



INTERIM  
REPORT  
PER 03/31/2010

Q1.10

# KEY FIGURES OF SYZYGY AG

FIG. 1, PAGE 4

## NET SALES AND EBIT MARGIN

IN EUR'000

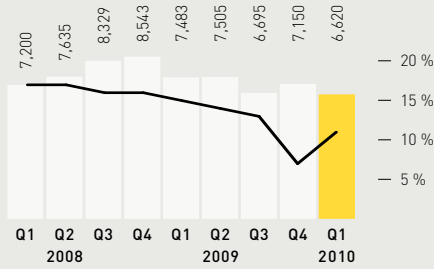


FIG. 2, PAGE 4

## NET SALES AND EBIT MARGIN BY REGION

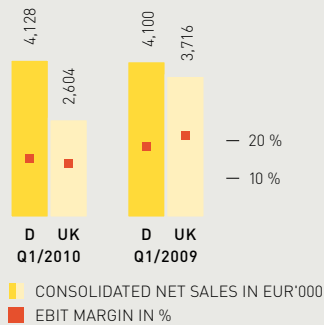


FIG. 3, PAGE 4

## SALES ALLOCATION BY VERTICAL MARKETS

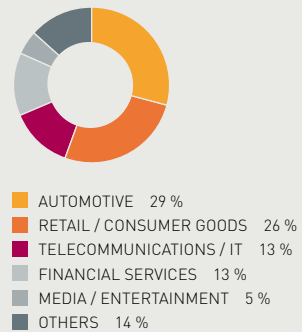


FIG. 4, PAGE 5

## RATIO OF OPERATING INCOME TO FINANCIAL INCOME

IN EUR'000

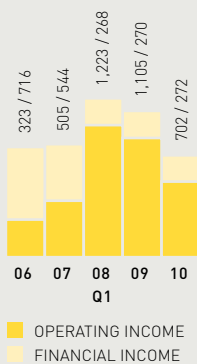


FIG. 5, PAGE 5

## NET INCOME

IN EUR'000

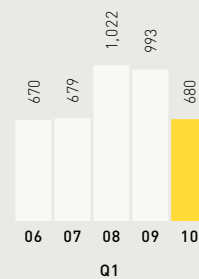


FIG. 6, PAGE 5  
**EARNINGS PER SHARE**  
 IN EUR

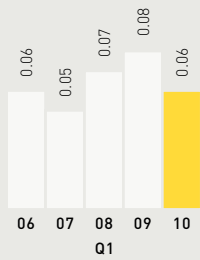


FIG. 7, PAGE 5  
**DEVELOPMENT OF OPERATING CASH FLOWS**  
 IN EUR'000

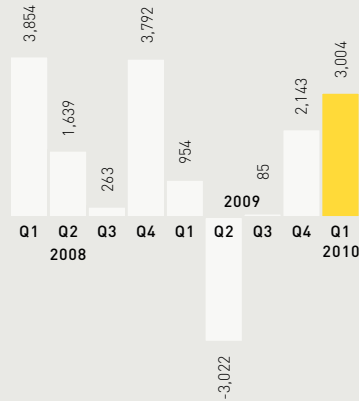


FIG. 8, PAGE 6  
**BALANCE SHEET STRUCTURE**

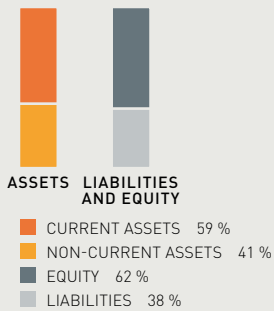


FIG. 9, PAGE 5  
**PORTFOLIO STRUCTURE OF CASH AND MARKETABLE SECURITIES**

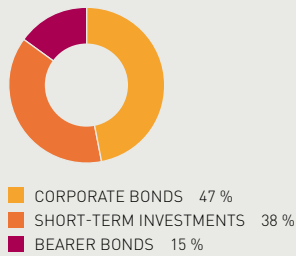


FIG. 10, PAGE 6  
**EMPLOYEES BY FUNCTION**

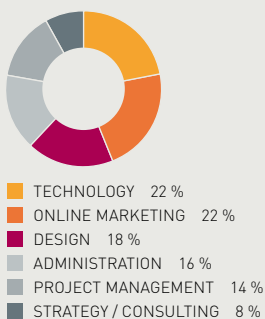
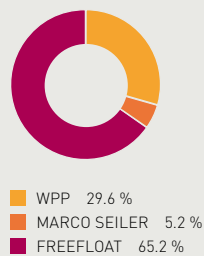


