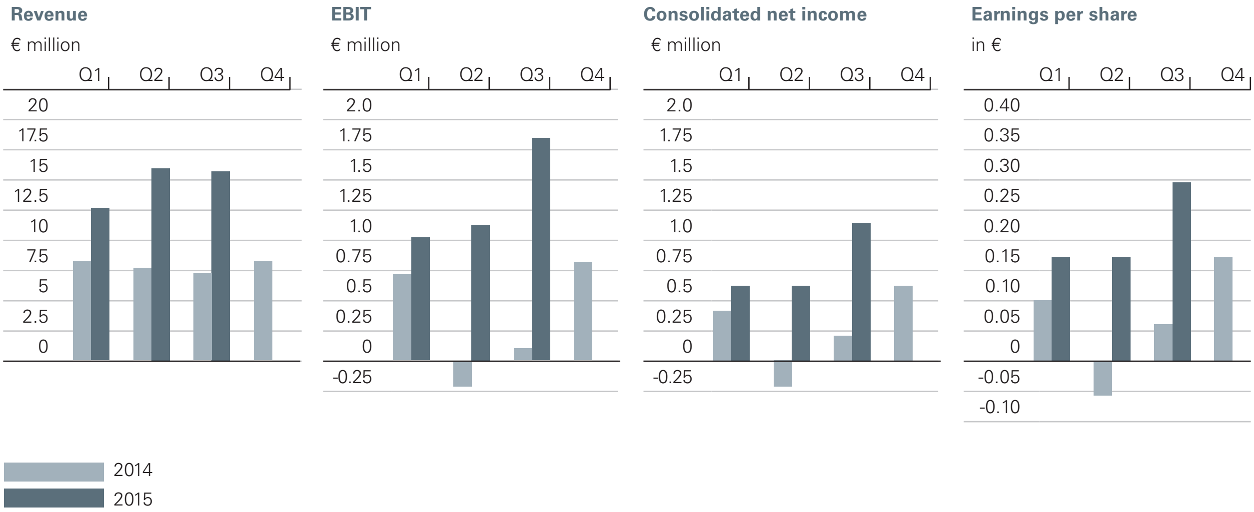
Interim Report | Q3 2015

SNP | The Transformation Company

Key Figures at a glance

€ million	Jan. – Sept. 2015	Jan. – Sept. 2014	3rd quarter 2015	3rd quarter 2014
Backlog (as of 30 September)	**20.0**	**10.4**		
Revenue	**41.4**	**22.5**	**14.5**	**7.0**
- Software	6.8	5.5	2.3	1.6
- Professional Services	34.6	17.0	12.2	5.4
EBIT	**3.8**	**0.6**	**1.7**	**0.1**
- Margin (%)	9.2	2.7	11.7	1.0
Consolidated net income	**2.3**	**0.4**	**1.1**	**0.2**
Earnings per share (€)				
- Undiluted	0.63	0.09	0.29	0.06
- Diluted	0.63	0.09	0.29	0.06
Number of shares (million)	**3.738**	**3.738**	**3.738**	**3.738**
Equity	**15.8**	**13.3**		
- Ratio (%)	35.5	58.6		
Number of employees (as of 30 September)	**374**	**261**		
Personnel costs	**23.0**	**15.1**	**7.8**	**5.1**



Content

Interim Group management report
for the period from 1 January to 30 September 2015

The SNP Group

Business activities

Digital transformation and the ability to respond quickly to changes in the business environment are today crucial factors in competitions across all sectors. SNP AG helps companies to consolidate their IT landscapes and to adapt to new general conditions quickly and economically. SNP sees itself as a catalyst and accelerator of digital transformation. In SNP Transformation Backbone®, SNP provides the world's first standard software for the automated analysis and standardised implementation of changes in IT systems. It is based on the experience that SNP has gathered from more than 4,000 projects worldwide with its software-based services for Business Landscape Transformation.

Since the start of 2015, SNP AG has employed around 380 people in Europe, South Africa and the United States, around 250 of whom in Germany. Following the majority takeover of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH as at the start of 2015, around 70 employees relate to RSP. SNP AG, Heidelberg, generated revenue of € 30.5 million (not including RSP) in 2014. Its customers are global corporations operating in industry, the finance sector, service sectors as well as the commercial and health sectors. SNP AG was founded in 1994 and has been listed since 2000. It was admitted to the Prime Standard of the Frankfurt Stock Exchange (ISIN DE0007203705) in August 2014.

Group structure

In addition to the parent company SNP Schneider-Neureither & Partner AG in Heidelberg, Germany, the consolidated group includes the following subsidiaries in which SNP Schneider-Neureither & Partner AG directly holds the majority of voting rights as at 30 September 2015:

Subsidiary	Place of business	Shareholding in %
SNP Consulting GmbH	Thale, Germany	100
RSP Reinhard Salaske & Partner Unternehmensberatung GmbH*	Wiehl, Germany	100
SNP Applications GmbH	Heidelberg, Germany	100
SNP Business Landscape Management GmbH**	Heidelberg, Germany	100
SNP Austria GmbH	Linz, Austria	100
SNP (Schweiz) AG	Zug, Switzerland	100
Schneider Neureither & Partner Iberica, S.L.	Madrid, Spain	100
SNP America, Inc.	Jersey City, NJ, USA	100
SNP Labs, Inc.***	Keller, TX, USA	100
SNP Schneider-Neureither & Partner ZA (Pty) Limited	Johannesburg, South Africa	100

* In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal under civil law. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a prescribed purchase price with effect from 1 January 2018. From an economic perspective, the shares are to be allocated to SNP AG with effect from 1 January 2015.

