

Financial Statements of Reply Deutschland AG

Income Statement for Period of January 1, to March 31, 2013 of Reply Deutschland AG

All figures in Euro thsd.	Q1 2013	Previous year
1. Revenue	3,940	28,660
2. Increase in work in progress	1,080	1,229
Gross operational income	5,020	29,888
3. Other operating income	3,024	5,366
Gross income	8,044	35,254
4. Costs of material		
Cost of bought-in services	1,970	11,717
5. Personnel expenses		
a) Wages and salaries	1,950	10,967
b) Social security expenses and costs of provision for retirement and welfare	320	1,635
	2,271	12,602
6. Depreciation		
a) on intangible assets and property, plant, and equipment	46	250
7. Other operating expenses	1,822	11,558
	6,109	36,127
Operating income	1,935	- 873
8. Income from profit transfer agreements	220	2,541
9. Income from equity investments	0	740
10. Loss from profit transfer agreements	0	0
11. Income from financial assets	18	137
12. Other interests and similar profits	25	243
13. Depreciation on financial assets	0	0
14. Interest and similar expenses	1	80
15. Profit from ordinary activities	2,198	2,708
16. Extraordinary expenses	0	32
17. Income tax	58	1,084
18. Net profit	2,140	1,592
19. Profit / loss carried forward	0	0
20. Withdrawal from capital reserve	0	0
21. Withdrawal from retained earnings	0	545
22. Allocation to retained earnings	0	0
23. Unappropriated profit	2,140	2,138

Balance Sheet as at March 31, 2013 of Reply Deutschland AG

All figures in Euro thsd.

Assets	03/31/2013	12/31/2012
A. Fixed Assets		
I. Intangible assets		
Software	0	56
II. Tangible assets		
Other plant, office furniture and equipment	0	859
III. Financial assets		
1. Shares in affiliated companies	40,441	19,763
2. Loans to affiliated companies	0	5,000
3. Other lendings	0	41
	40,441	24,804
	40,441	25,719
B. Current Assets		
I. Inventories		
1. Work in progress	0	2,755
2. Advance payments	0	1,152
	0	3,907
II. Accounts receivable and other assets		
1. Trade accounts receivables	0	4,784
2. Receivables from affiliated companies	0	10,595
3. Other assets	391	401
	391	15,780
III. Cash in hand, cash at bank		
	0	4,757
	391	24,444
C. Deferred items	0	182
D. Deferred tax assets	0	36
E. Asset-side difference from asset allocation	0	7
	40,832	50,389

Liabilities	03/31/2013	12/31/2012
A. Equity		
I. Subscribed capital		
1. Share capital	4,751	4,751
(Contingent capital 0, previous year 0)		
	4,751	4,751
II. Capital reserve		
1. Premium from the issue of shares	21,483	21,483
2. Other capital reserves	329	329
	21,812	21,812
III. Surplus reserve		
1. Other retained earnings	8,722	8,722
	8,722	8,722
IV. Unappropriated profit 2012/2013	4,278	2,138
	39,563	37,423
B. Provisions		
1. Provisions for pension obligations	0	532
2. Tax provisions	128	337
3. Other provisions	121	1,889
	249	2,758
C. Liabilities		
1. Prepayments received on ordering	0	3,542
2. Trade accounts payable	0	615
3. Payables to affiliated companies	318	4,295
4. Other liabilities	0	1,034
	318	9,487
D. Deferred items	0	18
E. Deferred tax liabilities	701	703
	40,832	50,389

Statement of Fixed Assets Movements as at March 31, 2013

All figures in Euro thsd.	Acquisition or production cost			
	01/01/2013	Additions	Disposals	03/31/2013
I. Intangible assets				
Software	998		998	0
II. Tangible assets				
Other plant, office furniture and equipment	2,341	21	2,362	0
III. Financial assets				
1. Shares in affiliated companies	19,822	40,441	19,822	40,441
2. Loans to affiliated companies	5,000		5,000	0
3. Other lendings	41		41	0
	24,863	40,441	24,863	40,441
	28,202	40,462	28,223	40,441

All figures in Euro thsd.	Cumulative value adjustments				
	01/01/2013	Depreciation of current year	Appreciations of financial year	Disposals	03/31/2013
I. Intangible assets					
Software	943	3	0	946	0
II. Tangible assets					
Other plant, office furniture and equipment	1,482	32	0	1,514	0
III. Financial assets					
1. Shares in affiliated companies	59	0	0	59	0
2. Loans to affiliated companies	0	0	0	0	0
3. Other lendings	0	0	0	0	0
	59	0	0	59	0
	2,484	35	0	2,519	0

All figures in Euro thsd.	Book values	
	03/31/2013	Previous year
I. Intangible assets		
Software	0	55
II. Tangible assets		
Other plant, office furniture and equipment	0	859
III. Financial assets		
1. Shares in affiliated companies	40,441	19,763
2. Loans to affiliated companies	0	5,000
3. Other lendings	0	41
	40,441	24,804
	40,441	25,718

Notes to the Financial Statements as at March 31, 2013 Reply Deutschland AG

1 General Notes to the Financial Statements as at March 31, 2013

The financial statements of Reply Deutschland AG as at March 31, 2013 were drawn up according to §§ 242 ff and 264 ff German Commercial Code (HGB) as well as according to the relevant regulations of the German Companies Law (Aktiengesetz). The regulations for large public limited companies apply.

