sinnerschrader

QUARTERLY FINANCIAL REPORT 2008 | 2009

3

Key Figures of the SinnerSchrader Group

in € 000s, €, and number	Q3 2008/2009	Q3 2007/2008	Change	9M 2008/2009	9M 2007/2008	Change
Revenues	6,870	6,126	+12 %	20,761	17,578	+18 %
Gross profit	1,790	1,518	+18 %	4,903	4,434	+11 %
EBITDA	642	668	-4 %	1,568	1,738	-10 %
EBITA	516	535	-4 %	1,177	1,355	-13 %
Net income	306	435	-30 %	793	1,169	-32 %
Net income per share	0.03	0.04	-25 %	0.07	0.10	-30 %
Cash flows from operating activities	859	580	+48 %	1,894	2,145	-12 %
Employees, full-time equivalents	243	203	+20 %	230	169	+36 %
	31.05.2009	28.02.2009	Change	31.05.2009	31.08.2008	Change
Cash and cash equivalents	7,727	7,401	+4 %	7,727	9,075	-15 %
Employees, end of period	277	257	+8 %	277	241	+15 %

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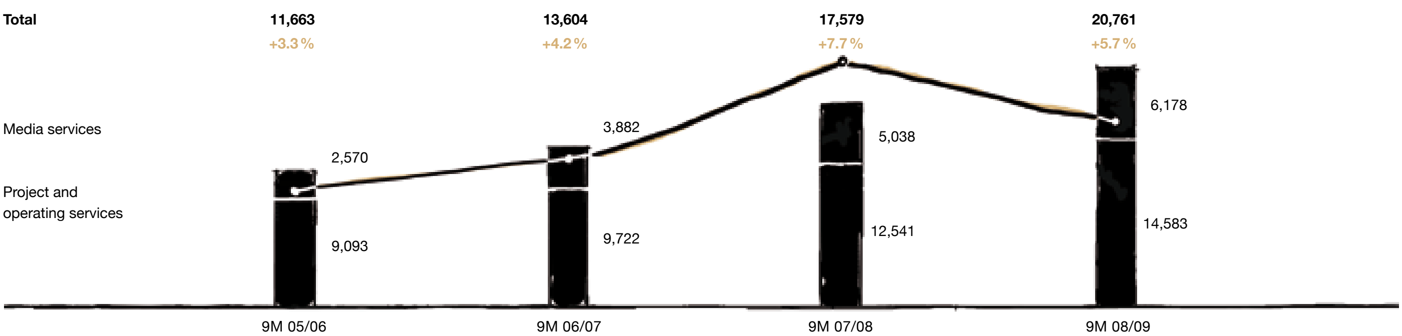
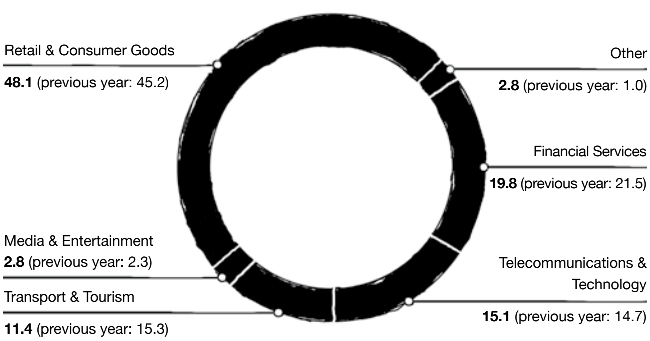
Development of Revenues and Margin by Nine-month Periods

Gross revenues in € 000s, gross revenue margin in %



Revenues by Sector

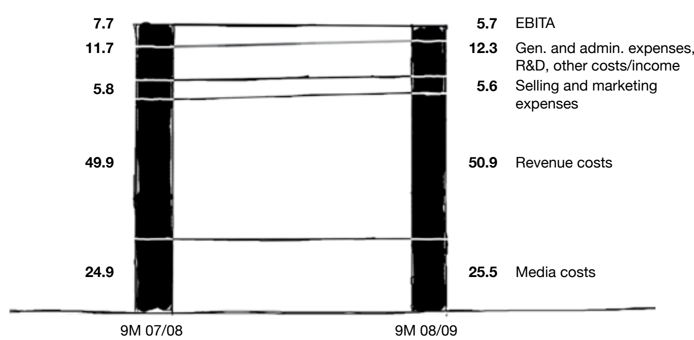
in % for 9M 2008/2009



previous year = 2007/2008 financial year

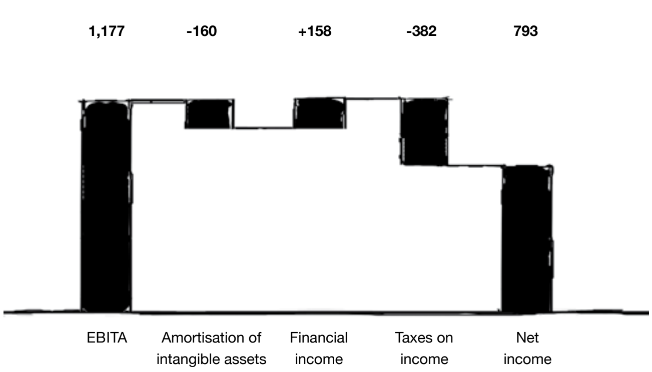
Development of Operating Costs and EBITA

in % of gross revenues



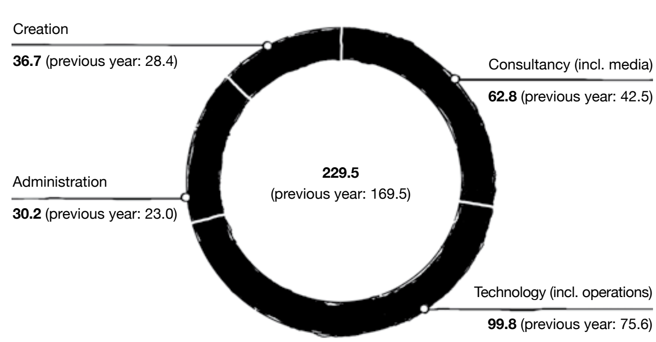
Reconciliation of EBITA to Net Income

in € 000s for 9M 2008/2009



Employee Structure According to Areas

in average number of full-time employees for 9M 2008/2009



previous year = 9M 2007/2008

Interim Status Report as of 31 May 2009

1 General

This Interim Status Report as of 31 May 2009 represents the development of the income, financial, and assets status of the SinnerSchrader Group ("SinnerSchrader" or "Group"), which is managed by SinnerSchrader Aktiengesellschaft ("SinnerSchrader AG" or "AG"), in the third quarter and the first nine months of the 2008/2009 financial year from 1 March 2009 and 1 September 2008 to 31 May 2009, respectively. It deals with the major risks and opportunities and the probable future development of business in the rest of the financial year.