** SNP Business Landscape Management GmbH was created as a new company and included in consolidation for the first time in the 2015 financial year.

*** SNP Labs, Inc. was created as a new company and included in consolidation for the first time in the 2015 financial year.

Significant events in the third quarter of 2015

Mandate extension of the CEO

At its ordinary meeting on 30 July, the Supervisory Board resolved to extend the service contract between SNP Schneider-Neureither & Partner AG and Dr Andreas Schneider-Neureither, which expires on 31 December 2015. It also resolved to appoint him as a member of the Executive Board from 1 January 2016 to 31 December 2020. In addition, his position as CEO was confirmed.

Formation of a new US subsidiary

August saw the establishment of SNP Labs Inc., a company wholly owned by the SNP Group. The purpose of the US subsidiary is process-oriented controlling and technological handling of transformation projects as a service for third parties. Its work will initially focus on the development of a delivery centre for transformation projects in the USA. In order to recruit and train the employees needed there, SNP will use the company-specific recruitment and training programme. The purpose is to offer young professionals a trainee programme in the USA as well in order to prepare them for the high demands of SNP.

The significant events in the first six months of the year are described in the half-yearly financial report for the period ended 30 June 2015.

Economic report

The International Monetary Fund's global growth forecast for 2015 in the World Economic Outlook is 3.1%. The more optimistic July estimate was thus revised downwards by 0.2 percentage points. At the same time, if the current forecast were accurate this would mean that growth was 0.3 percentage points lower than the previous year. The downtrend was caused by the current weakness of emerging economies. In many of these economies, growth is restrained due to declining commodity prices, in particular that of oil.

The economic situation in developed economies such as Germany has been less impacted by these developments. The Kiel Institute for the World Economy (IfW) anticipates that the German economy will retain its high growth rate. The IfW's autumn report reiterates its forecast for economic growth of 1.8% in 2015 and 2.1% in 2016. Growth drivers include the increase in private household income, which has led to high consumer expenditure, and the upturn in investment as a result of the ongoing policy of low interest rates. China's economic slowdown entails risks. Its effects would be significantly felt in Germany if it became a long-lasting crisis.

The current BITKOM report on SMEs states that growth in the IT industry is being driven particularly by SMEs. At 4.0%, SME sales growth of the comparable period is higher than that of large and micro companies. Overall, SMEs generated sales of € 57.4 billion. Companies assume that the growth trend will continue. Nearly two-thirds (72%) expect revenue growth for the second half of 2015 and one in five SMEs (19%) continue to expect a stable business trend. More than half of the companies (60%) want to hire new people in the current year. The lack of adequately qualified specialist staff represents a particular challenge. Immigration was needed in the short term. When asked what the top trends in the industry were, companies most frequently mentioned cloud computing (67%). IT security will play an increasingly important role in this trend. Top trends include IT security, which is currently in second place, just after cloud computing (named by 62% of all companies).

Net assets, financial position and results of operations

In the first nine months of the 2015 financial year, SNP Schneider-Neureither & Partner AG generated a very clear revenue and earnings upturn – with increasing growth momentum during the course of the year. In the first quarter of the current financial year, consolidated revenue amounted to € 12.2 million, a rise of 52.2% compared to the first quarter of 2014. In the second quarter of 2015, revenue surged 95.4% compared to the same quarter of the previous year to € 14.7 million. In the third quarter of 2015, revenue increased by 108.6% to € 14.5 million year on year (previous year: € 7.0 million). After the end of the first nine months of the financial year, the company can therefore report consolidated revenue of € 41.4 million, equating to an increase of 84.1% or € 18.9 million against the comparative period of the previous year.

This was due mainly to a very good order situation in virtually all regions and areas of the company and excellent capacity utilisation throughout the year with a clear increase in the order backlog. The first-time consolidation of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in the nine-month financial statements also had a substantial influence on revenue growth. Around 30% of the revenue increase was attributable to RSP GmbH. Adjusted for this acquisition effect, organic revenue growth was therefore approximately 54%.

In terms of earnings, EBITDA amounted to € 4.7 million (previous year: € 1.2 million) and EBIT to € 3.8 million (previous year: € 0.6 million) in the period under review. Based on these figures, there was an EBITDA margin of 11.3% and an EBIT margin of 9.2%.

The financial situation of the company remains positive: cash flow generated by financing and operating activities of € 12.9 million in total more than compensated for the cash amount of € 4.4 million which was needed for acquisition and investments. In the third quarter of the current financial year, SNP AG generated cash flow from operating activities of € 4.2 million as a result of consolidated net income and the significant reduction in working capital as against 30 June 2015. Overall, cash and cash equivalents increased by € 8.5 million as against 31 December 2014 to € 14.2 million.

As a result of the convincing figures for the first nine months and the ongoing excellent order situation, the Executive Board increased the revenue forecast for the current financial year from € 51 million to € 53 million (previously € 47 million to € 49 million). The Executive Board is retaining its earnings forecast for the year as a whole and continues to expect an operating EBIT margin of at least 6%.

