



INTERIM REPORT  
AS PER 06/30/2009

H109

# KEY FIGURES OF SYZYGY AG

FIG. 1, PAGE 2

## NET SALES AND EBITA MARGIN

IN EUR'000

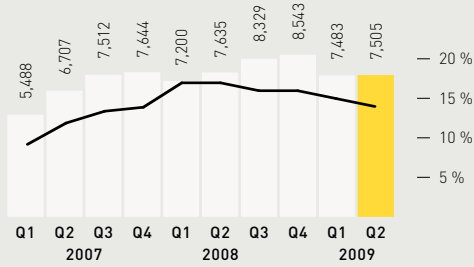


FIG. 2, PAGE 2

## NET SALES AND EBITA MARGIN BY REGION

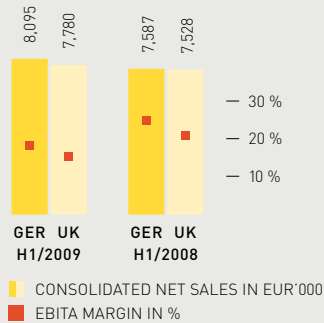


FIG. 3, PAGE 3

## SALES ALLOCATION BY VERTICAL MARKETS

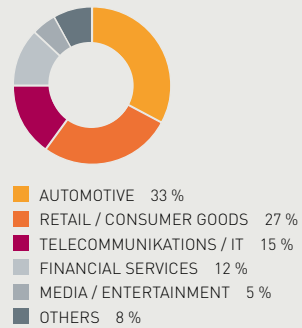


FIG. 4, PAGE 2

## RATIO OF OPERATING INCOME TO FINANCIAL INCOME

IN EUR'000

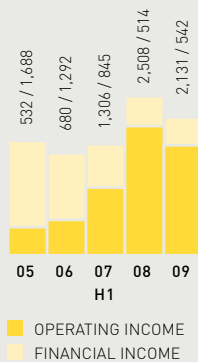


FIG. 5, PAGE 3

## NET INCOME

IN EUR'000

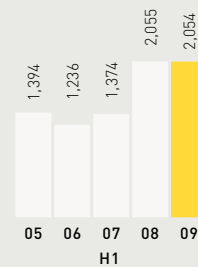


FIG. 6, PAGE 4  
**EARNINGS PER SHARE**  
 IN EUR

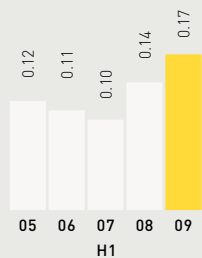


FIG. 7, PAGE 4  
**DEVELOPMENT OF OPERATING CASH FLOWS**  
 IN EUR'000

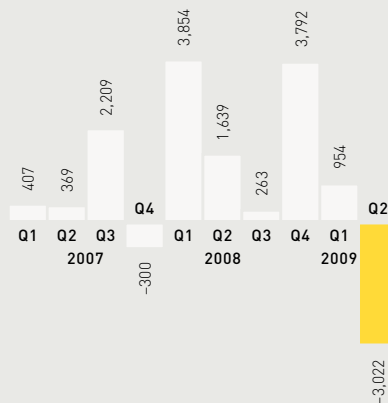


FIG. 8, PAGE 4  
**BALANCE SHEET STRUCTURE**

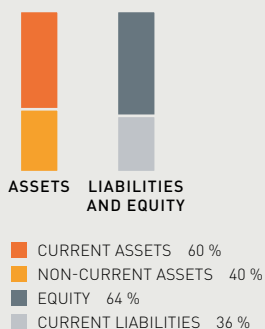


FIG. 9, PAGE 3  
**PORTFOLIO STRUCTURE OF CASH AND MARKETABLE SECURITIES**

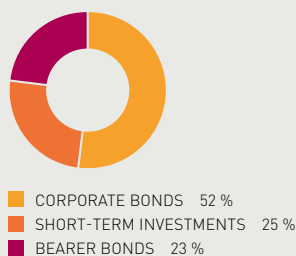


FIG. 10, PAGE 4  
**EMPLOYEES BY FUNCTION**

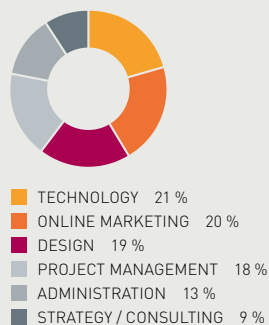
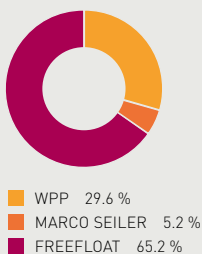