FIG. 11, PAGE 17  
**SHAREHOLDER STRUCTURE**



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# BUSINESS DEVELOPMENT AND MANAGEMENT REPORT



|                              | Q1-2010 | Q1-2009 | PREV. YEAR |
|------------------------------|---------|---------|------------|
|                              | TEUR    | TEUR    | Δ          |
| Gross sales                  | 21,337  | 19,020  | 12%        |
| Net sales                    | 6,620   | 7,483   | -12%       |
| EBITDA                       | 901     | 1,254   | -28%       |
| EBITDA margin                | 14%     | 17%     | -3 pp      |
| EBIT                         | 702     | 1,105   | -36%       |
| EBIT margin                  | 11%     | 15%     | -4 pp      |
| Financial income             | 272     | 270     | 1%         |
| Net income                   | 680     | 993     | -32%       |
| Earnings per share (EUR)     | 0.06    | 0.08    | -25%       |
| Employees (as per March 31)  | 249     | 272     | -8%        |
| Liquid assets and securities | 23,660  | 27,163  | -13%       |
| Operating cash flow          | 3,004   | 954     | 214%       |

## BUSINESS ACTIVITY

Syzygy is an agency group for interactive marketing with branches in Frankfurt, Hamburg and London. With approximately 260 employees, the Group provides large European companies with high-quality services in the area of web design and online marketing.

## MARKET AND COMPETITIVE ENVIRONMENT

In the first quarter of 2010, the German economy showed a modest upward trend which economists expect to continue. In its spring outlook for 2010 the German Institute for Economic Research (DIW) in Berlin anticipates quarterly increases in gross domestic product (GDP) of 0.2 to 0.4 per cent. For the year as a whole, the Institute is forecasting GDP growth of 1.7 per cent driven in particular by rising demand from foreign markets. The estimates of the German federal government (1.4%) and the leading German economic research institutes (1.5%) are both somewhat lower.

According to the DIW-study, the UK economy – which was already underperforming in 2009 compared to the rest of Europe – will continue to find it tougher than many other countries, with growth of 0.6 per cent forecast for the full year. The tentative upturn recorded in the final quarter of 2009 lost momentum in the first three months of 2010, with GDP growing by 0.2 per cent after gaining 0.4 per cent in the previous quarter. This caused the Bank of England to downgrade its GDP forecast (from 2.2% to 1.4%). The British Chambers of Commerce followed suit, forecasting growth of just one per cent in 2010.

## ONLINE ADVERTISING MARKET

The online advertising market in Germany continued to grow, gaining 17 per cent in the period from January to March according to the Nielsen advertising statistics. Of all the media examined, the Internet posted the biggest rises. A similar situation was experienced in the UK, where the Bellwether Report found that British companies increased their spending on online advertising by some 20 per cent in the first quarter of 2010.

## **SALES**

Gross sales, which include the media costs of the online marketing subsidiaries (billings), showed a gratifying increase and rose by 12 per cent to EUR 21.3 million compared to the same quarter of the previous year. However, this growth was not reflected in net sales, which fell from EUR 7.5 million to EUR 6.6 million over the same period. The main reason for this is the ongoing reluctance to invest on the part of automotive clients. This has led to a significant decline in business, particularly affecting design and technical realisation in the UK segment. The fiercely competitive environment in online marketing, especially in the UK, also caused margins to fall and likewise affected earnings.

The breakdown of sales by sector saw only very minor changes of not more than two percentage points compared to the same quarter of the previous year:

The automotive industry accounted for 29 per cent of net sales, closely followed by the retail and consumer goods sector (26 per cent). The Syzygy Group generated 13 per cent of sales from customers in the telecommunications sector and another 13 per cent from financial services, with companies in media and entertainment accounting for five per cent. A further 14 per cent was generated by customers that cannot be assigned to any of these core industries.

As in the previous year, approximately two thirds of sales are attributable to the Syzygy Group's ten largest clients.

## **SEGMENT REPORTING**

In order to apply the revised IFRS 8, Syzygy reports in accordance with the Group's management approach and thus uses geographical criteria.

In both Germany and the UK, strong performance of online marketing had a positive impact on gross sales. With earnings of EUR 11.1 million and EUR 10.3 million and growth rates of 10 and 12 per cent respectively, performance in the two countries was comparable.