Revenue performance

In the first nine months of the 2015 financial year, SNP AG achieved consolidated revenue of € 41.4 million. Compared to the same period of the previous year, this equates to a significant increase of € 18.9 million or 84.1%. In the third quarter of 2015, revenue increased by 108.6% to € 14.5 million (previous year: € 7.0 million). The consistently excellent capacity utilisation with a clear increase in the order backlog made a significant contribution to this revenue development.

RSP Reinhard Salaske & Partner Unternehmensberatung GmbH, included in consolidation for the first time in the reporting period, contributed around 30% to the revenue growth after the first nine months of the financial year. After adjustment for the acquisition, organic revenue growth as against the first nine months of the 2014 financial year therefore amounted to around 54%. In the third quarter of 2015, organic revenue growth amounted to around 80%; inorganic revenue growth was 29%.

In terms of segment performance, the Professional Services segment, which includes consultancy services in particular, generated revenue of € 34.6 million in the first nine months of the current financial year (previous year: € 17.0 million). Compared to the same period of the previous year, this equates to an increase of 103.9%. Adjusted for the acquisition, growth amounted to around 66%. The Professional Services segment accounted for revenue of € 12.2 million in the third quarter of 2015 (previous year: € 5.4 million). Compared to the third quarter of 2014, this equates to an increase of 126.2%. Adjusted for the acquisition, growth amounted to around 89%.

The Software segment, which comprises licence and maintenance revenue, accounted for revenue of € 6.8 million after the first nine months of the financial year (previous year: € 5.5 million). This corresponds to an increase of 23.0% as against the first nine months of the 2014 financial year. Within the segment, licence revenue increased by 15.4% to € 5.2 million (previous year: € 4.5 million). Maintenance revenue rose more strongly by € 0.6 million (€ 0.3 million of which due to acquisitions) to € 1.6 million. In the third quarter of 2015, the Software segment contributed € 2.3 million (previous year: € 1.6 million) to revenue. Licence revenue accounted for € 2.0 million (previous year: € 1.3 million). The increase of 54,9% compared to the same quarter of the previous year is due largely to the sale of a Group licence for the SNP Transformation Backbone software. Maintenance revenue amounted to € 0.4 million in the third quarter (previous year: € 0.3 million).

The biggest revenue driver in the Software segment was again SNP Transformation Backbone in the first nine months of the financial year. Including maintenance, the product contributed € 4.6 million (previous year: € 3.4 million) to segment revenue. It thus accounted for around 69% (previous year: 62%) of total software revenue.

The order backlog of € 20.0 million as at 30 September 2015 was around 92% higher than the previous year's figure of € 10.4 million. On the same date, incoming orders were around 94% higher year on year at € 46.3 million.

Results of operations

The excellent revenue performance in the first nine months of the current financial year was also reflected in earnings. Despite continuous growth investments, SNP AG reported that earnings rose more strongly. After the first nine months of the financial year, EBITDA rose to € 4.7 million (previous year: € 1.2 million). This corresponds to an EBITDA increase of 281.2% as against the same period of the previous year and an EBITDA margin of 11.3% (previous year: 5.4%). In the same period, EBIT amounted to € 3.8 million (previous year: € 0.6 million). This corresponds to an EBIT increase of 526.0% as against the first nine months of the 2014 financial year and an EBIT margin of 9.2% (previous year: 2.7%).

The earnings increase is even more significant on a quarterly basis: EBITDA amounted to € 2.0 million in the third quarter of 2015 (previous year: € 0.3 million). This corresponds to an EBITDA increase of 643.8% and an EBITDA margin of 13.7% in the third quarter of 2015 (previous year: 3.8%). In the same period, EBIT amounted to € 1.7 million (previous year: € 0.1 million). This corresponds to an EBIT increase of 2,454.9% compared to the third quarter of 2014 and an EBIT margin of 11.7% (previous year: 1.0%).

In the year-to-date earnings comparison, there is a very dynamic development. Compared to the second quarter of the current financial year, the operating result (EBIT) increased by 57.4% to € 1.7 million in the third quarter of 2015. The above-average earnings improvement on almost stable quarterly revenue is based primarily on a shift in revenue resulting from increased revenue from software licences and higher other income resulting from the adjustment of the fair value of the variable purchase price instalment for the acquisition of RSP GmbH.

Overall, this positive earnings performance was achieved despite ongoing investments in organic growth and growth through acquisitions. Staff costs increased by € 7.9 million in the first nine months of the 2015 financial year to € 23.0 million. € 4.4 million of this relates to RSP, which was included in consolidation for the first time. The € 3.9 million increase in purchased services (cost of materials) to € 5.0 million (€ 2.0 million of which related to RSP GmbH) resulted from greater purchasing of external services to handle the excellent order situation. Other operating expenses increased by € 3.7 million to € 9.6 million, with RSP GmbH accounting for € 1.1 million. Other operating income inched upwards from € 0.8 million to € 0.9 million as against the previous year.

As other financial expenses amounted to € 0.6 million in the period under review while other financial income was only immaterial, the financial result was negative at € -0.6 million (previous year: € -0.05 million), resulting in EBT of € 3.2 million (previous year: € 0.6 million). With income taxes of € -0.9 million (previous year: € -0.2 million) there was net profit of € 2.3 million for the first nine months of the 2015 financial year after € 0.4 million in the same period of the previous year. This corresponds to a net margin of 5.7% (previous year: 1.7%). Earnings per share therefore amounted to € 0.63 (previous year: € 0.09).

