all for one.

The human face of IT.

All for One Midmarket AG | Annual Report 2009 | Short Financial Year

A subsidiary of BEKO HOLDING AG

The Short Financial Year 2009

KEY FIGURES

CONTINUING OPERATIONS (IFRS)		Jan - Sep 2009	Jan - Sep 2008	Δ in %	Jan - Dec 2008
Sales revenues	EUR million	54.7	53.0	3	72.4
EBITDA	EUR million	3.5	2.2	54	2.0
EBITDA margin	%	6.3	4.2		2.8
EBIT	EUR million	0.8	0.2	259	-0.9
EBIT margin	%	1.5	0.4		-1.2
Earnings after tax*	EUR million	3.3	2.7	24	1.6
Earnings per share*	EUR	0.63	0.50	26	0.28
Employees (period-end)	Number	418	423	-1	428
Full-time equivalents (ø)	Number	389	392	-1	396
		30 Sep 2009	31 Dec 2008	Δ in %	
Equity*	EUR million	31.5	28.3	11	
Equity ratio*	%	50	45		
Total assets*	EUR million	63.3	63.4	0	

* incl. discontinued operation

CONTENTS

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

This short financial year was a very successful one for All for One Midmarket AG despite the global recession. The numerous restructuring measures initiated in 2007, which involved a tremendous realignment effort and expense in 2008, are now behind us for the most part and the strategic reorganisation is beginning to pay dividends.

All for One Midmarket AG, as an SAP full-service provider for the midmarket segment, was able to win further well-known customers during this past short financial year. Earnings before taxes (EBT) for the continuing operations totalled EUR 1.0 million after 9 months. What's more, the Group posted a significant gain from the successful sale of AC-Service (Schweiz) AG, a unit of the company that no longer matched our new strategy, which in turn boosted the earnings per share to 63 euro cents after only 9 months of 2009.

The supervisory board fulfilled its duties carefully and diligently in accordance with statutes and the company articles of association during the short financial year 2009. The management board regularly informed the supervisory board through written and oral reports about the course of business, the position of the company and the Group, the earnings, assets and financial situation, all issues of fundamental importance for corporate planning, and about developments and plans of significance to the company, especially the sale of AC-Service (Schweiz) AG. As the chairman of the supervisory board, I was in continuous and personal contact with the management board in the periods between the supervisory board meetings and gathered information about the latest developments and business performance on a regular basis.

Focus of the Supervisory Board Meetings

Topics regularly deliberated during meetings of the supervisory board included the monitoring of the strategy implementation (including sale/purchase projects), business developments, planning and budgeting, the risk situation and the further enhancement of risk management and corporate governance within the company. For this purpose, the entire supervisory board met at six meetings during the short financial year. In addition, three telephone conferences were held for co-ordination and approval purposes. The following issues were discussed by the supervisory board in particular:

The major topics handled during the supervisory board meeting of **2 March 2009** and the balance sheet meeting of **10 March 2009** were already reported in the supervisory board report at the annual general meeting of 19 May 2009.

The supervisory board meeting of **22 April 2009** was convened to discuss the facts and circumstances pertaining to the potential sale of AC-Service (Schweiz) AG and the business performance of the 1st quarter of the current short financial year. Within the scope of its risk management approach, the supervisory board was also briefed at length on the company's various compensation structures and valuation approaches. Several individual organisational and operational matters and issues were also discussed.

Two telephone conferences were held on **12 and 22 June 2009** regarding the acquisition of a potential interest in a consulting company.

The constituent meeting of the supervisory board, which was required as a result of the new elections at the annual general meeting on 19 May 2009, was held on **24 June 2009**. After I was again elected chairman and Mr Peter Fritsch my deputy, the supervisory board then reviewed and discussed the following matters: the current business situation and outlook, the sale of AC-Service (Schweiz) AG, the acquisition of team HR Organisationsberatung Personalwirtschaft GmbH, as well as structures and changes in a subsidiary.

A telephone conference was held on **5 August 2009** to discuss and approve the half-year financial report.

The business performance after 6 months, the outlook for the remainder of the short financial year, the sale of AC-Service (Schweiz) AG, the discussion and assessment of new legislation and the corporate governance of the company were the focus of the supervisory board meeting held on **19 August 2009**.

The supervisory board meeting of **24 September 2009** was dedicated primarily to reviewing and approving the 2009/10 budget, as well as to the projected operating results in the short financial year 2009. The updated German Corporate Governance Code was also discussed and the management board and supervisory board approved the Declaration of Conformity.

Members of the Board

The terms of office of all the members of the supervisory board expired at the conclusion of the annual general meeting of 19 May 2009. The annual general meeting of 19 May 2009 re-elected Mr Peter Fritsch and myself to the supervisory board. The annual general meeting then elected Mr Josef Blazicek to the supervisory board to replace Mr Rainer Schad who left the board at the end of his regular term of office. The supervisory board thanked Mr Schad for his contribution to the board.

Annual and Group Accounting for the Short Financial Year as at 30 September 2009

The auditors, KPMG AG Wirtschaftsprüfungsgesellschaft with headquarters in Berlin (Mannheim offices), elected by the annual general meeting of 19 May 2009 audited the annual financial statements including the management report, as well as the consolidated financial statements including the Group management report, and accorded each an unqualified audit opinion.

The financial statement documents and the audit reports for the short financial year 2009 were submitted duly to the supervisory board for its review. The supervisory board discussed the preliminary annual financial statement documents at length with the auditors and the management board who were present during the meeting on **2 December 2009**, and prepared the supervisory board resolution for approving and finalising the annual financial statements and the consolidated financial statements.

In the balance sheet meeting on **3 December 2009**, the supervisory board examined and discussed in detail the annual financial statement documents in the presence of the auditors. The auditors reported on the key findings of their audit. The auditors' explanations about the earnings, assets and financial situation of the company and the Group were discussed extensively. On completion of its examination of the annual financial statements, the consolidated financial statements and the management reports, the supervisory board found no cause for objection in relation to the annual and consolidated financial statements presented by the management board and concurred with the auditors' findings. On 3 December 2009 the supervisory board approved and finalised the annual and consolidated financial statements presented by the management board.

The management board prepared a report about relationships with affiliated companies pursuant to § 312 »Aktiengesetz«. The auditors examined this report and issued the following audit opinion:

»Based on our statutory audit and evaluation, we certify that:
1. The actual information contained in the report is correct,
2. The company's output was not unreasonably high for the legal transactions listed in the report,
3. The actions listed in the report provide no cause for any significantly different assessment than that expressed by the management board«.

The members of the supervisory board were informed promptly about the dependent company report by the management board and the audit report that the auditors prepared about it. The supervisory board carefully examined these documents during its meeting on 3 December 2009. No cause for objection was found.

Corporate Governance

We dealt at great length with the corporate governance of All for One Midmarket AG during the short financial year, especially in view of the ramifications of the German Corporate Governance Code in its latest version of 18 June 2009. The revised joint Declaration of Conformity by the management board and the supervisory board in accordance with § 161 »Aktiengesetz« was approved in the meeting of 24 September 2009 and published in both the official electronic Federal Gazette and on the company's website. No conflicts of interest arose between the members of the management board and the supervisory board during the reporting period, such as would be required to be disclosed to the supervisory board, or about which the annual general meeting would have to be informed.

The supervisory board wishes to express its thanks to the management board and all the executives, supervisors and employees in the Group for their outstanding dedication, work and achievements during this short financial year 2009. The supervisory board wishes them continued success in the new financial year.

Filderstadt, 3 December 2009
The Supervisory Board

Peter Brogle
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

All for One Midmarket AG is committed to responsible and transparent corporate management and welcomes the recommendations of the German government's Commission on the German Corporate Governance Code to promote confidence in the company on the part of investors, customers, partners, employees and the public.

Declaration of Conformity and the Corporate Governance Statement

The joint Declaration of Conformity by the supervisory board and the management board of 24 September 2009 pursuant to § 161 »Aktiengesetz« was published in the electronic Federal Gazette and made permanently available on the company's website. The Corporate Governance Statement pursuant to § 289a »Handelsgesetzbuch« is also available on the website www.all-for-one.com.

Shareholders and the Annual General Meeting

The shareholders of All for One Midmarket AG exercise their rights at the annual general meeting. According to § 13 of the company articles of association, each registered share carries one vote. The chairman of the supervisory board serves as the chairman of the annual general meeting. The annual general meeting decides on all its tasks and duties as prescribed by law, which include the election of the supervisory board members, amending the company articles of association, the appropriation of earnings and corporate actions.

Supervisory Board

The primary task of the supervisory board is to advise and oversee the management board. The supervisory board of All for One Midmarket AG currently consists of three members. BEKO HOLDING AG, which is the principal shareholder of All for One Midmarket AG, and in turn its principal shareholder CROSS Industries AG are each represented with one seat on the All for One Midmarket AG supervisory board. The responsibilities und obligations of the supervisory board are as regulated in the »Aktiengesetz«, the company articles of association and in the supervisory board's standing rules.

Management Board

As the governing body of a stock corporation, the management board directs the business and, in accordance with the provisions the stock corporation law, is bound to the interests and the business policies of the company. It keeps the supervisory board informed regularly, comprehensively and in a timely manner about all issues concerning business performance, the corporate strategy and potential risks. The responsibilities und obligations of the management board are as regulated in the »Aktiengesetz«, the company articles of association, the standing rules, and in the management board's schedule of responsibilities.

The Work of the Management Board and Supervisory Board / Committees

The management board and supervisory board work closely together in the interest of All for One Midmarket AG. The management board manages the company and directs its business. The supervisory board oversees the management board and is included directly in decisions of fundamental importance for the company. The management board and the supervisory board are in regular contact to exchange information, opinions and ideas. The management board continually keeps the supervisory board informed about business performance, corporate planning, the risk situation and the implementation of the strategy. The management board determines the strategic direction of the company in concurrence with the supervisory board.

The chairman of the supervisory board coordinates the work of the supervisory board and chairs its meetings. Since the supervisory board consists of only three persons, it believes that forming committees is neither a sensible nor practical option. The management board customarily attends the meetings of the supervisory board, reports orally and in writing about the individual agenda items and draft resolutions, and answers the supervisory board members' questions.

In accordance with § 6 of the All for One Midmarket AG articles of association, the supervisory board appoints the members of the management board. The supervisory board decides how many members the management board will have (at least two according to the articles of association) and selects one of the members to be the chairman of the management board. The supervisory board establishes the standing rules and a schedule of responsibilities for the management board. The standing rules include a catalogue of business dealings that require approval. The chairman of the supervisory board decides if the members of the management board should take part in the supervisory board meetings. And finally, the supervisory board establishes its own standing rules. The chairman of the supervisory board comments on the activities of the supervisory board every year in his report to the shareholders and during the annual general meeting.

Transparency

All for One Midmarket AG attaches great importance to an information policy that stresses the provision of information that is uniform, comprehensive and timely. This is why the company informs all interest groups about the company's situation and all significant business changes and developments on a regular and timely basis. The most important communication tools used for this purpose are the Internet and the company's website. Reporting also takes place in the annual report, during press and telephone conferences, and in the quarterly, half-year and 9-month financial reports of a given financial year. Furthermore, information is also published in the form of press releases and ad hoc announcements. The company also complies with the disclosure requirements regarding such matters as voting rights announcements and publishing the total number of voting rights. All disclosures, announcements, presentations and reports are also permanently available on the company's website in the sections »Investor Relations« and »Press Center«. All for One Midmarket AG has also prepared, and continually maintains and updates, the insider list pursuant to § 15b »Wertpapierhandelsgesetz«. The individuals included in this list have been informed of their legal duties and the sanctions associated with access to inside information.

In line with the principle of fair disclosure, all shareholders and significant target groups are treated equally when it comes to the disclosure of information. For statutory reasons, the publicly listed BEKO HOLDING AG and CROSS Industries AG may receive some information in advance if is required for preparing their group financial statements, interim reporting, business plans and budgets. The recipients of such information are required to treat this information as confidential and not disclose it.

Compensation Report

The management board's compensation system is explained in the Group Management Report. The notes to the consolidated financial statements also provide detailed information about the compensation of the management board and supervisory board for each individual member and divided into fixed and variable components. The structure of the compensation system is reviewed regularly.

Stock Option Programs and Similar Incentive Systems

There are currently no stock option programs or similar incentive systems in place for the members of the supervisory board or the management board.

Shares Held by Board Members

The members of the management board and the supervisory board hold shares in All for One Midmarket AG as shown in the following table. All changes in shareholdings held by the members of the management board and the supervisory board are disclosed in accordance with statutory provisions and also made permanently available to the public on the company's website.

SHARES	30 Sep 2009	31 Dec 2008
Supervisory Board		
Peter Brogle	28,555	28,555
Peter Fritsch	4,000	4,000
Josef Blazicek (from 19 May 2009)	0	-
Rainer Schad (up to 19 May 2009)	-	333
Management Board		
Lars Landwehrkamp	50,000	50,000
Stefan Land	20,635	20,635
Total	103,190	103,523

Accounting and Audit

All for One Midmarket AG prepares its consolidated financial statements in accordance with IFRS, and the annual financial statements in accordance with »HGB«. Once prepared by the management board, the consolidated financial statements and the annual financial statements are audited by the auditors, approved and finalised by the supervisory board, and then published within 90 days after the end of the financial year. No review of the interim reports is made by the auditors.

Control Parameters and Control System

Sales revenues and operating earnings (EBIT) are the key financial figures used in managing the All for One Group. These control parameters are aligned to one another with an eye toward pursuing as sustainable and profitable a path to growth as possible.

As part of its overall responsibility for the Group, the management board is required in accordance with § 91, section 2 »Aktiengesetz« to establish a risk early warning system to identify existential risks as early as possible. This risk early warning system is an integral part of the planning, budgeting, control and reporting processes.

The risk manager is in charge of the risk management organisation. Operational risk management tasks are performed by a risk management team under the direction of the risk manager. Risk officers from the various areas and departments of the lead operating company form the core of this team. The subsidiaries also appoint risk officers who also report to the risk manager. Risk officers continuously monitor the development of risks and the effectiveness of measures to limit risks within their respective areas or subsidiaries, and on the basis of this prepare a risk analysis and assessment and report regularly to the risk manager. The risk handbook prescribes a standardised method, documents the risk management processes and provides tools for continuously recording and tracking the results. The risk management team regularly attends workshops under the direction of the risk manager. The findings and results of these workshops are incorporated into the quarterly risk report that the risk manager prepares and submits to management. Alongside this, individual risks are monitored on a decentralised basis within each of the departments, segments and subsidiaries by means of special analyses and additional assigned duties and responsibilities. The management board and risk manager conduct a workshop once a year to thoroughly discuss the identified risks, examine and update countermeasures and assess any residual risks. Each year, one or two of the Group's companies undergo an internal audit, which examines their compliance with company policies and the quality of the internal control system. The audit manager reports the findings of these internal audits to the management board and supervisory board.

The All for One Group's risk management system is integrated throughout the organisational and operational structure and provides the basis for risk early warning and control.

The Share

STILL PLENTY OF POTENTIAL

The rule for investors following the market collapse at the end of 2008 has been: rediscover stocks. Those that can counter the trend and deliver good results are the ones that will earn increasing respect and attention. And something else that makes All for One Midmarket AG so interesting is its robust business model and the good progress made in putting its strategy into action.

Much was still new in 2008: record investments in the Group's new structure, new employees, new high-end data centers, new locations and, last but not least, a newly formed management team. Indeed, the turnaround initiated in 2007 had already been delivering steady growth in sales revenues, but not any improved profitability. Major investments put tremendous pressure on operating earnings, particularly in 2008. Whereas overall share prices plunged dramatically (DAX minus 41%) during the financial and economic crisis, All for One Midmarket AG was hit even harder – with a 58% drop in its share price. The share price went from a high of EUR 4.85 to a low of EUR 1.87, to finally close the year 2008 at EUR 2.02. Such weak phases offer investors an excellent buying opportunity and entry point.

Reversing the Trend

The business model is both credible and convincing. The new corporate focus has been clearly reflected in the numbers for quite some time and, in spite of the crisis, is already turning an operating profit – modest as it still may be. Continuous communication with shareholders, investors, analysts and the financial and business press in the course of daily business, during the annual general meeting or at such venues as the German Equity Forum, does the rest. Investors are coming back. The number of shares traded every day is rising. The share price in 2009 is steadily moving upwards. Share prices almost doubled from January 2009 to early November 2009 and have already recovered a large part of the losses of 2008.

Since Early November 2009: Share Buy-Back Program

All for One Midmarket AG held exactly 226,582 shares – or about 4% in treasury stock – as at 30 September 2009. These shares are from share buy-back programs from several years ago. Now the company is once again buying its outstanding shares on the stock market. A maximum of up to 250,000 additional shares are to be repurchased and the start of the buy-back program in early November 2009 is giving the markets a clear message – the story is right, the price is good and there is still plenty of potential to move up.

Share Performance 2009

KEY DATA	
ISIN / WKN	DE0005110001 / 511 000
Market Segment	Prime Standard
Stock Exchange Centre	Frankfurt Stock Exchange
Date of Listing	30 November 1998 (AC-Service AG)
Indices	CDAX, Prime All Share, Technology All Share, DAXsector All Software DAX-sector Software, DAXsubsector All IT-Services, DAXsubsector IT-Services
Designated Sponsor	BankM
Highest Price Short Financial Year 2009*	EUR 3.15 (14 September 2009)
Lowest Price Short Financial Year 2009*	EUR 1.50 (20 March 2009)
Price at Start of Short Financial Year 2009*	EUR 1.92 (2 January 2009)
Price at End of Short Financial Year 2009*	EUR 3.05 (30 September 2009)
Market Capitalisation**	EUR 16.5 million
Earnings per Share in Short Financial Year 2009	63 euro cent
Share Capital	EUR 16.2 million
Number of Shares	5,400,000 registered shares

SHAREHOLDERS' STRUCTURE	
BEKO HOLDING AG	ca. 59%
Universal-Investment-Gesellschaft mbH	ca. 8%
All for One Midmarket AG	ca. 4%
Management and Supervisory Board	ca. 2%

* share price at day-end (XETRA)

** with reference to share price at end of 30 September 2009 (XETRA)

GROUP MANAGEMENT REPORT

All for One Midmarket AG for the Short Financial Year from 1 January to 30 September 2009

Unless otherwise indicated or apparent from context, the designations »All for One Midmarket AG«, »All for One«, »company«, and »Group« as used in this Group Management Report indicate the All for One Midmarket AG Group including its subsidiaries.

1. Change in Financial Year

In the past, the financial year of All for One Midmarket AG was the calendar year. By resolution of the annual general meeting of 19 May 2009, the company's financial year will now begin on 1 October and end on 30 September of each year. This change in the financial year is due to CROSS Industries AG having taken over a majority of BEKO HOLDING AG and whose financial year ends on 30 September of a given year. BEKO HOLDING AG is the principal shareholder of All for One Midmarket AG. Therefore, this report has been prepared for a short financial year, which began on 1 January 2009 and ended 9 months later on 30 September 2009.

In accordance with International Financial Reporting Standards (IFRS), the previous consolidated financial statements must be presented as the prior-year comparison for a short financial year. These previous consolidated financial statements cover the period of 1 January to 31 December 2008. There are considerable limitations to the comparability of 9-month figures to 12-month figures and the analysis of them.

Some important parts of the Group Management Report were supplemented with 9-month figures from 2008 (continuing operations) in order to assure a more practical comparability of the performance during the short financial year. AC-Service (Schweiz) AG is not included in the 9-month figures for the year 2008. The equity interest in that company was sold as at 1 September 2009 and is therefore reported separately under »discontinued operation«.

Income Statement Reconciliation for the Prior-Year Period (Continuing Operations):

in EUR millions	2008 Jan - Dec	Elimination Jan - Dec AC-S*	2008 Jan - Dec without AC-S*	Elimination Q4-2008	2008 Jan - Sep comparable
Sales revenues	85.2	12.8	72.4	19.4	53.0
Cost of traded goods and third party services	-29.4	-3.3	-26.1	-7.5	-18.6
Personnel expenses	-37.9	-6.0	-32.0	-8.2	-23.8
Depreciation and amortisation	-3.8	-1.0	-2.9	-0.9	-2.0
Other operating expenses / income	-14.8	-2.5	-12.3	-3.9	-8.4
EBIT	-0.8	0.1	-0.9	-1.1	0.2
Financial result	0.1	-0.2	0.2	0.2	0.1
EBT	-0.7	-0.1	-0.6	-0.9	0.3
Income tax	-0.8	-0.1	-0.7	0.1	-0.8
Earnings after tax	-1.5	-0.2	-1.3	-0.9	-0.5

* AC-S = discontinued operation (AC-Service (Schweiz) AG)

2. The Business and General Conditions

2.1. The Short Financial Year 2009 at a Glance

Key Figures:

in EUR millions	2009 Jan - Sep	2008 Jan - Sep	Δ* in %
Sales revenues	54.7	53.0	3
EBITDA	3.5	2.2	54
EBIT	0.8	0.2	259
EBT	1.0	0.3	224
EBT margin (in %)	*1.8*	*0.6*	
Employees (Ø number)	416	412	1

* deviations result from the calculation of values in KEUR

- Sales in the 9-month period increased by 3% to EUR 54.7 million
- EBIT improved significantly from EUR 0.2 million to 0.8 million in the 9-month period
- Average number of employees rose 1% to 416 during the 9-month period
- Equity interest in AC-Service (Schweiz) AG was sold
- The acquisition of team HR Organisationsberatung Personalwirtschaft GmbH reinforces HR Solutions segment
- Equity ratio rose to 50% as at 30 September 2009
- Group profit climbed by EUR 1.8 million to 3.3 million compared to financial year 2008
- Ample and stable funding
- Very demanding market environment

The serious financial and economic crisis did not hit All for One Midmarket AG unprepared. In an act of foresight, the company completed key projects in 2008, such as the fundamental realignment of corporate financing, the divestment of non-strategic business units, the consolidation of locations and record investments in high-end data centers. What has since become a well-established business model of being a leading IT service provider for SAP in the midmarket segment in countries where German is spoken has passed the test and proven to be robust and resilient despite serious economic setbacks. All for One Midmarket AG moved against the trend and succeeded in improving its performance in 9-month comparison – in spite of the crisis and a declining overall market.