In contrast, considerable differences were apparent in net sales: while the German subsidiaries generated EUR 4.1 million, on a par with the previous year's income (+1%), net sales in the UK were down 30 per cent to EUR 2.6 million (previous year: EUR 3.7 million). This discrepancy primarily stems from greater dependence on automotive clients compared to the German agencies.

As a result of this situation, operating income in the UK was markedly lower than in Germany. At EUR 357,000 it was down by more than half, year-on-year. In Germany the figure declined by 17 per cent to EUR 638,000.

The EBIT margins of 14 and 15 per cent respectively show the continuing high level of profitability of both regions.

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

Due to HR restructuring in the UK design and technical realisation segment, the cost of sales was down 10 per cent on the prior year at EUR 4.6 million. Since the fall in net sales was somewhat higher at -12 per cent, gross margin declined slightly by one percentage point to 31 per cent.

At EUR 600,000 marketing and sales costs were around a quarter up compared to the figures for the first three months of 2009. General administrative expenses were approximately EUR 820,000 as in the previous year, with depreciation around EUR 200,000.

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

After cost of sales and operating expenses, operating income was EUR 702,000, around a third below the previous year's figure of EUR 1.1 million. This results in an EBIT margin of 11 per cent.

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

Although at EUR 23.6 million the level of liquid funds and securities available was significantly lower in the first quarter of 2010 than in the prior-year period (EUR 27.2 million), financial income of EUR 272,000 remained at roughly the previous year's level (EUR 270,000). Excellent performance by bonds with relatively long maturities was the reason for this. However, short-term interest rates continued to be low and thus affected financial income.

The annualised return on average available liquid funds and securities was around five per cent, while the average residual maturity was five years. As at the balance sheet date, the portfolio consisted of 47 per cent corporate bonds, 38 per cent overnight and bank deposits and 15 per cent bearer bonds.

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

Operating income of EUR 702,000 and financial income of EUR 272,000 give total income of EUR 974,000. After income taxes of EUR 294,000 net income was EUR 680,000, around a third less than in the first quarter of 2009. Based on 12,053,450 shares, this represents earnings per share of EUR 0.06.

#### **OPERATING CASH FLOW**

Strong operating cash flow of EUR 3.0 million was largely generated from accounts receivable, which declined by EUR 4.0 million in the reporting period. This figure is due to the reduction in high receivables incurred in online marketing at the end of 2009. Other key factors in this respect were net income of EUR 680,000 and depreciation of EUR 199,000.

Accounts payable, of which EUR 2.7 million was serviced in the first quarter of 2010, plus falling advance payments of EUR 0.5 million, both had a negative impact.

#### **NET ASSETS AND BALANCE SHEET POSITION**

Total assets of Syzygy AG remained around the previous year's level at some EUR 60 million. Under non-current assets, goodwill rose by EUR 1.2 million because ongoing business performance led to an increase in existing earn-out obligations.

Securities were down 26 per cent on the prior year at EUR 14.6 million. This was primarily due to the acquisition of the remaining shares in unquedigital GmbH in May 2009.

Total equity increased by 12 per cent to EUR 36.9 million compared to 31 March 2009, a major factor here being high retained earnings in 2009. This figure has increased by a further EUR 680,000 since the start of the year.

Other liabilities declined by 39 per cent to EUR 6.6 million, primarily due to payment being made for the shares in unquedigital GmbH.

The fall in liabilities was accompanied by an increase in total equity. As a consequence, the equity ratio improved to 62 per cent, seven percentage points above the figure for the previous year and four percentage points higher than at the end of 2009.

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

Investment in the period under review totalled EUR 107,000 and was thus slightly below the previous year's figure. 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**

As at 31 March 2010, the Syzygy Group employed 249 people on permanent contracts, eight per cent fewer than in the previous year. The German subsidiaries employed 157 people, while the UK agencies accounted for 92 members of staff. The Group also employed an average of 10 people on a freelance basis.

Distribution in terms of function remained largely unchanged. The only area to see a fall was the proportion of staff working in project management, which declined from 20 per cent in the previous year to 14 per cent. Technology-related roles, design and online marketing each accounted for around a fifth of employees, with 16 per cent employed in administration and eight per cent working in strategy consulting for our clients.

Projected onto the full year and including both permanent and freelance employees, annualised sales per head were EUR 102,000.



