

Prof. Dr. Volker Gruhn
Member of the Supervisory Board, e-Spirit AG, Dortmund

Prof. Dr. Willibald Folz, Munich
Chairman of the Supervisory Board, Gesellschaft für Managementberatung AG, Nürnberg

Dr. Friedrich Wöbking holds no other positions in supervisory boards and other governing bodies according to Section 125 (1), sentence 3 of the German Stock Corporation Act (AktG).

The other members of the adesso AG Supervisory Board also hold no additional positions in supervisory boards and other governing bodies according to Section 125 (1), sentence 3 of the German Stock Corporation Act (AktG).

Declaration on the Corporate Governance Code according to Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board of adesso AG declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the "Government Commission on the German Corporate Governance Code" in the current version published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) have been complied with. Possible deviations from the recommendations are listed and commented in the compliance statement.

The Executive Board and Supervisory Board of adesso AG report on corporate governance for the company annually, and publish this information as part of the management report. The report and declaration including the compliance statement are available on the internet at www.adesso-group.de (Investor Relations > Group > Corporate Governance).

Affiliated companies of the adesso Group

Company	Headquarters	Equity	Annual profit	Capital share
adesso Austria GmbH	Vienna, Austria	18 EUR k	15 EUR k	100 %
adesso hosting services GmbH	Dortmund, Germany	100 EUR k	0 EUR k	51 %*
adesso mobile solutions GmbH	Dortmund, Germany	498 EUR k	155 EUR k	100 %
adesso Schweiz AG	Zurich, Switzerland	3,841 TCHF	1,711 TCHF	100 %
areal drei advisory GmbH	Cologne, Germany	- 313 EUR k	- 180 EUR k	100 %
Arithnea GmbH	Neubiberg, Germany	3,744 EUR k	373 EUR k	51 %
dynamicutilities GmbH i. L.	Münster, Germany	- 1,342 EUR k	- 319 EUR k	100 %*
e-Spirit AG	Dortmund, Germany	5,310 EUR k	786 EUR k	100 %
e-Spirit Inc.	Delaware, USA	- 13 kUSD	- 54 kUSD	100 %
e-Spirit UK Ltd.	London, Great Britain	- 421 kGBP	- 19 kGBP	100 %
e-Spirit Schweiz AG	Zurich, Switzerland	65 kCHF	15 kCHF	100 %
evu.it GmbH	Dortmund, Germany	- 5,501 EUR k	- 4,941 EUR k	60 %**
gadiv GmbH	Much, Germany	200 EUR k	107 EUR k	60.91 %
percision GmbH	Dortmund, Germany	593 EUR k	231 EUR k	100 %
percision Schweiz AG	Zurich, Switzerland	26 kCHF	-7 kCHF	100 %*

* Financial statements not yet prepared, not included in the consolidated financial statements
** adesso currently holds 60 % of the shares in evu.it GmbH. Due to a combined call/put option, an additional 20 % of the shares in evu.it GmbH are allocated to adesso according to IFRS.

The accounting principles in Great Britain have changed in that a company that is a member of an affiliated group does not have to be audited when certain conditions are met:

- The waiver of the audit has to be indicated in the commercial register.
- The consolidated financial statements have to include a note that an audit was waived for fiscal year 2012 according to Section 479A, Companies Act 2006 (UK).
- The parent company has to cover the company's losses. This obligation is valid for one year.
- The consolidated financial statements have to be available in English.

e-Spirit UK exercised the option according to Section 479A, Companies Act 2006 (UK) for the financial year ending on 31 December 2012.

Participations of the adesso Group

Company	Headquarters	Equity	Annual profit	Capital share
PSLife GmbH*	Dortmund, Germany	144 EUR k	50 EUR k	50 %

* Proportional consolidation

Statement of the Legal Representatives

We confirm that the consolidated financial statements, in accordance with the applicable accounting principles and to the best of our knowledge, present a true and fair view of the group's net assets, financial position and results of operations, and that the consolidated management report presents a true and fair view of the group's results of operations and position in addition to describing the material opportunities and risks for the expected development of the group.

