



# ***First Quarter Interim Report***

*January 1, - March 31, 2008*



This report contains data, which relates to future developments. They represent the current opinions of the management of nextevolution AG in regards to future events. Any data in this report that reflects upon intentions, assumptions and expectations or predictions and the company's anticipations based on that represent such data, which relate to future developments. This data is based upon projections, estimations and prognosis that are currently available to the management of nextevolution AG. Therefore, they only relate to the specific date when they were made. Data relating to future developments are naturally subject to risks and uncertainty factors that may cause the actual development to deviate substantially from the provided data relating to future developments or the results implied therein. nextevolution AG does not accept any obligations and does not intend to update such data once new information is available or future events have occurred.

Key Figures	31.03.2008	31.03.2007	Change		31.12.2007
	€	€	€	in %	€
Balance Sheet Total	18.308.698,38	9.661.596,88	8.647.101,50	89,50	21.482.286,97
Total Equity	6.456.266,98	5.041.534,52	1.414.732,46	28,06	6.716.750,58
Equity Ratio	35,26%	52,18%	-16,92%	-32,42	31,27%
Trade Receivables	7.403.630,09	4.246.862,54	3.156.767,55	74,33	11.000.949,95
Trade Payables	2.889.487,53	1.667.800,95	1.221.686,58	73,25	4.870.520,74
Cash and Cash Equivalents	25.416,02	2.002.147,83	-1.976.731,81	-98,73	535.973,86

Cash Flow Figures	31.03.2008	31.03.2007	Change		31.12.2007
	€	€	€	in %	€
Cashflow	-510.557,84	-28.729,30	-481.828,54	1.677,13	-1.494.903,27
Cash Flow provided by Operating Activities	-1.127.061,62	-358.947,46	-768.114,16	213,99	-288.815,12
Cash Flow used in Investing Activities	-350.439,24	-31.773,93	-318.665,31	1.002,91	-3.312.435,27
Cash Flow provided by Financial Activities	966.943,02	361.992,09	604.950,93	167,12	2.106.347,12

Income Figures	31.03.2008	31.03.2007	Change		31.12.2007
	€	€	€	in %	€
Overall Performance*	6.475.556,56	3.390.268,97	3.085.287,59	91,00	27.172.670,86
Revenues	5.932.370,13	2.920.477,59	3.011.892,54	103,13	26.900.035,05
Gross Earning	4.733.523,86	2.212.040,56	2.521.483,30	113,99	19.037.764,65
EBITDA	-993.632,77	-324.476,81	-669.155,96	206,23	1.948.134,24
EBIT	-1.372.243,99	-450.462,91	-921.781,08	204,63	852.163,31
Financial Result	-27.753,92	10.027,49	-37.781,41	-376,78	-91.302,18
EBT	-1.399.997,91	-440.435,42	-959.562,49	217,87	760.861,13
Net Income / Loss	-1.135.886,62	-457.409,67	-678.476,95	148,33	28.061,93
EpS (diluted/undiluted)	-1,05	-0,46	-0,59	129,09	0,03

\*Net Sales including Changes in Inventories and other own work capitalized

Share Figures	31.03.2008
Authorized Capital	1.077.869,00 €
Number of Shares	1.077.869
Stock Price as of January, 2nd	9,30 €
Stock Price as of March, 31st	7,23 €
Market Cap as of March, 31st	7.792.993,00 €
Segment	Prime Standard
ISIN DE000A0JCOA2	1.000.000 Shares
WKN	A0JCOA
Symbol	N5E.ETR
ISIN DE000SLPA5	77.869 Shares

Employees	31.03.2008	31.03.2007	Change		31.12.2007
			Number	in %	
Number of Employees	245	89	156	175,28	222