## OUTLOOK

There is broad consensus among economic experts that the current global economic recovery is set to continue, although progress will vary widely by region. In Europe in particular, the upturn will remain fragile in 2010 and leading economic institutes have described the Eurozone as an economic laggard.

Macroeconomic developments generally take some time to work through into the services market. For this reason, the effects of the economic and financial crisis will continue to be felt by Syzygy in 2010, not least because some of the Group's main clients are from the automotive and financial sectors, which are currently facing extensive structural change.

Irrespective of how the overall economy performs, numerous national and international studies confirm that online advertising will remain a growth market as budgets are increasingly switched from conventional media to the Internet. There are several reasons for this trend. In addition to the increasingly widespread use of the Internet as an all-round medium and the longer periods that people spend online, this advertising channel also delivers a high degree of transparency. It allows an exact cost-benefit analysis and thus offers marketing managers significant added value in challenging economic times. Other advantages, such as precision targeting and the ability to manage campaigns in real-time, make the Internet even more appealing.

We believe that Syzygy is very well positioned in an increasingly digitalised world. The ambitious next step for the Group is international expansion accompanied by adoption of a leading role as a communications agency for existing and new clients.

Exact forecasts for the future development of the Group are difficult due to the uncertain economic situation. However, we expect results in 2010 to improve and are confident that in 2011 we can again achieve the double-digit growth rates that the Company delivered in the past.

# CONSOLIDATED BALANCE SHEET

| ASSETS                                    | 31.03.2010        | 31.03.2009        | 31.12.2009        |
|---|-------------------|-------------------|-------------------|
|   | EUR'000           | EUR'000           | EUR'000           |
| <b>Non-current assets</b>                 |                   |                   |                   |
| Goodwill                                  | 19,379            | 18,147            | 19,249            |
| Fixed assets, net                         | 2,060             | 2,117             | 2,182             |
| Other non-current assets                  | 465               | 448               | 462               |
| Other non-current securities              | 2,720             | 0                 | 2,578             |
| Deferred tax assets                       | 68                | 103               | 68                |
| <b>Total non-current assets</b>           | <b>24,692</b>     | <b>20,815</b>     | <b>24,539</b>     |
| <b>Current assets</b>                     |                   |                   |                   |
| Cash and cash equivalents                 | 9,067             | 7,417             | 5,747             |
| Marketable securities                     | 11,873            | 19,746            | 12,211            |
| Accounts receivable, net                  | 12,828            | 9,481             | 16,788            |
| Prepaid expenses and other current assets | 1,473             | 3,013             | 2,430             |
| <b>Total current assets</b>               | <b>35,241</b>     | <b>39,657</b>     | <b>37,176</b>     |
| <b>Total assets</b>                       | <b>59,933</b>     | <b>60,472</b>     | <b>61,715</b>     |
| <b>EQUITY AND LIABILITIES</b>             | <b>31.03.2010</b> | <b>31.03.2009</b> | <b>31.12.2009</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    | -2,606            | -5,191            | -2,936            |
| Retained Earnings                         | 9,124             | 7,914             | 8,444             |
| <b>Total Equity</b>                       | <b>36,865</b>     | <b>33,070</b>     | <b>35,855</b>     |
| <b>Non-current liabilities</b>            |                   |                   |                   |
| Deferred tax liabilities                  | 67                | 139               | 67                |
| Long term liability                       | 1,226             | 1,226             | 1,226             |
| <b>Total non-current liabilities</b>      | <b>1,293</b>      | <b>1,365</b>      | <b>1,293</b>      |
| <b>Current liabilities</b>                |                   |                   |                   |
| Accounts payable                          | 9,763             | 9,652             | 12,450            |
| Accrued expenses                          | 1,610             | 1,755             | 1,838             |
| Customer advances                         | 1,189             | 1,387             | 1,721             |
| Tax accruals and liabilities              | 2,630             | 2,427             | 2,545             |
| Other current liabilities                 | 6,583             | 10,816            | 6,013             |
| <b>Total current liabilities</b>          | <b>21,775</b>     | <b>26,037</b>     | <b>24,567</b>     |
| <b>Total liabilities and equity</b>       | <b>59,933</b>     | <b>60,472</b>     | <b>61,715</b>     |