Recurring outsourcing revenues showed a sharp rise in line with the strategy and already account for 38% (9 months 2008: 32%) of total sales revenues. Thanks to this, the dependence on one-time revenues from new customer projects was further reduced. It was through a clear profile of being a full-service provider for the German-language SAP midmarket segment and a rigorous and industry-focused sales orientation that the Group was able to acquire significant new licensing projects. And, our major base of established customers was expanded even further, despite the difficult circumstances and what was a short financial year.

2.2. Business Activities and Group Structure

All for One Midmarket AG is an industry-focused, IT full-service provider for SAP that operates primarily in Germany, Austria and Switzerland and is one of the leading SAP partners in the midmarket segment. Its range of products and services includes end-to-end solutions across the entire IT value chain – from SAP industry solutions for small to mid-sized businesses all the way to outsourcing and application management. The high level of technological expertise in SAP, substantial experience in integrating SAP into existing or new IT landscapes, in-depth process skills and knowledge in core industries and the self-developed industry solutions form the core of this extensive range of solutions and services. All for One Midmarket AG is efficiently organised and comprises the two operating segments, or business divisions, Integrated Solutions (IS) and Human Resource Solutions (HRS).

The principal shareholder of the company is BEKO HOLDING AG, the majority of whose shares are in turn held by CROSS Industries AG.

Integrated Solutions Business Division

The Integrated Solutions segment encompasses a full range of products and solutions designed to provide end-to-end customer support that starts with management consulting and extends from software licenses, industry solutions, implementation and optimisation projects, all the way to software maintenance, outsourcing and managed services and covers the entire range of enterprise processes. The Group companies allocated to the segment are located in Germany, Austria, Switzerland, Belgium and Luxembourg. Customers outside these countries are served primarily by the global United VARs partner network.

HR Solutions Business Division

The heart of the HR Solutions segment is the human resources software platform SAP HCM (Human Capital Management), which serves as the basis for providing comprehensive implementation, consulting and support services all the way to recurring HR outsourcing and HR business process outsourcing services. This range of services is increasingly being determined by the needs of strategic personnel management, along with those more traditional administrative HCM issues. Besides Germany, which is the primary market with five locations nationwide, this business division is active mainly in Austria, along with France and the Czech Republic.

The companies in both business divisions work together on specific projects that span both operating segments. Part of this involves operating a joint HR performance center, where customers can use SAP HCM as a full service that includes application management (HR Solutions segment) from within the Managed Service Center (Integrated Solutions segment).

2.3. Market Trends

Overall Economic Development

The economy’s good performance of recent years continued unabated over much of 2008. It was only in the 4th quarter that reports started showing drops in economic output compared to the same quarter a year earlier. A serious financial and economic crisis was looming as 2008 came to an end. The major downward spiral in the economy of the 1st and 2nd quarters of 2009 only helped confirm what everyone knew was happening. Research institutes now project a change in economic output of minus 5 to minus 6.5 percent in Germany for the year 2009 (Stuttgarter Zeitung, 2 September 2009). Especially hard hit by this downturn are All for One’s key industries, including special services industries and particularly equipment and machinery manufacturers and automotive suppliers. As an example, the level of orders among German machine tool companies plummeted to about one-third in the course of a year (VDW, German Machine Tool Builders’ Association, August 2009). And companies that supply parts and components for commercial vehicles have been struggling since early 2008 when the production of commercial vehicles fell by nearly 60% (VDA, German Association of the Automotive Industry, October 2009).

Market Observers Revise their Forecasts

In the midst of this global economic slump, analysts across the board have retracted their projections about how the IT markets will develop. Experton (Research Note, 5 December 2008) and Gartner (Handelsblatt, 14 April 2009) now expect IT spending in 2009 to decline by 3 to 4 percent.

Because the fundamental drivers for making capital investments in advanced enterprise software solutions and related IT services are still valid, All for One Midmarket AG was able to steer clear of these downward market trends for the most part. These drivers include the growing internationalisation and globalisation of the procurement and sales markets, the innovations customers need in cost, quality and process optimisation, as well as the investment security that comes from a range of SAP-based solutions that only a leading full-service provider can offer. The trend towards end-to-end IT solutions and services from one source is still intact and customers are increasingly prepared and willing to outsource their IT infrastructure to service providers such as All for One. All this helped the company avoid what is an overall waning market trend.

Besides a rigorous focus on sales and vastly expanded outsourcing services, this positive development is also attributable to having extended our base of established customers in recent years and the careful and thorough service and support we provide them.

2.4. Strategy and Positioning

All for One Midmarket AG has set itself the goal of comprehensively serving and supporting small to mid-sized SAP customers using a highly efficient, one-stop-shop concept. Here the company will focus its efforts on selected industries in the midmarket sector in countries where German is spoken, on worldwide customer service using its own partner network and on its partnership with the world’s leading maker of ERP systems (SAP). This is why the 95% equity holding in AC-Service (Schweiz) AG, which operates mostly outside the SAP market and our strategic target industries, was sold.

The Midmarket

As an IT full-service provider, All for One concentrates on serving small to mid-sized businesses. The entire range of services and solutions is carefully designed to respond to the needs and unique characteristics of this group of customers, which differ so much from major corporations in terms of such issues as the amount and kind of advice, assistance and implementation work they need or want. For this reason, the midmarket sector requires consultants who have a very broad and multi-disciplined process competence. It is only with a clear focus like this that All for One can deliver the kind of high-quality and efficient service that produces added value for the customer.

Industry-Focused Products and Services

One major pillar of All for One’s integrated business model is formed by its proprietary and certified All-in-One solutions. These are carefully pre-configured to the typical business processes of specific branches of industry, are very economical to implement and can be run either within the All for One Managed Service Center or at the customer’s facilities. Within the All for One Group these are the industry solutions for the equipment and machinery manufacturers (All for Machine), the automotive supplier industry (All for Automotive) and for project services companies (All for Service). All for One developed other industry solutions for those sub-industries (micro verticals) prevalent among companies that supply auto manufacturers, such as the plastics processing industry (All for Plastics), the metalworking industry (All for Metal), the electronic components industry (All for Electric) and foundries (All for Foundry). An industry-specific platform called KWP.All-in-One.HR that is tailored to the wide-ranging demands of human resource management is also being developed. Numerous individual add-ons are also available that not only enhance user-friendliness, but include additional specific functions such as electronic data interchange (EDI) or enterprise data analysis (business Intelligence) and many more.

Worldwide Service and Support

All for One uses its own sales and consulting resources to serve its customers in Germany, Austria and Switzerland. All for One founded the partner network United VARs in 2006 to provide worldwide service and support to its midmarket customers. More than 20 SAP partners, each a leader in its respective countries, have joined this alliance – similar in style to Star Alliance (Lufthansa) – and offer internationally operating customers professional on-site services and support consistent with uniform quality standards and project methods in 45 countries across the globe. This is how All for One creates the highest possible degree of efficiency and productivity for its customers both nationally and internationally.

Partnership with SAP

The highly valued partnership with SAP is the hub of All for One Midmarket AG's daily business. SAP software and related services form the core of the company's portfolio of products and services. All for One Midmarket AG's unique standing within the SAP partner environment is confirmed by the numerous awards it has received and by having earned the highest partner status that SAP can offer. The company belongs to that small group of partners that have qualified not only as a Gold Partner, but as a Hosting Partner and Special Expertise Partner for various specialised fields as well. This close and integrated relationship with SAP enables All for One to ensure that its customers benefit from the utmost in planning reliability, efficiency and cost effectiveness.

As a permanent member of the SAP Partner Executive Council, the European board within the SAP organisation that handles partner issues, All for One Midmarket AG was able to further reinforce its role as a recognised and leading figure within the SAP ecosystem – in addition to its top position within the German-language SAP midmarket segment. It was during phases involving the introduction of new software maintenance services (enterprise support) and delays in the market launch of Internet-based enterprise software (SAP Business ByDesign) or when implementing product strategies for new software tools (business objects) that the company was able to facilitate and find answers that addressed the unique needs of small to mid-sized companies.

2.5. Research and Development

All for One Midmarket AG conducts no research and development activities as such, and owns no patents.

2.6. A Look at Business Performance

Following an extensive restructuring of the Group, the operational realignment that began in 2007 resulted in a robust and resilient business model that has worked extremely well during the past short financial year. All for One Midmarket AG continued to garner important new client projects outside its base of established customers despite the crisis and a severe and noticeable decline in capital investment, which in turn made competition for new projects even more fierce. Thanks to a continued sharp focus on sales, the company not only won numerous new customers over the past 9 months, but also further increased its market share.

Small to Mid-Sized Business Use Our Services to Better Manage the Crisis

Complex IT landscapes are in good hands in All for One's new high-end data centers, as the machinery company **HORSCH Maschinen GmbH**, Schwandorf, discovered after it awarded All for One the contract for the outsourced operation of its system landscape. The **EMUGE-FRANKEN Group** chose All for One and its many years of experience with projects in the metalworking industry when it was time to invest in a new enterprise solution for optimising its transnational business processes. Another important new project for All for One is the transition of the rapidly growing **Schletter GmbH** in Kirchdorf/Haag to the SAP industry solution All for Metal.

Even smaller midmarket manufacturing companies are turning to All for One's extensive range of products and services. One example is the gear-maker **PEKRUN Getriebebau GmbH** in Iserlohn, which employs around 80 people and now benefits from consistent business processes and workflow with All for Machine. **Laempe & Mössner GmbH** in Schopfheim does not want the bother of setting up and managing its system landscape, so while their new SAP application was being implemented, its entire IT was already up and running in All for One's Outsourcing Service Center. All for One's outsourcing services are being used increasingly across international borders. One example is the launch of All for Service at the **SIMACEK Facility Management Group GmbH** in Vienna. Even during the economic crisis, the **Türk+Hillinger Group** in Tuttlingen chose the path of innovation. With the help of All for Automotive from All for One, this auto-parts supplier can now better manage its business that is spread across four locations.

As the name implies, All for Service is the All for One industry solution designed for the project-based service sector and is one reason why it was chosen by **novem business applications GmbH** in Hamburg, a specialist for business intelligence software solutions. There is no contradiction in having your own SAP expertise and yet outsourcing your IT operations. Although the Vienna-based **TRICENTIS Technology & Consulting GmbH** develops software for the sequence testing of ERP solutions (including SAP) and has an outstanding level of SAP expertise of its own, it prefers using All for Service from within the All for One Outsourcing Service Center to run the SAP application for its own enterprise processes.

Aspöck Systems GmbH in Austrian Peuerbach also opted for All for One. In addition to the All for Automotive industry solution, SAP Business Objects are also being used there for corporate data analysis purposes. And, IT operations are handled in All for One's data center in Frankfurt. **KUVAG GmbH & Co KG** in Austrian Neumarkt also needs All for Automotive in China. A local partner from the United VARs alliance is supporting All for One with this project.

Sprimag Spritzmaschinenbau GmbH & Co. KG in Kirchheim/Teck also chose a comprehensive software solution from All for One. The purchase of the Tognum subsidiary **Rotorion GmbH** of Friedrichshafen by **IFA Maschinenbau GmbH** in Haldensleben required the merger of widely distributed production units and two SAP systems. This project also went to All for One. Another important project for implementing the All for Electric industry solution was awarded by **Lewien-Schaltex Holding GmbH** in Halstenbek.

An interesting project was also carried out for the food and beverage company **Dr. August Oetker Nahrungsmittel KG** in Bielefeld during the past short financial year. The KWP.FastTrack_Recruiting software from the All for One subsidiary KWP Kümmel Wiedmann + Partner Unternehmensberatung GmbH (KWP) processes job applications with exceptional speed and efficiency. Soon applicants, personnel officers and line managers at **TÜV Süddeutschland Holding GmbH** in

Munich will also be able to manage and control the entire job application process using this SAP-based software from KWP. The employees at the **Keiper Recaro Group** already receive their payroll vouchers directly from SAP – and all in the company's own corporate design.

In Switzerland the **Rätia Energie Group**, Poschiavo, contracted Process Partner AG, a subsidiary of All for One, to implement an intregrated solution on the basis of SAP Business Intelligence to support their business planning and budgeting. Process Partner AG used ProTime and its HR time management software to provide the Zurich city water company **Stadt Zürich Wasserversorgung** with an SAP solution for such tasks as recording, tracking and evaluating work times and performance.

AC-Service (Schweiz) AG Sold / Focus on SAP Midmarket Now Also in Switzerland

The 95% equity interest in AC-Service (Schweiz) AG was sold to Bedag Informatik AG, Bern, on 1 September 2009. This company concentrates on managed services for the Swiss healthcare and public sector entities and thus operates in areas outside of All for One's strategic industry segments. The successful conclusion of this transaction has allowed All for One Midmarket AG to further sharpen its industry focus as a full-service provider for the SAP midmarket segment in countries where German is spoken. Bedag can now provide AC-Service (Schweiz) AG with much better opportunities to grow and develop, which because of differences in business strategy were simply not available to it as part of the All for One Group.

AC-Service (Schweiz) AG and its 71 employees posted sales revenues of some EUR 13 million in the financial year 2008. The sale price paid in cash included a fixed component equivalent to EUR 5.7 million (CHF 8.7 million) and a variable purchase price component (earnout arrangement), the amount of which depends on the company's future business performance. This equity interest has been reported under »discontinued operation« since 1 January 2009. The deconsolidation as at 31 August 2009 resulted in a one-time accounting profit of EUR 2.2 million in the consolidated financial statements. The sale of this equity interest allows for a more pronounced focus on the SAP midmarket segment in Switzerland as well. All for One is already very well-positioned in that country with its wholly-owned subsidiary Process Partner AG in St. Gallen.

HR Solutions Business Division Expanded

The heart of the HR Solutions business division is the 56% equity interest in KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH (KWP), Heilbronn, which took over a 60% shareholding in team HR Organisationsberatung Personalwirtschaft GmbH (team HR), Düsseldorf. The latter, an SAP consulting company that specialises in personnel administration, time management and payroll operations, is very well-positioned, operates across all industries and serves numerous well-known and major clients. This majority shareholding will further strengthen KWP's presence in Germany and enhance its access to major customers for such products and services as eRecruiting, performance management, human resources controlling, electronic personnel records and eHR portal applications. team HR employs a staff of eleven and has been included in the consolidated financial statements as a fully consolidated company since July 2009. team HR generated sales revenues of EUR 0.5 million during the period of July to September 2009. In addition to a fixed component of EUR 0.5 million, the purchase price for this 60% equity share also included variable purchase price components in amounts that depend on the company's future business performance. With now more than 780 established customers, All for One Midmarket AG estimates that its HR Solutions business division holds a market share of over 20% in Germany.

3. Earnings, Assets and Financial Situation

The company uses sales revenues and operating earnings (EBIT) as the key financial indicators for managing All for One Midmarket AG. These indicators are compared and adjusted with an eye toward pursuing as sustainable an approach to profitable growth as possible.

Over the 9 months of this short financial year 2009, All for One Midmarket AG posted sales revenues in the amount of EUR 54.7 million (12 months 2008: EUR 72.4 million) and an EBIT of EUR 0.8 million (12 months 2008: minus EUR 0.9 million) in its continuing operations.

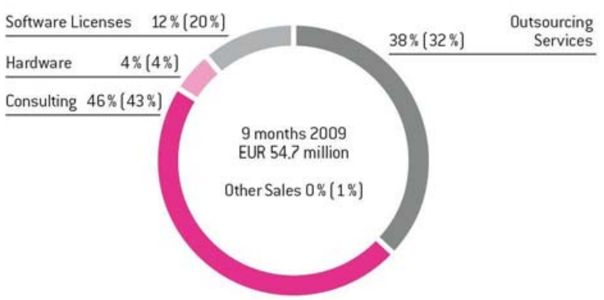
The comparable 9-month figures from 2008 were included in the following analysis of the sales, earnings and performance by the business divisions as a means of improving overall comparability.

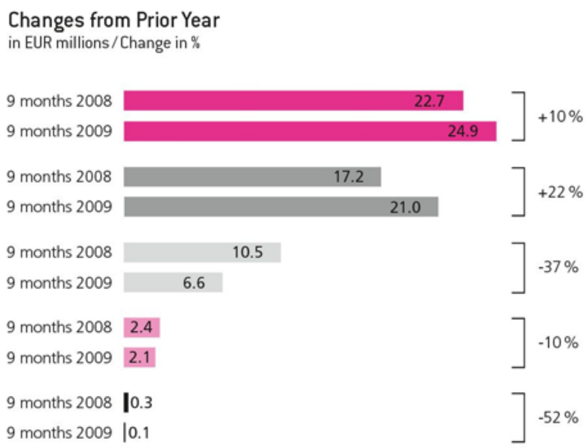
3.1. Sales Performance

Despite a downward overall market trend, All for One Midmarket AG was able to improve its sales revenues during the reporting period by 3% from EUR 53.0 million to 54.7 million as compared to the same 9-month period of 2008.

Sales by Type of Proceeds

The following charts show the breakdown of comparative sales revenues (see also the remarks under »1. Change in Financial Year«):





The amount of recurring revenues from outsourcing services (including software maintenance) increased during the short financial year by 22% to EUR 21.0 million (9 months 2008: EUR 17.2 million). This means that these services already account for 38% of sales revenues in the short financial year (9 months 2008: 32%). The major investments undertaken in 2008 in new mirrored high-end data centers and related service management processes are having an increasingly positive impact on the business.

The economy affected revenue performance in software licenses and caused sales revenues to decline to EUR 6.6 million – a drop of 37%. In 2008, however, it was the biggest SAP licensing deal in the history of the company that was mostly responsible for record licensing sales that totalled EUR 10.5 million. Still, the painstaking focus on sales helped us move against the overall market trend and still continues to generate licensing contracts to help cushion the decline in new business caused by the sluggish economy.

The sharp rise in consulting revenues at the beginning of the year (1st quarter 2009: plus 30% over 1st quarter 2008) tapered off somewhat as the year progressed, but is still mostly intact. In this short financial year, consulting activities generated an overall significant increase in sales revenues of 10% to EUR 24.9 million (9 months 2008: EUR 22.7 million).

Sales by Country

The following chart shows the breakdown of sales revenues (see also the remarks under »1. Change in Financial Year«):

Of the total sales revenues in the short financial year, 80% were attributable to Germany (EUR 43.9 million) – a plus of 2% compared to the first 9 months of 2008 (EUR 43.2 million). Whereas Switzerland boosted its sales revenues by a remarkable 68% to EUR 3.8 million, the sales revenues in Austria declined by 10% to EUR 2.8 million during the same period. This shows just how difficult the market situation is in Austria. Sales revenues in the rest of Europe dropped 4% to EUR 4.2 million.

3.2. Earnings Situation

The following table provides a comparison of changes in earnings performance for the continuing operations (see also the remarks under »1. Change in Financial Year«):

in EUR millions	2009 Jan - Sep	2008 Jan - Sep	Δ* in %
Sales revenues	54.7	53.0	3
Cost of traded goods and third party services	-17.6	-18.6	-5
Personnel expenses	-25.0	-23.8	5
Depreciation and amortisation	-2.6	-2.0	30
Other operating expenses / income	-8.6	-8.4	3
EBIT	0.8	0.2	259
Financial result	0.1	0.1	102
EBT	1.0	0.3	224
Income tax	-0.6	-0.8	-18
Earnings after tax	0.3	-0.5	-171

* deviations result from the calculation of values in KEUR

Continuing Operations: Sharp Rise in EBIT from EUR 0.2 Million to 0.8 Million

The sales mix has changed in line with the strategy of increasing the share of recurring outsourcing revenues. The ratio of the cost of traded goods to sales revenues decreased from 35% (9 months 2008) to 32% (9 months 2009) primarily as a result of the drop-off in licensing sales and a decline in the purchase of external consulting services. Personnel expenses in the short financial year rose 5% to EUR 25.0 million and now make up approximately 46% (9 months 2008: 45%) of sales revenues. Taken together, the short financial year's other operating expenses and income showed a slight rise of 3% from EUR 8.4 million to 8.6 million. This figure includes the increased operating costs for the new data centers, as well as greater expenses stemming from the provisions for doubtful accounts. The amount of depreciation and amortisation increased by 30% from EUR 2.0 million (9 months 2008) to EUR 2.6 million (9 months 2009) due to the major investments made in infrastructure in 2008, particularly in new data center locations. As a result, the EBITDA improved to EUR 3.5 million (plus 54% in 9-month comparison).