Dortmund, March 2013

adesso AG

The Executive Board

Michael Kenfenheuer

Dr. Rüdiger Striemer

Christoph Junge

Audit Opinion

We have audited the consolidated financial statements prepared by adesso AG, Dortmund – consisting of the balance sheet, income statement, statement of changes in equity, consolidated statement of comprehensive income, cash flow statement and notes – as well as the consolidated management report for the financial year from 1 January to 31 December 2012. Preparing the consolidated financial statements and consolidated management report according to IFRS as applicable in the EU, and the supplementary applicable regulations under commercial law according to Section 315a (1) of the German Commercial Code (HGB), is the responsibility of the company's Executive Board. Our responsibility is to issue an opinion on the consolidated financial statements and consolidated management report based on our audit.

We conducted our audit of the consolidated financial statements according to Section 317 of the German Commercial Code (HGB) and the audit principles established by the Institut der Wirtschaftsprüfer (IDW) (Institute of Auditors in Germany). Under these regulations and audit principles, an audit must be planned and conducted so that inaccuracies and irregularities that would have a material impact on the information contained in the consolidated financial statements under consideration of the applicable accounting standards, or on the net assets, financial position and results of operations communicated by the consolidated management report, are detected with sufficient certainty. Audit procedures are established based on our knowledge of the company's business activities, the economic and legal environment in which the group operates, and expectations regarding possible errors. The effectiveness of internal controls related to accounting and the documentation of information contained in the consolidated financial statements and consolidated management report are verified during the course of the audit; this is mainly done by way of sampling. Our audit encompassed an examination of the annual financial statements for the companies included in the consolidated financial statements, the basis of consolidation, the applied accounting and consolidation principles, and the material estimates made by the Executive Board as well as the overall presentation of the consolidated financial statements and the consolidated management report. In our opinion, our audit provides a sufficiently secure basis to issue an opinion.

Our audit did not lead to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS applicable in the EU and the supplementary applicable regulations under commercial law according to Section 315a (1) of the German Commercial Code (HGB) and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with these regulations. The consolidated management report agrees with the consolidated financial statements, imparts an overall accurate impression of the group's position and gives a true and fair view of the opportunities and risks associated with future developments.

Dortmund, 20 March 2013

DOSU AG
Wirtschaftsprüfungsgesellschaft

Dirk Schulte-Uebbing
Wirtschaftsprüfer
(German public auditor)

Thekla Hendler
Wirtschaftsprüfer
(German public auditor)

Management and Directors

Executive Board

Michael Kenfenheuer
Co-CEO

Michael Kenfenheuer (born in 1958) is a member of the Executive Board and responsible for the Consulting and Sales departments. In the Executive Board of adesso he is furthermore in charge of the adesso shareholdings e-Spirit AG, evu.it GmbH and gadiv GmbH. He was appointed as a member of the adesso AG Executive Board for these responsibilities in 2000. With his many years of business management and project management experience, Michael Kenfenheuer is having a major impact on the development and expansion of the company's network of technical and industry experts. He is also responsible for coordinating sales activities.

Dr. Rüdiger Striemer
Co-CEO

Dr. Rüdiger Striemer (born in 1968) is a member of the Executive Board and responsible for the Software Development and Corporate Communications departments. He earned his doctorate in information technology at Berlin Technical University in 1998 and started out as a Business Development Manager at adesso AG in 1999. When he became a member of the adesso Executive Board in 2001, he assumed responsibility for strategic business development and corporate communications. Rüdiger Striemer has also been managing the Software Development department since 2002. Moreover, he oversees the Austrian und Swiss subsidiaries and other holding companies. He assumed his current role as Co-CEO of adesso AG in January 2011.

Christoph Junge
Member of the Executive Board

Christoph Junge (born in 1970) is a member of the Executive Board and responsible for Finance, Human Resources, Administration and Legal Affairs. Before he was appointed as a member of the BOV AG (now adesso AG as the result of a merger) Executive Board in May 2005, he helped shape the company's business operations as Director of Finance and Company Development.