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

# CONSOLIDATED STATEMENT OF INCOME AND ACCUMULATED EARN



|  | Q1-2010       | Q1-2009       | CHANGE      |
|--|---------------|---------------|-------------|
|  | EUR'000       | EUR'000       | IN %        |
| <b>Gross sales</b>   | <b>21,337</b> | <b>19,020</b> | <b>12%</b>  |
| Media costs  | -14,717       | -11,537       | 28%         |
| <b>Net sales</b>   | <b>6,620</b>  | <b>7,483</b>  | <b>-12%</b> |
| Cost of revenues   | -4,583        | -5,113        | -10%        |
| Sales and marketing expenses                               | -606          | -488          | 24%         |
| General and administrative expenses                        | -824          | -817          | 1%          |
| Other operating income/expense, net                        | 95            | 40            | 138%        |
| <b>Operating profit</b>                                    | <b>702</b>    | <b>1,105</b>  | <b>-36%</b> |
| Financial income, net                                      | 272           | 270           | 1%          |
| <b>Income before taxes and minority interest</b>           | <b>974</b>    | <b>1,375</b>  | <b>-29%</b> |
| Income taxes   | -294          | -382          | -23%        |
| <b>Net income</b>  | <b>680</b>    | <b>993</b>    | <b>-32%</b> |
| Income share to shareholders of Syzygy AG                  | 680           | 993           | -32%        |
| Earnings per share from total operations<br>(basic in EUR) | 0.06          | 0.08          | -25%        |
| <b>Period Net income</b>                                   | <b>680</b>    | <b>993</b>    | <b>-32%</b> |
| Currency translation adjustment                            | -15           | 151           | n.a.        |
| Net unrealized gains/ losses on marketable securities      | 345           | 40            | 763%        |
| Other comprehensive income                                 | 330           | 191           | 73%         |
| <b>Comprehensive income</b>                                | <b>1,010</b>  | <b>1,184</b>  | <b>-15%</b> |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

|   | 31.03.2010   | 31.03.2009    | 31.12.2009    |
|---|--------------|---------------|---------------|
|   | EUR'000      | EUR'000       | EUR'000       |
| Period net income   | 680          | 993           | 3,331         |
| Adjustments to reconcile income from continuing operations to net cash provided by operating activities |              |               |               |
| – Depreciation on fixed assets  | 199          | 149           | 710           |
| Changes in operating assets and liabilities:  |              |               |               |
| – Accounts receivable and other assets  | 4,917        | 1,262         | -5,414        |
| – Customer advances   | -532         | -766          | -432          |
| – Accounts payable and other liabilities  | -2,345       | 119           | 2,498         |
| – Tax accruals and payables, deferred taxes   | 85           | -803          | -533          |
| <b>Cash flows provided by operating activities</b>  | <b>3,004</b> | <b>954</b>    | <b>160</b>    |
| Proceeds from sale of fixed assets  | 30           | 123           | 5             |
| Changes in other non-current assets   | -145         | -13           | -26           |
| Investments in fixed assets   | -107         | -137          | -6,127        |
| Purchases of marketable securities  | -2,662       | -5,393        | -5,515        |
| Proceeds from sale of marketable securities   | 3,000        | 870           | 8,061         |
| Acquisition of consolidated companies   | 0            | 0             | 0             |
| <b>Cash flows used in investing activities</b>  | <b>116</b>   | <b>-4,550</b> | <b>-3,602</b> |
| Dividend  | 0            | 0             | -1,808        |
| <b>Cash flows from financing activities</b>   | <b>0</b>     | <b>0</b>      | <b>-1,808</b> |
| <b>Total</b>  | <b>3,120</b> | <b>-3,596</b> | <b>-5,250</b> |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>5,747</b> | <b>10,991</b> | <b>10,991</b> |
| <b>Changes from consolidation</b>   | <b>0</b>     | <b>0</b>      | <b>0</b>      |
| <b>Exchange rate differences</b>  | <b>200</b>   | <b>22</b>     | <b>6</b>      |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>9,067</b> | <b>7,417</b>  | <b>5,747</b>  |