No amortisation was made on intangible assets with an indefinite useful life, these being primarily goodwill. The respective assets underwent impairment testing. The EBIT for the continuing operations increased in 9-month comparison from EUR 0.2 million to 0.8 million.

The realignment of corporate financing that was made in June 2008 and the falling interest rates on the capital markets again led to a positive net financial income of EUR 0.1 million (9 months 2008: EUR 0.1 million). An EBT of EUR 1.0 million (9 months 2008: EUR 0.3 million) was achieved for the continuing operations in this short financial year. The high income tax burden of EUR 0.6 million (9 months 2008: EUR 0.8 million) is attributable mostly to the positive earnings of the companies in Switzerland, Belgium and Luxembourg. Earnings after income taxes in the continuing operations improved from minus EUR 0.5 million (9 months 2008) to plus EUR 0.3 million.

Earnings after income taxes for the Group – including the discontinued operation – were EUR 3.3 million (12 months 2008: EUR 1.6 million). EUR 3.0 million of this amount for the short financial year 2009 is attributable to the discontinued operation and consists of an accounting profit (EUR 2.2 million) from the sale of the equity interest in AC-Service (Schweiz) AG and the contribution it made to earnings. A contribution to earnings by the discontinued operation was also reported in 2008, namely in the amount of EUR 2.9 million (of which EUR 3.0 million was an accounting profit) through the sale of ACCURAT. Earnings per share totalled 63 euro cents (12 months 2008: 28 euro cents).

The company not only further improved its key financial performance indicators, but its non-financial ones as well. The latter include such factors as training programmes, the level of customer satisfaction measured in customer surveys and extended personnel development and advancement opportunities for the employees.

3.3. Performance by Business Division

All for One Midmarket AG's segment reporting comprises the Integrated Solutions and the HR Solutions business divisions. The 95% equity interest in AC-Service (Schweiz) AG reported under »discontinued operation« was assigned to the Integrated Solutions business division until 31 December 2008. The 60% equity interest in team HR Organisationsberatung Personalwirtschaft GmbH has been reported as a part of the HR Solutions business division since 1 July 2009. The Group costs are allocated proportionately to both segments.

Integrated Solutions Business Division

This segment posted major gains particularly in outsourcing and consulting revenues, whereas the licensing revenues shrank significantly due to the difficult market situation and the related fewer new customer projects. Segment sales grew overall in the short financial year by 1% to EUR 46.6 million (9 months 2008: EUR 46.1 million). The EBIT for the Integrated Solutions segment improved in the 9-month period to EUR 0.9 million (9 months 2008: EUR 0.2 million).

Segment assets less segment liabilities as at 30 September 2009 totalled EUR 29.0 million (31 December 2008 (not including AC-Service (Schweiz) AG): EUR 21.6 million) for a plus of 34%. The number of employees as at 30 September 2009 was 309 (31 December 2008: 337), and the number of full-time equivalents was 287 (31 December 2008: 318), whereby neither figure includes the employees of the AC-Service (Schweiz) AG shareholding that was sold on 1 September 2009. The Integrated Solutions segment thus accounts for 85% of the Group's sales revenues (31 December 2008: 86%) and 74% of its full-time equivalents (31 December 2008: 78%).

HR Solutions Business Division

This segment posted a sales increase of 19% to EUR 8.7 million during the reporting period. The inclusion of the majority interest in team HR acquired as at 1 July 2009 resulted in a contribution to sales revenues of EUR 0.5 million, so that 8% of the segment's sales increase was attributable team HR. The HR Solutions segment mostly generates revenues from consulting, the recurring share of which was able to be further enlarged through long-term support agreements (application management). The growth driver within this segment continued to be the desire to bring about change on the part of Germany's legislators, who place ever-greater demands on personnel administration, which in turn increases the need for consulting services. The remarkable consulting expertise in such fields as eRecruiting, performance management, human resources controlling, electronic personnel files and eHR portal applications, once again allow the segment to garner well-known customers as references. The EBIT declined in the short financial year to minus KEUR 67 (9 months 2008: plus KEUR 64) and includes short-term and one-time charges from the acquisition of team HR amongst others. The EBITDA remained virtually unchanged at EUR 0.2 million.

The segment assets less segment liabilities as at 30 September 2009 totalled EUR 2.5 million (31 December 2008: EUR 3.9 million). The increase in the segment's staffing strength from 91 (31 December 2008) to 109 employees (30 September 2009) is attributable primarily to the inclusion of the team HR acquisition. The number of full-time equivalents grew from 88 (31 December 2008) to 100 (30 September 2009). The HR Solutions segment thus accounts for 15% of the Group's sales (31 December 2008: 14%) and 26% of its full-time equivalents (31 December 2008: 22%).

3.4. Assets and Financial Situation

Key asset and financial indicators:

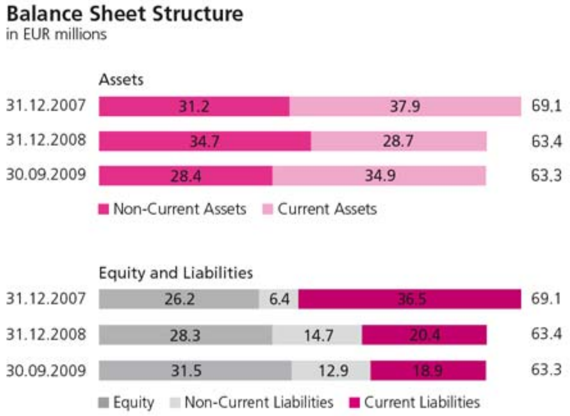
	Unit	30 Sep 2009	31 Dec 2008	Δ in %
Equity to assets	%	148	111	33
Days of sales outstanding *	days	59	69	-15
Cash resources **	EUR million	16.6	8.1	104
Net debt	EUR million	-6.5	4.0	n/a
Equity ratio	%	50	45	11
Return on equity	%	11.2	5.8	93
Return on total capital	%	5.3	2.4	122

* 2009: (Trade receivables * 270 days) / 9-month sales
2008: adjusted by divestment of AC-Service (Schweiz) AG
** Cash and cash equivalents less funds not disposable

Group Balance Sheet

The Group balance sheet as at 31 December 2008 also includes the balance sheet items of the equity interest in AC-Service (Schweiz) AG (discontinued operation), which was sold effective 1 September 2009. The assets and liabilities pertaining to this sold equity interest are no longer included in the Group balance sheet as at 30 September 2009. This should be taken into consideration when comparing and evaluating the balance sheet items against those from the end of the prior year. The total assets of EUR 63.3 million in the short financial year declined by a mere EUR 0.1 million.

The following chart shows the changes in the balance sheet since 31 December 2007:



The decline in non-current assets from EUR 34.7 million (31 December 2008) to EUR 28.4 million (30 September 2009) is primarily a result of the deconsolidation of AC-Service (Schweiz) AG during the reporting year and a reclassification of the remaining proceeds from the sale of ACCURAT (May 2008) in the amount of EUR 1.5 million from non-current assets to other current assets. Intangible assets and goodwill increased slightly from the purchase of shares in team HR (see also the remarks under »2.6. A Look at Business Performance«). Capitalised goodwill and intangible assets with an indefinite useful life underwent impairment testing. No impairment losses were recognised. The other intangible assets are regularly amortised.

Trade accounts receivable declined from EUR 15.0 million to 11.9 million. If adjusted for the receivables of AC-Service (Schweiz) AG (discontinued operation), then the accounts receivable were reduced by EUR 1.7 million to EUR 11.9 million – a decrease of 12%. The additional reduction in accounts receivable – with a concurrent slight improvement in sales – was achieved through an intense receivables management effort. Cash and cash equivalents increased from EUR 8.5 million at the end of the prior year to EUR 16.9 million. Among other items, this figure also includes the cash flow of EUR 5.0 million from the sale of the discontinued operation.

Financial liabilities were reduced by a total of EUR 2.1 million from 12.5 million (31 December 2008) to EUR 10.4 million (30 September 2009). This reduction stems on the one hand from a reduction in financial liabilities in the amount of EUR 3.2 million from the sale of the discontinued operation, and on the other hand from an increase of EUR 1.1 million within All for One's continuing operations. Trade accounts payable decreased by EUR 0.1 million to 7.8 million as at 30 September 2009. The trade accounts payable increased by EUR 0.4 million in the 9-month period when adjusted for the sale of the discontinued operation.

There were no significant changes in either the deferred tax assets or the deferred tax liabilities. Thanks primarily to the sale of the discontinued operation during the short financial year, there was a turnaround in the net debt of EUR 4.0 million as at 31 December 2008, with the balance showing a plus of EUR 6.5 million as at 30 September 2009. The equity ratio climbed to 50% as at 30 September 2009 (31 December 2008: 45%) and underscores the solid structure of the Group's balance sheet.

Cash Flow and Investments

The cash flow from operating activities improved by EUR 5.3 million to 4.6 million in the short financial year compared to the year 2008 (12 months). The 9-month operating cash flow improved by EUR 3.7 million as adjusted for the one-time payment of the earnout of EUR 1.6 million in the prior-year period. This improvement is primarily a result of significantly improved earnings before interest, taxes, depreciation and amortisation during the period of only 9 months, and to a more modest decline in trade accounts payable compared to the year 2008 (12 months).

Cash flows from investing activities declined markedly to EUR 0.9 million (12 months 2008: EUR 3.7 million). The investments in tangible fixed assets during the short financial year 2009 were mostly necessary because of the growing number of customers contracting outsourcing services. In 2008 it was necessary to undertake additional major one-time investments in establishing new data centers.

As a result of this, the cash flows from operating activities far exceeded the cash flows from investing activities during the short financial year; and a free cash flow (operating cash flow less cash flows from investing activities) of EUR 3.7 million was generated in the short financial year 2009.

Cash flows from financing activities improved from minus EUR 2.6 million to plus 0.6 million. This improvement stemmed primarily from the net cash received from calling in existing loan agreements in the short financial year, whereas during the prior year, and as part of the sale of ACCURAT Informatik GmbH, redemption payments were made that in turn reduced the amounts due to banks significantly.

The Group has already received EUR 5.0 million in the short financial year as an interim payment from the sale of AC-Service (Schweiz) AG. A final invoice of the purchase price's fixed component was made in October 2009 and leads to another cash inflow of EUR 0.7 million. The agreed earnout components may further increase the sale price in subsequent years as well.

Financial resource funds changed overall by an amount of EUR 9.2 million in the short financial year. The Group enjoys a solid base of financial resources as at 30 September 2009.

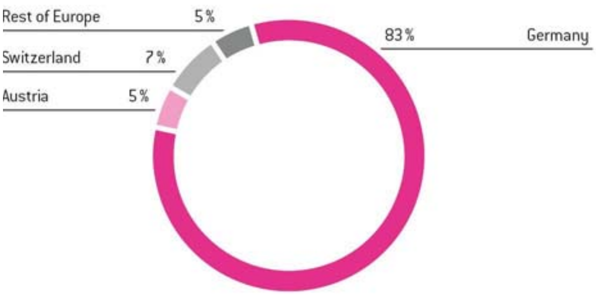
3.5. Employees

The number of employees in the continuing operations as at 30 September 2009 totalled 418 people (31 December 2008: 428 people), and the corresponding number of full-time equivalents (capacity = 100%) was 387 (31 December 2008: 405). On average there were 416 people employed in the Group during the reporting period (9 months 2008: 412 employees).

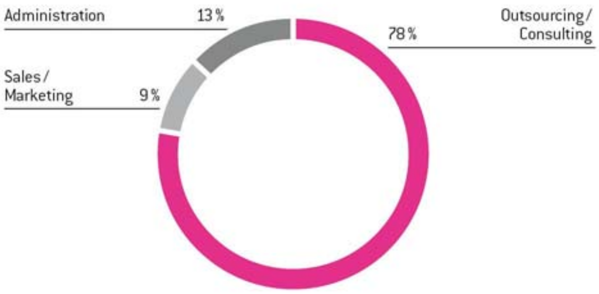
Of the 387 full-time equivalents as at 30 September 2009, there were 321 full-time equivalents in Germany (31 December 2008: 335), 26 full-time equivalents in Switzerland (31 December 2008: 23), 21 full-time equivalents in Austria (31 December 2008: 27) and 19 in the other European countries (31 December 2008: 20).

The following charts show the distribution of the 387 full-time equivalents as at 30 September 2009:

Distribution of Full-Time Equivalents by Country



Distribution of Full-Time Equivalents by Field of Work



As at 30 September 2009, 78% of the full-time equivalents (302) were in the areas of outsourcing services and consulting, 13% of the full-time equivalents (52) were in administration and 9% of the full-time equivalents (33) were in sales and marketing.

For an IT services company like All for One Midmarket AG, sustained business success is undeniably linked to having an adequate number of highly qualified and motivated employees. A consistent and sustained programme of human-resource-related activities forms an essential pillar of our corporate culture that emphasises »The human face of IT«. Such activities are designed to maintain, promote and expand our employees' commitment to performance with an eye towards outstanding service quality and customer satisfaction, as well as to further enhance the good image of All for One as the employer of choice. And so, despite a tight job market, All for One still succeeded in more than doubling its staffing strength (continuing operations) during the boom years of 2006 to 2008.

Maintaining your appeal as an employer and desirable workplace is challenging enough, especially in the difficult economic times we are going through in 2009. In order to better integrate the many new employees, our human resources management effort concentrated less on recruiting and more on training, professional development and employee retention programmes in the short financial year 2009. Such programmes focused equally on enhancing the already outstanding professional skills of the consultants recruited in past years, and on securing their loyalty and long-term commitment to the company and that of the other highly skilled and experienced specialists and professionals. To do this, and despite the crisis, All for One invested heavily in personnel development. In addition to SAP-related subjects, the training and professional development activities focused to a large extent on soft skills as a way of imparting the expertise needed to properly manage and moderate sophisticated and complex customer projects. Along with technical competence, it is also soft skills that determine how successful a project will be, especially among small to mid-sized companies.

All for One was also actively involved in education and vocational training. All for One worked together with the Ravensburg campus of the Baden-Wuerttemberg Cooperative University to provide practical training to students from its department of business informatics. We also advise and support students as they write their degree theses and even design specific internships for high school and college students.

Our employees' salaries consist of performance-based variable components in addition to a fixed rate of compensation. The amount of these variable components depends on the scope of one's job and position within the company.

The executives and employees were under a great deal of stress during the past short financial year from having to deal with a difficult market environment and all the far-reaching changes going on within the company. The management board would like to thank all the employees for their tireless dedication and outstanding work.

4. Risk Report

All for One Midmarket AG is exposed to numerous risks as an internationally operating company. In order to provide the company with highly responsible and value-based leadership, management's objective is to rigorously capitalise on business opportunities, and identify potential risks early on and manage them pro-actively. The company has an extensive risk management and internal control system to accomplish this.

4.1. Risk Management System

As part of its overall responsibility for the Group, the management board is required in accordance with § 91, section 2 »Aktiengesetz« to establish a risk early warning system to identify existential risks as early as possible. This risk early warning system is an integral part of the planning, budgeting, control and reporting processes.

The risk manager is in charge of the risk management organisation. Operational risk management tasks are performed by a risk management team under the direction of the risk manager. Risk officers from the various areas and departments of the lead operating company form the core of this team. The subsidiaries also appoint risk officers who report to the risk manager. Risk officers continuously monitor the development of risks and the effectiveness of measures to limit risks within their respective areas or subsidiaries, and on the basis of this prepare a risk analysis and assessment and report regularly to the risk manager. The risk handbook prescribes a standardised method, documents the risk management processes, and provides tools for continuously recording and tracking the results. The risk management team regularly attends workshops under the direction of the risk manager. The findings and results of these workshops are incorporated into the quarterly risk report that the risk manager prepares and submits to management. Alongside this, individual risks are monitored on a decentralised basis within each of the departments, segments and subsidiaries by means of special analyses and additional assigned duties and responsibilities. The management board and risk manager conduct a workshop once a year to thoroughly discuss the identified risks, examine and update countermeasures and assess any residual risks.

This risk management system, which is fully integrated throughout the organisational and operational structure, not only provided the basis for risk early warning and control, but, as it improved and expanded, also further raised the level of risk awareness within the Group during the past short financial year.

4.2. Internal Control System

The internal control system is an integral part of All for One Midmarket AG's business processes, comprises a number of monitoring and control mechanisms, and is based on the pillars of the »four-eye principle«, »separation of duties«, »integrated reporting« and »internal audits«. Here is where controlling plays a key role. The »four-eye principle« is operationally implemented and monitored within the Group with the help of structured and uniform policies, such as signatory guidelines, operational rules, organisational guidance and the like. Another effective control and security mechanism is the carefully crafted and tailored rights and authorisations concept that applies across the entire management organisation, and which precisely defines and limits the access and activities of individuals and groups of people to what are predominantly SAP-based applications and functional features. A strict and clear »separation of duties« relating to critical business processes enhances the security, reliability and quality of the workflow. Individual groups of people are also assigned horizontal duties, so that a system of mutual checks and balances is implemented across the various departments and areas of responsibility.

»Integrated reporting« includes a detailed planning, control and reporting system with numerous analyses and reports about the Group's situation, position and outlook. The planning process runs from the bottom up and on a monthly basis. In addition, forecasting is made for the individual companies and operating units, which can not only further improve management controls, but also employ appropriate measures to prevent or counteract any impending discrepancies or deviations. Management meetings and business reviews on various levels within the individual companies ensure that the existing Group information system remains functional and effective. It is at such meetings and reviews that opportunities, risks and developments are discussed, tracked and evaluated, and documented in reports and minutes. Each year, one or two of the Group's companies undergo an »internal audit«, which examines their compliance with company policies and the quality of the internal control system. The audit manager reports the findings of these internal audits directly to the management board and the supervisory board.

4.3. Individual Risks

Risks Associated with the Development of the Economy

The global financial and economic crisis is adversely affecting the business environment and development of the economy as a whole in an intensity that has never been experienced before. Further developments and events over which All for One Midmarket AG has no influence or control, such as changes in tax legislation, can pose risks to future business performance, restrict the ability to reliably plan and budget, and can endanger the achievement of our sales revenue and earnings targets. The management board is keeping a close watch on where the overall economy is headed so as to be in a position to implement corrective actions as quickly as possible. Nevertheless, there remain considerable risks associated with the development of the economy.

Industry Risks: Pricing Pressures / Bad Debts / Insolvencies

All for One Midmarket AG operates predominantly in markets where the competition is extremely intense. These markets are distinguished by rapid advances in technology, which naturally generate their own risks. Tremendous competitive pressures could well result in greater-than-expected strains on prices and margins. Additional risks arise from our focus on the equipment and machinery manufacturer and automotive supplier industries, all of which are particularly hard hit by the crisis. For this reason, we have expanded our already highly reliable receivables management programme, as well as the systems and procedures for the early detection of any threats of insolvency among our customers. Insurance and provisions for doubtful accounts are also used to offset the risk posed by bad debts. Despite the crisis, we are working hard and with notable success as we expand our high-quality services and more thoroughly integrate the entire range of products and support to further increase the amount of recurring revenues generated from long-term customer contracts. Customer benefits and value were improved, which in turn helped cushion the impact on margins caused by severe pricing pressures. However, the risk of cost overruns or losses from bad debts at the expense of earnings can not be completely eliminated.

Risks Associated with the Service Portfolio / Dependence on SAP

As the strategy continues to focus on providing full services on all things SAP, our dependence on the world's largest supplier of enterprise software solutions grows. The continued success for existing and future SAP products on the market and the sustainability of SAP's midmarket strategy, and the terms and conditions for partner sales that go with it, cannot be predicted with any certainty, and therefore also represent a considerable risk. All for One Midmarket AG is a permanent member of the SAP Partner Executive Council. This European central council within the SAP organisation carries a great deal of weight in dealing with partner-related issues. Management also maintains regular and close contact with the decision makers at SAP to represent the positions held by the partners and highlight the needs and concerns of our many small to mid-sized customers.

Risks from the Dependence on Key Customers

All for One Midmarket AG's sales revenues are generally spread across a large number of customers. No one customer accounts for more than 4% of the Group's total sales. Defaults by several customers could, however, seriously impair business performance. All for One Midmarket AG uses a careful regimen of account management to mitigate its dependence on key clients. Measures designed to ensure sustained customer satisfaction with the solutions and services provided, together with contractual commitments (longer contract terms), also effectively enhance customer loyalty.

Risks Associated with Human Resources

For services companies like All for One Midmarket AG, you cannot separate sustained business success from having highly qualified and motivated people working for you. That is why it is critically important, especially in difficult economic times, to not only uphold your appeal as the employer of choice for both your current staff and future applicants, but to also maintain the long-term loyalty of and commitment to the company on the part of the many experienced and highly skilled specialists and professionals. It is when managers and experts like these leave the company without being able to smoothly transition their duties and responsibilities to qualified replacements that we face the risk of deterioration in service quality and customer satisfaction, and consequently the impairment of the business. Despite the crisis, All for One Midmarket AG will continue to systematically invest in professional development, training and education. The move into new and more modern office buildings and data centers during the course of 2008 also contributed greatly to an improved and more pleasant and productive work environment.