Net assets

At 30 September 2015, total assets rose significantly by € 18.5 million as against 31 December 2014 to € 44.7 million, mainly as a result of the acquisition of RSP GmbH and the placement of a corporate bond. An increase of € 11.7 million to € 29.6 million is attributable to current assets; non-current assets increased by € 6.8 million to € 15.1 million.

With current assets, the increase was due mainly to the € 8.5 million rise in cash and cash equivalents to € 14.2 million as a result of the placement of a corporate bond and a € 3.5 million increase in the level of trade receivables (with RSP GmbH accounting for € 1.7 million) to € 14.1 million. Higher receivables result from the acquisition effect and strong revenue growth. There were only insignificant changes to other current assets.

Non-current assets increased from € 8.3 million to € 15.1 million in the reporting period. The increase was due essentially to the rise in goodwill from € 4.0 million to € 10.1 million as a result of the acquisition of RSP GmbH. In addition, intangible assets increased by € 0.4 million to € 1.6 million due to the purchase of software licences.

Financial position

On the liabilities side, current liabilities rose by € 1.8 million to € 11.6 million at 30 September 2015. While current liabilities to banks rose by € 1.5 million to € 2.1 million as a result taking up a bank loan to finance the acquisition of RSP, trade payables were down by € 1.9 million to € 2.0 million as a result of the settlement of a liability in connection with the acquisition of software licences. The increase in provisions and in other current liabilities and deferred income of € 2.0 million resulted essentially from the acquisition of RSP.

Non-current liabilities rose from € 2.5 million as at 31 December 2014 by € 14.8 million to € 17.3 million as at 30 September 2015. The increase is primarily attributable to borrowing to finance organic and non-organic growth. For example, liabilities from the placement of a corporate bond amounted to € 10.1 million (previous year: € 0.0 million). In addition, a bank loan was taken up to finance the acquisition of RSP GmbH, causing non-current liabilities to banks to rise by € 1.4 million to € 3.1 million. Non-current liabilities in connection with the acquisition of the outstanding shares and the recognition of a contingent purchase price commitment increased other non-current liabilities by € 2.9 million. Provisions for pensions rose by € 0.3 million to € 1.1 million, essentially as a result of provisions from the first-time consolidation of RSP GmbH.

The company's equity expanded from € 13.9 million to € 15.8 million in the first nine months of 2015. Issued capital, capital reserves and treasury shares remained unchanged. Retained earnings increased by € 1.9 million to € 5.3 million as a result of the net income for the year generated. Overall, total assets rose to € 44.7 million as at 30 September 2015 (31 December 2014: € 26.2 million), which reduced the equity ratio from 53.1% to 35.5%.

SNP AG generated positive operating cash flow of € 0.4 million in the first nine months of 2015 (previous year: € 1.8 million). This includes the net profit of € 2.3 million generated for the period and a reduction in trade payables in particular as a result of a non-recurring effect (approximately € 2 million) as against 31 December 2014 as well as the rise in trade receivables, current assets and other non-current assets (€ 1.1 million). Since the rise of the latter asset items in particular could be significantly limited after the first nine months of the financial year, positive operating cash flow was still achieved despite strong organic growth. After the first six months of the current financial year, operating cash flow still amounted to € -3.8 million.

The negative cash flow used in investing activities of € -4.4 million (previous year: € -0.5 million) was largely due to the payment for the acquisition of the operations of RSP GmbH (€ 3.2 million) and the investments in property, plant and equipment (€ 0.7 million) and intangible assets (€ 0.5 million).

This was offset by cash generated by financing activities of € 12.4 million (previous year: net cash used of € -1.3 million), € 10.0 million of which was due to the corporate bond issued and € 4.5 million of which from taking up a loan. This is offset by loan repayments of € 1.6 million and dividend payments of € 0.5 million.

In the period under review, total cash flow amounted to € 8.5 million (previous year: € 0.0 million). Taking into account the changes shown, cash and cash equivalents increased to € 14.2 million as at 30 September 2015. Cash and cash equivalents had amounted to € 5.7 million as at 31 December 2014. SNP AG's financial position therefore remains very solid overall.

Employees

In the reporting period, the number of employees increased from 280 as at 31 December 2014 to 374 as at 30 September 2015. The significant rise in headcount is essentially due to the majority acquisition of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH, which employed 64 people as at 30 September 2015. In addition, new staff were hired in the period under review in order to handle the excellent operative order situation and to develop and extend resources for further corporate growth in a targeted manner.

These figures include three members of the Executive Board (31 December 2014: three), ten managing directors (31 December 2014: four) and 39 trainees, students, pupils and interns (31 December 2014: 15). There were no employees in partial early retirement in the first nine months of 2015 (31 December 2014: zero). The average number of employees in the reporting period was 362.

Report on risks and opportunities, forecast

Risks and opportunities

The operating and financial risks are explained in detail in the 2014 annual report within the Group management report. Business potential is also reported on under "Opportunities and forecast". There were no material changes in the risk and opportunities profile of SNP AG in the reporting period.

Supplementary and forecast report

In an ad-hoc notification, the Executive Board increased its revenue forecast for the current financial year from € 51 million to € 53 million on 8 October 2015 (previously € 47 million to € 49 million). The higher expected revenue is based on the consistently excellent order situation and the increase in project volumes. The Executive Board is retaining its earnings forecast and continues to expect an operating EBIT margin of at least 6%.