FIG. 11, PAGE 13  
**SHAREHOLDER STRUCTURE**



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	2ND QUARTER			JANUARY-JUNE		
	2009	2008	PREV. YEAR	2009	2008	PREV. YEAR
Gross sales	20,540	19,061	8%	39,560	35,868	10%
Net sales	7,505	7,635	-2%	14,988	14,835	1%
EBITDA	1,207	1,438	-16%	2,461	2,809	-12%
EBITDA margin	16%	19%	-3pp	16%	19%	-3pp
EBITA	1,026	1,285	-20%	2,131	2,508	-15%
EBITA margin	14%	17%	-3pp	14%	17%	-3pp
Financial Income	272	246	11%	542	514	5%
Net income	1,061	1,033	3%	2,054	2,055	0%
Earnings per share (EUR)	0.09	0.07	29%	0.17	0.14	21%
Employees (as per June 30)	268	262	2%	268	262	2%
Liquid assets	17,781	25,145	-29%	17,781	25,145	-29%
Operating cash flow	-3,022	1,639	-284%	-2,068	5,493	-138%

## BUSINESS ACTIVITY

Syzygy is an agency group for interactive marketing with branches in Frankfurt, Hamburg and London. With approximately 300 employees, the Group provides large European companies with high-quality services in the area of web design ("Design & Build") and online marketing.

## MARKET AND COMPETITIVE ENVIRONMENT

The recession had a significant impact on the entire Eurozone during the first half of 2009. According to figures from the Federal Office of Statistics, German GDP shrank by 6.7 per cent in the first quarter of 2009 compared to the same period of the previous year. The UK's economic output fell by 4.1 per cent, while the ifo Institute calculated a decline of 4.9 per cent for the Eurozone.<sup>1</sup> With its heavy dependence on exports, Germany has thus been hit particularly hard by the economic crisis.

The global economic downturn is reflected in reduced advertising budgets. Agency group ZenithOptimedia has calculated that worldwide cuts in 2009 will total 8.5 per cent. In Germany the drop is expected to be 6.5 per cent by year-end, while the UK figure is even higher at 10.5 per cent.

Although the Internet is not immune to this trend, it did fare better in the first half of 2009 than traditional media such as TV, radio and magazines. While the latter suffered average declines of 3.6 per cent in Germany according to Nielsen Media Research, gross online advertising sales grew by 12 per cent over the same period. A similar figure is reported by the German Association for Information Technology, Telecommunications and New Media (BITKOM), which identified a 13 per cent rise in net sales year-on-year.<sup>2</sup>

1 Figures for the first six months of the year were not yet available when this report was being prepared.

2 Unlike Nielsen, BITKOM does not use list prices as the basis for calculations but takes into account estimated rebates and agency commission.

Forecast for the whole of 2009 is inconsistent. GroupM and ZenithOptimedia predict worldwide growth in online advertising of 8.5 and 10 per cent respectively. For Germany, the figures range from 10 per cent (OVK) across 6 per cent (ZenithOptimedia) to only 1 per cent (GroupM). Prognosis for the UK show either stagnant or slightly decreasing sales at - 2 per cent.

As these figures show, the previous very strong growth in online marketing has been and will be significantly affected by the economic crisis.

#### **SALES**

Gross sales, which include the transitory costs of the two online marketing subsidiaries (billings), rose by 10 per cent to EUR 39.6 million in the first half of 2009. Net sales were marginally above the previous year's level at EUR 15 million.

Since Syzygy AG generates around half of its sales in the UK, the Group's growth was negatively impacted by the weakness of sterling. While an exchange rate of EUR 1.29 to the pound applied in the first half of 2008, this figure had fallen to EUR 1.12 in the period under review. Assuming a constant rate of exchange, gross sales would have risen 18 per cent, with net sales up by 8 per cent.