Financial and Liquidity Risks

The Group balance sheet as at 30 September 2009 shows an equity ratio of 50%. The financial flexibility represented by this figure also includes disposable cash resources in the amount of EUR 16.6 million and short-term third-party receivables of EUR 11.9 million. Furthermore, All for One Midmarket AG generated cash flows of EUR 4.6 million from operating activities during the short financial year 2009. As yet unused operational funding lines of credit in excess of EUR 5 million add to the financial strength and flexibility that the Group enjoys.

Since variable interest rates are part of the loan agreements and interest hedges are not being used, a change in interest rates can have a negative impact on the financial results of All for One Midmarket AG. Should certain events described in the loan agreements (covenants) arise, then the lenders are, among other things, authorised to raise the interest rate or to terminate the loans and call them due immediately. These covenants pertain in particular to maintaining a predetermined dynamic gearing ratio, a cash coverage ratio and a minimum equity ratio. All of these figures are calculated and evaluated at Group level. All covenants were complied with in their entirety and based on the information it has today, All for One Midmarket AG expects that they will continue to be complied with.

The management board exercises the utmost diligence regarding compliance with the terms and requirements set forth in credit agreements, carefully monitors the development in interest rates and stays in regular contact with the banks. Furthermore, a group-wide reporting system monitors the earnings situation along with the assets and financial situation on a monthly basis and compares these figures with the budget in order to react as quickly as possible to any unplanned outflows of liquidity or too few inflows. The fact that significant parts of the business are distributed across a large number of individual customers also helps to limit risks. And, All for One Midmarket AG is not subject to major fluctuations in payment flows over the course of a given year, which facilitates cash management and further reduces existing risks.

Risks Associated with the Operation of Data Centers

All for One Midmarket AG is exposed to the risks inherent with the operation of data centers including those relating to the transmission of data. Broad security measures help limit these risks. State-of-the-art buildings and infrastructures are rented and operated, and investments are made in the finest technologies from brand-name manufacturers in order to keep these risks as small as possible. Strict process definitions, audits and certifications are undertaken to further reduce risk. Insurance coverage is also in place that can help mitigate the damage even further. Nevertheless, the risks associated with the operation of data centers cannot be completely eliminated.

4.4. Opportunities

The clear focus on key industries in selected midmarket segments offers an even greater opportunity of becoming the first choice for companies looking for a consulting, solutions and service partner for their IT projects. Rigorous and consistent direct sales, together with sales and marketing through partners, are helping to expand our base of reference customers. Our very good reputation on the market and the image we present by being a financially sound service partner that values quality and offers its customers a long-term investment perspective are what form an outstanding basis for even more successful selling. Our top position and visibility as one of the leading Gold Partners within the SAP organisation also helps us market and sell the associated SAP licenses. As we continue to expand our full range of products and services, so do new opportunities arise to comprehensively support our customers even in times when the economy is turning downwards, and to gradually go beyond primary support and successfully market our entire portfolio of solutions and services. Our extensive partner network gives us an important competitive edge and, thanks to our relationship with United VARs, also ensures low-risk worldwide customer service and support of a very high quality.

4.5. Overall Risk Profile

From All for One Midmarket AG’s perspective, the opportunities presented outweigh the risks when viewed overall. Thanks to its market position and large number of established customers, and in light of its well-trained and dedicated employees and the progress made in realigning the Group, All for One Midmarket AG is confident that it can successfully master the challenges addressed in the current overall risk profile. This assessment is also supported by the existing risk management system, which enables the company to identify changes in the risk situation at an early stage and initiate appropriate measures to correct them.

5. Outlook

Projected Developments in the Target Markets

Numerous market observers estimate that a very slow recovery will follow the rapid and dramatic economic downslide that set in at the end of 2008. This means that it will take some years to recover to the level of production that those companies hit hardest by the crisis, namely in the equipment and machinery manufacturer and automotive supplier industries, achieved in the boom year of 2007. Even where some may have hit bottom and begun recovering more quickly, the danger of serious setbacks still looms large. Some market observers believe that the real test still lies ahead, especially for the automotive supplier industry.

Outlook for the IT Markets

In light of the global economic collapse, IT analysts across the board withdrew their market forecasts for 2009 and over the course of the reporting period had to make multiple downward revisions to the estimates for 2009 that they had published in late 2008 and early 2009. Just how difficult business is can be seen in the 12-month outlook for 2009 published by the Gartner information technology research and advisory company on 28 October 2009, in which worldwide enterprise IT spending is forecast to drop by 7%.

The first of the most recent estimates for 2010 (BITKOM, EITO, October 2009) report that the IT markets have bottomed out in 2009 and foresee a slight increase of between 0.5% and 2.5% for 2010 in the software and services market in Germany as compared to 2009. This means that although the IT market will return to growth in 2010, it will not reach its 2008 sales levels before 2012 (Gartner, 28 October 2009). This means that it is still too early to sound the all clear.

Projected Business Performance for All for One

Things will remain difficult in 2010. Nevertheless, All for One intends to counter the trend and improve its position once again in the financial year 2009/10. Our core customer base has been expanded and the trend towards outsourcing should increase. The major investments made in new mirrored high-end data centers in 2008 are expected to have an even greater positive impact in 2009 and beyond. Therefore, we should succeed in improving the recurring revenues from outsourcing services (including software maintenance) and build on the good success we had in the short financial year 2009.

We anticipate that the heavy foot of this sluggish economy will let up very slowly on the brakes that it is applying to the sale of software licenses. Our committed and industry-focused sales organisation, which includes both direct sales and a well-structured partner network, should continue to prove that it is strong and sustainable. It was on this basis that All for One managed to counter the trend in 2009 by growing the business and improving its market position. The team of consultants that was built up over the past few years works seamlessly together to deliver professional expertise, and the mix of junior and senior consultants provides the perfect recipe for highly efficient projects. This is why we expect to be able to further stabilise the level of licensing revenues and the increase in consulting sales that we achieved in 2009 despite a very uncertain economy and the more intense competition for new projects.

The capital investments planned for the financial year 2009/10 are predominantly customer related and closely connected to the use of more modern technologies in the Outsourcing Service Center. The number of employees is projected to remain relatively stable following the strong staffing build-up in the years from 2006 to 2008 and increase only slightly if at all. Overall we expect to further reduce our dependency on the high volatility of the licensing and consulting business.

In view of major economic uncertainties, All for One Midmarket AG expects to post an overall modest increase in sales revenues, along with a positive EBIT within a range of approximately EUR 1.5 million to 2.0 million for the new 2009/10 financial year that extends from 1 October 2009 to 30 September 2010. The greatest risks are posed by potential insolvencies among our customer base. Because of this heightened economic uneasiness, it is extremely difficult to project how business will develop in the financial year 2010/11. In any case, the goal will be to again boost sales revenues moderately and further improve the EBIT margin.

Looking beyond all these economic uncertainties and turmoil, All for One Midmarket AG considers itself to be well-positioned and still firmly expects to emerge from this crisis a winner and benefit from impressive growth in profitability once the economy gets picks up again.

6. Subsequent Events

On the basis of the authority granted to it by the annual general meeting of 19 May 2009, the management board has decided to repurchase up to 250,000 of the company’s outstanding shares on the stock exchange during the period from 2 November 2009 until not later than 1 February 2010. The corresponding disclosure of this was made on 30 October 2009 in the form of an ad hoc announcement.

On 24 November 2009, CROSS Industries AG, the majority shareholder of BEKO HOLDING AG, sold 3,333,333 shares of BEKO HOLDING AG to Opportunity Beteiligungs AG, an amount that corresponds to a holding of approximately 14.44% of the company’s equity capital. Voting rights for 1,794,625 shares of BEKO HOLDING AG, representing approximately 7.77% of the equity capital, remain with CROSS Industries AG, so that CROSS Industries AG still holds approximately 48.0% of the voting rights of BEKO HOLDING AG.

7. Other Information

7.1. Corporate Governance Statement

The Corporate Governance Statement is published in the »Investor Relations« section of the company’s website www.all-for-one.com.

7.2. Report on Compensation of the Management and Supervisory Boards

The management board of All for One Midmarket AG consisted of Lars Landwehrkamp and Stefan Land during the reporting year. Total compensation for the members of the management board for the short financial year was KEUR 704 (12 months 2008: KEUR 700). Fixed compensation (including miscellaneous) for the members of the management board consisted of a basic salary, benefits in kind for the use of a company car and the payment of direct insurance. The additional performance-related compensation component is based on achieving the annual earnings before taxes (EBT) as reflected in the audited consolidated financial statements of All for One Midmarket AG and on certain project goals set for each individual. A dividend-based variable compensation component will also be paid to the extent that dividend distributions can be made to the shareholders for the financial years up to 2011.

Compensation for the supervisory board is as regulated in § 11 of the company articles of association. In accordance with this provision, the members of the supervisory board receive a fixed basic remuneration and an attendance allowance, in addition to reimbursement for expenses. The chairman is paid twice the amount and the deputy chairman one and a half times the amount of this remuneration. Members of the supervisory board, who were not in office throughout the entire short financial year, are paid pro rata temporis. No performance-based compensation is provided. Total compensation for the supervisory board was KEUR 52 (12 months 2008: KEUR 69).

No loans were extended nor stock options granted to the members of the management board or the supervisory board during the reporting year. Individual compensation for members of each of the boards is reported in the notes to the consolidated financial statements.

7.3. Information pursuant to § 315, Section 4 »Handelsgesetzbuch« (HGB)

Composition of Issued Share Capital (No. 1)

The issued share capital in the amount of EUR 16,200,000 consists of 5,400,000 registered, no-par-value shares.

Restrictions on Voting Rights or the Transfer of Shares (No. 2)

With the exception of the dormant voting rights for 226,582 shares of treasury stock pursuant to § 71 b »Aktiengesetz«, the management board is not aware of any restrictions affecting voting rights or the transfer of shares, or in particular of any restrictions that could result from agreements among the shareholders.

Direct or Indirect Shares in the Capital that Exceed 10% of the Voting Rights (No. 3)

BEKO HOLDING AG has held more than 50% of the capital and voting rights of the company since November 2003. CROSS Industries AG took over a majority interest in BEKO HOLDING AG in 2008. Therefore, CROSS Industries AG, Pierer GmbH, Knünz GmbH, the graduate engineer Mr Stefan Pierer and Dr. Rudolf Knünz indirectly hold more than a 50% interest in All for One Midmarket AG since October 2008 by way of BEKO HOLDING AG and in turn by way of CROSS Industries AG.

Holders of Shares with Special Rights (No. 4)

No All for One Midmarket AG shares confer special rights of control.

Type of Voting Rights Control for Employee Shares (No. 5)

Furthermore, there are no employees holding an interest in the share capital of All for One Midmarket AG, who cannot directly exercise their rights of control.

Legal Provisions and Stipulations in the Company Articles of Association Governing the Appointment and Removal of Members of the Management Board and on Amending the Company Articles of Association (No. 6)

a) Appointment of Members of the Management Board

According to § 6, section 2 of the company articles of association, the management board shall consist of at least two individuals. Furthermore, the supervisory board will determine the number of members in the management board in accordance with the provisions set forth by law. The supervisory board can appoint a member of the management board to be chairperson of the management board and may also appoint deputy members of the management board. Pursuant to § 85, section 1 »Aktiengesetz«, the court can, in urgent cases and on petition of an involved party, appoint the member in the event that a required member of the management board is lacking (for example when there is only one member of the management board in office). In any case, and pursuant to § 85, section 2 »Aktiengesetz«, the term of the court-appointed member of the management board expires as soon as the original deficiency is corrected.

b) Removal of Members of the Management Board

The supervisory board may revoke the appointment as member of the management board and the appointment as chairperson of the management board with good cause in accordance with § 84, section 3, sentence 1 »Aktiengesetz«. Good cause according to § 84, section 3, sentence 2 »Aktiengesetz« is gross dereliction of duty, inability to properly manage the business or a vote of no confidence by the annual general meeting, unless such confidence by the shareholders was withdrawn for clearly irrelevant reasons. The revocation of appointment to the management board is effective according to § 84, section 3, sentence 4 »Aktiengesetz« until such time as the invalidity of such revocation may be judged legally final.

c) Amendments to the Company Articles of Association

Pursuant to § 179, section 1, sentence 1 »Aktiengesetz«, a resolution of the annual general meeting is required for any amendment to the company articles of association. The supervisory board is, however, authorised according to § 17 of the articles of association in connection with § 179, section 1, sentence 2 »Aktiengesetz« to approve amendments to the company articles of association that only affect its wording.

According to § 179, section 2, sentence 1 »Aktiengesetz«, a resolution by the annual meeting on amending the company articles of association requires a majority vote that includes at least three-quarters of the represented share capital at the time the resolution was adopted. According to § 179, section 2, sentence 2 »Aktiengesetz«, the company articles of association may set forth other requirements and a different capital majority, although only a larger capital majority may be stipulated for any changes to the corporate purpose. On the basis of this statutory authority, § 14, section 3, sentence 3 of the company articles of association provides that resolutions for amending the company articles of association be approved by simple majority vote to the extent that such is legally permissible.

Authority of the Management Board, Particularly Regarding its Ability to Issue or Repurchase Shares (No. 7)

In accordance with § 5, section 4 of the company articles of association, and until 17 May 2011, the management board is authorised, with the approval of the supervisory board, to increase the company's share capital once or several times up to a total of EUR 8,100,000 (authorised capital) through the issuance of new shares for cash contributions or contributions in kind. The management board is authorised to exclude fractional shares from the shareholders' subscription rights. The management board is furthermore authorised, with the approval of the supervisory board, to exclude shareholder subscription rights; to issue new shares for cash contributions with a pro-rata share of the authorised capital in the amount of up to a total of EUR 1,620,000, provided that these new shares are issued at a price that does not lie significantly below the stock-exchange price (§ 186, section 3, sentence 4 »Aktiengesetz«); to issue new shares for contributions in kind, provided these new shares are issued as consideration for the purchase of companies, parts of companies or interests in companies, and provided that the purchase of the companies, parts of companies or interests in companies are understood to be in the best interest of the company.

The management board, with the approval of the supervisory board, will decide on the content of the respective share rights and the other stipulations regarding the issuance of shares in connection with the authorised capital. The supervisory board is authorised to modify the wording of the company articles of association according to the intended utilisation of the authorised capital or following the expiration of the period of authorisation.

The 226,582 shares of treasury stock were purchased using authorisations that have since expired. The annual general meeting of 19 May 2009 authorised the management board pursuant to § 71, section 1, number 8 »Aktiengesetz« to purchase shares of treasury stock in All for One Midmarket AG up to an amount totalling 10% of the share capital, which means up to 540,000 registered, no-par-value shares. The management board made no use of this authorisation during the reporting period.

Material Agreements under the Condition of a Change of Control as a Result of a Takeover Bid (No. 8)

In the event of a change of control, and in accordance with the existing loan agreement over an original amount of EUR 5 million with the Dresdner Bank, the company is required to negotiate with the bank a continuation of the loan under modified terms that are amenable to both parties. An acquisition of control over BEKO HOLDING AG is not, however, a »change of control« relating to the company.

Indemnity Agreements in the Event of a Takeover Bid (No. 9)

No company indemnity agreements with members of the management board or other employees have been made for the event of a takeover bid.

7.4. Forward-Looking Statements

This Group Management Report contains statements pertaining to the future performance of All for One Midmarket AG and to future economic conditions and developments. These statements represent estimates and projections that we made based on the information that was available to us at the time this Group Management Report was prepared. Actual results may differ materially from the results forecast here in the event that the underlying assumptions do not materialise or additional risks arise. We make no warranty as to the accuracy of any such forward-looking statements.

Filderstadt, 2 December 2009
All for One Midmarket AG

Lars Landwehrkamp	Stefan Land
CEO	CFO

CONSOLIDATED FINANCIAL STATEMENTS

All for One Midmarket AG for the Short Financial Year
from 1 January to 30 September 2009

Group Income Statement
for the Short Financial Year from 1 January to 30 September 2009

in KEUR	1-9/2009	1-12/2008
Sales revenues from continuing operations (1)	54,733	72,422
Other operating income (2)	901	912
Cost of traded goods and third party services (3)	-17,611	-26,111
Personnel expenses (4)	-25,021	-31,974
Depreciation and amortisation (6)	-2,619	-2,879
Other operating expenses (7)	-9,548	-13,224
EBIT from continuing operations	835	-854
Financial income	510	965
Financial expense	-378	-726
Financial result from continuing operations (8)	132	239
EBT from continuing operations	967	-615
Income tax (9)	-635	-714
Earnings after tax from continuing operations	332	-1,329
Earnings after tax from discontinued operation (31)	3,017	2,908
Earnings after tax	3,349	1,579
attributable to equity holders of the parent	*3,264*	*1,441*
attributable to minority interests	*85*	*138*
Undiluted and diluted earnings per share		
Earnings per share in EUR from continuing operations	0.05	-0.28
Earnings per share in EUR from discontinued operation	0.58	0.56
Earnings per share in EUR (10)	0.63	0.28

Group Comprehensive Income Statement
for the Short Financial Year from 1 January to 30 September 2009

in KEUR	1-9/2009	1-12/2008
Earnings after Tax	3,349	1,579
Foreign currency translation differences for foreign operations	-67	634
Profit/loss on available-for-sale financial instruments	0	-47
Deferred taxes on value changes directly adjusted against equity	0	14
Other comprehensive income	-67	601
Total comprehensive income	3,282	2,180
attributable to equity holders of the parent	*3,195*	*2,030*
attributable to minority interests	*87*	*150*

Group Balance Sheet
as at 30 September 2009

ASSETS in KEUR	30 Sep 2009	31 Dec 2008
Non-current assets		
Goodwill (11)	4,867	4,520
Other intangible assets (11)	10,068	9,762
Tangible fixed assets (12)	6,343	11,185
Financial assets (13)	3,935	3,850
Other assets (14)	0	1,928
Deferred tax assets (15)	3,151	3,444
Total non-current assets	28,364	34,689
Current assets		
Inventories (17)	443	386
Trade accounts receivable (18)	11,906	14,967
Current income tax assets (16)	307	231
Financial assets (19)	2,639	4,028
Other assets (20)	2,805	650
Cash and cash equivalents (21)	16,854	8,492
Total current assets	34,954	28,754
Total assets	63,318	63,443

EQUITY AND LIABILITIES in KEUR	30 Sep 2009	31 Dec 2008
Equity (22)		
Issued share capital	16,200	16,200
Treasury stock (23)	-1,023	-1,023
Capital reserve	7,229	12,269
Other reserves	72	283
Accumulated profits (prior year: accumulated losses)	7,960	-345
Share of equity attributable to equity holders of the parent	30,438	27,384
Minority interests (24)	1,069	944
Total equity	31,507	28,328
Non-current liabilities		
Provisions (25)	329	308
Post-employment benefit liabilities (5)	267	267
Financial liabilities (26)	8,258	9,907
Deferred tax liabilities (27)	3,903	4,042
Other liabilities (28)	96	164
Total non-current liabilities	12,853	14,688
Current liabilities		
Provisions (25)	223	300
Current income tax liabilities (16)	175	203
Financial liabilities (26)	2,105	2,590
Trade accounts payable (29)	7,820	7,947
Other liabilities (28)	8,635	9,387
Total current liabilities	18,958	20,427
Total liabilities	31,811	35,115
Total equity and liabilities	63,318	63,443

Group Cash Flow Statement
for the Short Financial Year from 1 January to 30 September 2009

in KEUR	1-9/2009	1-12/2008
EBT	967	-615
Amortisation of intangible assets	770	972
Depreciation of tangible fixed assets	1,849	1,907
Financial result	-132	-239
EBITDA	3,454	2,025
Hardware sales / purchases under finance lease	-1,849	-2,588
Increase (+) / decrease (-) in value adjustments and provisions	-258	-1,513
Other non-cash expense (+) and income (-)	-207	-175
Changes in assets and liabilities:		
Increase (-) / decrease (+) in trade receivables	2,176	2,174
Increase (-) / decrease (+) in other assets	2,039	2,820
Increase (+) / decrease (-) in trade payables	303	-2,479
Increase (+) / decrease (-) in other liabilities	-547	-165
Income tax paid	-503	-822
Total cash flow from operating activities of continuing operations	4,608	-723
Purchase of intangible, tangible fixed and other assets	-1,428	-4,879
Sale of intangible, tangible fixed and other assets	0	152
Acquisition of shares and minority interests	0	-17
Cash flow from minority interests (24)	-13	-16
Interest received	506	1,012
Total cash flow from investing activities of continuing operations	-935	-3,748
Cash flow from bank borrowings and long-term financial liabilities	1,860	4,899
Repayment of bank borrowings	-273	-6,238
Interest paid	-356	-741
Repayment of finance leases	-659	-556
Total cash flow from financing activities of continuing operations	572	-2,636
Cash flow from transactions with discontinued operation (31)	312	463
Changes in disposable cash and cash equivalents	87	1,475
Increase / decrease in cash and cash equivalents from continuing operations	4,644	-5,169
Effect of exchange rate fluctuations on cash funds	-6	65
Payments from purchase of consolidated equity interests (Section F.)	-571	0
Cash flow from sale of consolidated equity interests (Section F.)	4,919	8,625
Change in assets and liabilities from the sale of the discontinued operation	0	-732
Change in cash equivalents from initial consolidation (Section F.)	178	0
Cash funds at the beginning of the period	7,423	4,634
Cash funds at the end of the period (21)	16,587	7,423
Composition of cash funds at the end of the period		
Cash and cash equivalents according to the balance sheet	16,854	7,778
Less cash und cash equivalents not disposable	-267	-355
Cash funds at the end of the period	16,587	7,423

Statement of Changes in Equity of the Group
for the Short Financial Year from 1 January to 30 September 2009

	Share of equity attributable to equity holders of the parent						Minority interests (24)	Share-holders' equity (22)
in KEUR	Issued share capital	Treasury stock (23)	Capital reserve	Other reserves	Accumu-lated losses/profit	Total		
1 January 2008	16,200	-1,023	12,269	-306	-1,811	25,329	852	26,181
Changes in scope of consolidation	0	0	0	0	0	0	0	0
Change in minority interests	0	0	0	0	25	25	-42	-17
Distribution to minority interests	0	0	0	0	0	0	-16	-16
Withdrawal from capital reserve	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	589	1,441	2,030	150	2,180
31 December 2008	16,200	-1,023	12,269	283	-345	27,384	944	28,328
1 January 2009	16,200	-1,023	12,269	283	-345	27,384	944	28,328
Changes in scope of consolidation	0	0	0	-141	0	-141	51	-90
Change in minority interests	0	0	0	0	0	0	0	0
Distribution to minority interests	0	0	0	0	0	0	-13	-13
Withdrawal from capital reserve	0	0	-5,040	0	5,040	0	0	0
Total comprehensive income	0	0	0	-70	3,265	3,195	87	3,282
30 September 2009	16,200	-1,023	7,229	72	7,960	30,438	1,069	31,507

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All for One Midmarket AG for the Short Financial Year
from 1 January to 30 September 2009

A. General

All for One Midmarket AG is a public corporation with its headquarters at Gottlieb-Manz-Strasse 1, Filderstadt, Germany. As a leading SAP full-service provider, All for One Midmarket AG's range of products and services includes consulting, the sale of software licenses, outsourcing and IT services. BEKO Holding AG, Nöhagen/Austria, is the parent company of All for One Midmarket AG. CROSS Industries AG, Wels/Austria, is the ultimate parent company. The consolidated financial statements include the company and its subsidiaries.