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

# STATEMENT OF CHANGES IN EQUITY



|                          | NUMBER OF SHARES | COMMON STOCK | ADDITIONAL PAID-IN CAPITAL | OWN SHARES | ACCUM. OTHER COMPREHENSIVE INCOME |                           |                             | MINORITY INTEREST | TOTAL EQUITY |
|--------------------------|------------------|--------------|----------------------------|------------|-----------------------------------|---------------------------|-----------------------------|-------------------|--------------|
|                          |                  |              |                            |            | RETAINED EARNINGS                 | FOREIGN EXCHANGE CURRENCY | UNREALISED GAINS AND LOSSES |                   |              |
|                          | IN 1,000         | EUR'000      | EUR'000                    | EUR'000    | EUR'000                           | EUR'000                   | EUR'000                     | EUR'000           |              |
| <b>January 01, 2009</b>  | 12,078           | 12,078       | 18,385                     | -116       | 6,921                             | -2,925                    | -2,457                      | 0                 | 31,886       |
| Comprehensive income     |                  |              |                            |            | 3,331                             | 334                       | 2,112                       |                   | 5,777        |
| Dividend                 |                  |              |                            |            | -1,808                            |                           |                             |                   | -1,808       |
| Minority interest        |                  |              |                            |            |                                   |                           |                             |                   | 0            |
| <b>December 31, 2009</b> | 12,078           | 12,078       | 18,385                     | -116       | 8,444                             | -2,591                    | -345                        | 0                 | 35,855       |
| <b>January 01, 2010</b>  | 12,078           | 12,078       | 18,385                     | -116       | 8,444                             | -2,591                    | -345                        | 0                 | 35,855       |
| Comprehensive income     |                  |              |                            |            | 680                               | -15                       | 345                         |                   | 1,010        |
| Dividend                 |                  |              |                            |            | 0                                 |                           |                             |                   | 0            |
| <b>March 31, 2010</b>    | 12,078           | 12,078       | 18,385                     | -116       | 9,124                             | -2,606                    | 0                           | 0                 | 36,865       |

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 WpHG i. c. w. §37 w (2) WpHG, the consolidated financial statements of Syzygy AG for the first three months of 2010 comprise the interim consolidated financial statements and an interim management report. The unaudited consolidated financial statements of Syzygy AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) as they have to be applied within 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 2009. 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 2009 annual report. Individual items in the balance sheet and income statement are likewise presented using the same valuation principles as described and applied in the annual report 2009. These financial figures and the associated information must therefore be read in conjunction with the annual report 2009. The interim financial statements have not been audited according to § 7 w (5) WpHG.

## BUSINESS ACTIVITY OF THE SYZYGY GROUP

Syzygy is a European agency group for interactive marketing. The five operating subsidiaries 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 March 31, 2010, the following subsidiaries were included in the consolidated financial statements of Syzygy AG and fully consolidated:

- (1) Hi-ReS! London 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 2009 annual report on pages 49 ff.

**SEGMENT REPORTING**

Application of the revised IFRS 8 requires segment reporting in accordance with the Group's management approach. Syzygy thus bases segment reporting on geographical criteria.

As the holding company, Syzygy AG delivers services to the operating units and therefore needs to be considered separately. The UK segment consists of Syzygy UK Ltd., Unique Digital Marketing Ltd. UK, Hi-ReS! London Ltd. and Mediopoly Ltd. Germany comprises Syzygy Deutschland GmbH and unquedigital GmbH. The individual segments apply the same accounting principles as the consolidated entity.

The criteria used by Syzygy AG to assess the performance of the segments include sales and EBIT. Transactions between segments, which are charged at market prices, were eliminated.

Segment assets are equivalent to total assets plus the goodwill attributable to the respective segment, less receivables attributable to companies in the same segment.

Segment investments comprise investments in intangible assets and fixed assets.

Segment liabilities correspond to total liabilities excluding equity and less liabilities attributable to companies in the same segment.

| 03/31/2010                    | <b>GERMANY</b> | <b>UNITED KINGDOM</b> | <b>CENTRAL FUNCTIONS AND CONSOLIDATION</b> | <b>TOTAL</b>   |
|-------------------------------|----------------|-----------------------|--|----------------|
| EUR'000                       |                |                       |  |                |
| Gross sales                   | 11,144         | 10,305                | -112                                       | <b>21,337</b>  |
| Media costs                   | -7,016         | -7,701                | 0  | <b>-14,717</b> |
| Net sales                     | 4,128          | 2,604                 | -112                                       | <b>6,620</b>   |
| Internal sales                | 30             | 0                     | -  | <b>30</b>      |
| Operating income (EBIT)       | 638            | 357                   | -293                                       | <b>702</b>     |
| Financial income              | 9              | 2                     | 261  | <b>272</b>     |
| Net result for the period     | 647            | 359                   | -326                                       | <b>680</b>     |
| Assets                        | 9,485          | 14,460                | 35,988                                     | <b>59,933</b>  |
| Of which goodwill             | 8,841          | 10,538                | 0  | <b>19,379</b>  |
| Investments                   | 80             | 26                    | 1  | <b>107</b>     |
| Depreciation and amortisation | 136            | 63                    | 2  | <b>199</b>     |
| Segment liabilities           | 8,415          | 10,303                | 4,350                                      | <b>23,068</b>  |