Supervisory Board

Prof. Dr. Volker Gruhn
Chairperson of the Supervisory Board

Prof. Dr. Volker Gruhn (born in 1963) was a co-founder of adesso AG in 1997 and is now the Chairperson of the Supervisory Board. He is Head of the Software Engineering Department at University of Duisburg-Essen, where his main research focuses on mobile applications. Prof. Dr. Gruhn is the author and co-author of approximately 200 national and international publications and conference contributions. Moreover, he is member of the BIPRO e.V. advisory board. The BIPRO initiative is an association of finance companies that aim to optimize cross-company processes by developing functional and technical standards.

Prof. Dr. Volker Gruhn chairs the Supervisory Board of BOV AG (now adesso AG, after fusion) since 25 July 2006.

Further mandates in Supervisory Boards:
Member of the Supervisory Board of e-Spirit AG, Dortmund.

Prof. Dr. Willibald Folz
Member of the Supervisory Board

Prof. Dr. Willibald Folz worked in the economics division at Bavarian Ministry of Finance and Bavarian State Chancellery after studying law and economics and graduating with a major in business administration. He then held management positions at various banks including the Bayerische Landesbank, at the Deutsch-Skandinavischen Bank AG as a member of the executive board and at Münchner Hypothekenbank eG as speaker of the executive board and later from 1998 to 2010 as the chairman of the supervisory board. From 1990 to 1999, he was the president and chairperson of the executive board of the Genossenschaftsverband Bayern e.V. (Bayern association of co-operatives). Moreover, he is member of the supervisory boards at Bayerische Versicherungsbank AG, Bayern Versicherung, Bayerische Beamtenversicherung as well as Bausparkasse Schwäbisch Hall and he is the chairperson of the BayWa supervisory board.

Prof. Dr. Folz taught at the faculty of economics of Eichstätt/Ingolstadt Catholic University, specialising in bank law and cooperatives. He was the chairperson of the university council of Bamberg University and the board of trustees of the Academy of Philosophy in Munich.

Further mandates in Supervisory Boards:
Chairman of the Supervisory Board of Gesellschaft für Managementberatung AG, Nürnberg.

Dr. Friedrich Wöbking
Member of the Supervisory Board

Dr. Friedrich Wöbking (born in 1950) is a declared expert on information technology and the banks and insurance industries. He was member of the Executive Board at Dresdner Bank AG between 2003 and 2009 and took responsibility for the IT Services and Operations department. Previously, during the 1990s, he was member of the Executive Board at Allianz Versicherungs-AG/Allianz Lebensversicherungs-AG and Deutsche Versicherungs-AG where he was head of the Private Customer Business department as well as head of the departments IT and e-Business. Wöbking owns a doctor's degree in Information Technology and Mathematics and currently runs FW ADVISORY Management Beratung. Above that, he acts, among others, as an advisor at EXMACO AG and is a Senior Advisor at Droege & Comp. Unternehmerberatung.

Dr. Friedrich Wöbking assumed membership in the Supervisory Board of adesso AG on 01 June 2010.

Further mandates in Supervisory Boards:
Dr. Friedrich Wöbking assumes no other mandates.

Glossary

Commercial terminology

Account clearing
The accumulation of the balances of various bank accounts in a target account, taking account of defined minimum levels. This produces a balance of available liquidity in the target account, which is used for various forms of investment.

Benchmark
Benchmarking describes comparative analysis on the basis of set reference values (benchmarks).

Cash flow
Cash flow is an economic measure that represents the net flow of liquidity resulting from sales and other continuing activities in a certain period.

Cash management
Cash management and liquidity management are terms used in commercial finance management. Cash management includes all measures relating to the current financial planning of a company.

Cost of materials ratio
The cost of materials ratio represents the relationship between expenditure on materials and services and turnover. It is expressed as a percentage.

The DACH region
DACH is an acronym comprised of abbreviations of the German names of the countries in the region: Germany (D), Austria (A), and Switzerland (CH). The term is usually used to refer to the German speaking economic area.

Discounted cash flow method
The DCF method is used to determine the value of companies. Future cash flow is discounted by taking into account the cost of capital on a reporting date.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

EBITDA margin
The ratio of EBITDA to sales. The EBITDA margin is a measure of a company's productivity and is independent of its income from financial assets, extraordinary items, and taxes.