In the past, the financial year of All for One Midmarket AG was the calendar year. The financial year was changed by resolution of the annual general meeting of 19 May 2009 and in the future begins on 1 October and ends on 30 September of each year. Therefore, these consolidated financial statements encompass the short financial year extending from 1 January to 30 September 2009.

The change in the financial year was made as a result of a majority interest in BEKO HOLDING AG being taken over by CROSS Industries AG, whose financial year ends on 30 September of each year. BEKO HOLDING AG is the principal shareholder of All for One Midmarket AG.

The fact that the short financial year, which extends from 1 January to 30 September 2009, only has nine months means that there are limitations to its comparability with the figures of the prior year.

B. Accounting

The consolidated financial statements of All for One Midmarket AG (hereafter called: All for One, the company or the Group) as at 30 September 2009 are based on the company's uniform accounting principles. The valuation, consolidation and classification principles were applied consistently by all the Group companies. The consolidated financial statements are presented in thousand euros (KEUR) rounded to the next thousand.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), which are required to be applied in the European Union. All of the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) of the International Financial Reporting Interpretations Committee/Standing Interpretations Committee (IFRIC/SIC) required for the preparation of the IFRS consolidated financial statements in this financial year were applied.

The consolidated financial statements of All for One Midmarket AG apply the cost method except for securities and first-time reported assets from business combinations at the time control was assumed. These assets are reported at their respective fair values. Expenses and income are allocated on an accrual basis.

C. New Accounting Standards

Changes in Accounting Principles
The following amendments to the standards of the International Accounting Standards Board (IASB) and new interpretations are to be applied in 2009:

- Improvements to IFRSs (2008)
- IFRS 1 and IAS 27 »Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate« (revised)
- IAS 32 and IAS 1»Puttable Financial Instruments and Obligations Arising on Liquidation« (revised)
- IAS 1 »Presentation of Financial Statements« (revised)
- IFRIC 14 and IAS 19 »The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction«
- IFRIC 13 »Customer Loyalty Programmes«
- IFRS 2 »Share-Based Payments: Vesting Conditions and Cancellations« (revised)
- IAS 23 »Borrowing Costs« (revised)
- IAS 39 and IFRS 7 »Reclassification of Financial Instruments«
- IFRS 8 »Operating Segments«

The All for One consolidated financial statements were directly effected as a result of the adoption of the following standards:

IAS 1 »Presentation of Financial Statements« (revised)
This revised standard requires a change in the presentation of the statement of changes in equity. The standard also introduces a comprehensive income statement, which may be presented either as a single statement or as two associated statements. All for One Midmarket AG presents its comprehensive income statement in the form of two statements.

IFRS 8 »Operating Segments«
The new standard IFRS 8 requires reportable operating segments that meet specified criteria and reflect the management organisation (»management approach«). IFRS 8 was adopted early beginning on 1 January 2008.

Additional New or Revised Standards
The following standards that came into force and were adopted by the European Union (EU) in the course of the short financial year 2009 were not applied to the consolidated financial statements as at 30 September 2009, because it was not yet compulsory to apply them:

- IAS 39 »Financial Instruments: Recognition and Measurement – Eligible Hedged Items« (revised)
- IAS 39 »Reclassification of Financial Assets: Effective Date and Transition«
- IFRIC 15 »Agreements for the Construction of Real Estate«
- IFRS 3 »Business Combinations« (revised)
- IAS 27 »Consolidated and Separate Financial Statements« (revised)
- IFRIC 16 »Hedges of a Net Investment in a Foreign Operation«
- IFRIC 12 »Service Concession Arrangements«

The following standards, which came into force in 2009, were not applied to the consolidated financial statements as at 30 September 2009, because they were not yet adopted by the EU:

- IFRS 1»First Time Adoption of IFRS« (revised)
- IFRIC 17 »Distribution of Non-Cash Assets to Owners«
- IFRIC 18 »Transfers of Assets from Customers«
- IFRS 7 »Improving Disclosures about Financial Instruments« (revised)
- IFRIC 9 and IAS 39 »Embedded Derivatives« (revised)
- Improvements to IFRSs (2009)

The following standards, which will come into force in 2010, were not yet adopted by the EU:

- IFRS 2 »Group Cash-Settled Share-Based Payment Transactions« (revised)
- IFRS 1 »Additional Exemptions for First-Time Adopters« (revised)

D. Structure of Operating Segments

The Group is divided into the two operating segments »Integrated Solutions« and »HR Solutions«. Groupwide expenses and corporate costs were allocated appropriately and directly to the two segments. The income statements and the segment reporting for both the current and prior years were adjusted in accordance with IFRS 5 due to the sale in the past short financial year of AC-Service (Schweiz) AG, Wettingen/Switzerland, a sub-division of the »Integrated Solutions« business division. In each case this sub-division was eliminated from the continuing operations and presented separately as a discontinued operation.

E. Consolidation Principles

All for One Midmarket AG and all subsidiaries over which the company exercises legal or actual control are included in the company's consolidated financial statements.

The exercise of control is presumed once the parent company holds more than 50% of the voting rights in a company or controls the financial or business policies of a company in any other way, or can exercise a controlling influence on the company through a majority in the supervisory board or other executive body.

The financial statements of the companies to be included in the consolidated financial statements are included in the consolidated financial statements from the beginning of the time exercise of control was possible until the end of the time of exercise of control was possible.

The purchase method is used in the capital consolidation of the subsidiaries. At the time of the acquisition the cost of the acquisition is off-set against its revalued equity. The subsidiary's assets and liabilities are measured at fair value as part of the revaluation. Deferred taxes are recognised on hidden reserves and liabilities disclosed as part of the initial consolidation to the extent that this realisation is not also applicable for tax purposes. Acquisition costs not allocated to assets and liabilities are capitalised as goodwill. Recognised hidden reserves and liabilities will be treated like the corresponding assets and liabilities in the following periods and carried over, amortised or eliminated.

Intergroup revenues, expenses and income, as well as all receivables and liabilities among the consolidated companies, were eliminated. The effects on income tax were taken into account for those consolidation transactions treated as income and deferred taxes were recognised.

The effects that the acquisition of former minority shareholdings has on already fully consolidated companies are reported under equity.

F. Scope of the Consolidation and Changes in Group Structure

In addition to All for One Midmarket AG, the consolidated financial statements include all domestic and foreign companies in which the company as at 30 September 2009 directly or indirectly held a majority of the voting rights or exercised control on the basis of other rights in terms of IAS 27.

The following companies are included in the company's consolidated financial statements as at 30 September 2009:

COMPANY	Share in %
AC-Service Beteiligungs GmbH, Filderstadt/Germany	100
All for One Midmarket Solutions & Services GmbH, Vienna/Austria	100
KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn/Germany	56
KWP Professional Services GmbH, Hamburg/Germany	46.5
KWP Austria GmbH, Vienna/Austria	56
KWP Czech s.r.o., Prague/Czech Republic	56
KWP France S.à.r.l., Haguenau/France	56
team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf/Germany	33.6
AC-Service Management AG in liq, Wettingen/Switzerland	100
Process Partner AG, St. Gallen/Switzerland	100
AC Automation Center SA/NV, Zaventem/Belgium	100
AC Automation Center Sàrl, Luxembourg/Luxembourg	100

The annotation »in liq« denotes that AC-Service Management AG is in liquidation.

Changes in the scope of the consolidation during the past short financial year:

All for One Midmarket AG, Filderstadt, obtained control over team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf, on 1 July 2009 when its Group company KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn, acquired 60% of the shareholdings in that company.

Taking the variable purchase price components (earnout agreement) into consideration, the cost of acquisition was approximately EUR 0.7 million, of which EUR 0.6 million has already been paid out.

This business combination generated goodwill in the amount of KEUR 347. This goodwill results primarily from future positive earnings. Furthermore, cash in the amount of KEUR 178 was also acquired.

team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf, is an SAP consulting company that specialises in personnel administration, time management and payroll operations.

The following table shows the fair values recognised on the acquisition date for the acquired assets, debts and contingent liabilities of team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf, and their carrying amounts immediately before the business combination was made:

in KEUR	Fair values on acquisition date	Carrying amounts directly before the business combination
Non-current assets		
Goodwill	347	0
Other intangible assets	635	0
Tangible fixed assets	26	26
Financial assets	4	4
Non-current assets	1,012	30
Current assets		
Trade accounts receivable	354	354
Current income tax assets	104	104
Cash and cash equivalents	178	178
Current assets	636	636
Total assets	1,648	666
Non-current liabilities		
Deferred tax liabilities	200	2
Non-current liabilities	200	2
Current liabilities		
Provisions	31	31
Current income tax liabilities	114	114
Trade accounts payable	1	1
Other liabilities	439	439
Current liabilities	585	585
Total liabilities	785	587

The scope of the consolidation as at 30 September 2009 also changed from that at the end of the prior year through the sale of the company AC-Service (Schweiz) AG, Wettingen/Switzerland. AC-Service (Schweiz) AG, Wettingen/Switzerland, was deconsolidated on 31 August 2009. The resulting gain on the deconsolidation in the amount of KEUR 2,199 was recognised under »discontinued operation«.

G. Foreign Currency Translation

The items recognised in the financial statements of the individual companies within the Group are valued on the basis of the respective functional currency. The consolidated financial statements are prepared in the euro currency. All for One's reporting currency and functional currency is the euro.

Transactions made in foreign currencies are translated into the functional currency at the prevailing rate of exchange on the date of the transaction. Foreign-currency monetary assets and liabilities are translated at the exchange rate on the balance sheet date. Exchange differences are recognised in the income statement under other operating expenses. Non-monetary assets and liabilities, which were valued at historical cost in a foreign currency, are translated at the exchange rate on the day of the business transaction.

The translation of the financial statements of the included companies, whose functional currency differs from the Group's reporting currency, is made as follows: The assets and liabilities are translated at the period-end exchange rate, equity at historical rates and the expenses and income at the average annual exchange rate. The resulting exchange differences are recognised as equity not affecting net income.

The most important exchange rates changed in relation to the euro as follows:

	Year-end rate		Average exchange rate	
in EUR	9/2009	12/2008	1-9/2009	1-12/2008
CHF	1,5148	1,5000	1,5102	1,5874
CZK	25,3460	26,8750	26,6329	24,9460

H. Accounting and Valuation Principles

The financial statements of All for One Midmarket AG and its domestic and foreign subsidiaries are prepared in accordance with IAS 27 using uniform accounting and valuation principles.

Assumptions and Estimates
Assumptions were made and estimates were used when preparing the consolidated financial statements, which affected the disclosure and amounts of the reported assets, debts, income, expenses and contingent liabilities. In some cases, the actual amounts may vary from the assumptions and estimates that were made. Changes will be recognised in the income statement at the time more accurate information becomes available.

In this regard, particular note should be made of the reporting and valuation of goodwill and other intangible assets (note 11), trade accounts receivable (note 18), provisions (note 25), current and deferred (income) tax assets and liabilities (note 15, 16 and 27).

Recognition of Revenues and Expenses
Sales revenues and other operating income are credited to the income statement at the time the product is delivered to, or the service is rendered for, the customer. Sales revenues are reported without value-added tax and take into consideration sales adjustments such as credit notes, commercial discounts and similar deductions.

Revenues from software maintenance and service agreements, as well as from managed services, are recognised on an accrual basis. Revenues from the sale of licenses are considered realised when the customer acquires actual power of disposition over the software.

Consulting and training revenues are generated on the basis of individual services agreements and realised as the services are performed.

In accordance with IAS 18 and in conjunction with IAS 11, revenues from the rendering of longer-term project contracts are recognised with reference to their stage of completion using the percentage of completion method of accounting. The stage of completion is determined on the basis of the hours of work already performed in relation to the estimated total number of hours for the respective project. The amount of revenue to be recognised on the reporting date is determined by applying this result (as a percentage) to the total revenues.

Operating costs are recognised in the income statement at the time use is made of the rendered service, or at the time of its causation, while interest income and expenses are recognised on an accrual basis. Income and expenses from profit and loss transfer agreements are recognised at the end of the financial year. Dividends are recognised at the time they are distributed.

Financial Result
Valuation differences from adjustments of foreign currency exchange rates, which arise on financial assets and liabilities including internal Group financial relationships, are reported in the financial result.

Financial income includes dividend income from unconsolidated equity interests, interest income from loans granted and assets from finance leases as well as other income directly related to the financing or the investment in financial assets.

Financial expenses include the interest expenses from loans and finance lease obligations, as well as other expenses directly related to the financing or the investment in financial assets, insofar as these are not required to be reported as shareholders’ equity. Interest expenses are recognised in the income statement using the effective-interest method. The cost of borrowed capital is not capitalised.

Government Grants
These government grants relate to assets. In accordance with IAS 20, they are only recognised when there is reasonable assurance that any conditions attached to the grants will be complied with and that the grants will be awarded.

Earnings per Share
Earnings per share are determined on the basis of dividing the annual net earnings by the average number of shares outstanding (issued shares less treasury stock). There are no effects from dilution.

Goodwill
Goodwill arises from the application of the purchase method to business combinations, provided the cost exceeds the fair value of the net assets of the purchased subsidiary on the acquisition date. In accordance with IFRS 3 no goodwill amortisation has been made since 1 January 2005.

Other Intangible Assets
Acquired and self-created intangible assets are capitalised at cost or fair value if it involves business combinations, provided that the criteria stipulated in IAS 38 are met. Regular straight-line amortisation is made over the projected useful lives of the assets, provided that their useful lives can be determined with sufficient accuracy.

Impairment of Goodwill and Other Intangible Assets
Goodwill and other intangible assets with an indefinite useful life are tested for impairment at least once a year in accordance with IAS 36. Each impairment loss is recognised immediately in the income statement. All other intangible assets are tested for impairment as circumstances dictate. For impairment testing, assets are allocated where necessary to the smallest identifiable group of assets, or cash-generating unit, which generates cash flows that can be measured. An impairment loss is recognised when the cash-generating unit's carrying amount is greater than the recoverable amount. This is determined by the higher of the fair value less costs to sell and the value in use as measured using the discounted cash flow method.

Tangible Fixed Assets
Tangible fixed assets are reported at cost less regular straight-line depreciation in accordance with IAS 16.

Regular depreciation is made across the projected useful life of the assets within the Group, which are as follows:

	Years
Buildings	30
Leasehold improvements	2 - 15
IT systems	3 - 6
Operating and office equipment	4 - 13

Land is not depreciated.

An impairment loss is charged against earnings in accordance with IAS 36 in the event that the carrying amount is greater than the estimated recoverable amount. Any income or loss generated from the disposal of tangible fixed assets is reported in the income statement.

Leasing Arrangements
Leased assets under IAS 17, which are leased under terms by which the Group assumes all substantial risks and benefits incident to ownership from an economic perspective, are classified as finance leases and capitalised as non-current assets at the time of acquisition. At the same time, financial liabilities of the corresponding amount are recognised. Recognition is made at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. The depreciation methods and useful lives should be consistent with those for other comparable purchased assets. The interest component of lease payments is recognised in the interest result.

Lease payments are recognised in full as an expense in the case of operating leases in which beneficial ownership remains with the lessee.

Financial Assets
Financial assets in terms of IAS 39, which are of relevance for All for One, are classified as follows:

- held-to-maturity investments
- receivables and loans
- available-for-sale financial assets

With the exception of receivables and loans, financial assets with determinable payments and fixed terms, which the company can and wishes to hold to maturity, are classified as held-to-maturity investments. These financial investments with a maturity of more than twelve months after the balance sheet date are reported as **non-current assets**, while all others are reported as **current assets**. In particular, the former includes entitlements from finance leases as well as other assets. Their value is stated at nominal value or at the original cost including transaction costs less cumulative value adjustments.

Cash and cash equivalents include cash on hand and deposits in banks. Changes in fair values are recognised in the financial result. **Trade accounts receivable** are reported less value adjustments. Accounts receivable exposed to an increased risk of default are evaluated individually and written down as needed. As yet uncompleted contract activity from consulting or managed services agreements is valued using the percentage of completion method and reported under trade accounts receivable, provided it is probable that payment will be made to the Group. Included under **available-for-sale financial assets** are those assets that cannot be allocated to the categories above. Gains and losses from the evaluation of the fair value are recognised directly in equity. Cumulative profit or losses that were previously recognised in equity are reported in the income statement at the time the financial investments are cancelled.

Hedging Transactions
Hedging transactions are reported in the balance sheet at fair value and revalued based on their performance.

The manner in which a change of fair value is recognised depends on whether the instrument meets the criteria for hedge accounting. To qualify for hedge accounting, a hedging relationship must fulfil specific requirements relating to the documentation, the probability of its occurrence, the effectiveness of the hedging instrument and the reliability of the valuation. At the inception of a hedge, the relationship between the hedging instrument and the hedged item, as well as the purpose and strategy of the risk hedging, is documented. At its inception, a hedging instrument that qualifies for hedge accounting is defined as a) a hedge of the fair value of the recognised asset or liability (»fair value hedge«), or b) a hedge of the cash flow from a future transaction or from a firm commitment (»cash flow hedge«), or c) a hedge of a net investment in a foreign Group company.

Changes in the value of hedging instruments, which are used to hedge the fair value of a balance sheet item and which are effective hedges, are recognised in the income statement together with the change in the fair value of the hedged asset or liability. Fair value adjustments from cash flow hedging instruments, which can be allocated to the effective portion, are recognised in the statement of all income and expenses reported under equity. The change in fair value attributable to the ineffective portion is recognised in the income statement. Hedges of net investments in foreign Group companies are recognised in the same way as cash flow hedges from a future transaction or firm commitment.

When a hedging instrument expires or is sold, or when the conditions set forth for the hedging transactions are no longer met, then the cumulative changes in fair value up to that time remain in the statement of all the income and expenses reported under equity and are only then recognised in the income statement if the future transaction actually occurs. If however, the future transaction is no longer expected to occur, then the cumulative changes in fair value under equity are immediately transferred to the income statement.

All hedging instruments were appropriately dissolved or discontinued in the financial year 2008.

Minority Interests
Minority interests include their share of the fair values of the identifiable assets and liabilities at the time the subsidiary is acquired, as well as the gains and losses assigned to these shares in subsequent periods. Minority interests are reported as equity in the Group balance sheet.

Inventories
Inventories of merchandise (hardware and software for resale) are valued at average cost or their potentially lower net realisable sale value. An appropriate value adjustment will be made for any other impairment.

Provisions
Provisions are made for obligations of uncertain amount or cause, if there is a legal or actual obligation stemming from an event occurring prior to the balance sheet date and if it is probable that an economic cost will be incurred in fulfilling the obligation. Long-term provisions with a remaining term of more than one year are reported at their discounted settlement amount on the balance sheet date, provided the discounting effect is significant.