The Consolidated Financial Statements to which this Status Report refers were drawn up according to International Financial Reporting Standards ("IFRS"). The Interim Status Report, particularly Section 4, contains statements and information aimed at the future. Such forward-looking statements are based on current knowledge, estimates, and assumptions. They therefore entail a number of risks and uncertainties. A variety of factors, many of which are outside SinnerSchrader's sphere of influence, have an impact on business development and its results. These factors mean that the actual future business development of SinnerSchrader and the actual results achieved may differ significantly from the explicit or implicit information in the forward-looking statements.

2 Group Structure

In the quarter of the report, the consolidation group of the SinnerSchrader Group expanded through the takeover of newtention technologies GmbH ("newtention") and its subsidiary newtention services GmbH as well as through the foundation of next commerce GmbH ("next commerce"). Both transactions were carried out by SinnerSchrader AG in May 2009, so the above-mentioned companies were included in the Consolidated Financial Statements for the first time as of 31 May 2009.

As at the end of the previous financial year, the consolidation group of the SinnerSchrader Group was made up of the AG which manages the Group consisting of its 100 % domestic subsidiaries SinnerSchrader Deutschland GmbH and spot-media AG ("spot-media"), with its subsidiary spot-media consulting GmbH, along with the operatively inactive foreign subsidiaries SinnerSchrader Benelux BV and SinnerSchrader UK Ltd.

The spot-media group was first incorporated into the SinnerSchrader Group on 1 February 2008 after SinnerSchrader AG took over all shares of spot-media AG at the start of February 2008. This means that in the nine-month period of the previous year, the spot-media group contributed to the figures in the Statements of Operations only from the months of February to May 2008.

By acquiring newtention, SinnerSchrader took another step toward the expansion of its portfolio of services in the media business. The n7 ad management suite from newtention is an ad serving solution which uses innovative profiling and targeting technologies to enable advertising companies and agencies to use their marketing budgets in a more targeted, performance-driven way for online display advertising. SinnerSchrader AG acquired newtention on 29 May 2009 with the conclusion of the sales contract. The purchase price – consisting of a cash, a share, and an earn-out component – amounted to € 268,000 based on an estimate for the expected earn-out payments.

In early December 2008, SinnerSchrader Deutschland GmbH took over the online media business of the newtention group, which operated under the name adbalance, for a purchase price of € 660,000 by means of an asset deal in order to strengthen its own performance display advertising business.

With the foundation of next commerce in May 2009, SinnerSchrader created a corporate platform upon which the e-commerce outsourcing business for the Group will be established. While SinnerSchrader designs, develops, and delivers online shops to customers for an agreed price in its project business, the e-commerce outsourcing concept goes a step further. As an outsourcing partner, next commerce will not only construct online shops for customers, it will also entirely manage them for a specified number of years after the launch; its services will include the product presentation, logistics chain, payment transactions, technical operation, and further development of the shop's content. SinnerSchrader may charge a one-time fee for this but will primarily receive payment in the form of a share of the revenues generated by the platform. Seven months of preparation preceded the foundation of the company.

Effective 1 January 2009, spot-media AG acquired a customer relationship and the associated team of employees from another Hamburg interactive agency in order to expand its maintenance business. The purchase price was primarily composed of earn-out components and is estimated to be € 394,000.

In December 2008, SinnerSchrader AG divested itself of the 20 % share in activeGATE GmbH acquired in April 2008 after the valuation of this investment had been completely depreciated as of 31 August 2008. The stake was transferred to the co-owner in return for a share of probable future revenues.

3 Business Development and Group Situation

Though the economic situation in Germany remained strained and overall economic performance declined significantly, SinnerSchrader managed to improve its revenues and earnings in the third quarter compared to the weak second quarter. Gross revenues rose by 4.4 % compared to the previous quarter, the operating result (EBITA) quintupled, and the operating margin once again reached over 7 % in relation to gross revenues and 10 % in relation to net revenues.

This corresponds to revenue growth of a good 12 % compared with the third quarter of the previous financial year. Due to additional advance payments amounting to around € 0.2 million connected with the establishment of next commerce which began in the second quarter and the expansion of media business, the EBITA was nearly 4 % lower than in the previous year. Without these advance payments, the quarterly EBITA would have clearly surpassed that of the previous year.

In the first nine months of the 2008/2009 financial year, SinnerSchrader therefore achieved an increase in gross revenues, including positive consolidation effects, of a good 18 % compared to the same period of the previous year, while net revenues rose by around 17 %. In the same period of time, the operating result remained 13 % lower than in the previous year, with the accumulated advance payments of nearly € 0.4 million for the establishment and expansion of new fields of business alone leading to a decline of around 29 %.

In addition to advance payments on the operating level, the development of consolidated income compared to the previous year additionally suffered from acquisition-related amortisation and the decline in earnings from the investment of liquidity caused by the weakness of the financial market. The 32 % decrease compared to the year before was therefore greater than the decline in the EBITA. After nine months, the earnings per share amounted to € 0.07, compared to € 0.10 in the previous year.

The operating cash flows in the third quarter nearly reached the value of the first half of the year, so that a liquidity inflow of around € 1.9 million was generated in the first nine months. This was largely invested in the expansion of business, which caused the liquidity reserve to decline by € 1.3 million to € 7.7 million compared to 31 August 2008 after the dividend payment in December 2008 and outflows of funds for the share buy-back programme. However, there was increase of around € 0.3 million compared to the end of the previous quarter.

3.1 Revenues, Incoming Orders, and Price Development

In the third quarter of 2008/2009, SinnerSchrader achieved gross revenues of nearly € 6.9 million and net revenues of € 5.1 million. This was € 0.3 (+4.4 %) and € 0.4 million (+8 %) more than in the preceding second quarter. While the media business experienced a slight seasonal slowdown, the business with project and operating services grew by a good 10 %. spot-media AG contributed significantly to this, particularly as a result of its acquisition of a customer relationship on 1 January 2009.