Foreword of the Management	Page 5
Economic Environment	Page 7
Group Structure	Page 8
Presence	Page 9
Strategy	Page 10
Events in the Reporting Period	Page 12
Events after the Reporting Period	Page 13
Business Development	Page 14
Investor Relations	Page 16
Outlook	Page 17
Interim Report March 31, 2008	
Group Income Statement	Page 18
Group Balance Sheet	Page 19
Group Cash Flow Statement	Page 20
Group Segment Reporting	Page 21
Changes in Equity	Page 23
Reporting Principles / Basis of Consolidation	Page 24
Financial Calendar / Imprint / Contact	Page 25

Dear shareholders, dear Sirs or Madams,

Given the seasonality of our business course, the nextevolution group finished the first three months of the business year of 2008 as scheduled. The corporate strategy, followed consequently since 2006, to present ourselves on the market as an integrated IT service provider with the main business fields "Content Management Solutions", "Web/Portal-based Business Solutions", and "Enterprise Infrastructure Solutions" was implemented successfully and the group became one of the leading ECM solution providers in Germany. In addition to intersectoral application solutions, such as the digital personnel file, the company is focused on specific industries and thus, connects their IT know-how with the corresponding industrial context. Currently, the nextevolution group is active in the industries Real Estate Management, Public Sector, and Manufacturing.

In order to accomplish a sustained increase in the nextevolution group's sales and earnings strengths and to position the group in the IT market, the board intends the rounding and the thematic linking-up of the service portfolio as a targeting approach. The key to success and to realize the corporate objectives is an integrated service portfolio, aligned to the market requirements in order to be able to offer services to customers – from the professional-conceptual design over the implementation, on basis of current and effective technologies, up to maintenance.

During the first quarter of this year, we worked on the completion of the existing service portfolio and finished this process successfully after the reporting period. After the end of the first quarter, we complemented the business field "Enterprise Infrastructure Solutions", established since 2007, which we are covering in the area of network technologies with Net On GmbH, by the areas "Storage" and "Servers". Now the nextevolution group can offer in addition to "Content Management Solutions" and "Web/Portal-based Business Solutions" the entire service portfolio in the area of "Enterprise Infrastructure Solutions" - from the concept over the implementation up to the hardware. For the area of "Enterprise Infrastructure Solutions", we were able to recruit IT specialists with many years of experience for our team. Since May of 2008, we are advising and servicing these customers of the nextevolution group from our locations in Cologne and Berlin. The addition of the area "Enterprise Infrastructure Solutions" leads to additional cross-selling potential, which will be used by nextevolution across the group.

The acquired solution competence supplements greatly the business field "Content Management Solutions" and enables the nextevolution group to completely and vertically penetrate this industry, starting with proprietary application solutions via Content Management and Middleware platforms to the IT infrastructure and to present themselves as a one-stop shop on the market. For the area of "Enterprise Infrastructure Solutions", we were able to recruit IT specialists with many years of experience for our team.

Furthermore, we foresee an additional potential in the implementation of proprietary software applications, tailored to the corresponding industry and appliance context and attached on software platforms of leading providers. Here, we intend to accomplish the distribution within the frame of customer projects and via distribution partners. The continuous optimization of our service portfolio meets the clear approval of our customers. During the reporting period, we were able to significantly deepen the business relationships with our existing customers and to sell our services also within the frame of follow-up orders. The expansion of the service portfolio and the increasingly thematic connection strengthen the market position of the nextevolution group. By the development of the service portfolio and the continuation of the industry alignment, the started use of the cross-selling potentials will be continued enforced.

The continuous expansion of the company's size and the management of projects from acclaimed companies have increased the awareness level for nextevolution AG significantly.

This development is also reflected in the key financial figures.