#### **OPERATING INCOME (EBITA) AND EBITA MARGIN**

Operating income of EUR 2.1 million was down on the prior year's figure of EUR 2.5 million (-15%). Negative factors here were a higher cost of sales plus currency effects. Cost of sales was 12 per cent above the previous year's figure because the Syzygy companies brought in more freelancers due to the general uncertainty about the economic situation.

With net sales of EUR 15 million, the EBITA margin was 14 per cent, down 3 percentage points on the same period of the prior year.

#### **SEGMENT REPORTING**

In its segment reporting, Syzygy makes a geographical distinction as well as reporting separately for the two business areas design & build and online marketing.

In the geographical segment, the sales data reveals a mixed picture. While gross sales of the German companies were up 7 per cent to EUR 19.5 million, the UK agencies posted an increase of 17 per cent to EUR 20.9 million.

Net sales do not perform in line with billings due to different margins and fee models. The German segment recorded 7 per cent growth to EUR 8.1 million, while UK revenue was up only 3 per cent to EUR 7.8 million.

The companies remained highly profitable, with an EBITA margin of 19 per cent for Germany and 16 per cent for the UK.

In the segment that distinguishes by business areas, design & build continued to grow strongly at 10 per cent, reaching EUR 11.7 million. In contrast, the online marketing subsidiaries trended downwards, posting a 17 per cent fall in net sales to EUR 3.8 million despite a rise in billings. This was primarily due to rising pressure on margins and changes to the fee systems used by business partners.

At industry level, the automotive sector is traditionally very important for the Syzygy Group. Since the sector has been particularly hard hit by the economic crisis, car manufacturers are correspondingly cautious about spending. The proportion of sales due to the automotive sector thus fell sharply from 40 per cent in the first half of 2008 to 33 per cent.

Boosted by new client acquisitions such as Jägermeister, De Beers and Chanel, the retail and consumer goods sector emerged as the second most important sector in the period under review, accounting for 27 per cent of net sales (prior year: 9%). Telecommunications and IT made up 15 per cent of sales (prior year: 18%), while the financial sector contributed 12 per cent (prior year: 9%). Media / entertainment posted a small increase from 4 to 5 per cent, partly due to winning the account for redesigning the media portal operated by German TV broadcaster ZDF. Eight per cent of net sales was generated in sectors that cannot be assigned to any of these core industries.

At 63 per cent, the proportion of sales accounted for by the ten largest clients was slightly up on the previous year's level of 60 per cent.

## **OPERATING EXPENSES AND FIXED-ASSET DEPRECIATION**

The increased number of freelancers used resulted in a 6 percentage point rise in the ratio of net sales (EUR 15 million) to cost of goods sold (EUR 10.3 million), taking it to 69 per cent.

However, general administrative expenses were around one fifth lower, at EUR 1.6 million, due to higher expenses being incurred in 2008 in connection with acquisition activities and investor relations.

Fixed-asset depreciation was EUR 330,000 and thus 10 per cent more than in the first half of 2008.

## **LIQUID FUNDS AND SECURITIES / FINANCIAL INCOME**

A cash outflow of EUR 7.4 million was incurred in June 2009 due to the payment of dividends and purchase price commitments resulting from previous company acquisitions. Liquid funds and securities were down 29 per cent as a result, totalling EUR 17.8 million on the balance sheet date. Financial income of EUR 0.54 million was generated, representing an average return of 4.6 per cent. Income was thus 5 per cent up on the first half of 2008.

## **NET INCOME, INCOME TAXES, EARNINGS PER SHARE**

The increase in financial income was unable to fully compensate for reduced operating income, which was 12 per cent below the previous year's figure at EUR 2.7 million. The Annual General Meeting's decision to enter into a profit and loss transfer agreement with unikedigital GmbH had a positive impact on net income. This agreement made the company part of Syzygy AG for tax purposes, resulting in a significant reduction in tax in Germany in the year under review. As a consequence, net income remained at the previous year's level of EUR 2.0 million.