As measured by gross revenues, business grew by 12.1 % in comparison with the third quarter of the previous year. With a 24.1 % increase in the media budget it manages, SinnerSchrader's media business – with the support of revenues from the business acquired from the newtention group in December 2008 – once again contributed an above-average amount to this growth. The 8.7 % growth in net revenues was correspondingly lower than in gross revenues. As in the comparison with the previous quarter, the customer relationship acquired by spot-media played a significant role in the growth of project and operating services.

Over the first nine months of the current financial year, SinnerSchrader achieved total gross revenues of nearly € 20.8 million and net revenues of around € 15.5 million, thus reaching growth rates of 18.1 % and 17.2 %, respectively, compared to the same period in the previous year. The organic growth of the media budget managed by SinnerSchrader and the newly acquired media business of the newtention group together accounted for a 22.5 % increase in gross revenues from media business. There was 16.3 % growth in project and operating services, though it must be noted that in the first nine months of the previous year, the spot-media group did not contribute to SinnerSchrader's revenues until February 2008, and spot-media itself acquired a customer relationship and the associated team of employees in January 2009. Furthermore, certain relationships with long-standing customers developed very dynamically, despite continued customer reticence to approve project budgets. Several new customers were also gained in the quarter of the report, including the Steigenberger Hotel Group and QVC Germany as well as a well-known fashion company from Hamburg, which was acquired through the new e-commerce outsourcing offer from next commerce GmbH.

In total, customers with whom SinnerSchrader was not yet achieving revenues in the comparable period of the previous year accounted for 7.4 % of gross revenues in the first nine months. In the first half-year, this figure was 5.5 %.

The distribution of gross revenues according to sectors changed very little in the quarter of the report. Compared to the distribution in 2007/2008 as a whole, the greatest change in the first nine months of the current year was in the Retail & Consumer Goods sector, which accounted for 48.1 % of gross revenues, an increase of 2.9 percentage points. The share of the Telecommunications & Technology sector rose by 0.4 percentage points to reach 15.1 %, while customers from the Media & Entertainment sector accounted for 2.8 %, which represents growth of 0.5 percentage points. The Financial Services and Transport & Tourism sectors accounted for 19.8 % and 11.4 %, respectively, of gross revenues in the period of the report. 2.8 % of gross revenues were achieved with customers who could not be categorised in the sectors mentioned above.

The gross revenue share of the ten biggest customers in the first nine months of 2008/2009 was 89.3 %.

Incoming orders in project and operating services in the third quarter of 2008/2009 were around 6 % higher than in the previous year and nearly 8 % and 15 % above the figures of the first and second quarters, respectively, of the current financial year. In total, incoming orders in the first nine months surpassed those of the same period in the year before by 11 %. The development of orders in the third quarter of 2008/2009 supports the assessment that there will be no dramatic drop in orders in the field of infrastructure-oriented interactive services. The same applies to the sales-oriented online media business which SinnerSchrader primarily carries out for customers from the Retail & Consumer Goods sector.

It is still apparent, however, that the difficult overall economic situation in Germany has increased the price sensitivity of customers, resulting in a growing number of intensive price negotiations.

3.2 Operating Result

The increase in revenues compared to the weak second quarter resulted in a significantly improved operating result (EBITA) in the third quarter of 2008/2009. After reaching just € 100,000 in the preceding quarter, SinnerSchrader's EBITA amounted to € 516,000 in the quarter of the report.

This is just slightly lower than the EBITA of € 535,000 from the comparable period of the previous year, even though additional advance payments and initial losses of € 0.2 million from the establishment and expansion of fields of business were incurred in the quarter of the report. These particularly raised the general and administrative expenses in the quarter of the report, which made up 12.1 % of gross revenues, compared to 10.0 % in the previous year. Marketing expenses were also considerably higher than in the previous year. Relative to gross revenues, they accounted for 7.5 % in the third quarter of 2008/2009, compared to 6.4 % in the year before. In addition to an overall increase in marketing activities, the economic situation made it difficult to find sponsors for the annual next conference held by SinnerSchrader each May, which led to a higher cost overhang for SinnerSchrader.

These higher costs were partially compensated for in the quarter under review by an increase in gross profit from 24.8 % in the previous year to 26.1 % as well as a one-time effect on other income arising from a final settlement with the landlord regarding the scope of rent reductions and the cost of fault corrections since the occupation of the new offices in Völckersstraße in Hamburg in 2006. The EBITA margin in relation to gross revenues amounted to 7.5 % in the third quarter of 2008/2009 compared with 8.7 % in the year before. In relation to net revenues, the margin was 10 %.

In the first nine months of the 2008/2009 financial year, the operating result came to a total of nearly € 1.2 million, or around € 0.2 million less than in the same period of the previous year. Since this result was achieved with revenues which were higher than in the previous year, the operating margin in relation to gross revenues fell by two percentage points from 7.7 % in the previous year to 5.7 % in the period of the report. This decline was primarily a result of advance payments and initial losses from the establishment and expansion of new fields of business, which came to a total of around € 0.4 million in the first nine months of the year.

These advance payments related to the consistent expansion of SinnerSchrader's media business to include performance-oriented online media services and the strengthening of SinnerSchrader's technical foundations with an eye to the growing demands of the performance media business. To this end, SinnerSchrader first took over the online media business of the newtention group in December 2008 and integrated it into its existing media business. At the end of May 2009, SinnerSchrader additionally acquired newtention technologies GmbH and the ad serving technology developed by this company.

SinnerSchrader also invested in the establishment of an e-commerce outsourcing offer. The first phase of this was completed with the foundation of next commerce GmbH and the acquisition of its first customer in May 2009.

Without the advance payments, the EBITA in the nine-month period would have amounted to around 7.6 % of gross revenues and thus been on the level of the previous year. The advance payments in the period of the report had an effect above all on the general and administrative expenses, which accounted for 12.6 % of gross revenues, up from 11.9 % in the previous year. Together with the expenses for research and development of 0.2 % and, on the other hand, the other income from the settlement with the landlord, this cost block amounted to 12.3 % of gross revenues, compared to 11.7 % in the first nine months of 2007/2008.