Factoring
Factoring is a financial service used to finance current sales. The factor purchases the accounts receivable of its factoring client vis-à-vis a debitor. In exchange for the accounts receivable the factor pays the factoring client the value of the receivable immediately.

Forecast
A forecast is a projection used in budget planning. During the progress of a period, forecasts are used to update expectations for the period compared the original budget.

Free float definition (of Deutsche Börse)
Deutsche Börse's definition for the classification of free floating and fixed share holdings. An example can be found in the "Guide to the Equity Indices of Deutsche Börse".

FTE
Abbreviation of Full Time Equivalent. The FTE value is used to compare the relative staffing levels of a company and as a basis for calculations; the FTE value is used to convert figures regarding absolute staffing levels to their equivalent in terms of full-time positions. For example, two 50 % contracts would be counted as one employee, even if two different individuals are employed.

German Corporate Governance Code
The German Corporate Governance Code (often shortened to DCGK) is a system of regulations established by a commission of the German Federal Government. It is primarily composed of guidelines regarding good corporate governance, including ethical employee behaviour and the leadership of companies and organisations.

Goodwill
Goodwill is the amount a purchaser is prepared to pay for a business or company with regard to its expected future earnings (= earnings value) above the value of individual assets after the deduction of debts (= net asset value).

Gross domestic product (GDP)
The value of all goods and services produced by an economy, as defined by its territorial border, within a given year. GDP includes the services of foreigners working in a country, whereas the services of natives working abroad are not included.

Gross profit
Gross profit is the difference between a company's revenue and its expenditure on goods and services.

IAS International Accounting Standards
See IFRS

IASB
The International Accounting Standards Board (IASB) is an independent international committee of legal experts which is responsible for the development, and where required, the revision of the International Financial Reporting Standards (IFRS).

IFRIC
The International Financial Reporting Interpretations Committee (IFRIC) is a committee of the International Accounting Standards Committee Foundation (IASC). The committee is made up of 12 members. The task of the IFRIC is to establish and publish financial reporting standards for the IFRS and IAS. A particular focus of their work is addressing cases in which standards are shown to be open to different or incorrect interpretations, as well as those in which new issues cannot be adequately provided for by existing standards.

IFRS
The International Financial Reporting Standards (IFRS) is a set of international standards used by organisations when reporting their financial results. They include the standards of the International Accounting Standards Board (IASB), International Accounting Standards (IAS), the International Accounting Standards Committee (IASC), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC).

Impairment Test
An impairment test is a mandatory test used to evaluate fixed assets. The accounting regulations US-GAAP and IFRS call for the periodic evaluation of possible indicators of sustained loss of value.

Industry Group
A unit within adesso's organisational structure in which industry-specific competencies are gathered, developed, and applied. The groups produce solutions for their respective industries, observe the market segment, and work to produce an offering of services and solutions that meets the needs of the market.

Interest rate swap
An interest rate swap is a derivative used by contractual partners in order to agree the exchange of interest payments for certain sums at specific points in the future. Interest payments are usually set so that one party to the transaction will pay a fixed interest rate agreed at the time when the contract is made while the other party pays a variable rate. The variable interest rate is determined by the general reference interest rate on the interbank market. Interest rate swaps are, for example, used to hedge interest rate risk.

Percentage of completion method (PoC)
A method for estimating the progress of an assignment. This method allows the costs incurred during an assignment to be allocated to the revenue from the assignment according to the progress made. This produces a picture of expenses, revenue and results as regards the progress made.

IT terminology

Second-tier subsidiaries
Subsidiaries of subsidiaries are described as second-tier subsidiaries from the perspective of the group.

Shared Service Center
Shared services are common service process that have been centralised in a company. The unit providing the service is generally described as the Shared Service Center. The department that makes use of such services has a kind of client relationship with the Shared Service Center.

Strategy Group
A unit within adesso's organisational structure in which the company's strategic decisions are prepared. The focus is on the evaluation of technological innovations and assessment of the contribution business in new industries could make to the success of the group.