| 03/31/2009                    | GERMANY | UNITED KINGDOM | CENTRAL FUNCTIONS AND CONSOLIDATION | TOTAL   |
|-------------------------------|---------|----------------|-------------------------------------|---------|
| EUR'000                       |         |                |                                     |         |
| Gross sales                   | 10,124  | 9,229          | -333                                | 19,020  |
| Media costs                   | -6,024  | -5,513         | 0                                   | -11,537 |
| Net sales                     | 4,100   | 3,716          | -333                                | 7,483   |
| Internal sales                | 60      | 0              | 0                                   | 60      |
| Operating income (EBIT)       | 769     | 789            | -453                                | 1,105   |
| Financial income              | 19      | 20             | 231                                 | 270     |
| Net result for the period     | 688     | 637            | -332                                | 993     |
| Assets                        | 18,391  | 23,602         | 18,479                              | 60,472  |
| Of which goodwill             | 8,842   | 9,305          | 0                                   | 18,147  |
| Investments                   | 75      | 61             | 1                                   | 137     |
| Depreciation and amortisation | 92      | 54             | 3                                   | 149     |
| Segment liabilities           | 13,677  | 13,652         | 73                                  | 27,402  |

## TREASURY SHARES

As at March 31, 2010, Syzygy held 25,000 treasury shares. The Company is authorised to sell 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 in shares in their own organisation by board members of listed companies 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: Shares

| [Number of shares]      | <b>MARCO SEILER</b> | <b>FRANK WOLFRAM</b> | <b>ANDREW STEVENS</b> | <b>TOTAL</b>   |
|-------------------------|---------------------|----------------------|-----------------------|----------------|
| As at December 31, 2009 | 622,279             | 5,500                | 0                     | <b>627,779</b> |
| Purchases               | 0                   | 0                    | 0                     | <b>0</b>       |
| Sales                   | 0                   | 0                    | 0                     | <b>0</b>       |
| As at March 31, 2010    | 622,279             | 5,500                | 0                     | <b>627,779</b> |

### Supervisory Board: Shares

| [Number of shares]      | <b>MICHAEL MÄDEL</b> | <b>ADRIAAN RIETVELD</b> | <b>WILFRIED BEECK</b> | <b>TOTAL</b>   |
|-------------------------|----------------------|-------------------------|-----------------------|----------------|
| As at December 31, 2009 | 0                    | 10,000                  | 120,000               | <b>130,000</b> |
| Purchases               | 0                    | 0                       | 0                     | <b>0</b>       |
| Sales                   | 0                    | 0                       | 0                     | <b>0</b>       |
| As at March 31, 2010    | 0                    | 10,000                  | 120,000               | <b>130,000</b> |

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

**SHAREHOLDER STRUCTURE**

As at March 31, 2010, the shareholders' structure did not change as compared to the year before. The WPP Group holds 29.6 per cent and Marco Seiler 5.2 per cent of Syzygy shares. The free float therefore amounts to 65.2 per cent. As at March 31, 2010, the total number of shares was 12,078,450.

Bad Homburg v. d. H., April 29, 2010  
Syzygy AG

The Management Board



# FINANCIAL CALENDAR 2010 OF SYZYGY AG



## **GENERAL ANNUAL MEETING, FRANKFURT**

May 28, 2010

## **INTERIM HALF-YEAR STATEMENT 2010**

July 29, 2010

## **SMALL CAP CONFERENCE, FRANKFURT**

August 30 – September 1, 2010

## **INTERIM REPORT AS PER 09/30/2010**

October 29, 2010

## **GERMAN EQUITY FORUM, FRANKFURT**

November 22-24, 2010

## **CAPITAL MARKET CONFERENCE, MUNICH**

December 8-9, 2010

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**SYZYG.NET**



**Mix**  
Produktgruppe aus vorbildlich  
bewirtschafteten Wäldern und  
anderen kontrollierten Herkünften

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