There were no other significant events after 30 September 2015.

Heidelberg, 29 October 2015

The Executive Board

Dr. Andreas Schneider-Neureither

Henry Göttler

Jörg Vierfuß

Consolidated Balance Sheet
as at 30 September 2015

ASSETS			
€ k	**30.09.2015**	**31.12.2014**	**30.09.2014***
Current assets			
Cash and cash equivalents	14,162	5,681	6,353
Trade receivables	14,103	10,609	6,805
Current tax assets	709	915	757
Other current assets	606	677	508
	29,580	**17,882**	**14,423**
Non-current assets			
Goodwill	10,102	3,980	3,913
Intangible assets	1,583	1,210	1,327
Property, plant and equipment	1,670	1,231	1,212
Participations accounted for in accordance with the equity method	25	0	0
Other non-current assets	148	71	76
Non-current tax assets	10	6	9
Deferred taxes	1,550	1,793	1,756
	15,088	**8,291**	**8,293**
	44,668	**26,173**	**22,716**

EQUITY AND LIABILITIES			
€ k	**30.09.2015**	**31.12.2014**	**30.09.2014***
Current liabilities			
Liabilities due to banks	2,100	600	600
Trade payables	1,957	3,898	950
Provisions	667	160	61
Tax liabilities	366	149	118
Other current liabilities	6,466	4,975	4,040
	11,556	**9,782**	**5,769**
Non-current liabilities			
Corporate bond	10,142	0	0
Liabilities due to banks	3,062	1,650	1,800
Provisions for pensions	1,086	727	620
Deferred taxes	97	124	150
Other non-current liabilities	2,890	0	1,060
	17,277	**2,501**	**3,630**
Equity			
Subscribed capital	3,738	3,738	3,738
Capital reserves	7,189	7,189	7,189
Retained earnings	5,291	3,429	2,791
Other reserves	32	-51	14
Treasury shares	-415	-415	-415
Equity attributable to shareholders	**15,835**	**13,890**	**13,317**
Non-controlling interests	0	0	0
	15,835	**13,890**	**13,317**
	44,668	**26,173**	**22,716**

* Adjustment of prior values, see notes to No. 8 „Mergers ans acquisitions“ in the notes to the consolidated financial statements 2014.

The following notes are an integral part of the consolidated financial statements.

Consolidated Income Statement
for the period from 1 January to 30 September 2015

€ k	Jan. – Sept. 2015	Jan. – Sept. 2014	3rd quarter 2015	3rd quarter 2014
Revenue	**41,368**	**22,469**	**14,507**	**6,954**
Professional Services	34,604	16,970	12,200	5,393
Licenses	5,183	4,493	1,957	1,263
Maintenance	1,581	1,006	350	298
Other operating income	874	820	331	747
Cost of material	-5,009	-1,097	-1,652	-377
Personnel costs	-22,978	-15,123	-7,834	-5,057
Other operating expenses	-9,554	-5,822	-3,355	-1,989
Other taxes	-40	-24	-14	-11
EBITDA	**4,661**	**1,223**	**1,983**	**267**
Depreciation and impairments on intangible assets and property, plant and equipment	-863	-616	-280	-200
EBIT	**3,798**	**607**	**1,703**	**67**
Income from participations accounted for in accordance with the equity method	0	0	0	0
Other financial income	8	12	6	5
Other financial expenses	-592	-65	-277	-22
Net financial income	**-584**	**-53**	**-271**	**-17**
EBT	**3,214**	**554**	**1,432**	**50**
Income taxes	-869	-162	-348	159
Consolidated net income	**2,345**	**392**	**1,084**	**209**
Of which:				
Profit attributable to non-controlling shareholders	0	40	0	0
Profit attributable to shareholders of SNP Schneider-Neureither & Partner AG	2,345	352	1,084	209
Earnings per share	**€**	**€**	**€**	**€**
- Undiluted	0.63	0.09	0.29	0.06
- Diluted	0.63	0.09	0.29	0.06
Weighted average number of shares	**in thousands**	**in thousands**	**in thousands**	**in thousands**
- Undiluted	3,716	3,716	3,716	3,716
- Verwässert	3,716	3,716	3,716	3,716

The following notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 September 2015

€ k	Jan. – Sept. 2015	Jan. – Sept. 2014	3rd quarter 2015	3rd quarter 2014
Net income for the period	**2,345**	**392**	**1,084**	**209**
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	83	-3	28	-3
Deffered taxes on differences from currency conversion	0	0	0	0
	83	**-3**	**28**	**-3**
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	0	0	0	0
Deferred taxes on remeasurements of defined benefit pension plans	0	0	0	0
	0	**0**	**0**	**0**
Income and expenses directly recognised in equity	**83**	**-3**	**28**	**-3**
Total comprehensive income	**2,428**	**389**	**1,112**	**206**
Profit attributable to non-controlling interests	0	40	0	0
Profit attributable to shareholders of SNP Schneider-Neureither & Partner AG in total comprehensive income	**2,428**	**349**	**1,112**	**206**

The following notes are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement
for the period from 1 January to 30 September 2015