In addition to affecting the general and administrative expenses, the initial losses also impacted the development of the gross profit margin. This declined by 1.6 percentage points to 23.6 % in the period covered by the report compared to the same period last year. The decline reflects the initial losses as well as two projects which did not break even in the second quarter of 2008/2009.

Marketing expenses made up 5.6 % of revenues in the quarter of the report. In light of the higher volume of revenues, the marketing expenses were proportionately lower than in the previous year, in which they accounted for 5.8 % of gross revenues. In absolute terms, the marketing expenses rose by nearly € 0.2 million.

Viewed on their own, the research and development expenses amounted to € 33,000 and made up 0.2 % of gross revenues in the first nine months, which corresponds to the low level of the same period in the previous year. These expenses arose primarily from the further development of existing component libraries for e-commerce applications.

3.3 Consolidated Income

With an operating result (EBITA) of € 516,000, SinnerSchrader ended the third quarter of 2008/2009 with a consolidated income of € 306,000, considerably surpassing the consolidated income of the second quarter of € 71,000.

However, the consolidated income was still € 129,000 lower than in the previous year. The difference in the consolidated income of the second and third quarters was significantly greater than the difference in the operating result. This can be attributed to the fact that earnings from the investment of liquid funds were far lower than in the previous year as a result of a sharp decrease in safe short-term interest rates and a reduction in the average liquidity available for investment. Additionally, in the quarter of the report, there were burdens from the amortisation of intangible assets from acquisitions which had no counterparts in the previous year.

In the first nine months of the current financial year, the consolidated income reached a total value of € 793,000, or € 0.07 per share. In the same period of the previous year, SinnerSchrader achieved € 1,169,000, or € 0.10 per share. The decrease in consolidated income was a result of the operating decline of € 178,000 together with the interest-related dwindling of earnings from the investment of liquid funds by € 125,000 to € 158,000 as well as the amortisation of intangible assets from acquisitions of € 160,000. The tax liability, on the other hand, was € 382,000, or € 85,000 lower than in the previous year.

3.4 Cash Flows

While overall cash flows were negative in the first two quarters of the financial year, the reserve of liquid funds and cash equivalents rose slightly in the third quarter by € 0.3 million on account of the good operating cash flows. The operating cash flows in the third quarter amounted to around € 0.9 million and covered the outflow of funds in the quarter for the acquisition of shares of newtention technologies GmbH (€ 0.2 million), the payment of the first purchase price instalment for the acquisition of a customer relationship through spot-media AG (€ 0.1 million), other investments mostly in assets and equipment in the usual course of business (€ 0.1 million), and the payments for the purchase of treasury stock (€ 0.1 million).

This led to a total outflow of € 1.3 million in liquid funds over the first nine months.

Nearly € 1.3 million went toward the acquisition of shares or assets from other companies, including the acquisition of the online media business of the newtention group by SinnerSchrader Deutschland GmbH in December 2008, the takeover of a customer relationship and a customer team by spot-media AG on 1 January 2009, the acquisition of all shares of newtention technologies GmbH at the end of May 2009, and the payment of another purchase price instalment for the takeover of spot-media AG. Nearly € 0.3 million were used to purchase property and equipment as well as intangible assets for the replacement or equipping of workstations, central technical infrastructures, and offices.

Other liquid funds in the amount of € 1.7 million were used in the period of the report to pay a dividend of € 0.12 per share in December 2008 and to buy back treasury stock.

The outflows of funds in the first nine months of the year were countered by inflows of funds from operating activities of around € 1.9 million, nearly € 2.2 million of which came from the consolidated income adjusted for amortisation and changes in accrued expenses, including the latency item. The shift of positions towards customers and suppliers caused the amount of funds tied up to rise by nearly € 0.3 million in the first nine months of the current financial year.

3.5 Balance Sheets

The expansion of business activities through the takeover of business units and the corresponding outflow of liquid funds affected the development of the balance sheet from 31 August 2008 to the report date of 31 May 2009.

During this period, intangible assets and goodwill rose by a total of € 1.3 million due to the transactions carried out in December 2008 and May 2009.

Based on partially preliminary estimates for the purchase price allocation, around € 0.9 million were assigned to goodwill for the purchase of the online media business of the newtention group by way of an asset deal by SinnerSchrader Deutschland GmbH and the takeover of all shares of newtention GmbH.

Furthermore, in the course of paying the first earn-out instalment, SinnerSchrader raised its estimate for the total earn-out payments due for the spot-media acquisition by nearly € 0.2 million in light of the company's performance, which surpassed the plans; this led to an increase of the same amount in the goodwill resulting from this transaction.

The purchase of a customer relationship by spot-media AG on 1 January 2009 caused the intangible assets to rise by € 0.4 million. After deduction of the total amortisation of the intangible assets, the amount of intangible assets changed by € 0.2 million as of 31 May 2009 compared to 31 August 2008.

This increase in non-current assets was countered on the assets side by the € 1.3 million decline in liquid funds and cash equivalents, so that the balance sheet total fell only slightly by nearly € 0.3 million with the balance of the changes to other positions. The position towards customers from accounts receivable and unbilled services increased marginally by nearly € 0.1 million in comparison to revenue growth.

On the liabilities side, the decline in the balance sheet total arose primarily from the dividend payment of nearly € 1.4 million and the buy-back of treasury stock with a value of € 0.3 million. When balanced with the consolidated income of € 0.8 million from the first nine months, this lowered the shareholders' equity by around € 0.9 million as of 31 May 2009. In contrast, tax liabilities and other accrued expenses together rose on the liabilities side by € 0.7 million.

The expansion of business in combination with a high dividend payment rate and the continuation of the share buy-back programme led to a further decrease in the high equity rate, which amounted to 61.5 % on 31 May 2009. This is a decline of 3.5 percentage points compared to 31 August 2008.

3.6 Employees

The number of employees in the SinnerSchrader Group continued to grow in the third quarter of 2008/2009. Compared with the second quarter, the average number of full-time employees in the Group rose by 12, from 231 to 243. In the third quarter of the previous year, there were 203 full-time employees at Sinner-Schrader.

The average number of full-time employees in the Group in the nine months since 31 August 2008 was 230. This was 61 full-time employees more than in the previous year; some of this increase can be attributed to the fact that the spot-media AG employees were only included the Group's personnel capacity for four of the nine months of the same period in the previous year. A total of 63 full-time employees worked in consultancy (including online media and next commerce), 100 in technology (including operations), 37 in creation, and 30 in corporate services. The number of employees rose by 20 in consultancy, 25 in technology, 9 in creation, and 7 in corporate services.