Working capital
Working capital refers to the difference between current realisable assets (those that can be liquidated within a year) held by a company and its current liabilities. It is the portion of current assets which are not tied up in covering current liabilities, and can therefore be "put to work" in purchasing, production, and working processes.

Xetra trading
Xetra is an electronic trading system operated by Deutsche Börse AG for the spot market. Its central servers are located in Frankfurt.

App
Short for application. It usually refers to small software application for general use. The term is often used to refer to software for mobile devices.

Big Data
Very large quantities of information, volumes that are too large to be processed by standard databases and information management tools, are referred to as Big Data. The collection, storage, distribution, analysis and visualisation of such large volumes of data can be problematic. However, the analysis of Big Data can offer companies competitive advantages, generate potential for savings, and contribute to the creation of new business areas. Examples include real-time cross- and up-selling in e-commerce and traditional retail, and the identification of interdependencies in the context of medical treatment.

BITKOM
The Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V. (the German Federal Association for Information Technology, Telecommunications and New Media) is the mouthpiece of the German IT, telecommunications and new media industries. BITKOM represents more than 1,700 companies.

BITKOM Index
Within the scope of its quarterly economic survey, BITKOM produces an index relating to the information and telecommunications industry. The BITKOM index is calculated on the basis of the total expected revenue for the present quarter.

Cloud/cloud computing
Cloud computing describes the provision of abstracted IT infrastructure which dynamically adapts to demand via a network (for example, processing capacity, data storage, network capacities, and software packages). The range of services that can be provided in a cloud computing environment covers the full spectrum of information technology, including infrastructure (for example, processing power and data storage), platforms and software.

Content solutions

In the context of its expansion strategy, adesso is developing a portfolio of solutions. The focus is on functions that are of interest to a large number of clients in the same or similar form, and can therefore be marketed as a solution. adesso's Content Solutions include solutions for the generation and management of content.

Continuous Delivery

Continuous Delivery describes the regular provision of new software versions with the aim of reducing the time between the development and release of new features. This process involves a collection of technologies, processes and tools, including automated testing, continuous integration, and continuous installation. The automation of the test and delivery process makes it possible to deliver software quickly, reliably and in a repeatable manner. This allows extensions and patches to be rolled out in the productive environment without significant manual effort.

Enterprise Content Management

Enterprise Content Management (ECM) includes the methods and technologies and tools used to collect, manage, save, protect, and provide content and documentation for the support of organisational processes in a company.

FirstSpirit

The name of content management system produced by the adesso subsidiary e-Spirit AG.

Interaction Room

The Interaction Room is a kind of permanent meeting room used in particularly fast-moving software development projects, in which representatives of all stakeholders meet regularly. It provides methodological support for effective discussions regarding the essential questions raised during a project, helping to make them easier to tackle. The room can be set up to include everything from process, object, migration, and integration maps to visual representations of value, risk, uncertainty, and progress. A mix of physical (whiteboards, adhesive symbols, magnets, etc.) and digital (large screens, tactile interfaces) means of display offer advantages in such rooms.

Mobile solutions

In the context of its expansion strategy, adesso is developing a portfolio of solutions. The focus is on functions that are of interest to a large number of clients in the same or similar form, and can therefore be marketed as a solution. adesso classes all solutions that help make information, content and applications remotely accessible as mobile solutions.

Portal

A portal is a piece of IT architecture that allows the web-based exchange of information and data, thereby integrating a variety of applications.