Since there were no more minority interests to be taken into account after the remaining shares in unikedigital GmbH had been acquired, net income is attributable in full to the shareholders of Syzygy AG. Earnings per share in the period under review therefore amounted to EUR 0.17, an increase of EUR 0.03 or 21 per cent.

#### **OPERATING CASH FLOW**

Operating cash flow was EUR -2.1 million, the first negative result since the fourth quarter of 2007. The factors involved here were tax payments and tax pre-payments of EUR 2.3 million, as well as a drop of EUR 0.8 million in advance payments received. This is primarily a timing effect related to the balance sheet date, since clients made more advance payments at year-end 2008, which were gradually reduced over the review period. In relation to sales, receivables are comparable to those at the end of 2008.

#### **BALANCE SHEET STRUCTURE**

The equity ratio of the Syzygy Group was 64 per cent at the end of the first half of the year, 12 percentage points higher than at 31 December 2008. This sharp increase is chiefly attributable to the fall in other liabilities and thus to the value of total assets, while equity increased slightly. Syzygy AG met payment commitments from previous acquisitions in the 2nd quarter.

#### **INVESTMENTS, RESEARCH AND DEVELOPMENT**

Total investments in the first six months of the year amounted to EUR 376,000, down significantly on the prior year's figure of EUR 841,000. Investments primarily related to software and hardware for optimisation of the Company's internal infrastructure and providing equipment for employees.

As a service provider that does not offer any products of its own, Syzygy does not engage in research and development.

#### **EMPLOYEES**

The Syzygy Group had a total of 268 permanent employees as at the end of the second quarter. In terms of function, technology-related roles (21%), design (19%), project management (18%) and online marketing (20%) each accounted for around a fifth of employees. Almost one in ten employees (9%) worked in strategy consulting, while 13 per cent were employed in administration.

Broken down by region, 53 per cent were employed by the German companies and 47 per cent of the workforce were accounted for by the UK agencies.

In addition to its permanent staff, the Syzygy Group uses 20 freelance employees on average to cover peak periods and to optimise capacity utilisation.

Based on these figures, the annualised sales per head were EUR 104,000 in the period under review.

#### **RISK MANAGEMENT**

Different risk categories are distinguished when identifying individual risks. Risks are identified, quantified and qualitatively assessed across the Group using a common management, planning and reporting system. Information on the individual risk factors can be found in the 2008 annual report, pages 39 and 40, which sets out the risks that continue to be relevant for the Syzygy Group.



The information currently available shows no indications of risks that would jeopardise the continued existence of Syzygy AG and its subsidiaries as a going concern. Risk factors relate to overall economic trends, the nature of the service sector as well as to the speed with which the market for Internet services is changing.

### OUTLOOK

The likelihood of a rapid recovery of the global economy remains slim. The International Monetary Fund's economic report forecasts a drop in economic output of 6.2 per cent for Germany, 4.2 per cent for the UK and 4.8 per cent for the Eurozone for 2009 as a whole. Almost identical figures have been produced by the Ifo Institute: -6.3 per cent (Germany), -4.0 per cent (UK) and -4.6 per cent for the European Monetary Union countries. The car industry in particular, which has traditionally been important for Syzygy, could struggle for several years according to the Automotive Review 2009 study.

It is to be expected that the tough economic situation will cause companies to remain cautious on the advertising and marketing front. There is, however, a consensus that the Internet as an advertising channel will emerge from the crisis in a stronger position. The tendency to invest in such a performance-oriented and highly transparent medium will be boosted by tight advertising budgets and increased pressure to achieve maximum efficiency.

In a pan-European survey of 300 marketing decision makers, the European Interactive Advertising Association (EIAA) found that 70 per cent of interviewees planned to increase their online advertising spend in the next few years. This growth is principally due to reallocation away from conventional media.

This growth is being enhanced by rising Internet user numbers and longer periods of usage, as evidenced by various national and international surveys and studies<sup>3</sup>. The increasing willingness of consumers to shop online should also have a positive effect on advertising volumes. According to GfK, e-commerce sales in Germany rose 19 per cent last year, while a study by Forrester Research forecasts further growth of seven per cent for each of the coming six years. Similar trends can also be seen in France and the UK. The Internet's potential as an advertising and marketing tool is thus far from exhausted.