On the report date of 31 May 2009, the SinnerSchrader Group had 277 employees. A total of 24 employees joined SinnerSchrader through the takeover of business units in the current financial year; most recently, 17 employees were acquired through the takeover of newtention technologies GmbH shortly before the end of the quarter. One year ago, there were 227 employees.

4 Risks and Opportunities

As regards risk management at SinnerSchrader and the major risks and opportunities in particular, there have been no major changes in the first nine months of 2008/2009 in comparison to the situation in the 2007/2008 Annual Report.

The global financial and economic crisis continued in the quarter of the report. The economic outlook for the rest of the year is very gloomy and rife with uncertainty. The effects on SinnerSchrader's business development can also not be clearly estimated at this time. This is why it will be especially important to observe the economic risks in the months ahead in order to react to them in time. The risks from acquisitions grew significantly in the first nine months of 2008/2009 due to the continuation of inorganic expansion despite a high level of economic uncertainty.

However, the economic crisis could entail opportunities for SinnerSchrader. The crisis will force companies to increase efficiency, including in marketing. As an efficient and performance-oriented marketing platform, the Internet could benefit from this by speeding up the shift of the marketing budget from the classical marketing channels to the online sphere.

5 Major Events after the Balance Sheet Date

After the balance sheet date, there were no events to report which could be expected to have a significant effect on the asset, financial, and income status of SinnerSchrader.

6 Forecast

After a weak second quarter, SinnerSchrader's incoming orders and revenue development improved noticeably in the third quarter of 2008/2009. This confirms SinnerSchrader's impression that many companies are intensifying their online activities as a way of further developing their business. This means that SinnerSchrader's business can continue to develop positively despite the German economy's significant problems.

Nonetheless, in its business with both existing and new customers, even SinnerSchrader is feeling the effects of the negative economic development and the uncertainty pertaining to when and how the economy will recover. Hesitantly approved projects, budget freezes, and intensive price negotiations are the order of the day and have considerably slowed business growth.

Based on generally positive expectations for the future development of the market, however, SinnerSchrader decided to invest in the expansion of its e-commerce outsourcing and performance marketing portfolios in the first months of the current financial year, despite the fact that business growth is currently more restrained. SinnerSchrader reached important milestones in its e-commerce outsourcing and performance marketing business with the foundation of next commerce GmbH and the takeover of newtention technologies GmbH. The advance payments for these initiatives amounted to around € 0.4 million in the first nine months and will rise to a total of about € 0.5 million for the 2008/2009 financial year as a whole.

In light of the development in the first nine months and the positive signals in the third quarter, SinnerSchrader does not expect the crisis to worsen in the fourth quarter. This means SinnerSchrader should be able to reach its goal of increasing its gross revenues to surpass the previous year's level of € 24.2 million and most likely reach more than € 27 million. However, even without taking into account the initial costs and start-up losses from the expansion of the service portfolio, it is now unlikely that this year's operating result (EBITA) will surpass last year's. With initial costs of about € 0.5 million, SinnerSchrader anticipates an EBITA of around € 1.5 million for the 2008/2009 financial year.

Consolidated Balance Sheets
as of 31 May 2009 and 31 August 2008

Assets in €	31.05.2009	31.08.2008
Current assets:		
Liquid funds	2,418,086	9,075,148
Marketable securities	5,308,918	–
Cash and cash equivalents	7,727,004	9,075,148
Accounts receivable, net of allowances for doubtful accounts of € 155,924 and € 157,924	4,414,876	4,829,850
Unbilled revenues	1,726,904	1,245,615
Other current assets and prepaid expenses	157,377	241,823
Total current assets	14,026,161	15,392,436
Non-current assets:		
Property and equipment	993,299	1,081,485
Goodwill	3,719,813	2,592,463
Other intangible assets	644,533	436,985
Tax receivables	160,417	203,009
Other non-current assets and prepaid expenses	134,483	227,586
Total non-current assets	5,652,545	4,541,528
Total assets	**19,678,706**	**19,933,964**

Liabilities and shareholders' equity in €	31.05.2009	31.08.2008
Current liabilities:		
Trade accounts payable	2,231,416	2,358,219
Advance payments received	387,480	435,290
Other accrued expenses	2,197,716	1,814,767
Tax liabilities	790,091	434,643
Other current liabilities and deferred income	805,404	809,528
Total current liabilities	6,412,107	5,852,447
Non-current liabilities:		
Other non-current liabilities	728,824	738,092
Deferred tax liabilities	436,072	372,580
Total non-current liabilities	1,164,896	1,110,672
Shareholders' equity:		
Common stock, stated value € 1, issued: 11,542,764 and 11,542,764, outstanding: 11,291,820 and 11,497,579 at 31.05.2009 and 31.08.2008, respectively	11,542,764	11,542,764
Additional paid-in capital	3,599,444	3,601,770
Reserves for share-based compensation	94,854	70,778
Treasury stock, 250,944 and 45,185 at 31.05.2009 and 31.08.2008, respectively	-387,729	-72,192
Accumulated deficit	-2,772,717	-2,197,346
Changes in shareholders' equity not affecting net income	25,087	25,071
Total shareholders' equity	12,101,703	12,970,845
Total liabilities and shareholders' equity	**19,678,706**	**19,933,964**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Operations

from 1 March 2009 and 1 September 2008 to 31 May 2009

in €	Q3 2008/2009	Q3 2007/2008	9M 2008/2009	9M 2007/2008
Gross revenues	6,870,281	6,125,529	20,760,968	17,578,087
Media costs	-1,736,242	-1,402,495	-5,292,010	-4,379,353
Total revenues, net	5,134,039	4,723,034	15,468,958	13,198,734
Costs of revenues	-3,343,852	-3,205,197	-10,566,456	-8,764,262
Gross profit	**1,790,187**	**1,517,837**	**4,902,502**	**4,434,472**
Selling and marketing expenses	-517,157	-389,726	-1,169,657	-1,016,165
General and administrative expenses	-833,864	-612,103	-2,614,360	-2,087,034
Research and development expenses	-13,745	-15,610	-33,472	-33,707
Amortisation of intangible assets from first consolidation	-64,116	–	-159,550	–
Operating income	**361,305**	**500,398**	**925,463**	**1,297,566**
Other income/expenses, net	90,397	34,618	91,903	57,691
Proportionate loss from associated companies	–	-9,361	–	-9,361
Financial income, net	16,988	89,295	157,435	291,069
Income before provision for income tax	**468,690**	**614,950**	**1,174,801**	**1,636,956**
Income tax	-162,344	-180,140	-382,266	-467,712
Net income	**306,346**	**434,810**	**792,535**	**1,169,253**
Net income per share (basic)	0.03	0.04	0.07	0.10
Net income per share (diluted)	0.03	0.04	0.07	0.10
Weighted average shares outstanding (basic)	11,307,913	11,498,164	11,383,720	11,422,649
Weighted average shares outstanding (diluted)	11,307,913	11,508,264	11,384,341	11,426,579