The income statement is structured according to the aggregate cost method.

2 Statements to the Accounting and Valuation Methods

On 14 December 2012 the Executive Board and Supervisory Board of Reply Deutschland AG have approved to the reorganization of Reply Deutschland AG. In the frame of the reorganization Reply Deutschland AG will be merged onto its majority shareholder, Reply S.p.A, a stock corporation listed in the Star segment of the Italian Stock Exchange in Milan. By way of preparation, the subsidiary Tool Reply GmbH was sold to Reply Services S.R.L., Turin, Italy whereas all other assets of Reply Deutschland AG including its participations were transferred into a wholly owned subsidiary of Reply Deutschland AG. Subsequently, Reply Deutschland AG will be merged onto Reply S.p.A.

The extraordinary general meeting of Reply Deutschland AG on February 14, 2013 approved to the share purchase and transfer agreement regarding the shares in Tool Reply GmbH to Reply Services S.R.L., Italy and the contribution agreement regarding the remaining assets of the company to Reply GmbH & Co. KG with requisite majority. The realization of this contribution agreement became effective on February 28 / March 1, 2013. Therefore the Reply Deutschland AG has no further operational business as of March 1, 2013. Furthermore is to be followed, that the comparative values refer to the year before. Because of the mentioned reasons the comparability with the last year's values is only restrictedly possible.

The financial statements as at March 31, 2013 were fundamentally drawn up according to the accounting and valuation methods below.

Shares in affiliated companies (Reply GmbH & Co. KG and Reply Verwaltungs GmbH) are carried at their acquisition cost. By the for the calculation of acquisition costs necessary balance sheet as at February 28, 2013 were generally applied the same accounting and valuation methods like the years before.

All other asset items are carried at their nominal values.

Other provisions are made by taking all uncertain liabilities concerning the first quarter 2013 and known by the time of balance sheet preparation into account. Such provisions were made in view of necessary settlement amount arising according to reasonable and prudent business judgment.

Liabilities are carried at their settlement value.

In order to determine deferred taxes resulting from temporary or quasi-temporary differences between values reported according to commercial law for asset items, debts and accruals and deferrals and their tax valuations or from tax loss carry forwards, the amounts of the resulting tax burdens or tax reliefs are assessed at the company-related tax rates at the time of the reduction of the differences without discounting them. Deferred tax assets and deferred tax liabilities (corporate tax) are offset stated.

3 Notes to the Balance Sheet

The development of the **assets** is described in the Appendix to the Notes.

The value of the financial investments consists the book value of the investments in affiliated companies (Reply Deutschland AG 100% shareholder) Reply GmbH & Co. KG and Reply Verwaltungs GmbH.

Share ownership

Reply Deutschland AG held shares indirectly through its participation (Reply GmbH & Co. KG) in the following companies as per balance sheet date March 31, 2013 (the amounts equity and net profit are the amount as at December 31, 2012):

	Share in %	Currency	Equity	Net profit for the year
Xpress GmbH & Co. KG, Gütersloh**	100	Euro thsd.	528 ^{***}	-2 ^{***}
Xpress Verwaltungs-GmbH, Gütersloh	100	Euro thsd.	49	4
4brands GmbH & Co. KG, Minden**	51	Euro thsd.	3,516 ^{***}	516 ^{***}
4brands Verwaltungs-GmbH, Minden	51	Euro thsd.	78	7
macros Reply GmbH, Munich*	100	Euro thsd.	1,030 ^{***}	699 ^{***}
Cluster Reply GmbH & Co. KG, Munich**	100	Euro thsd.	911 ^{***}	474 ^{***}
Cluster Reply Verwaltungs-GmbH, Munich	100	Euro thsd.	22	5
Xuccess Reply GmbH, Munich*	100	Euro thsd.	1,941 ^{***}	1,841 ^{***}
Twice Reply GmbH, Düsseldorf	100	Euro thsd.	-51	380 ^{***}
Syskoplan Reply GmbH, Küsnacht CH	100	Euro thsd.	64	15 ^{***}
Power Reply GmbH & Co. KG, Munich**	100	Euro thsd.	-538	-548 ^{***}
Power Reply Verwaltungs-GmbH, Munich	100	Euro thsd.	24	1

* In the case of the companies with which there are profit and loss transfer agreements, the release from disclosure according to § 264 section 3 HGB is exerted.

** In the case of business partnerships, the release from disclosure according to § 264b HGB is exerted.

*** Before profit and loss transfer / loss assumption / appropriation of net profit.

Other assets contain no asset with a residual term of more than one year.

The **share capital** of Reply Deutschland AG as per March 31, 2013 amounts to EUR 4,750,561 (previous year: EUR 4,750,561) and consists of 4,750,561 (previous year: 4,750,561) no-par-value bearer shares with a notional portion in the share capital of EUR 1 each.