Syzygy AG does not expect the general economic environment to improve in the second half of the year. Major advertisers from the automotive industry and financial services sector remain reluctant to invest. Irrespective of this, Syzygy AG expects a 10 per cent increase in earnings per share. This corresponds to earnings per share of EUR 0.33 in 2009.

<sup>3</sup> For Germany, for example, the authoritative ARD / ZDF online study, the internet facts compiled by the AGOF (Online Research Study Group) and statistical surveys by the German Association for Information Technology, Telecommunications and New Media (BITKOM). For the UK, the Internet access survey conducted by the National Office for Statistics.

# CONSOLIDATED BALANCE SHEET

ASSETS	30.06.2009	30.06.2008	31.12.2008
	EUR'000	EUR'000	EUR'000
<b>Non-current assets</b>			
Goodwill	18,611	16,935	18,127
Fixed assets, net	2,149	1,970	2,103
Other non-current assets	485	655	435
Deferred tax assets	103	116	110
<b>Total non-current assets</b>	<b>21,348</b>	<b>19,676</b>	<b>20,775</b>
<b>Current assets</b>			
Cash and cash equivalents	4,005	7,810	10,991
Marketable securities	13,776	17,335	15,223
Accounts receivable, net	11,387	9,076	11,251
Prepaid expenses and other current assets	2,494	1,378	2,505
<b>Total current assets</b>	<b>31,662</b>	<b>35,599</b>	<b>39,970</b>
<b>Total assets</b>	<b>53,010</b>	<b>55,275</b>	<b>60,745</b>
<b>EQUITY AND LIABILITIES</b>	<b>30.06.2009</b>	<b>30.06.2008</b>	<b>31.12.2008</b>
	EUR'000	EUR'000	EUR'000
<b>Equity</b>			
Common stock*	12,078	12,078	12,078
Additional paid-in capital	18,385	18,385	18,385
Own shares	-116	-116	-116
Accumulated other comprehensive income	-3,469	-2,199	-5,382
Retained earnings	7,167	5,346	6,921
Minority interest	0	409	0
<b>Total equity</b>	<b>34,045</b>	<b>33,903</b>	<b>31,886</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	139	0	139
<b>Total non-current liabilities</b>	<b>139</b>	<b>0</b>	<b>139</b>
<b>Current liabilities</b>			
Accounts payable	7,019	7,207	7,921
Accrued expenses	2,858	2,285	2,830
Customer advances	1,347	671	2,153
Tax accruals and liabilities	962	2,360	3,237
Other current liabilities	6,640	8,849	12,579
<b>Total current liabilities</b>	<b>18,826</b>	<b>21,372</b>	<b>28,720</b>
<b>Total liabilities and equity</b>	<b>53,010</b>	<b>55,275</b>	<b>60,745</b>

\* Contingent capital EUR'000 1,200 (prior year: EUR'000 1,121).  
The accompanying notes are an integral part of the consolidated financial statements.

# CONSOLIDATED INCOME STATEMENT



	2ND QUARTER		PREV. YEAR	JANUARY - JUNE		PREV. YEAR
	2009	2008		2009	2008	
	EUR'000	EUR'000	Δ	EUR'000	EUR'000	Δ
<b>Gross sales</b>	<b>20,540</b>	<b>19,061</b>	<b>8 %</b>	<b>39,560</b>	<b>35,868</b>	<b>10 %</b>
<b>Net sales</b>	<b>7,505</b>	<b>7,635</b>	<b>-2 %</b>	<b>14,988</b>	<b>14,835</b>	<b>1 %</b>
Cost of revenues	-5,247	-4,817	9 %	-10,360	-9,230	12 %
Sales and marketing expenses	-544	-563	-3 %	-1,032	-1,137	-9 %
General and administrative expenses	-795	-1,030	-23 %	-1,612	-2,069	-22 %
Other operating income/expense, net	107	60	78 %	147	109	35 %
<b>Operating profit</b>	<b>1,026</b>	<b>1,285</b>	<b>-20 %</b>	<b>2,131</b>	<b>2,508</b>	<b>-15 %</b>
Financial income, net	272	246	11 %	542	514	5 %
<b>Income before taxes and minority interest</b>	<b>1,298</b>	<b>1,531</b>	<b>-15 %</b>	<b>2,673</b>	<b>3,022</b>	<b>-12 %</b>
Income taxes	-237	-498	-52 %	-619	-967	-36 %
<b>Net income</b>	<b>1,061</b>	<b>1,033</b>	<b>3 %</b>	<b>2,054</b>	<b>2,055</b>	<b>0 %</b>
Income share to other shareholders	0	172	-100 %	0	381	-100 %
<b>Income share to shareholders of Syzygy AG</b>	<b>1,061</b>	<b>861</b>	<b>23 %</b>	<b>2,054</b>	<b>1,674</b>	<b>23 %</b>
Earnings per share from total operations	0.09	0.07	29 %	0.17	0.14	21 %