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

from 1 September 2008 to 31 May 2009

in €	Number of shares outstanding
Balance at 31.08.2007	**11,401,878**
Foreign currency translation adjustment	–
Changes in shareholders' equity not affecting net income	–
Net income	–
Disbursed dividend	–
Deferred compensation	–
Purchase of treasury stock	-169,536
Re-issuance of treasury stock	256,917
Balance at 31.05.2008	**11,489,259**
Balance at 31.08.2008	**11,497,579**
Foreign currency translation adjustment	–
Changes in shareholders' equity not affecting net income	–
Net income	–
Disbursed dividend	–
Deferred compensation	–
Purchase of treasury stock	-225,759
Re-issuance of treasury stock	20,000
Balance at 31.05.2009	**11,291,820**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Common stock	Additional paid-in capital	Reserves for share-based compensation	Treasury stock	Retained earnings/ losses	Changes in share-holders' equity not affecting net income	Total shareholders' equity
11,542,764	**3,612,775**	**32,536**	**-217,350**	**-2,447,384**	**24,961**	**12,548,302**
–	–	–	–	–	87	87
–	–	–	–	–	87	87
–	–	–	–	1,169,253	–	1,169,253
–	–	–	–	-1,358,207	–	-1,358,207
–	–	22,860	–	–	–	22,860
–	–	–	-273,831	–	–	-273,831
–	-10,140	–	405,793	–	–	395,653
11,542,764	**3,602,635**	**55,396**	**-85,388**	**-2,636,338**	**25,048**	**12,504,117**
11,542,764	**3,601,770**	**70,778**	**-72,192**	**-2,197,346**	**25,071**	**12,970,845**
–	–	–	–	–	16	16
–	–	–	–	–	16	16
–	–	–	–	792,535	–	792,535
–	–	–	–	-1,367,906	–	-1,367,906
–	–	24,076	–	–	–	24,076
–	–	–	-346,463	–	–	-346,463
–	-2,326	–	30,926	–	–	28,600
11,542,764	**3,599,444**	**94,854**	**-387,729**	**-2,772,717**	**25,087**	**12,101,703**

Consolidated Statements of Cash Flows

from 1 September 2008 to 31 May 2009

in €	9M 2008/2009	9M 2007/2008
Cash flows from operating activities:		
Net income	792,535	1,169,253
Adjustments to reconcile net income to net cash used in operating activities:		
Amortisation of intangible assets from first consolidation	159,550	–
Depreciation of other intangible assets and property and equipment	390,992	383,285
Share-based compensation	24,076	22,860
Bad debt expenses	-2,000	–
Gains/losses on the disposal of fixed assets	469	-4,783
Proportionate income/loss from associated companies	–	9,361
Deferred tax provision	63,492	333,272
Changes in assets and liabilities:		
Accounts receivable	416,974	578,910
Unbilled revenues	-481,289	-408,927
Tax receivables	42,592	141,040
Other current assets and prepaid expenses	177,549	-316,787
Accounts payable, deferred revenues and other liabilities	-429,069	-4,135
Tax liabilities	355,448	–
Other accrued expenses	382,949	241,329
Net cash provided by (used in) operating activities	**1,894,268**	**2,144,678**
Cash flows from investing activities:		
Acquisition of subsidiary companies and business units less acquired liquid funds	-1,130,280	-2,074,925
Purchase of property and equipment	-398,165	-347,213
Proceeds from sale of equipment	386	43,099
Net cash provided by (used in) investing activities	**-1,528,059**	**-2,379,039**
Cash flows from financing activities:		
Payment to shareholders	-1,367,906	-1,358,207
Payment for treasury stock	-346,463	-273,831
Net cash provided by (used in) financing activities	**-1,714,369**	**-1,632,038**
Net effect of rate changes on cash and cash equivalents	16	87
Net increase/decrease in cash and cash equivalents	**-1,348,144**	**-1,866,312**
Cash and cash equivalents at beginning of period	9,075,148	10,449,726
Cash and cash equivalents at end of period	7,727,004	8,583,414
thereof back-up of bank guarantees	867,855	171,450
For information only, contained in cash flows from operating activities:		
Interest payment received	96,095	64,218
Paid interest	-2,758	-1,531

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes

1 General Foundations

The Consolidated Financial Statements as of 31 May 2009 of SinnerSchrader Aktiengesellschaft (“SinnerSchrader AG” or “AG”) and its subsidiaries (“SinnerSchrader Group”, “SinnerSchrader”, or “Group”) for the first nine months and the third quarter of the 2008/2009 financial year from 1 September 2008 and 1 March 2009, respectively, to 31 May 2009 were drawn up according to the International Financial Reporting Standards (“IFRS”) of the International Accounting Standards Board (“IASB”) in force on the report date, taking account of the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and in compliance with the standard for interim financial reports specified by DRS 16 of the German Accounting Standards. They were not subject to an audit and are to be read in conjunction with the Consolidated Financial Statements of SinnerSchrader AG as of 31 August 2008.

The accounting, valuation, and consolidation methods of the Quarterly Report at hand were unchanged from the Consolidated Financial Statements as of 31 August 2008. They are disclosed and explained in the Consolidated Financial Statements as of 31 August 2008, which are published in the 2007/2008 Annual Report.