Post-Employment Benefit Liabilities
All for One's active and former employees receive benefits and pensions based on the various local statutory post-employment benefit plans. In addition to defined contribution plans, there are also defined benefit plans whose value is determined using the projected unit credit method stipulated in IAS 19. The employer contributions for the respective period are recognised in the income statement for all defined contribution plans.

In the case of defined benefit plans, actuarial gains and losses are recognised as income or expenses as soon as they fall outside a defined corridor. The amounts that exceed the corridor are distributed across the expected overall term of the agreement. An independent insurance expert will appraise all material commitments and the assets used to cover them annually.

Liabilities
Trade accounts payable and other liabilities are reported at their nominal value or repayment amount.

Financial Liabilities
The financial liabilities include interest-bearing liabilities from loans and from finance lease transactions as well as short-term liabilities to banks. These are reported at their nominal value or repayment amount.

Taxes
Current income taxes are calculated on the basis of earnings before taxes taking into account the respective country-specific regulations governing the computation of taxable income.

Deferred tax assets and liabilities result from the differences between the amounts stated for assets and liabilities in the tax balance sheet and the consolidated financial statements, provided such differences are not permanent. The Group uses the liability method, according to which deferred tax assets or liabilities can be determined based on the legal principles that are either valid or actually in force on the balance sheet date. In this case the tax rates at the time of the projected tax realisation are applied. Deferred tax assets also result from accumulated tax losses that can be carried forward (tax loss carry forwards), which can be offset against subsequent taxable earnings.

Deferred tax assets on temporary differences and on tax losses brought forward are only recognised in an amount corresponding to the probability that in the foreseeable future there will be sufficient taxable income available and that the Group will derive a benefit from applying them to it. The foreseeable future is principally considered to be the next four financial years.

Deferred tax assets and liabilities are not discounted and are reported in the balance sheet as non-current assets and liabilities.

Other taxes, such as transaction taxes or taxes on wealth and capital, are shown as operating expenses.

Personnel Figures
Unless otherwise indicated, the personnel figures refer to the number of individuals employed. Part-time positions are not included on a pro rata basis. Trainees and interns are not included in the personnel figures.

Segment Reporting
All for One has been preparing segment reporting in accordance with what is known as the »management approach« (IFRS 8) since the financial year 2008, and has fundamentally reorganised its segments in line with the changed management organisation and corporate structure. As a result, the Group is divided into the two business divisions »Integrated Solutions« and »HR Solutions«. The company AC-Service (Schweiz) AG, Wettingen/Switzerland, which was sold in August 2009, is reported under »discontinued operation«. In addition, the wholly owned subsidiary ACCURAT Informatik GmbH, Dreieich, that was sold in May 2008 is reported under »discontinued operation« in the prior-year figures. An allocation formula is used to appropriately distribute to the two business divisions those Group expenses that cannot be directly allocated.

The service charges between segments (intersegment revenues) are made at prices comparable to those of independent business partners. All internal service charges are shown separately in the segment information and are eliminated accordingly under »consolidations«.

All operating assets and liabilities (except tax liabilities) that can be allocated either directly or on the basis of an objective allocation formula are reported in the respective segments.

The segment reporting by country is divided into the markets in Germany, Austria, Switzerland and the rest of Europe, thus reflecting those All for One sales markets in which the Group operates with its own companies.

Integrated Solutions Segment
The Integrated Solutions segment encompasses a full range of products and services geared towards end-to-end customer support that starts with management consulting and extends from software licenses, industry solutions, implementation and optimisation projects all the way to software consulting, outsourcing and managed services, and covers the entire spectrum of business processes.

HR Solutions Segment
The core of the HR Solutions segment is the human resources platform SAP HCM (Human Capital Management, HCM), which forms the basis for providing comprehensive implementation, consulting and support services all the way to recurring HR outsourcing and HR business process outsourcing services.

Cash Flow Statement
The cash flow statement depicts an analysis of the changes in cash and cash equivalents. In accordance with IAS 7, the cash flow statement differentiates between cash flows from operating activities, investing activities and financing activities. The cash flow statement is derived from the Group balance sheet and income statement using the indirect method. Influences from changes in the scope of the consolidation, effects from the application of IFRS 5, as well as any currency-related valuation differences on the cash and cash equivalents, are reported separately.

Contingent Liabilities
Potential obligations for which the outflow of resources is considered improbable are not reported in the balance sheet and their potential projected financial effects (exposure) are reported as contingent liabilities.

Discontinued Operation
The discontinued operation includes all the assets and liabilities of the 95% subsidiary AC-Service (Schweiz) AG, Wettingen/Switzerland. All the shareholdings in the company were sold effective 31 August 2009.

The »discontinued operation« item of the previous year also includes all the assets and liabilities of the wholly-owned subsidiary ACCURAT Informatik GmbH, Dreieich, which was sold on 19 May 2008.

I. Risk Management

Financial Risks
Financial risk management is handled according to the principles established by the company. These govern the company's protection against currency, interest and credit risks, cash management and short-term and long-term financing. The goal is to reduce financial risks while weighing the hedging costs against the risks being taken. Derivative financial instruments to hedge the mainstream business may be used when deemed appropriate. In order to minimise the counterparty credit risk, transactions will only be made with first-class counterparts.

Currency Risks
Fluctuations in currency rates have an impact on the presentation of assets and liabilities in the consolidated financial statements that are prepared in euros, insofar as assets and liabilities are denominated in currencies other than the euro. This is why All for One strives to finance its assets in the same currency. Revenue recognition within the individual companies is made predominantly in the same currency as that used for expenses. To the extent deemed necessary, remaining risks involved in foreign-currency accounting are covered using currency transactions (futures, options). Foreign currency hedges are not being used at the present time.

Changes in Interest Rate Risks
There will be exposure to changes in interest rates as long as there are long-term, interest-bearing liabilities with variable interest rates. These risks are minimised by interest hedges. Interest hedges are not being used at present due to the expected downward trend in interest rates.

Liquidity Risks
All for One places the utmost importance on maintaining solvency at all times. Each company maintains an adequate amount of cash. The lead operating company All for One Midmarket AG also has liquidity reserves and unused operational funding lines of credit.

Credit Risks
Credit risks arise primarily from affording clients time to make payments and from the counterparty risk involved in financial transactions. The credit risks from providing services and products are addressed in part through commercial credit insurance, credit checks on customers, monitoring of accounts receivable and the implementation of regular reminder procedures.

Explanatory Notes to the Consolidated Financial Statements

J. Income Statement

The income statement was prepared according to the aggregate cost method.

1. Sales Revenues
Sales by type of revenue are depicted as follows:

in KEUR	1-9/2009	1-12/2008
Consulting	24,939	32,161
Outsourcing services	20,974	23,161
Software licenses	6,586	13,845
Hardware	2,107	2,921
Other sales	127	334
Total	54,733	72,422

Sales revenues include deferred revenues of KEUR 4,534 (prior year: KEUR 6,247) determined by using the percentage of completion method. The segment reporting provides additional breakdowns by business division and country.

Sales revenues from the BEKO Group were KEUR 78 (prior year: KEUR 85).

2. Other Operating Income

in KEUR	1-9/2009	1-12/2008
Investment tax credits	39	84
Income from release of provisions and value adjustments	242	137
Insurance benefits	0	5
Marketing support	223	438
Other items	397	248
Total	901	912

In 2009 investment tax credits of KEUR 39 were received for the year 2008. In the prior year investment tax credits totalling KEUR 84 were received for the year 2007.

3. Cost of Traded Goods and Third Party Services

in KEUR	1-9/2009	1-12/2008
Third party services	11,653	14,341
Cost of traded goods	5,958	11,770
Total	17,611	26,111

Third-party services mainly include expenses for SAP maintenance contracts. The cost of traded goods is primarily a result of the purchase of SAP software licensing rights and the procurement of hardware for customer projects. Services to the value of KEUR 45 (prior year: KEUR 89) were purchased from the BEKO Group.

4. Personnel Expenses

in KEUR	1-9/2009	1-12/2008
Salaries and wages	21,438	27,247
Social security contributions	3,002	3,805
Defined contribution plan expenses	374	440
Defined benefit plan expenses	118	100
Other personnel expenses	89	382
Total	25,021	31,974

PERSONNEL CAPACITY BY FUNCTION	30 Sep 2009	31 Dec 2008
Outsourcing services and consulting	302	319
Sales	34	40
Administration	51	46
Total	387	405

In the short financial year 2009 All for One employed an average of 416 employees (12 months 2008: 416 employees).

5. Post-Employment Benefit Liabilities

The following information provides an overview of the financial situation of the defined benefit plans as at 30 September 2009 and 31 December 2008:

in KEUR	2009	2008
Benefit obligations as at 1 January (incl. discontinued operation)	23,168	22,970
less share of discontinued operation	-19,771	0
Benefit obligations as at 1 January	3,397	22,970
Interest expense*	88	762
Current service cost*	184	1,023
Benefits*	-688	-4,060
Contributions*	0	848
Actuarial profits/losses*	49	-716
Participant contributions*	201	66
Foreign currency differences*	-31	2,275
Benefit obligations as at 30 September (2008: 31 December)	3,200	23,168
Market value of plan assets as at 1 January (incl. discontinued operation)	-22,204	-24,424
less share of discontinued operation	19,570	0
Market value of plan assets as at 1 January	-2,634	-24,424
Expected return on plan assets*	-69	-1,008
Company contributions*	-110	-650
Participant contributions*	-101	-416
Benefits*	688	4,060
Contributions*	-201	-914
Actuarial losses/profits*	-179	3,581
Foreign currency differences*	25	-2,433
Market value of plan assets as at 30 September (2008: 31 December)	-2,582	-22,204
Deficit	618	964
Uncapitalised surplus (Asset Ceiling as per IAS 19.58A)	0	1,005
Unconsidered actuarial losses*	-350	-1,702
Post-employment benefit liability as at 30 September (2008: 31 December)	267	267

* the prior year balance also includes the discontinued operation

The changes in post-employment benefit liabilities are as follows:

in KEUR	2009	2008
Post-employment benefit liability as at 1 January	267	255
Expenses for benefit plans recognised in the income statement*	118	653
Company contributions*	-110	-650
Foreign currency differences*	-8	9
Post-employment benefit liability as at 30 September (2008: 31 December)	267	267

* the prior year balance also includes the discontinued operation

The following benefit expenses were recognised under personnel expenses:

in KEUR	1-9/2009	1-12/2008
Current service cost	184	217
Interest expense	88	82
Expected return on benefit plan assets	-69	-88
Amortised loss	16	2
Gross benefit expense for the period	219	213
Participant contributions	-101	-113
Uncapitalised additional payments	0	0
Total expenses for benefit plans	118	100

The assumptions for the actuarial valuations differ for each individual plan, since they were made by taking into consideration the specific circumstances of the asset investment strategy and the personnel structure of the affiliated companies. The following table shows the key benchmarks of the plans that are included in the calculation and the average weighted assumptions on which the actuarial estimates of the defined benefit plans were based:

in KEUR	2009	2008*
Number of plans	3	4
of which with assets set aside	2	2
of which with no assets set aside	1	2
Number of individuals participating in the plans	31	135
of whom are active insurance participants	31	93
of whom are retired	0	42
Discount rate (weighted)	3.59%	3.41%
Expected return on plan assets (weighted)	3.57%	3.99%
Development of wages	0 - 1.0%	0 - 1.0%
Development of pensions	0 - 2%	0 - 2%
Average projected remaining working life of participants	7 - 19 years	10.7 - 20 years
Effective return on plan assets	9.42%	-10.53%

* the prior year information also includes the discontinued operation

A discount rate of 5.96% was used for the German post-employment benefit plans. A discount rate of 3.50% was used for the Swiss post-employment benefit plans.

The following table shows how the defined benefit obligations are secured and the impact of variances between the expected and actual value of the plan assets over the past few years:

in KEUR	2009	2008*	2007*	2006*	2005*
Plan assets	-2,582	-22,204	-24,424	-24,714	-22,511
Obligations from benefit plans	3,200	23,168	22,970	23,172	22,380
Deficit/Surplus	618	964	-1,454	-1,542	-131
Difference between the expected and actual value	179	-3,581	648	-1,560	-674
Adjustments to benefit obligations	142	242	-37	117	550

* the information of the prior years also includes the discontinued operation

The average weighted distribution of the plan assets as at 30 September 2009 and 31 December 2008 is shown below:

in %	2009	2008*
Rented properties	10	13
Owner-occupied properties	0	21
Obligations CHF	32	29
Obligations other currencies	14	2
Shares Switzerland	6	8
Shares other countries	13	12
Proprietary financial instruments	0	9
Liquid assets and other financial assets	25	6
Total plan assets	100	100

* the prior year information also includes the discontinued operation

The expected payments for All for One’s post-employment benefit plans for the financial year 2009/10 are KEUR 160 (prior year: KEUR 661, incl. discontinued operation).

6. Depreciation and Amortisation

The amounts of depreciation and amortisation are determined by the changes in non-current assets (see statement of changes in non-current assets).

7. Other Operating Expenses

in KEUR	1-9/2009	1-12/2008
Vehicle costs	2,247	2,999
Data processing expenses	2,598	2,171
Cost of premises	1,116	1,904
Travel and overnight accommodation expenses	842	1,760
Marketing and advertising	533	1,011
Human resource management expenses	526	981
Other items	1,686	2,398
Total	9,548	13,224

KEUR 0 (prior year: KEUR 12) of the other operating expenses relate to the BEKO Group.

8. Financial Result

Financial income includes finance lease interest income in the amount of KEUR 454 (prior year: KEUR 606). Financial expense includes finance lease interest expenses in the amount of KEUR 138 (prior year: KEUR 58).

9. Income Tax

Tax expenses consist of the following:

in KEUR	1-9/2009	1-12/2008
Current tax expense	-581	-708
Deferred tax expense	-54	-6
Total	-635	-714

CURRENT TAX EXPENSES in KEUR	1-9/2009	1-12/2008
Current income tax for the reporting year	-583	-723
Current income and withholding taxes relating to prior periods	2	15
Total	-581	-708

EXPENSE / REVENUE FROM DEFERRED TAXES in KEUR	1-9/2009	1-12/2008
Change in tax charge on undistributed profits for the reporting year	31	-23
Change in timing differences for the reporting year	105	-181
Recognition of tax assets from tax losses brought forward for prior years	-190	198
Total	-54	-6

Reference is made to deferred tax assets (note 15) and deferred tax liabilities (note 27) regarding the changes in deferred tax assets and liabilities.

Current taxes are calculated on the basis of prevailing tax rates. In Germany the combined tax rate amounted to 30% (prior year: 30%) and comprises a corporate income tax rate of 15%, the solidarity surcharge of 5.5% on this corporate income tax and a municipal trade tax of 13.5%.

The following table shows a reconciliation of the expected and the actually reported tax expenses:

in KEUR	1-9/2009	1-12/2008
EBT	967	-615
(prior year: 39%)	-291	184
(Net) tax effect from non-taxable expenses/revenues	-181	-133
Deferred tax expenses/revenues from tax losses brought forward for prior years	-190	198
Current tax expenses/revenues relating to prior periods	-2	7
Current tax losses not utilised	-53	-1,274
Effect of different tax rates in foreign countries	81	319
Other effects	1	-15
Total	-635	-714

The transition of the changes in deferred tax assets and liabilities to the expense/revenue from deferred taxes reported in the income statement is shown below:

Changes in Deferred Tax Assets and Liabilities

in KEUR	2009	2008
Change in deferred tax assets	-293	-12
Change in deferred tax liabilities	139	12
Total	-154	0
Tax assets/liabilities from discontinued operation	125	0
Tax expense recorded in the income statement*	-54	-2
Tax expense recorded in the shareholders' equity*	0	14
Initial consolidation	-224	0
Foreign currency differences*	-1	-12
Total	-154	0

* the prior year balances also include the discontinued operation

10. Earnings per Share
Earnings per share were calculated based on the net annual earnings and the average number of shares outstanding (issued shares less treasury stock). An average number of 5,173,418 (prior year: 5,173,418) were outstanding in the year 2009.

The average number of shares (diluted) outstanding is the same as the average number of shares (undiluted) outstanding. The diluted earnings per share are therefore the same as the undiluted earnings per share.

K. Notes to the Balance Sheet

11. Goodwill and Other Intangible Assets
The Group balance sheet as at 30 September 2009 reported goodwill with a balance sheet value of KEUR 4,867 and other intangible assets with a balance sheet value of KEUR 10,068. In order to determine if any assets may be impaired, the company estimated the expected cash flows from the use and eventual sale of the assets. The actual cash flows derived may vary from the projected cash flows and from the cash flows discounted to the balance sheet date. In particular, any departure of customers from the core client business accounted for in the balance sheet, and the subsequent lower-than-projected amount of products and services sold, may result in shortened useful lives and impairment.

Impairment Testing of Goodwill and Trademark Rights
For the purpose of performing impairment tests, All for One has designated the following companies as cash-generating units to which the respective goodwill and trademark rights are allocated. The value in use was applied when testing goodwill and trademark rights for impairment. The value in use of the future cash flows was determined using the discounted cash flow method, which does not take tax payments into consideration. As in the prior year, the applied discount rate built on the capital asset pricing model and was derived from the average weighted cost of equity and borrowed capital. The cost of equity is based on a risk-free capital-market interest rate for the respective period taking into consideration the Beta factor for the industry and a risk premium based on the relevant capital market. From this a pre-tax discount rate was derived based on the tax situation.

Current assets and earnings projections for the next five years have been prepared for the cash-generating units, which reflect and incorporate the company’s latest estimates regarding how these units’ sales and costs will develop. Prospective cash flow statements were derived from this and plausible assumptions were made about the further development in the years to follow that reflect a growth rate of 1%.

Goodwill and Trademark Rights
Goodwill totalled KEUR 4,867 (prior year: KEUR 4,520) as at 30 September 2009.

The amount of goodwill increased by KEUR 347 as a result of KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn, having acquired 60% of the shareholdings in team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf, effective 1 July 2009. In the process, a residual amount of KEUR 347 from the difference between the cost of the acquisition and the acquired fair values was recognised as goodwill.

No goodwill amortisation was made in the reporting year.

GOODWILL in KEUR	2009	2008
KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn	365	365
Process Partner AG, St. Gallen/Switzerland	1,596	1,596
All for One Midmarket Solutions & Services GmbH, Vienna/Austria	125	125
All for One Midmarket Solutions & Services GmbH, Stuttgart (merged into the Group parent in September 2008)	2,434	2,434
team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf	347	-
Total	4,867	4,520

Trademark rights of the (former) All for One Midmarket Solutions & Services GmbH, Stuttgart, in the amount of KEUR 3,283 are reported under other intangible assets.

The goodwill and trademark rights were tested for impairment at the end of the short financial year. This testing showed no impairment of the goodwill and trademark rights allocated to the cash-generating units as at 30 September 2009. The company believes, extraordinary events and circumstances aside, that a revision of its assumptions would not lead to the carrying amounts of the goodwill and trademark rights exceeding their respective recoverable amounts.

KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn: The implied average pre-tax discount rate is 10.66% (prior year: 10.49%).

Process Partner AG, St. Gallen/Switzerland: The implied average pre-tax discount rate is 9.31% (prior year: 9.11%).

All for One Midmarket Solutions & Services GmbH, Vienna/Austria: The implied average pre-tax discount rate is 10.05% (prior year: 9.84%).

(Formerly) All for One Midmarket Solutions & Services GmbH, Stuttgart: The implied average pre-tax discount rate is 10.35% (prior year: 10.35%).

team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf: The implied average pre-tax discount rate is 10.96%.

OTHER INTANGIBLE ASSETS in KEUR	Purchase price 30 Sep 2009	Additions reporting year	Estimated useful life Months	Remaining useful life Months	Net carrying amount
Internal SAP R/3 solution	278	0	60	0	0
Customer base former All for One Midmarket Solutions & Services GmbH, Stuttgart	6,283	0	18 - 180	124	4,703
Industry solutions All for One Midmarket Solutions & Services GmbH, Stuttgart	1,238	0	60	4	330
Trademark rights All for One Midmarket Solutions & Services GmbH, Stuttgart	3,283	0	infinite	infinite	3,283
Customer base Process Partner AG, St. Gallen/Switzerland	345	0	72	15	72
Customer base KWP Kümmel, Wiedmann + Partner nternehmensberatung GmbH, Heilbronn	374	0	120	53	203
Preferred partnership agreement	655	0	72	15	246
Customer base KWP Austria GmbH, Vienna/Austria	123	0	96	29	53
Customer base All for One Midmarket Solutions & Services GmbH, Vienna/Austria	133	0	96	34	92
Customer base team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf*	628	628	120	117	612
Volume of orders team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf*	83	83	6	3	42
Internal SAP ECC 6.0 solution**	45	45	-	-	45
Other acquired intangible assets	1,449	13	12 - 72	0 - 48	387
30 September 2009	14,917	769			10,068

* addition from change in the scope of the consolidation

** planned completion in 2010

12. Tangible Fixed Assets
Your attention is directed to the statement of changes in non-current assets regarding the composition of tangible fixed assets.