Finance Calendar 2013

Date	Event
2013-02-05	Small & Mid Cap Conference of Close Brothers Seydler Bank AG, Frankfurt/Main
2013-03-28	Publication of the 2012 annual report, financial press / analyst conference, Dortmund
2013-04-24	15th MKK - Münchner Kapitalmarkt Konferenz, Munich
2013-05-07	Deutsche Börse Spring Conference 2013, Frankfurt/Main
2013-05-15	Interim announcement of the group within the 1st half-year
2013-06-04	Regular ASM, Dortmund
2013-08-28	Publication of the 2013 half-year figures
2013-11-11	Interim announcement of the group within the 2nd half-year
2013-11-11/13	German Equity Forum/One-on-Ones, Frankfurt/Main

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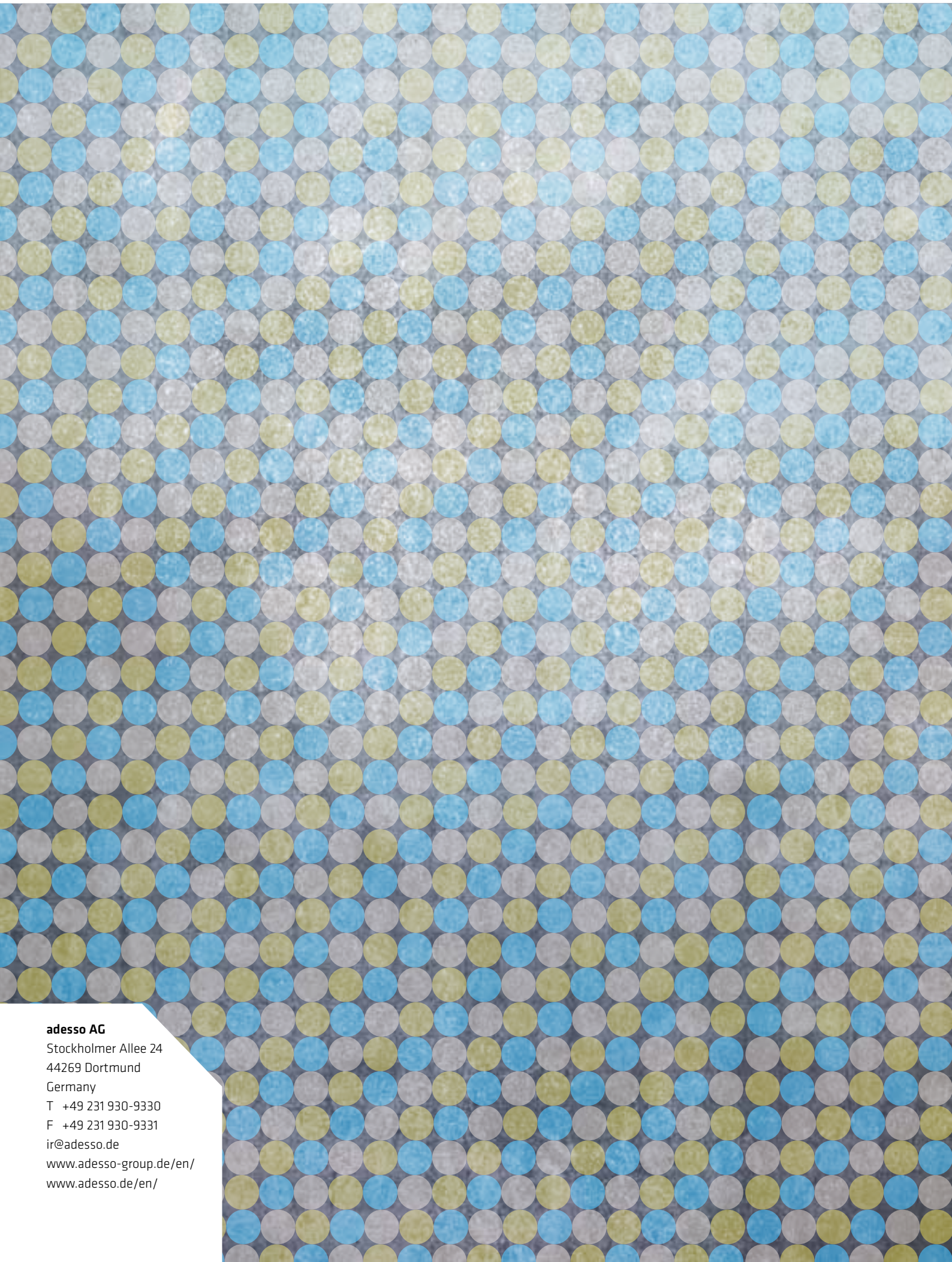

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