At the balance sheet date of March 31, 2013 the company is not in ownership of any **treasury stock**.

In the amount of EUR 475 thousand, the capital reserve represents the statutory reserve in terms of Section 150 II of the German Companies Act (AktG) as 10% of the share capital.

The Executive Board will propose to the General Meeting to distribute a dividend of EUR 0.45 (for the year 2012) per no-par-value bearer share (a total of EUR 2,137.7 thousand) to the shareholders for the financial year 2012. Thus, EUR 545 thousand has already been taken from the retained income in the financial statement as at December 31, 2012 and taken into account in the profit retained.

The **other provisions** in the amount of EUR 121 thousand (previous year: EUR 1,889) are mainly assigned to the execution of the annual meeting and auditors remuneration.

All **liabilities** amounting to a total of EUR 318 thousand (previous year: EUR 9,486 thousand) have a term of up to one year. Liabilities secured by rights of lien or similar rights do not exist.

Liabilities towards affiliated companies consists only other liabilities.

In connection with the **deferred tax liabilities** (corporate tax) in the amount of EUR 703 thousand, a tax rate of 15.825% was taken as a basis. The deferred tax liabilities of EUR 750 thousand (corporate tax) result from differences between commercial law assessments and tax law assessments and the entailed consequences with respect to the subsidiaries maintained as partnerships of the Reply GmbH & Co. KG in the amount of EUR 4,741 thousand. These effects were offset against the deferred tax assets arising from corporate tax of EUR 49 thousand.

4 Notes to the Profit and Loss Account

EUR 3,940 thousand of **sales figures** were achieved; EUR 3,627 thousand in the domestic country and EUR 313 thousand in foreign countries. Furthermore, sales figures are allocated to their respective fields of activities as follows:

	Euro thsd.
System integration	2,884
Managed services	140
Other	916

Taxes from income and profit in the amount of EUR 58 thousand include income related to other periods of EUR 4 thousand. Taxes from income and profit are attributed solely to the result of the ordinary business activ-

ities. Furthermore, the item taxes from income and profit includes deferred tax income of EUR 9 thousand (corporate tax expenditure EUR 2 thousand and trade tax expenditure EUR 7 thousand).

5 Other Notes

Staff

Because of the reorganization February 28 / March 1, 2013 there is (excluding board members) no person employed as at March 31, 2013.

Other Financial Liabilities

As to balance sheet day, there were no other financial liabilities.

Contingent Liabilities

As to balance sheet day, there were no Contingent Liabilities.

Financial Derivatives

As to balance sheet day, there were no derivative finance dealings.

Off-Balance Sheet Transactions

Other off-balance sheet business transactions having a significant influence on the property and the financial and income situation of Reply Deutschland AG do not exist.

Members of the Board of Directors

In the first quarter 2013, the following persons were members of the Executive Board of the Company:

- Josef Mago (Chairman), Corporate Development, Capital Market, M&A and HR for Partners
- Dott. Flavia Rebuffat, Operations, finances and Staff.

In the first quarter 2013, the members of the Executive Board were represented in the following supervisory boards and other comparable domestic and foreign supervising bodies:

- Josef Mago Advisory Board 4brands GmbH & Co. KG, Minden (Chairman)
- Dott. Flavia Rebuffat Supervisory Board, Arlanis Reply AG, Potsdam (Chairman)

Members of the Supervisory Board

In the quarter under review, the following persons were members of the Supervisory Board of Reply Deutschland AG:

- Dott. Mario Rizzante President of Reply S.p.A., Turin, Italy, Chairman
- Dr. Niels Eskelson Management Consultant, Paderborn, Vice-Chairman

- Dr. Stefan Duhnkrack Partner of Heuking Kühn Lüer Wojtek, Hamburg
- Dott. Daniele Angelucci CFO Reply S.p.A., Turin, Italy
- Dr. Markus Miele Managing shareholder of Miele & Cie. KG, Gütersloh
- Dott. Tatiana Rizzante CEO Reply S.p.A., Turin, Italy.

Mandates of the Members of the Supervisory Board

In the quarter under review, the members of the supervisory board held the following mandates in supervisory boards and comparable domestic and foreign supervising bodies:

- Dott. Mario Rizzante no further mandates
- Dr. Niels Eskelson no further mandates
- Dr. Stefan Duhnkrack NetBid Industrie-Auktionen AG, Hamburg, Member of the Supervisory Board
DELACAMP AG, Hamburg, Member of the Supervisory Board
- Dott. Daniele Angelucci no further mandates
- Dr. Markus Miele ERGO Versicherungsgruppe AG, Düsseldorf, Member of the Supervisory Board
SURTECO SE, Bittenwiesen-Pfaffenhofen, Member of the Supervisory Board
- Dott. Tatiana Rizzante Ansaldo Sts S.p.A., Milan, Member of the Board of Directors

Business with related parties

The total sales figures include sales of EUR 633 thousand resulting from projects of Reply Deutschland AG with end customers that were achieved solely by an affiliated company and therefore are shown in the same amount (i.e. without margin) as expenditure for performances received. A management fee in the amount of 6% is charged for this and shown under other operating revenue.

www.reply.de