The land and buildings pertain to a Belgian Group company's commercial building.

Under leasehold improvements are also included those improvements over which the lessor has since assumed legal ownership, but which remain in the beneficial ownership of the lessee for the term of the lease. The useful life for depreciation purposes is the shorter of the remaining term of the lease or the useful life.

The other tangible fixed assets include office machines and equipment, office furniture and furnishings, as well as company cars.

The lessor has legal ownership of the tangible fixed assets in the amount of KEUR 2,640 (prior year: KEUR 1,256) under finance leases.

13. Non-Current Financial Assets
Non-current financial assets primarily comprise receivables from finance lease contracts in the amount of KEUR 3,846 (prior year: KEUR 3,791), deposits paid in the amount of KEUR 15 (prior year: KEUR 10) and other loans in the amount of KEUR 74 (prior year: KEUR 49).

There are no finance lease contracts with a remaining term of more than five years. The share of unrealised interest in the income from finance leases is KEUR 436 (prior year: KEUR 473).

The average remaining term of the lease receivables is approximately 26 months (prior year: 27 months) for the contracts of AC Automation Center Sàrl, Luxembourg/Luxembourg. The average remaining term of the lease receivables for the contracts of AC-Service (Schweiz) AG (discontinued operation), Wettingen/Switzerland, was 18 months in the prior year.

14. Other Non-Current Assets
The other non-current assets of the prior year mostly included a residual claim in the amount of KEUR 1,523 from the sale of ACCURAT Informatik GmbH, Dreieich, which is reported under other current assets in the short financial year 2009. Furthermore, there were support and maintenance entitlements of KEUR 405 in the prior year, which were eliminated for this short financial year 2009 due to the sale of AC-Service (Schweiz) AG, Wettingen/Switzerland.

15. Deferred Tax Assets

in KEUR	2009	2008
1 January	3,444	3,456
Change in capitalised loss carry forwards*	-190	198
Change in taxable goodwill*	-129	-172
Other increases*	29	2
Other decreases*	-3	-42
Foreign currency translation differences*	0	2
30 September (prior year: 31 December)	3,151	3,444

* the prior year balances also include the discontinued operation

Temporary Differences and Assets from Deferred Taxes

in KEUR	Loss carry forward / temporary differences 2009	Deferred tax assets 2009	Loss carry forward / temporary differences 2008	Deferred tax assets 2008
German tax loss carry forwards	3,667	1,100	4,333	1,300
Austrian tax loss carry forwards	344	86	304	76
Taxable goodwill	6,316	1,895	6,747	2,024
Post-employment benefit liabilities	196	42	198	43
Other timing differences	94	28	6	1
Total	10,617	3,151	11,588	3,444

As at the balance sheet date, All for One Midmarket AG had corporation tax loss carry forwards of KEUR 26,149 (prior year: KEUR 24,817) and municipal trade tax loss carry forwards of KEUR 25,181 (prior year: KEUR 24,030). As at 30 September 2009 deferred tax assets of KEUR 1,100 (prior year: KEUR 1,300) were recognised. All for One Midmarket AG's current budget planning for the coming years shows future taxable earnings, which indicate the probable use of the tax loss carry forwards in the amount recognised.

The subsidiary All for One Midmarket Solutions & Services GmbH, Vienna/Austria, has a tax loss carry forward of KEUR 4,026 (prior year: KEUR 3,993) that was capitalised as a deferred tax asset in the amount of KEUR 86 (prior year: KEUR 76).

Recognition of deferred tax assets is made on the basis of each respective company's budget. These budgets are revised annually and require a variety of estimations. These estimations may change as a result of changes in the market, competitive environment, customer structure and general economic situation. There is a great deal of volatility involved in recognising deferred tax assets in light of the regular reassessments that are made.

16. Current and Deferred (Income) Tax Assets and Liabilities
As at 30 September 2009, All for One showed net liabilities from current income taxes in the amount of KEUR 20 and net liabilities from deferred taxes in the amount of KEUR 778. The management board has to make far-reaching estimates to determine the receivables and liabilities relating to current income taxes and deferred taxes. These estimates are based among other things on the interpretation of each country's prevailing tax laws and regulations. The management board makes estimates about the subsidiaries' future taxable earnings situation both upon the initial recognition and regular determination of deferred tax assets from chargeable tax loss carry forwards. Numerous internal and external factors can have favourable or unfavourable impacts on the assets and liabilities from deferred income taxes. Changes can also be attributable to amendments in tax legislation, final tax assessment notices and the favourable or less-favourable way that the taxable income projections for the subsidiaries develop. Such factors may necessitate adjustments in the reported income tax assets and liabilities.

17. Inventories
Inventories consist of hardware for further sale in the amount of KEUR 292 (prior year: KEUR 325), software for further sale in the amount of KEUR 38 (prior year: KEUR 148) and expendable and operating materials in the amount of KEUR 6 (prior year: KEUR 9).

Value adjustments for software for further sale totalled KEUR 18 (prior year: KEUR 96).

18. Trade Accounts Receivable

in KEUR	2009	2008
Accounts receivable from BEKO Group	29	13
Accounts receivable from other third parties	12,450	15,757
Value adjustments	-573	-803
Total	11,906	14,967

Changes in Allowances for Doubtful Accounts
The KEUR 803 in allowances for doubtful accounts as at 31 December 2008 was reversed by KEUR 132, utilised in the amount of KEUR 405 and increased by KEUR 400. Foreign currency translation differences of KEUR 1 and changes to the scope of the consolidation in the amount of KEUR 92 must be taken into consideration to arrive at the allowances of KEUR 573 as at 30 September 2009.

The following table shows the breakdown of trade accounts receivable not yet due and overdue based on the terms agreed to with the customers and the age structure of the receivables:

in KEUR	2009	2008
Total gross trade accounts receivable	12,479	15,770
Thereof:		
Not yet due	5,759	8,671
Due under 1 month	3,422	4,354
Due between 1 and 3 months	1,532	785
Due between 3 and 6 months	619	576
Due between 6 and 12 months	629	485
Due after 12 months	518	899
Value adjustment	-573	-803
Total net trade accounts receivable	11,906	14,967

The allowances for doubtful accounts are determined based on the difference between the nominal value of the accounts receivable and their estimated net recoverable amounts.

The trade accounts receivable of KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn, are pledged to the financing bank through a blanket assignment. The receivables as at 30 September 2009 totalled KEUR 1,273 (prior year: KEUR 1,749). The blanket assignment is used to secure a current account line of credit in the same amount of KEUR 100 as in the prior year (see note 26, Financial Liabilities).

The trade accounts receivable of All for One Midmarket AG, Filderstadt, are pledged to the financing bank through a blanket assignment. The receivables as at 30 September 2009 totalled KEUR 6,812 (prior year: KEUR 7,706). The blanket assignment is used to secure a loan agreement for a nominal amount of EUR 4.0 million (see note 26, Financial Liabilities).

19. Current Financial Assets

The current financial assets mainly include receivables from finance lease contracts in the amount of KEUR 2,508 (prior year: KEUR 4,019), from advances, loans and entitlements from holiday pay to employees in the amount of KEUR 127 (prior year: KEUR 5) and from security deposits in the amount of KEUR 3 (prior year: KEUR 3). There were neither receivables from interest hedges nor from other financial assets as at the balance sheet date.

The amounts reported under finance leases include that share of the income from the finance leases that is due within twelve months. The unrealised share of interest therein totalled KEUR 459 (prior year: KEUR 504).

20. Other Current Assets

in KEUR	2009	2008
Support and maintenance entitlements	0	280
Prepaid services	331	250
Purchase price claims from divestiture of associated companies	2,225	0
Other accounts receivable	249	120
Total	2,805	650

21. Cash and Cash Equivalents

in KEUR	2009	2008
Cash assets	10,583	5,496
Financial investments with an original fixed term of under 90 days	6,262	2,989
Cash on hand	9	7
Total	16,854	8,492

The average interest on bank deposits was 0.53% (prior year: 3.48%).

Of the cash and cash equivalents 92.3% (prior year: 81.2%) is denominated in EUR, 7.1% (prior year: 17.6%) in CHF and 0.6% (prior year: 1.2%) in CZK.

Cash and Cash Equivalents as at 30 September 2009 for the Cash Flow Statement

in KEUR	2009	2008
Cash and cash equivalents according to the balance sheet	16,854	8,492
Less cash and cash equivalents not disposable	-267	-355
Total cash and cash equivalents accounted for in the cash flow statement	16,587	8,137

A bank guarantee for the benefit of a managing director of a subsidiary was obtained in order to secure an obligation from a severance agreement with the managing director in place since 1 January 2007. Because of this bank guarantee, KEUR 267 (prior year: KEUR 355) of the cash and cash equivalents are not at the disposal of All for One as at 30 September 2009.

22. Shareholders' Equity

The issued share capital is divided into 5,400,000 registered, no-par-value shares (individual share certificates) and has been fully paid in. The arithmetic nominal value is an unchanged EUR 3 per share.

In addition to the share capital of KEUR 16,200 there is also authorised capital in the amount of KEUR 8,100, which can be used until 17 May 2011 in accordance with the annual general meeting's resolution of 18 May 2006. The management board is authorised, with the approval of the supervisory board, to exclude shareholders' subscription rights for parts of the authorised capital.

All for One's capital is governed by the cost of equity. Investments and acquisitions will continue to be made with borrowed capital as long as borrowing costs are lower than the cost of equity. All for One has not set any quantitative goals in terms of controlling the capital. Therefore, no statements can be made about goal achievement.

The other provisions as at the balance sheet date are exclusively exchange differences from foreign currency translation.

All for One Midmarket AG is not required to adhere to certain regulatory internal-fund stipulations.

23. Treasury Stock
As in the prior year, no shares were purchased during the reporting period. As at 30 September 2009, All for One Midmarket AG held 226,582 shares (prior year: 226,582 shares), which were repurchased at an average price of EUR 4.52 (prior year: EUR 4.52). As at 30 September 2009, there were 5,173,418 shares outstanding (prior year: 5,173,418 shares).

With the resolution of the annual general meeting of 19 May 2009, the management board was again authorised to purchase and use treasury stock with a potential exclusion of subscription rights.

TREASURY STOCK	30 Sep 2009/ 31 Dec 2008
Number of repurchased treasury shares	226,582
Average cost price in EUR	4,52
Highest price paid in EUR	5,01
Lowest price paid in EUR	3,95
Cost price of repurchased treasury shares, KEUR	1,023
Amount of nominal capital allotted to treasury shares, KEUR	680
Percentage of treasury shares to nominal capital	4,20%

24. Minority Interests

in KEUR	2009	2008
1 January	944	852
Profit distribution	-13	-16
Profit share of current year	85	138
Change in minority interest	0	-42
Addition from changes in the scope of the consolidation	228	0
Disposals from changes in the scope of the consolidation	-177	0
Foreign currency differences	2	12
30 September (prior year: 31 December)	1,069	944

These pertain to a 44% interest in KWP Kümmel, Wiedmann + Partner Unternehmensberatung GmbH, Heilbronn. In the prior year, the minority interests also included a 5% interest in AC-Service (Schweiz) AG, Wettingen/Switzerland.

25. Provisions

in KEUR	1 Jan 2009	Provisons made	Provisions used	Provisions reversed	Changes in scope of consolidation	Foreign currency differences	Reclassi-fication	30 Sep 2009
Severance payments Austria	50	5	0	-9	0	0	0	46
Variable purchase price component team HR	0	118	0	0	0	0	0	118
Other severance payments	403	84	-99	-20	-86	0	0	282
Other long-term provisions	20	0	0	-20	0	0	0	0
Guarantee and damages cases	94	6	0	-61	25	0	0	64
Dilapidation reserves	41	1	0	0	0	0	0	42
Total	608	214	-99	-110	-61	0	0	552
Long-term (> 12 months)	308	124	0	-29	0	0	-74	329
Short-term (< 12 months)	300	90	-99	-81	-61	0	74	223
Total	608	214	-99	-110	-61	0	0	552

When establishing provisions, the management board estimated the probability and the amount of the anticipated outflow of resources for the respective obligations and circumstances. Provisions are recognised on the basis of estimates regarding the probable outflow of economic resources. These estimates are reviewed at each balance sheet date. In the case of long-term provisions, the expected future cash outflows are discounted when the effect is material. Provisions are also accrued for contractual obligations where the unavoidable costs involved in fulfilling or terminating them are greater than the expected benefits and proceeds (so-called onerous contracts).

Severance Payments Austria
This item pertains to statutory entitlements to severance payments or redundancies in cases of regular retirement or severance actions initiated by the company in Austria. Recognised values are based on actuarial calculations.

Earnout for team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf
The variable purchase price component (earnout) for team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf, was allocated to the provisions at its fair value of KEUR 118 (see note 34, Contingent Liabilities).

Severance Payments
Provisions for severance payments are recognised when existing employment relationships must be terminated for operational reasons or dissolved by mutual consent. The amount of such severance payments is not always established definitively at the time the balance sheet is prepared. In such cases, provisions are recognised in the amount that would be expected to be paid were the matter to be settled through a legal process.

26. Financial Liabilities

in KEUR	Total liabilities	Due under 1 year	Due after 5 years
Future payments for finance leases	3,066	679	0
Interest thereof	-330	-166	0
Finance lease liabilities	2,736	513	0
Bank loans	7,627	1,592	0
Total as at 30 September 2009	10,363	2,105	0
Future payments for finance leases	6,107	1,936	0
Interest thereof	-175	-99	0
Finance lease liabilities	5,932	1,837	0
Bank loans	6,565	753	0
Total as at 31 December 2008	12,497	2,590	0

In the financial year 2008, All for One Midmarket AG concluded a loan agreement with the Baden-Württembergische Bank for an amount of EUR 4.0 million and a loan agreement with the Commerzbank AG (formerly: Dresdner Bank) for an amount of EUR 5.0 million, of which a total of EUR 7.3 million (as at 31 December 2008: EUR 6.5 million) had been utilised as at 30 September 2009. In addition, there were credit lines (operational funding lines of credit) totalling EUR 6.0 million as of the balance sheet date. These were reduced to EUR 4.5 million in November 2009.

The term of the loan agreement with the Commerzbank AG (formerly: Dresdner Bank) ends on 30 June 2012 and the term of the loan agreement with the Baden-Württembergische Bank ends on 30 June 2013. The agreed fixed repayments began in 2009 and are made respectively on 30 June and on 31 December of each year. The amount of each of the repayments increases in stages. Early unscheduled repayments may be made. The interest rates are based on the EURIBOR (Euro Interbank Offered Rate) plus an interest add-on of between 1 and 2 percentage points. There are covenants that have to be fulfilled. A senior pledge of the business interests in AC Automation Center SA/NV, Zaventem/Belgium and in AC Automation Center Sàrl, Luxembourg/Luxembourg, serve as security for the loan from the Commerzbank AG, and are recognised with a book value of investment of KEUR 1,533 and KEUR 6,250 respectively.

The assignment of the trade account receivables of All for One Midmarket AG serves as security for the loan from the Baden-Württembergische Bank.

There were also two loans with the Volksbank Flein-Talheim eG as of the balance sheet date. The one loan in the amount of KEUR 150 ends on 30 September 2013 and has an interest rate of 6.5%. The principal repayment rates of KEUR 2.5 are paid monthly. The other loan in the amount of KEUR 240 ends on 30 December 2013 and has an interest rate of 4.5%. The principal repayment rates of KEUR 5 are paid monthly. The assignment of the trade accounts receivable of KWP Kümmel, Wiedmann & Partner Unternehmensberatung GmbH, Heilbronn, serves as security for the loans.

There are no other contractual guarantees or obligations in place.

The average interest rate for lease liabilities was 5.08% (prior year: 3.89%) during the reporting period. The lease payments are established at the beginning of the contract and are not subject to changes in the instalment amount or interest rate for the duration of the term.

The borrowings from banks as at 30 September 2009 comprise KEUR 7,610 (prior year: KEUR 6,500) in loan agreements and KEUR 17 (prior year: KEUR 65) in liabilities on current accounts.

Of the financial liabilities, 99.9% (prior year: 74.4%) are denominated in EUR and 0.1% (prior year: 25.3%) in CHF. In the prior year 0.3% were also denominated in CZK.

As at the balance sheet date, the All for One Group had approved lines of credit at banks in the amount of KEUR 6,100 (prior year: KEUR 7,100).

These have been utilised in the form of aval guarantees for rental security deposits in the amount of KEUR 241 (prior year: KEUR 341) and performance bonds of KEUR 267 (prior year: KEUR 355).

27. Deferred Tax Liabilities

in KEUR	2009	2008
1 January	4,042	4,054
Reduction from changes in discontinued operation	-98	0
Additions from initial consolidation	222	0
Reduction in (prior year: addition to) undistributed profits*	-31	24
Reductions in timing differences*	-281	-172
Additions to timing differences*	50	147
Foreign currency differences*	-1	-11
30 September (prior year: 31 December)	3,903	4,042

* the prior year balances also include the discontinued operation

Make-Up of Deferred Income Tax Liabilities

in KEUR	Temporary differences 2009	Deferred tax liabilities 2009	Temporary differences 2008	Deferred tax liabilities 2008
Intangible assets	9,554	2,856	9,723	2,814
Financial assets	2,937	870	3,207	942
Tangible fixed assets	22	4	46	18
Trade accounts receivable	175	46	219	53
Provisions	116	30	410	94
Undistributed profits	263	79	367	110
Other timing differences	59	18	64	11
Total	13,126	3,903	14,036	4,042

28. Other Liabilities

in KEUR	2009	2008
Personnel obligations	3,680	4,415
Other tax liabilities	684	1,110
Advanced payment on maintenance charges	1,833	1,668
BEKO Group obligations	0	12
Other liabilities	2,534	2,346
Total	8,731	9,551
Short-term element thereof	8,635	9,387
Long-term element thereof	96	164

The item »personnel obligations« relates predominately to liabilities from unused holiday leave, partial retirement work arrangements, as yet unpaid variable compensation components, commissions, flexitime and overtime payments, bonuses and obligations to social security providers.

Other liabilities are reported exclusively as nominal amounts.

29. Trade Accounts Payable

Trade accounts payable of KEUR 7,814 (prior year: KEUR 7,886) relate solely to third parties outside the Group. There are trade accounts payable to the BEKO Group in the amount of KEUR 6 (prior year: KEUR 61).

The trade accounts payable include the gross amount due to customers for contract work as a liability in the amount of KEUR 58 (2008: The trade accounts receivable include the gross amount due from customers for contract work as an asset in the amount of KEUR 274). The cumulative expenses for ongoing projects valued using the percentage of completion method totalled KEUR 4,895 (2008: KEUR 6,006) and the cumulative gains were KEUR 2,133 (2008: KEUR 1,863).

The general payment term for trade accounts payable is 0 to 60 days. A payment term of 60 days is given primarily to invoices for SAP maintenance services.

30. Additional Information about Financial Instruments

Measurement Categories as at 30 September 2009

in KEUR	Carrying amount 30 Sep 2009	Amount recognised in balance sheet IAS 39*	Balance sheet IAS 17
Assets			
Cash and cash equivalents	16,854	16,854	
Trade accounts receivable	10,667	10,667	
Receivables from finance leases	6,354		6,563
Other receivables	3,025	3,025	
Equity and liabilities			
Trade accounts payable	7,820	7,820	
Bank loans	7,627	7,627	
Finance lease liabilities	2,736		2,695
Other liabilities	2,534	2,534	

* amortised cost

Measurement Categories as at 31 December 2008

in KEUR	Carrying amount 31 Dec 2008	Amount recognised in balance sheet IAS 39*	Balance sheet IAS 17
Assets			
Cash and cash equivalents	8,492	8,492	
Trade accounts receivable	13,913	13,913	
Receivables from finance leases	7,810		7,979
Other receivables	2,646	2,646	
Equity and liabilities			
Trade accounts payable	7,947	7,947	
Bank loans	6,565	6,565	
Finance lease liabilities	5,932		5,932
Other liabilities	2,346	2,346	

* amortised cost

Cash and cash equivalents, trade accounts receivable and payable, as well as other receivables and liabilities largely have short remaining terms or are subject to variable interest rates that follow the market interest rates. This is why their carrying amounts as at the balance sheet date correspond approximately to their fair values.

The fair values of the receivables from finance leases correspond to the present values of the payments associated with the assets. Current interest parameters that reflect the market-related changes in terms and expectations were used as the basis for determining the fair values. The fair values of the finance leasing liabilities are determined similarly.

31. Discontinued Operation

Included in the prior-year figures of the following table are ACCURAT Informatik GmbH, Dreieich (until 19 May 2008) and AC-Service (Schweiz) AG, Wettingen/Switzerland (12 months 2008).

in KEUR	1-8/2009	1-12/2008
Sales revenues from discontinued operation	9,163	17,065
Capitalised services	0	302
Other operating income	74	267
Cost of traded goods and third party services	-1,837	-3,475
Personnel expenses	-4,425	-8,852
Depreciation and amortisation	-293	-956
Other operating expenses	-1,683	-3,964
EBIT	999	387
Financial income	26	93
Financial expense	-90	-268
EBT	935	212
Income tax	-117	-281
Net result for the period discontinued operation	818	-69
Accounting profit from the disposal of companies in the scope of the consolidation	2,199	2,977
Overall result discontinued operation	3,017	2,908
Earnings per share in EUR from discontinued operation	0.58	0.56

In the following tables the prior-year figures pertain exclusively to ACCURAT Informatik GmbH, Dreieich, and the figures for the current financial year up to 31 August 2009 pertain exclusively to AC-Service (Schweiz) AG, Wettingen/Switzerland.