The accompanying notes are an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

	30.06.2009	30.06.2008	31.12.2008
	EUR'000	EUR'000	EUR'000
Net income	2,054	2,055	4,267
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
- Depreciation on fixed assets	330	301	694
- Depreciation on securities	0	0	491
Changes in operating assets and liabilities:			
- Accounts receivable and other assets	-125	4,794	966
- Customer advances	-806	269	1,740
- Accounts payable and other liabilities	-1,253	-1,663	974
- Tax accruals and payables, deferred taxes	-2,268	-263	416
<b>Cash flows provided by operating activities</b>	<b>-2,068</b>	<b>5,493</b>	<b>9,548</b>
Changes in other non-current assets	-50	40	260
Investments in fixed assets and proceeds of fixed assets, net	-376	-841	-1,020
Purchases of marketable securities	-1,253	-3,180	-3,217
Proceeds from sale of marketable securities	2,700	2,000	1,945
Investments in financial assets	0	-1,937	0
Acquisition of consolidated companies	-5,560	0	-1,938
<b>Cash flows used in investing activities</b>	<b>-4,539</b>	<b>-3,918</b>	<b>-3,970</b>
Minority shareholders	0	-639	-1,276
Treasury stock	0	0	0
Dividend	-1,808	-1,205	-1,205
<b>Cash flows from financing activities</b>	<b>-1,808</b>	<b>-1,844</b>	<b>-2,481</b>
<b>Total</b>	<b>-8,415</b>	<b>-269</b>	<b>3,097</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>10,991</b>	<b>8,024</b>	<b>8,024</b>
<b>Changes from consolidation</b>	<b>0</b>	<b>55</b>	<b>55</b>
<b>Exchange rate differences</b>	<b>1,429</b>	<b>0</b>	<b>-185</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,005</b>	<b>7,810</b>	<b>10,991</b>

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY



	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	OWN SHARES	OTHER COMPREHENSIVE INCOME	RETAINED DEFICIT	MINORITY INTEREST	TOTAL EQUITY
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>January 01, 2008</b>	<b>12,078</b>	<b>18,385</b>	<b>-116</b>	<b>-983</b>	<b>4,496</b>	<b>639</b>	<b>34,499</b>
Net income					3,630		3,630
Foreign currency translation adjustment				-2,686			-2,686
Net unrealized gains on marketable securities (net of tax)				-1,713			-1,713
Dividend					-1,205		-1,205
Purchase of minority interests						-639	-639
<b>December 31, 2008</b>	<b>12,078</b>	<b>18,385</b>	<b>-116</b>	<b>-5,382</b>	<b>6,921</b>	<b>0</b>	<b>31,886</b>
<b>January 01, 2009</b>	<b>12,078</b>	<b>18,385</b>	<b>-116</b>	<b>-5,382</b>	<b>6,921</b>	<b>0</b>	<b>31,886</b>
Net income					2,054		2,054
Foreign currency translation adjustment				1,173			1,173
Net unrealized gains on marketable securities (net of tax)				740			740
Dividend					-1,808		-1,808
<b>June 30, 2009</b>	<b>12,078</b>	<b>18,385</b>	<b>-116</b>	<b>-3,469</b>	<b>7,167</b>	<b>0</b>	<b>34,045</b>

The accompanying notes are an integral part of the financial statements.

# SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## ACCOUNTING PRINCIPLES

In accordance with §37 y i.c.w. §37 w (2) of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG), Syzygy AG's half-year report comprises the interim consolidated financial statements, an interim management report as well as the responsibility statement according to §297 (2) sentence 4, §315 (1) sentence 6 German Commercial Code (Handelsgesetzbuch - HGB). The unaudited consolidated financial statements of Syzygy AG for the first six months of 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial statements have been set up considering the rules of IAS 34. Accordingly, a reduced reporting has been chosen compared to the annual report 2008. The management report has been prepared under the applicable rules of WpHG.

The same accounting and consolidation principles were applied as described in the notes to the financial statements in the 2008 annual report. Likewise, individual items in the balance sheet and income statement are presented using the same valuation principles as described and applied in the annual report for 2008. These financial figures and the associated information must therefore be read in conjunction with the annual report for 2008.

## BUSINESS ACTIVITY OF THE SYZYGY GROUP

Syzygy is a European agency group for interactive marketing. The five operating companies of the Syzygy Group with offices in Germany and the UK offer large European companies a comprehensive range of services from strategic consulting to project planning, concepts, design and technical realisation. Syzygy's services are complemented by search engine marketing and

online media planning. Syzygy thus enables its clients to use the Internet both as a powerful communications and sales medium and as a tool for extending and improving their interaction with customers, business partners and employees.

## SCOPE OF CONSOLIDATION AND PRINCIPLES

As at June 30, 2009, the following subsidiaries were included in the consolidated financial statements of Syzygy AG and fully consolidated:

- (1) Hi-ReS! Ltd, UK
- (2) Mediopoly Ltd, UK
- (3) Syzygy Deutschland GmbH, Germany
- (4) Syzygy UK Ltd, UK
- (5) unikedigital GmbH, Germany
- (6) Unique Digital Marketing Ltd, UK

Information on general consolidation principles is provided in the 2008 annual report from page 46 ff.

## LIKE-FOR-LIKE SALES PERFORMANCE / FOREIGN CURRENCY EFFECTS

The Syzygy Group generates around 50 per cent of sales in the UK. If the euro rises in value against sterling, this has a negative impact on sales. In the first quarter of 2009, sales were converted at an average rate of exchange of EUR 1.12, whereas in the same quarter of the prior year, the average rate of exchange was EUR 1.29 to the pound. If the prior year's figures had been converted at the same rate as in the period under review, net sales in the first six months of 2008 would have been EUR 992,000 lower. Under constant currency exchange rates, net sales would have increased by 8 per cent.

**SEGMENT REPORTING**

The Company's businesses operate in the European market. The individual companies are managed locally and operate in their local markets largely independently. Consequently, the Syzygy Group's segment reporting follows geographical criteria. The UK segment consists of Syzygy UK, Unique Digital, Hi-ReS!

and Mediopoly. Germany comprises Syzygy Deutschland and unikedigital. The different segments apply the same accounting principles as the consolidated entity. Transactions between segments have been eliminated. As the holding company, Syzygy AG delivers services to the operating units and therefore needs to be considered separately.

Segment by regions as per June 30, 2009

[EUR'000]	<b>GERMANY</b>	<b>UNITED KINGDOM</b>	<b>CENTRAL FUNCTIONS AND CONSOLIDATION</b>	<b>TOTAL</b>
Gross sales	19,513	20,934	-887	39,560
Net sales	8,095	7,780	-887	14,988
Operating income (EBITA)	1,530	1,215	-614	2,131
Financial income	29	38	475	542
Net income	1,317	876	-139	2,054
Assets	17,762	23,712	11,536	53,010
Of which goodwill	8,842	9,770	0	18,611
Investments	143	141	5	289
Depreciation and amortisation	212	112	8	330
Segment liabilities	7,180	12,675	-891	18,965