€ k	Jan. – Sept. 2015	Jan. – Sept. 2014*
Profit after tax	**2,345**	**392**
Depriciation	863	616
Change in provisions for pensions	28	65
Other non-cash income/expenses*	160	-339
Change in trade receivables, other current assets, other non-current assets	-1,081	1,617
Changes in trade payables, other provisions, tax liabilities, other current liabilities	-1,901	-598
Cash flow from operating activities (1)	**414**	**1,753**
Payments for investments in property, plant and equipment	-706	-514
Payments for investments in intangible assets	-507	-33
Payments for investments in at-equity participations	-25	0
Payments for the acquisition of business operations	-3,203	0
Proceeds from disposal of tangible fixed assets	59	24
Cash flow used in investing activities (2)	**-4,382**	**-523**
Dividend payments	-483	-297
Dividend payments to non-controlling shareholders	0	-37
Payments for purchase of shares in non-controlling shareholders	0	-500
Proceeds from the issue of corporate bonds	10,000	0
Proceeds from loans	4,500	0
Payments on loans received	-1,575	-450
Cash flow used in financing activities (3)	**12,442**	**-1,284**
Effects of exchange rate changes on cash and bank balances* (4)	7	52
Cash change in cash and cash equivalents (1) + (2) + (3) + (4)	**8,481**	**-2**
Cash and cash equivalents at the beginning of the fiscal year	5,681	6,355
Cash and cash equivalents at 30 September	**14,162**	**6,353**
Composition of cash and cash equivalents:		
Cash and cash equivalents	14,162	6,353
Cash and cash equivalents at 30 September	**14,162**	**6,353**

* Previous year's cash flow was adjusted with respect to the exchange rate changes.

The following notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity
for the period from 1 January to 30 September 2015

€ k	Subscribed capital	Capital reserve	Retained earnings
As of 01.01.2014	**3,738**	**7,189**	**3,011**
Acquisition of minority interests			-275
Dividend payment			-297
Total comprehensive income			352
As of 30.09.2014	**3,738**	**7,189**	**2,791**
Total comprehensive income			638
As of 31.12.2014	**3,738**	**7,189**	**3,429**
Dividend payment			-483
Total comprehensive income			2,345
As of 30.09.2015	**3,738**	**7,189**	**5,291**

The following notes are an integral part of the consolidated financial statements.

Other components of equity						
Currency conversion	Revaluation of performance-oriented obligations	Other components of equity Total	**Treasury shares**	**Shareholders of SNP AG attributable capital**	**Non-controlling shares**	**Total equity**
92	**-75**	**17**	**-415**	**13,540**	**222**	**13,762**
				-275	-225	-500
				-297	-37	-334
-3	0	-3		349	40	389
89	**-75**	**14**	**-415**	**13,317**	**0**	**13,317**
31	-96	-65		573		573
120	**-171**	**-51**	**-415**	**13,890**	**0**	**13,890**
				-483		-483
83		83		2,428		2,428
203	**-171**	**32**	**-415**	**15,835**	**0**	**15,835**

Notes to the interim consolidated financial statements
for the period from 1 January to 30 September 2015

Company information

SNP Schneider-Neureither & Partner AG (SNP AG or the "company") is a listed corporation domiciled in Heidelberg, Germany. These interim consolidated financial statements for the period 1 January to 30 June 2015 were approved for publication by way of resolution of the Executive Board on 29 October 2015.

Basis of reporting

These condensed interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, this interim report does not contain all the information and disclosures required in accordance with IFRS for consolidated financial statements at the end of a fiscal year. The accounting policies applied in these interim financial statements are essentially the same as those applied in the consolidated financial statements at the end of fiscal year 2014. A detailed description of the accounting principles is published in the notes to the consolidated financial statements in the 2014 Annual Report, which can be viewed at www.snp-ag.com under Investor Relations/Financial Publications.

The application of the standards that were required to be applied for the first time from 1 January 2015 did not have a material effect on the interim consolidated financial statements.

There were no seasonal influences.

Consolidated group

In addition to the parent company SNP Schneider-Neureither & Partner AG, Dossenheimer Landstrasse 100, 69121 Heidelberg, Germany, the consolidated group includes the following subsidiaries in which SNP Schneider-Neureither & Partner AG indirectly holds the majority of voting rights.

Subsidiary	Place of business	Shareholding in %
SNP Consulting GmbH	Thale, Germany	100
RSP Reinhard Salaske & Partner Unternehmensberatung GmbH*	Wiehl, Germany	100
SNP Applications GmbH	Heidelberg, Germany	100
SNP Business Landscape Management GmbH**	Heidelberg, Germany	100
SNP Austria GmbH	Linz, Austria	100
SNP (Schweiz) AG	Zug, Switzerland	100
Schneider Neureither & Partner Iberica, S.L.	Madrid, Spain	100
SNP America, Inc.	Jersey City, NJ, USA	100
SNP Labs, Inc.***	Keller, TX, USA	100
SNP Schneider-Neureither & Partner ZA (Pty) Limited	Johannesburg, South Africa	100

* In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal under civil law. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a prescribed purchase price with effect from 1 January 2018. From an economic perspective, the shares are to be allocated to SNP AG with effect from 1 January 2015.

** SNP Business Landscape Management GmbH was created as a new company and included in consolidation for the first time in the 2015 financial year.

*** SNP Labs, Inc. was created as a new company and included in consolidation for the first time in the 2015 financial year.