2 Consolidation Group

2.1 Fully Consolidated Companies

The consolidation group of the SinnerSchrader Group as of 31 May 2009 changed in comparison to 31 August 2008 and consisted of SinnerSchrader AG as well as the following direct and indirect subsidiaries of the AG, each of which was fully consolidated:

1. SinnerSchrader Deutschland GmbH, Hamburg, Germany
2. spot-media AG, Hamburg, Germany
3. spot-media consulting GmbH, Hamburg, Germany
4. newtention technologies GmbH, Norderstedt, Germany
5. newtention services GmbH, Norderstedt, Germany
6. next commerce GmbH, Hamburg, Germany
7. SinnerSchrader UK Ltd., London, Great Britain
8. SinnerSchrader Benelux BV, Rotterdam, the Netherlands

The new members of the consolidation group as of 31 May 2009 comprised newtention technologies GmbH and its subsidiary newtention services GmbH as well as next commerce GmbH.

On 19 May 2009, SinnerSchrader AG signed a sales contract for all shares of newtention technologies GmbH. After all pending approvals were received, the first purchase price instalment comprising € 200,000 in cash and 20,000 shares of SinnerSchrader treasury stock worth € 29,000 was paid on 29 May 2009. On this date, all shares of newtention technologies GmbH and thus control of the company and its subsidiary passed to SinnerSchrader AG. The newtention group was included in the Consolidated Financial Statements of the AG for the first time as of 31 May 2009 in accordance with the acquisition method outlined in IFRS 3.

According to IFRS 3, at the time of the initial consolidation, the investment book value resulting from the acquisition cost is to be offset against the shareholders’ equity of the acquired subsidiary, which is the balance of the respective fair value of all of this company’s assets, liabilities, and contingent liabilities on the day of the initial consolidation. Any remaining difference is to be reported as goodwill under intangible assets.

The acquisition cost for the takeover of newtention technologies GmbH was estimated to be a total of € 268,000 at the time of the interim financial statement. In addition to the cash and share component due at the time of transfer, the sales contract calls for a variable earn-out component related to the business development of the newtention group until 31 March 2010 and due at the end of this time period. This variable purchase price component is determined by SinnerSchrader’s estimates based on financial plans for the period from April 2009 to March 2010. When the acquisition cost was established, the treasury stock issued to the seller in the course of the purchase was valued at € 1.43 per share based on the Xetra closing price on 19 May 2009.

Since the interim and annual financial statements of newtention technologies GmbH as of the initial consolidation date of 31 May 2009 – and therefore the allocation of the purchase price to assets and liabilities reported or not reported in the balance sheet – are not yet complete, the total purchase price of € 268,000 was provisionally reported as goodwill under intangible assets in the Consolidated Balance Sheets of SinnerSchrader as of 31 May 2009.

As of 1 December 2008, SinnerSchrader Deutschland GmbH had already taken over the marketing business of the newtention group which operated within newtention services GmbH. The takeover was carried out by way of an asset deal. The acquisition cost amounted to € 660,000 to be paid in cash. The takeover qualified as the acquisition of a business in accordance with IFRS 3. According to this, hidden reserves must be disclosed and the purchase price is to be distributed across the acquired assets and liabilities, with any remaining difference to be allocated as goodwill (purchase price allocation). The purchase price allocation is not yet completed. The total amount of € 660,000 was provisionally reported as goodwill in the SinnerSchrader Consolidated Balance Sheets.

next commerce GmbH was established on 20 May 2009 as a 100 % subsidiary of SinnerSchrader Aktiengesellschaft with the goal of expanding a new field of business, namely, e-commerce outsourcing.

spot-media AG and its subsidiary spot-media consulting GmbH have been included in the Consolidated Financial Statements since 1 February 2008. This means that both companies were part of the Group's consolidation group for just four months in the comparable period of the first nine months of the 2007/2008 financial year. Assuming that the spot-media companies had already been part of the SinnerSchrader Group since the start of the 2007/2008 financial year, the comparison in Table 1 shows the key operating figures of the reporting period vis-à-vis the previous year:

Table 1 | Previous year comparative figures pro forma in €

	9M 2008/2009	9M 2007/2008 pro forma
Gross revenues	20,760,968	18,980,055
Total revenues, net	15,468,958	14,600,702
EBITA	1,176,917	1,558,433

The purchase price for the takeover of spot-media AG includes an earn-out component which is to be paid from 2009 to 2012 on the basis of the operating performance of spot-media AG between 2008 and 2011. The first earn-out payment was paid in February 2009. As of 31 May 2009, the purchase price liability had a discounted value of € 920,000, of which € 308,000 was reported under current liabilities and € 613,000 under non-current liabilities.

A segment of the total purchase price of € 382,000 was to be allocated to a set of existing customers as part of the initial consolidation of spot-media AG in the 2007/2008 financial year. The value should be depreciated in a linear fashion over the expected usage period of 29 months, which resulted in charges of € 40,000 and € 119,000 in the third quarter and first nine months of 2008/2009, respectively, from depreciations to intangible assets from the initial consolidation.

Effective 1 January 2009, spot-media AG essentially took over one customer relationship and the employees working exclusively on this relationship from the Hamburg interactive agency Con Structores. The takeover qualified as the acquisition of intangible assets under IFRS and was balanced in accordance with IAS 38. The purchase price, which is due in three annual instalments starting in March 2009 and the amount of which is oriented essentially on the contribution to profit generated by the acquired customer relationship, was estimated to be a total of € 394,000 at the time of purchase. After payment of the first earn-out instalment in March 2009, the discounted value of the purchase price liability outstanding as of 31 May 2009 amounted to € 274,000, of which € 158,000 was to be reported under current liabilities and the remaining € 116,000 under non-current liabilities.

2.2 Participations

At the end of December 2008, SinnerSchrader AG transferred its 20 % share in activeGATE GmbH, Hamburg, from 31 August 2008 and 30 November 2008 to the co-owner in return for a share of the future revenues of the company. The value of this participation was completely corrected in the 2007/2008 Consolidated Financial Statements as of 31 August 2008.

3 Taxes from Income and from Earnings

The taxes reported in the Statements of Operations from income and from earnings are made up of current and deferred components, as shown in Table 2:

Table 2 | Current and deferred taxes for the period in €

	9M 2008/2009	9M 2007/2008
Current	318,774	134,440
Deferred	63,492	333,272
Total	**382,266**	**467,712**

In the first nine months of 2008/2009, current tax liabilities in the amount of around € 319,000 were incurred. In the same period of the previous year, these tax liabilities amounted to just € 134,000 despite a higher pre-tax profit because the pre-tax profits incurred exclusively in Germany could still be largely offset against tax loss carry-forwards. However, the corporation tax and trade tax loss carry-forwards of the tax group led by SinnerSchrader AG were used up by the end of the 2007/2008 financial year.