Segment by regions as per June 30, 2008

[EUR'000]	<b>GERMANY</b>	<b>UNITED KINGDOM</b>	<b>CENTRAL FUNCTIONS AND CONSOLIDATION</b>	<b>TOTAL</b>
Gross sales	18,284	17,864	-280	35,868
Net sales	7,587	7,528	-280	14,835
Operating income (EBITA)	1,887	1,614	-993	2,508
Financial income	84	130	300	514
Net income	1,576	1,697	-1,218	2,055
Assets	17,298	20,648	17,129	55,305
Of which goodwill	7,822	9,013	0	16,935
Investments	348	69	1	418
Depreciation and amortisation	188	110	3	301
Segment liabilities	7,577	7,305	6,490	21,372

There are also two business areas, design & build and online marketing, which constitute segments for the Syzygy Group. The design & build business is represented mainly by Syzygy Deutschland, Hi-ReS! and Syzygy UK, whereas online marketing services are provided primarily by unikedigital GmbH and Unique Digital Ltd.

Segment by business areas as per June 30, 2009

[EUR'000]	<b>DESIGN &amp; BUILD</b>	<b>ONLINE MARKETING</b>	<b>CENTRAL FUNCTIONS AND CONSOLIDATION</b>	<b>TOTAL</b>
Net sales	11,669	3,761	-442	14,988
Assets	11,459	29,907	11,644	53,010
Investments	238	47	4	289

Segment by business areas as per June 30, 2008

[EUR'000]	<b>DESIGN &amp; BUILD</b>	<b>ONLINE MARKETING</b>	<b>CENTRAL FUNCTIONS AND CONSOLIDATION</b>	<b>TOTAL</b>
Net sales	10,603	4,512	-280	14,835
Assets	7,779	13,140	34,356	55,275
Investments	404	13	1	418

#### **TREASURY SHARES**

As at June 30, 2009, Syzygy held 25,000 treasury shares. The Company is authorised to resell or call in treasury shares or to offer treasury shares to third parties in the course of acquiring companies. Treasury shares do not entitle the Company to any dividend or voting rights. The extent of the share buyback is shown as a separate item to be deducted from equity.

#### **DIRECTORS' DEALINGS**

Transactions by board members of listed companies in shares in their own organisation are called directors' dealings. In the period under review, no Syzygy shares were bought or sold by board members.

Current holdings of shares and transactions carried out in the period under review are disclosed in the following tables:



## Management Board: Number of shares

	<b>MARCO SEILER</b>	<b>FRANK WOLFRAM</b>	<b>TOTAL</b>
As per 12/31/2008	622,279	5,500	<b>627,779</b>
Purchases	0	0	<b>0</b>
Sales	0	0	<b>0</b>
As per 06/30/2009	622,279	5,500	<b>627,779</b>

## Supervisory Board: Number of shares

	<b>MICHAEL MÄDEL</b>	<b>ADRIAAN RIETVELD</b>	<b>WILFRIED BEECK</b>	<b>TOTAL</b>
As per 12/31/2008	0	10,000	120,000	<b>130,000</b>
Purchases	0	0	0	<b>0</b>
Sales	0	0	0	<b>0</b>
As per 06/30/2009	0	10,000	120,000	<b>130,000</b>

The members of the Management Board and Advisory Board did not hold any options.

**SHAREHOLDER STRUCTURE**

As at June 30, 2009, the shareholders' structure had changed slightly as compared to the year before. The WPP Group held 29.6 per cent and Marco Seiler 5.2 per cent of Syzygy shares. The free float therefore amounted to 65.2 per cent. As at June 30, 2009, the total number of shares was 12,078,450.

**RESPONSIBILITY STATEMENT ACCORDING TO § 37Y I. C. W. § 37W (2) NO. 3 WPHG (TRANSLATION)**

"To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim

management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year."

Bad Homburg v. d. H., July 31, 2009

Syzygy AG

The Management Board

# FINANCIAL CALENDAR 2009 OF SYZYG AG

## **SMALL CAP CONFERENCE, FRANKFURT**

August 31, 2009

## **THIRD QUARTER TRADING UPDATE**

October 29, 2009

## **GERMAN EQUITY FORUM, FRANKFURT**

November 9, 2009

## **MKK – MUNICH CAPITAL MARKET CONFERENCE**

December 8-9, 2009

## **SYZYG AG**

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