Associates

The Group's shares in associates are accounted for using the equity method. An associate is a company over which the Group has significant influence.

In February 2015, SNP AG and Axxiome Deutschland GmbH agreed a strategic partnership for IT projects in the banking and insurance sector. On 6 February 2015, the two companies formed a joint venture, SNP Axxiome GmbH, headquartered in Frankfurt/Main. SNP AG holds 50% of the shares in this joint venture.

Under the equity method, shares in associates are recognised in the statement of financial position at cost plus the changes in the Group's share of the net assets of the associate that have occurred since the acquisition. The goodwill relating to associates is included in the carrying amount of the equity interest and is neither amortised nor subject to a separate impairment test.

The Group's share of the associates' profit or loss for the period is reported in the income statement. Changes reported directly in the equity of the associates are recognised by the Group in the amount of its interest and, where necessary, shown in the statement of changes in equity. Unrealised profits and losses from transactions between the Group and the associates are eliminated in accordance with the equity interest in the associates.

The Group's share of an associate's profit is reported in the income statement. This is the profit attributable to the shareholders of the associate, and hence the profit after taxes and non-controlling interests in the subsidiaries of the associate.

The financial statements of associates are prepared as at the same date as the consolidated financial statements. Adjustments in line with the Group's uniform accounting methods are made as necessary.

Under the equity method, the Group determines whether an additional impairment loss must be recognised for its shares in an associate. At the end of each reporting period, the Group determines whether there are objective indications that the equity interest in an associate could have become impaired. If this is the case, the difference between the recoverable amount of the interest in the associate and the carrying amount of the "Share in the profit/loss of associates" is recognised as an impairment loss in profit or loss.

Mergers and acquisitions

In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a defined purchase price with effect from 1 January 2018. From an economic perspective, the shares are already allocable to SNP AG with effect from 1 January 2015. RSP GmbH advises and supports companies across all industries in SAP® launch projects and in the optimisation of their business processes with the use of suitable IT systems and applications. The investment has allowed SNP AG to expand its strategy- and process-oriented consulting range while significantly extending its value chain on the market for company transformations. The IT service and management consulting company, which has been active on the market for more than 20 years, currently has 64 salaried employees and boasts an attractive customer list consisting of large and medium-sized companies from various industries.

The acquisition was closed with economic effect from 1 January 2015; business operations were included in the 2015 consolidated financial statements from this date. In accordance with IFRS 3 Business Combinations, the company was consolidated for the first time in accordance with the purchase method. The goodwill resulting from the acquisition of € 5,961 thousand comprises the value of the anticipated synergies. The goodwill resulting from the acquisition is assigned to the Professional Services segment.

Consideration transferred

The fair values of each major class of consideration as at the acquisition date are shown below:

	€ k
Initial purchase price payment	4,494
Agreed second purchase price instalment	1,382
Contingent consideration	1,817
Total consideration transferred	**7,693**

Costs in connection with the business combination

The Group incurred costs of € 260 thousand for legal and consulting fees in connection with the business combination. These costs are reported in other operating expenses.

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the acquisition date break down as follows:

	€ k
Intangible assets	186
Property, plant and equipment	233
Cash and cash equivalents	1,291
Receivables	1,938
Other assets	280
Trade payables	-599
Other liabilities	-1,267
Pension provisions	-330
Total identifiable net assets acquired	**1,732**

The trade receivables include contractual receivables due for which there was no credit risk at the time the consolidated financial statements were prepared, and hence for which no impairment loss was recognised.

Goodwill

Goodwill was recognised as follows as a result of the acquisition:

	€ k
Consideration transferred	7,693
Fair value of identifiable net assets	-1,732
Goodwill as at acquisition date	**5,961**

The purchase price for the acquisition of RSP GmbH is divided into a fixed price and a variable component (contingent consideration). The fixed price is payable partially at the acquisition date and partially when the remaining 25.1% of the shares are acquired by SNP AG effective 1 January 2018. The amount of the contingent consideration depends on contractually agreed key performance indicators defined within 36 months of the acquisition date. As the acquisition date, the Group recognised a variable component of € 1,817 thousand, equivalent to the fair value at the acquisition date. Considering the development of contractually agreed performance indicators and discussions between both parties, the fair value has been adjusted to an amount equal to € 1,461 thousand as of 30 September 2015. The resulting income is reported under other income. The subsequent purchase price instalment and the contingent obligation are reported under non-current liabilities. The consideration of € 4,494 thousand represents the initial, fixed portion of the purchase price that was paid in full as at 31 March 2015. It therefore represented the cash outflow. No equity instruments were issued to acquire the shares.

Provisional fair value

The cash and cash equivalents, receivables, deferred income, prepaid expenses and liabilities were measured provisionally on the basis of contractual agreements. The carrying amounts are reviewed on an ongoing basis using information and facts that became known after the acquisition date and adjusted in line with the contractual arrangements. If new information on facts and circumstances that existed at the acquisition date and would have resulted in adjustments to the above amounts or additional provisions becomes apparent within a year of the acquisition date, the accounting for the acquisition is adjusted.

The contractually agreed non-compete clause and the order backlog as at 31 December 2014 were classified as substantial and recognised as intangible assets. The non-compete clause is carried at a fair value of € 110 thousand and will be amortised over a three-year period from the date on which the remaining shares are acquired. The order backlog has a carrying amount of € 60 thousand and will be written down in fiscal year 2015 based on the degree of completion.