Deferred taxes were formed in accordance with IAS 12 on temporary differences between the book values in the Consolidated Balance Sheet and the tax assumptions. The statutory income tax rate to which SinnerSchrader was subject in the first nine months of 2008/2009 and the same period of the previous year was 32.3 % and was made up of the trade tax rate of 16.5 %, the corporation tax rate of 15 %, and the solidarity surcharge of 5.5 % on the corporation tax. The tax rate reported in the Statements of Operations for the two periods was 32.5 % and 28.6 %, respectively.

4 Financial Obligations and Contingent Liabilities

The contingencies and other financial obligations as of 31 May 2009 were largely unchanged compared to the Consolidated Financial Statements as of 31 August 2008.

5 Treasury Stock

As of 31 May 2009, the treasury stock of SinnerSchrader AG amounted to 250,944 shares with a calculated face value of € 250,944, representing 2.17 % of the share capital. As of 31 August 2008, the treasury stock amounted to 45,185 shares, representing 0.39 % of the share capital.

In the first nine months of the 2008/2009 financial year, SinnerSchrader bought back 225,759 shares of treasury stock via the stock market at a total purchase price of € 346,463, which is an average of € 1.53 per share.

In connection with the takeover of newtention technologies GmbH, SinnerSchrader transferred 20,000 shares of treasury stock as part of the purchase price to the sellers.

The 250,944 shares of treasury stock held by SinnerSchrader as of 31 May 2009 had a purchase price of € 387,729, or an average of € 1.55 per share.

6 Stock Option Plans

With resolutions of the Annual General Meetings of October 1999, December 2000, and January 2007, SinnerSchrader AG created the SinnerSchrader Stock Option Plan 1999, the SinnerSchrader Stock Option Plan 2000, and the SinnerSchrader Stock Option Plan 2007, along with the necessary conditional capital of € 375,000 (Stock Option Plans 1999 and 2000) and € 600,000 (Stock Option Plan 2007). Detailed information on the stock option plans can be found in the Notes to the Consolidated Financial Statements as of 31 August 2008.

Within the framework of the Stock Option Plans 1999 and 2000, options have been allocated to employees and members of the Management Board of SinnerSchrader AG and its subsidiaries in the past years.

In the 2006/2007 and the 2007/2008 financial years, 75,000 and 175,000 options, respectively, from the 2007 Plan were allocated to a member of the SinnerSchrader AG Management Board and to members of the management of subsidiary companies. In the first nine months of the 2008/2009 financial year, no options were allocated.

Table 3 summarises the changes in the number of outstanding options from the 1999 Plan, the 2000 Plan, and the 2007 Plan in the first nine months of the 2008/2009 financial year:

Table 3 | Outstanding stock options in € and number

	Number of options	Weighted average exercise price
Outstanding at 31 August 2008	**311,135**	**1.69**
Granted	–	–
Exercised	–	–
Cancelled	-7,333	2.08
Expired	-15,435	1.63
Outstanding at 31 May 2009	**288,367**	**1.69**

IFRS 2 calls for the costs resulting from the issue of employee options to be entered in the balance sheet on the basis of their current value with an effect on income. The market value of the option on the issue date should be distributed over the waiting period for exercising the option and then proportionately entered in the Statements of Operations as personnel costs for the relevant period. The costs are recorded against the shareholders' equity in the reserves for share-based compensation. In the first nine months of 2008/2009, the costs affecting income amounted to € 24,076, compared to € 22,860 in the comparable period of 2007/2008.

7 Dividend

The Annual General Meeting of SinnerSchrader AG on 18 December 2008 agreed to the proposal of the Management Board and Supervisory Board to pay a dividend in the amount of € 0.12 per share from the accumulated income as of 31 August 2008. On 19 December 2008, the amount of € 1,367,906 was paid to shareholders, and the liquid funds and shareholders' equity were reduced by the same amount.

8 Related Party Transactions

In the first nine months of the 2008/2009 and 2007/2008 financial years, SinnerSchrader achieved revenues in the amount of € 8,559,261 and € 6,063,923, respectively, with companies in which members of the Supervisory Board of SinnerSchrader held supervisory board positions.

9 Major Events after the Balance Sheet Date

There were no major events after the balance sheet date that should be reported.

10 Directors' Holdings of Shares and Subscription Rights to Shares ("Directors' Dealings")

Table 4 shows the number of shares of SinnerSchrader AG and the number of subscription rights to these shares held by directors of SinnerSchrader AG as of 31 August 2008 and any changes in the first nine months of 2008/2009:

Table 4 | Shares and options of the Board members in number

Shares	31.08.2008	Additions	Disposals	31.05.2009
Management Board member:				
Matthias Schrader	2,415,175	40,000	–	2,455,175
Thomas Dyckhoff	74,950	–	–	74,950
Total shares of the Management Board	2,490,125	40,000	–	2,530,125
Supervisory Board member:				
Prof. Dr Reinhard Pöllath	–	–	–	–
Dieter Heyde	–	–	–	–
Prof. Cyrus D. Khazaeli	–	–	–	–
Total shares of the Supervisory Board	–	–	–	–
Total shares of the Board members	**2,490,125**	**40,000**	**–**	**2,530,125**

Options	31.08.2008	Additions	Disposals	31.05.2009
Management Board member:				
Matthias Schrader	–	–	–	–
Thomas Dyckhoff	75,000	–	–	75,000
Total options of the Management Board	75,000	–	–	75,000
Supervisory Board member:				
Prof. Dr Reinhard Pöllath	–	–	–	–
Dieter Heyde	–	–	–	–
Prof. Cyrus D. Khazaeli	–	–	–	–
Total options of the Supervisory Board	–	–	–	–
Total options of the Board members	**75,000**	**–**	**–**	**75,000**

11 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements of the SinnerSchrader Group give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Interim Status 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 principle opportunities and risks associated with the expected development of the Group.

Hamburg, 15 July 2009

The Management Board

Matthias Schrader   Thomas Dyckhoff

Events & Contact Information

Financial Calendar 2008/2009	
Annual Report 2008/2009	November 2009

Our previous reports can be viewed or downloaded online on our website at www.wkn514190.de.

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