ASSETS FROM DISCONTINUED OPERATION in KEUR	31 Aug 2009	19 May 2008
Non-current assets	4,918	6,481
Current assets	3,214	1,527
Total assets from discontinued operation	8,132	8,008

LIABILITIES FROM DISCONTINUED OPERATION in KEUR	31 Aug 2009	19 May 2008
Non-current liabilities	1,420	591
Current liabilities	3,178	1,279
Total liabilities from discontinued operation	4,598	1,870

CASH FLOW FROM DISCONTINUED OPERATION in KEUR	1-8/2009	1-5/2008
Cash flow from operating activities	1,645	460
Cash flow from investing activities	-433	-393
Cash flow from transactions with continuing operations	-312	-148
Total cash flow from discontinued operation	900	-81

32. Related Parties

CROSS Industries AG, BEKO HOLDING AG and their Group Companies

BEKO HOLDING AG, Nöhagen/Austria, held an interest of more than 50% of the share capital of All for One Midmarket AG, Filderstadt. CROSS Industries AG, Wels/Austria, is the majority shareholder of BEKO HOLDING AG.

BEKO HOLDING AG, Nöhagen/Austria, as the majority shareholder, prepares the consolidated financial statements for the smallest group, CROSS Industries AG, Wels/Austria, prepares the consolidated financial statements for the largest group of companies that include All for One Midmarket AG, Filderstadt.

During the reporting year, sales revenues of KEUR 78 (prior year: KEUR 85) were generated with BEKO HOLDING AG group companies in connection with support relating to the applications deployed and the operation of an SAP R/3 system.

In return, All for One purchased IT services for in-house SAP systems in an amount of KEUR 56 (prior year: KEUR 89) from group companies of BEKO HOLDING AG. In the prior year, other services in an amount of KEUR 12 were also purchased from group companies of BEKO HOLDING AG.

All business transactions with BEKO HOLDING AG and its group companies were made on the basis of terms and conditions that would apply among independent business partners. There are no business transactions with CROSS Industries AG.

Members of the Supervisory Board
The following individuals were members of the supervisory board during the reporting year:

Peter Brogle (independent corporate consultant, chairman), Peter Fritsch (CFO of BEKO HOLDING AG, Nöhagen/Austria, and member of control bodies in other BEKO Group companies, deputy chairman since 19 May 2009), Josef Blazicek (managing director of Blazicek GmbH, Vienna/Austria, member since 19 May 2009) and Rainer Schad (lawyer, deputy chairman until 19 May 2009).

During the reporting year, the supervisory board members were also members of the supervisory boards and control bodies of the following companies in terms of § 125, section 1, sentence 3 »Aktiengesetz«:

Peter Brogle: alupak AG, Belp/Switzerland (member of the administrative board), Nahrin AG, Sarnen/Switzerland (member of the administrative board), Similasan AG, Jonen/Switzerland (member of the administrative board), AC-Service (Schweiz) AG, Wettingen/Switzerland (president of the administrative board until 31 August 2009), AC-Service Management AG (in Liquidation), Wettingen/Switzerland (president of the administrative board), TRIPLAN AG, Bad Soden/Germany (chairman of the supervisory board).

Peter Fritsch: Pallas Soft AG, Regensburg/Germany (member of the supervisory board), TRIPLAN AG, Bad Soden/Germany (deputy chairman of the supervisory board).

Josef Blazicek: CROSS Industries AG, Wels/Austria (chairman of the supervisory board), CROSS Motorsport Systems AG, Wels/Austria (deputy chairman of the supervisory board), CROSS Immobilien AG, Wels/Austria (deputy chairman of the supervisory board), Unternehmens Invest AG, Vienna/Austria (member of the supervisory board), update software AG, Vienna/Austria (member of the supervisory board), Pankl Racing Systems AG, Kapfenberg/Austria (member of the supervisory board), BEKO HOLDING AG, Nöhagen/Austria (chairman of the supervisory board), Brain Force Holding AG, Vienna/Austria (member of the supervisory board).

Rainer Schad, the former member of the supervisory board who stepped down from the board on 19 May 2009, was at that time also deputy chairman of the supervisory board of TRIPLAN AG, Bad Soden/Germany and member of the supervisory board of Hipp Medical AG, Kolbingen/Germany.

Compensation for Supervisory Board
Total fixed compensation for the supervisory board was as follows:

COMPENSATION FOR SUPERVISORY BOARD in KEUR	1-9/2009	1-12/2008
Peter Brogle	27	34
Peter Fritsch	12	14
Josef Blazicek (since 19 May 2009)	5	-
Rainer Schad (up to 19 May 2009)	8	21
Total	52	69

In addition to reimbursement for expenses, each member of the supervisory board also receives a fixed remuneration in the amount of KEUR 8 for each full financial year of membership in the supervisory board.

The members of the supervisory board are also paid an attendance allowance in the form a fixed fee for each meeting of the supervisory board or one of its committees that they attend, as well as for each meeting they attend with the management board that is held outside of a meeting of the supervisory board. The attendance allowance is EUR 400 for each meeting of up to four hours in duration and EUR 800 for each meeting of more than four hours in duration. The chairman of the supervisory board receives twice the amount, and the deputy chairman of the supervisory board one and a half times the amount of the basic remuneration and the attendance allowance.

Performance-related components are not included in the compensation for the supervisory board. Payment of the total fixed compensation for the supervisory board will be made in the financial year 2009/10. This pay as at 30 September 2009 is reported under »Other Liabilities«.

In addition to the compensation set forth by the company articles of association, Peter Brogle, as president of the administrative board of AC-Service (Schweiz) AG, Wettingen/Switzerland, received a fee in the amount of KEUR 4 (prior year: KEUR 6) until the company was eliminated from the scope of the consolidation at the end of August 2009.

Members of the Management Board
During the reporting year, the management board consisted of Lars Landwehrkamp (CEO) and Stefan Land (CFO). Membership by management board members in control bodies in terms of § 125, section 1, sentence 3 »Aktiengesetz«, are limited to various companies within All for One Midmarket AG. Compensation for the management board members

for all of their employment relationships in companies included within the scope of the consolidation for the year 2009 include salaries, bonuses (performance-related components) and benefits in kind from the use of company cars, insurances and pension plans.

COMPENSATION FOR MANAGEMENT BOARD in KEUR	Lars Landwehrkamp (CEO)	Stefan Land (since 1 Apr 2008)	Marco Fontana (up to 31 Mar 2008)	Total
Compensation 1-9/2009				
Fixed compensation	225	151	-	376
Variable compensation*	188	94	-	282
Other compensation**	34	12	-	46
Total	447	257	-	704
Compensation 1-12/2008				
Fixed compensation	300	144	40	484
Variable compensation	80	56	28	164
Other compensation**	33	11	8	52
Total	413	211	76	700

* variable compensation based on estimates for the short financial year 2009

** benefits in kind from use of company cars, insurances and pension plans

The compensation system for members of the management board is described in detail in the Group Management Report.

No loans were extended and no options for shares of All for One Midmarket AG were granted to the management board during the reporting year. Unusual transactions with related parties did not take place.

33. Other Financial Liabilities not Reported on the Balance Sheet

The financial obligations from »Operating Leases« not reported on the balance sheet primarily consist of leases for company cars and the leasing of EDP infrastructure (predominantly hardware and operating software). The lease periods range from 1 to 10 years. These obligations are as follows:

OPERATING LEASES* in KEUR	30 Sep 2009	31 Dec 2008
2008/2009 (prior year: 2009)	-	1,556
2009/2010 (prior year: 2010)	1,633	1,130
2010/2011 (prior year: 2011)	1,008	533
2011/2012 (prior year: 2012)	318	79
2012/2013 (prior year: 2013)	110	34
2013/2014 (prior year: from 2014)	6	0
2015 and later	0	0
Total	3,075	3,332

* continuing operations

In addition there are other unreported financial obligations, particularly from rental agreements, as shown below:

RENTAL AGREEMENTS* in KEUR	30 Sep 2009	31 Dec 2008
2008/2009 (prior year: 2009)	-	1,290
2009/2010 (prior year: 2010)	2,025	1,344
2010/2011 (prior year: 2011)	1,972	1,339
2011/2012 (prior year: 2012)	1,781	1,319
2012/2013 (prior year: 2013)	1,654	1,282
2013/2014 (prior year: from 2014)	1,361	6,260
2015 and later	5,366	n/a
Total	14,159	12,834

* continuing operations

The finance lease liabilities are included under financial liabilities (see note 26, Financial Liabilities).

34. Contingent Liabilities

In addition to a fixed purchase price component, a variable purchase price component (earnout) that depends on the amount of the EBT in the years 2009 to 2011 was agreed to in connection with the purchase of the shareholdings in team HR Organisationsberatung Personalwirtschaft GmbH, Düsseldorf. From the maximum variable purchase price component to be rendered, the probable share in the amount of KEUR 118 as based on current estimates was allocated to provisions.

35. Hedges
Interest Hedges
All existing interest hedges were discontinued in the prior year with a return of KEUR 16. No new interest hedges have been undertaken since then.

Currency Hedges
Revenues generated by the individual companies are predominantly made in the same currency in which expenses are incurred. Therefore, no currency hedges were undertaken in the years 2008 and 2009.

36. Announcements According to § 21, Section 1 »Wertpapierhandelsgesetz«
BEKO HOLDING AG, Nöhagen/Austria, notified the company on 27 November 2003 that on 27 November 2003 it exceeded the threshold of 50% of the voting rights to the company and that it now holds a 50.25% interest in the company. The company published this announcement in the Financial Times Deutschland on 4 December 2003.

Universal-Investment-Gesellschaft mbH, Frankfurt am Main, notified the company on 1 March 2007 that on 1 March 2007 its share of the voting rights in the company exceeded the threshold of 5% and since that time has totalled 5.11% (corresponding to 275,710 voting rights or shares). At the same time, Universal-Investment-Gesellschaft mbH also reported that the voting-rights threshold of 3% had already been exceeded prior to the implementation of the »Transparenzrichtlinie-Umsetzungsgesetz« on 20 January 2007.

CROSS Industries AG, Wels/Austria, notified the company on 2 October 2008 that its allocated share of voting rights via BEKO HOLDING AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on 1 October 2008 and totals 56.74%.

Pierer GmbH, Wels/Austria, notified the company on 6 October 2008 that its allocated share of voting rights via CROSS Industries AG via BEKO HOLDING AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on 1 October 2008 and totals 56.74%.

Knünz GmbH, Dornbirn/Austria, notified the company on 6 October 2008 that its allocated share of voting rights via CROSS Industries AG via BEKO HOLDING AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on 1 October 2008 and totals 56.74%.

Mr DI Stefan Pierer, Austria, notified the company on 7 October 2008 that his allocated share of voting rights from Pierer GmbH via CROSS Industries AG via BEKO HOLDING AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on 1 October 2008 and totals 56.74%.

Dr Rudolf Knünz, Austria, notified the company on 7 October 2008 that his allocated share of voting rights from Knünz GmbH via CROSS Industries AG via BEKO HOLDING AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% on 1 October 2008 and totals 56.74%.

37. Corporate Governance Code
On 9 October 2009 the supervisory and management board published its declaration of conformity from 24 September 2009 for the short financial year 2009 in accordance with § 161 »Aktiengesetz« and made it permanently accessible. The full text of this declaration can be found on the company's website.

38. Group Auditors Fees and Services
The fee for the auditors of the consolidated financial statements totalled KEUR 180 (prior year: KEUR 147) and was recognised as an expense in the short financial year for the audit of the annual accounts.

39. Events after the Balance Sheet Date
On the basis of the authority granted to it by the annual general meeting of 19 May 2009, the management board decided to buy back up to 250,000 of the company's outstanding shares on the stock exchange during the period from 2 November 2009 until not later than 1 February 2010. The corresponding disclosure was made in the form of an ad hoc announcement on 30 October 2009.

On 24 November 2009, CROSS Industries AG, the majority shareholder of BEKO HOLDING AG, sold 3,333,333 shares of BEKO HOLDING AG to Opportunity Beteiligungs AG, an amount that corresponds to a holding of approximately 14.4% of the company's equity capital. Voting rights for 1,794,625 shares of BEKO HOLDING AG, representing approximately 7.7% of the equity capital, remain with CROSS Industries AG, so that CROSS Industries AG still holds approximately 48.0% of the voting rights of BEKO HOLDING AG.

40. Release of Consolidated Financial Statements for Publication
The management board released these consolidated financial statements for publication on 2 December 2009.

Segment Reporting

in KEUR	Integrated Solutions 1-9/2009	Integrated Solutions 1-12/2008	HR Solutions 1-9/2009	HR Solutions 1-12/2008	Consolidation 1-9/2009	Consolidation 1-12/2008	Group 1-9/2009	Group 1-12/2008
Sales to external customers	46,433	62,244	8,300	10,178	0	0	54,733	72,422
Intersegment sales	262	472	377	230	-639	-702	0	0
Segment sales	46,695	62,716	8,677	10,408	-639	-702	54,733	72,422
Cost of traded goods	-16,793	-24,928	-1,414	-1,429	596	246	-17,611	-26,111
Personnel expenses	-19,728	-25,449	-5,293	-6,525	0	0	-25,021	-31,974
Other operating expenses and income	-6,936	-10,762	-1,754	-2,006	43	456	-8,647	-12,312
Depreciation	-2,336	-2,607	-283	-272	0	0	-2,619	-2,879
EBIT	902	-1,030	-67	176	0	0	835	-854
Interest income	494	921	16	44	0	0	510	965
Interest expense	-335	-623	-43	-103	0	0	-378	-726
EBT	1,061	-732	-94	117	0	0	967	-615
Income tax	-575	-651	-60	-63	0	0	-635	-714
Net result for the year continuing operations	486	-1,383	-154	54	0	0	332	-1,329
Result discontinued operation							3,017	2,908
Net result for the year							3,349	1,579
Investments	1,340	4,506	88	373			1,428	4,879
Segment assets	58,025	57,111	5,293	6,332			63,318	63,443
Segment liabilities	29,026	32,659	2,785	2,456			31,811	35,115
Personnel capacity (average)	298	312	91	84			389	396
Number of employees (average)	320	328	96	88			416	416

All of the prior-year figures in the segment reporting, except for segment assets and segment liabilities, were adjusted for the discontinued operation.

Segment Reporting by Country

in KEUR	Germany 1-9/2009	Germany 1-12/2008	Austria 1-9/2009	Austria 1-12/2008	Switzerland 1-9/2009	Switzerland 1-12/2008	Rest of Europe 1-9/2009	Rest of Europe 1-12/2008	Group 1-9/2009	Group 1-12/2008
Sales to external customers*	43,908	58,742	2,830	4,319	3,820	3,396	4,175	5,965	54,733	72,422
Non-current assets** (at financial year-end)	17,972	19,445	303	343	1,777	1,790	5,161	4,548	25,213	26,126
Personnel capacity (at financial year-end)	321	335	21	27	26	23	19	20	387	405

* based on domicile of the service provider
** not including financial assets and deferred tax assets

All of the prior-year figures in the segment reporting by country were adjusted for the discontinued operation.

Filderstadt, 2 December 2009
All for One Midmarket AG

Lars Landwehrkamp
CEO

Stefan Land
CFO

Statement of Changes in Non-Current Assets

For the Short Financial Year from 1 January to 30 September 2009

	Costs							Accumulated depreciation/amortisation							Carrying amounts	
in KEUR	1 Jan 09	Foreign currency differences	Changes in scope of consolidation	Additions	Disposals	Reclassifications	30 Sep 09	1 Jan 09	Foreign currency differences	Changes in scope of consolidation	Deprec./amortisation	Disposals	Reclassifications	30 Sep 09	30 Sep 09	31 Dec 08
Intangible assets																
Goodwill	5,831	0	347	0	0	-39	6,139	1,311	0	0	0	0	-39	1,272	4,867	4,520
Other intangible assets	13,399	-4	594	58	-114	984	14,917	3,637	-2	-117	770	-114	675	4,849	10,068	9,762
	19,230	-4	941	58	-114	945	21,056	4,948	-2	-117	770	-114	636	6,121	14,935	14,282
Tangible fixed assets																
Land and buildings	1,948	0	0	0	0	0	1,948	851	0	0	40	0	0	891	1,057	1,097
Leasehold improvements	3,637	-16	-2,156	91	-684	70	942	1,663	-5	-634	72	-683	-2	411	531	1,974
IT systems	15,295	-49	-6,373	1,127	-303	-942	8,755	8,721	-33	-4,360	1,532	-301	-639	4,920	3,835	6,574
Operating and office equipment	3,067	-9	-1,131	152	-126	-85	1,868	1,527	-6	-670	205	-101	-7	948	920	1,540
	23,947	-74	-9,660	1,370	-1,113	-957	13,513	12,762	-44	-5,664	1,849	-1,085	-648	7,170	6,343	11,185
Total	43,177	-78	-8,719	1,428	-1,227	-12	34,569	17,710	-46	-5,781	2,619	-1,199	-12	13,291	21,278	25,467

For the Financial Year from 1 January to 31 December 2008

	Costs						Accumulated depreciation/amortisation						Carrying amounts	
in KEUR	1 Jan 08	Foreign currency differences	Additions	Disposals	Reclassifications	31 Dec 08	1 Jan 08	Foreign currency differences	Deprec./amortisation	Disposals	Reclassifications	31 Dec 08	31 Dec 08	31 Dec 07
Intangible assets														
Goodwill	5,782	49	0	0	0	5,831	1,311	0	0	0	0	1,311	4,520	4,471
Other intangible assets	13,526	47	14	188	0	13,399	2,820	34	972	194	5	3,637	9,762	10,706
	19,308	96	14	188	0	19,230	4,131	34	972	194	5	4,948	14,282	15,177
Tangible fixed assets														
Land and buildings	1,948	0	0	0	0	1,948	797	0	54	0	0	851	1,097	1,151
Leasehold improvements	3,209	189	631	389	-3	3,637	1,804	54	193	388	0	1,663	1,974	1,405
IT systems	14,153	601	4,487	3,946	0	15,295	10,009	419	2,228	3,930	-5	8,721	6,574	4,144
Operating and office equipment	2,405	108	1,262	711	3	3,067	1,727	68	388	656	0	1,527	1,540	678
	21,715	898	6,380	5,046	0	23,947	14,337	541	2,863	4,974	-5	12,762	11,185	7,378
Total	41,023	994	6,394	5,234	0	43,177	18,468	575	3,835	5,168	0	17,710	25,467	22,555

RESPONSIBILITY STATEMENT

of the Management Board

»To the best of our knowledge, and in accordance with the applicable reporting principles, we affirm that the consolidated financial statements give a true and fair view of the assets, financial position and earnings of the Group, and that the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group«.

Filderstadt, 2 December 2009
All for One Midmarket AG

Lars Landwehrkamp	Stefan Land
CEO	CFO

AUDITOR’S REPORT

We have issued the following unqualified auditor’s report:

»Independent Auditors’ Report

We have audited the consolidated financial statements prepared by the All for One Midmarket AG, Filderstadt, comprising the balance sheet, the income statement and other comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the Group management report for the short business year from January 1 to September 30, 2009. The preparation of the consolidated financial statements and the Group management report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to § 315a sec. 1 of German Commercial Code (HGB) are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principle used and significant estimates made by management, as well as evaluation the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the All for One Midmarket Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.«

Mannheim, 2 December 2009
KPMG AG, Wirtschaftsprüfungsgesellschaft

Bayer	Rettich
Auditor	Auditor

FINANCIAL CALENDAR FOR FINANCIAL YEAR 2009/10	
2009	
Tue 15 Dec 2009	Publication of Consolidated and Annual Financial Statements for the Short Financial Year as at 30 September 2009
Tue 15 Dec 2009	Press Conference on Consolidated and Annual Financial Statements, Filderstadt
Wed 16 Dec 2009	Analyst Presentation, Frankfurt
2010	
Fri 12 Feb 2010	3-Month Report as at 31 December 2009
Thu 11 Mar 2010	Annual General Meeting, Leinfelden-Echterdingen
Wed 12 May 2010	Half-Year Financial Report as at 31 March 2010
Tue 10 Aug 2010	9-Month Report as at 30 June 2010

Service / Imprint

Investor Relations
Dirk Sonntag
Head of Public & Investor Relations
T +49 711 78 80 7-260
F +49 711 78 80 7-222
E-Mail dirk.sonntag@all-for-one.com

Responsible for the Content
All for One Midmarket AG
Gottlieb-Manz-Strasse 1
70794 Filderstadt
Germany
T +49 711 78 80 7-0
F +49 711 78 80 7-699

all for one.

All for One Midmarket AG
Gottlieb-Manz-Strasse 1
70794 Filderstadt
Germany
T +49 711 788 07 - 0
F +49 711 788 07 - 699

SAP FOR THE MIDMARKET: www.all-for-one.com