Corporate bond issue

In March 2015, SNP AG successfully placed a corporate bond with a volume of € 10.00 million. The corporate bond is divided into 10,000 partial bonds each with a nominal value of € 1,000.00. The partial bonds have a term of five years and a coupon of 6.25% p.a.

The corporate bond, less brokerage commission and plus deferred interest, is recognised in the statement of financial position in the amount of € 10,142 thousand.

Net financial income

Other financial expenses include interest payments for loans and borrowings in the amount of € 504 thousand.

Segment reporting

for the period from 1 January to 30 September 2015

The segment report was prepared in accordance with IFRS 8. Taking the Group's internal reporting and organisational structure as a basis, individual Group financial data is presented below according to business segment.

€ k	Professional Services	Software	Total
Segment result			
Jan. – Sept. 2015	4,073	1,702	**5,775**
Margin	11.8%	25.2%	**14.0%**
Jan. – Sept. 2014	497	1,212	**1,709**
Margin	2.9%	22.0%	**7.6%**
External revenue			
Jan. – Sept. 2015	34,604	6,764	**41,368**
Jan. – Sept. 2014	16,970	5,499	**22,469**
Depreciation included in the segment result			
Jan. – Sept. 2015	539	324	**863**
Jan. – Sept. 2014	477	139	**616**
Segment assets			
30 September 2015	38,375	4,034	**42,409**
30 September 2014	17,423	2,780	**20,203**
Segment investments			
30 September 2015	7,159	461	**7,620**
30 September 2014	508	38	**546**

Reconciliation

€ k	Jan. – Sept. 2015	Jan. – Sept. 2014
Net earnings		
Total reportable segments	5,775	1,709
Non-segment-related expenses	-2,114	-1,417
Non-segment-related amounts:		
- Other operating income	177	339
- Other taxes	-40	-24
EBIT	**3,798**	**607**
Assets		
Total reportable segments	42,409	20,203
Assets not allocated to the segments	2,259	2,513
Group assets	**44,668**	**22,716**
Assets not allocated to the segments		
- Deferred tax assets	1,550	1,756
- Income tax claims	709	757
Total	**2,259**	**2,513**

Additional information on segment reporting

The increase in segment revenue in the first nine month of 2015 compared with the same period of the previous year and the increase in segment assets are attributable to the significant improvement in the order situation and the acquisition of the equity interest in RSP GmbH.

Segment earnings contain the effects of realised and unrealised exchange rate differences due to the pronounced fluctuation in the US dollar and the Swiss franc in the first nine month of 2015.

Additional information on the consolidated statement of cash flows and the consolidated statement of changes in equity

The payment for the acquisition of business operations is composed of the initial purchase price instalment for RSP GmbH in the amount of € 4,494 thousand and the cash and cash equivalents of RSP acquired in the amount of € 1,291 thousand.

Significant actuarial gains/losses from the actuarial measurement of pensions and other post-employment benefits are not expected either at the end of the third quarter of 2015 or at the end of 2015. Currency translation effects reported in equity amounted to € 83 thousand in the first three quarters of 2015.

Related party disclosures

Since 1 December 2010, there has been a lease agreement between a member of the Executive Board and SNP AG for office premises and parking spaces. Effective 1 September 2014, two separate agreements (office premises and parking spaces) were concluded for these with unchanged terms. These services are invoiced at arm's-length conditions. Expenses of € 171 thousand (previous year: € 172 thousand) were incurred for this as at 30 September 2015. There were no outstanding liabilities as at 30 June 2015. Since 1 September 2014 and 1 November 2014, there have also been five new rental agreements between a company controlled by a member of the Executive Board and SNP AG for office premises and parking spaces. These services are invoiced at arm's-length conditions. Expenses of € 78 thousand (previous year: € 0 thousand) were incurred for this as at 30June 2015. There were no outstanding liabilities as at 30 June 2015.

Furthermore, a member of the Executive Board was granted an advance on travel expenses of € 1.7 thousand in the period under review. No other loans, credits or advances were granted to members of the Executive Board.

Treasury shares

SNP AG did not acquire any additional treasury shares in the period under review.

Other disclosures

The Executive Board and the Supervisory Board do not have any pre-emptive rights to shares in accordance with section 160 (1) nos. 2 and 5 of the German Stock Corporation Act (AktG). In the period under review, there were only insignificant changes in the contingent liabilities and other financial obligations presented as at 31 December 2014.

Pending legal disputes and claims for compensation

The companies included in the consolidated financial statements are not involved in court proceedings, legal disputes or claims for compensation that could have a material influence on the economic situation of the Group.

Heidelberg, 29 October 2015

The Executive Board

Dr. Andreas Schneider-Neureither

Henry Göttler

Jörg Vierfuß

Financial calendar

23/ 24 November 2015	German Equity Forum 2015
30 March 2016	Publication of the Annual Report 2015
29 April 2016	Publication of the Interim Report for Quarter I
12 May 2016	Annual General Meeting 2016
29 July 2016	Publication of the Half-Year Financial Report
31 October 2016	Publication of the Interim Report for Quarter III
November 2016	German Equity Forum 2016

All dates are provisional only.
The current financial calendar can be consulted at: www.snp-ag.com/eng/Investor-Relations/Financial-calendar

Contact

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This Interim Report is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.

Legal notice

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