During the first three months of the current business year of 2008, nextevolution AG was able to increase their sales figures by 103 percent. In particular, we were able to increase the for the group important sales from IT services by 161 percent, from 1,953 TEUR to 5,101 TEUR. The increase is a result of the organic growth - among others, due to the realization of cross-selling potentials on a group level - as well as from inorganic growth. The development of the earnings was on schedule for the most part. nextevolution AG was able to generate an EBITDA of -994 TEUR in comparison to -325 TEUR last year. In addition, the EBIT is -1,372 TEUR in comparison to -450 TEUR during the same period last year. The group's annual surplus according to minority interests was -1,136 TEUR in comparison to -457 TEUR during the same period last year. The decrease was primarily caused by the consolidation of the BGS AG, which is highly subject to business cycles - as it was last year - which causes the generation of losses during the first three months. The group's result was characterized by a weak first quarter due to business cycles and by the development of distribution activities for orders for 2008 and the additional staff expansion.

Due to the further intertwining of the service portfolios, we are expecting a positive development for the business year and thus, an improved result. Due to the positive development and the further business development, we are anticipating a turnover in the amount of 36.5 to 38.0 million Euros and an EBITDA of 2.9 to 3.2 million Euros for the business year of 2008.

Peter Ohl  
Chairman of the board

Nils Manegold  
Chief Financial Officer

## **Positive outlook among high-tech companies continues**

According to the survey conducted by the industry association "Bundesverband Informationswirtschaft Telekommunikation und neue Medien e.V.", BITKOM, the high-tech industry has a positive outlook with respect to the business development in 2008. 73 percent of surveyed companies anticipate increasing sales numbers in Germany. 17 percent expect a stable business and only 10 percent a decrease.

According to the survey, software houses and IT service providers foresee a particularly positive development. They support companies, public administrations and organizations during the implementation and maintenance of IT systems. In this segment, 79 percent of the software and IT service providers anticipate increasing sales numbers. Additionally, almost three quarters expect higher profits. Another positive trend can also be seen at the manufacturers of IT hardware. Here, almost two thirds of the manufacturers of computers and other IT devices are anticipating a sales increase.

In many companies, the sales growth leads to new jobs. According to a recent survey, 57 percent of the ITK companies want to hire additional employees in the course of the current year. One third want to keep the staff number at the same level and only every eleventh company is expecting to lower the numbers of their staff members.

The recruiting applies primarily to software houses and IT service providers, which created 17,000 additional jobs already last year. 82,000 new jobs were created in this segment since 2002.

In summary, the industry association BITKOM expects for the entire ITK industry in 2008 an increase in personnel by 4,000 to 820,000 employees. However, in the meantime the lack of qualified personnel has become an unpleasant permanent situation. According to a recent survey, 65 percent of the companies state that the lack of experts is slowing down their business activities. This applies primarily to medium-size software houses and IT service providers, which look mainly for university graduates. Every fourth company has to decline orders due to the lack of employees.

The business association expects for the remainder of 2008 a turnover growth in the amount of 4.5 percent in the segment information technology, which comprises the areas software, IT hardware and IT service. This corresponds to an increase from 66 billion Euros to 69.4 billion Euros.

## nextevolution - group structure

nextevolution AG's group structure has been significantly further developed due to the acquisitions for the expansion of the operative business and the completion of the service portfolio. In the business year of 2007, nextevolution AG completed two important business acquisitions and thus, strengthened their existing market position. First, BGS AG was acquired, which focuses on the Public Sector, and secondly, we took over CEO AG, which offers application solutions for Customer Relationship Management as well as for the areas of Real Estate Management and Manufacturing. During the frame of the acquisition of BGS AG, we also took over their daughter company, Net On GmbH, a company focused on network technology, which is now part of nextevolution AG's basis of consolidation. With Net On GmbH, nextevolution entered the segment of "Enterprise Infrastructure Solutions" on the network level. This segment was supplemented after the end of the first quarter by solutions for Storage / Servers. This segment was completed after the reporting period by winning two long-term experienced IT-teams to set-up the competences "Storage" and "Server".

Thus, nextevolution AG has currently six daughter companies, which form an excellent basis to further the growth of the existing business fields.

nextevolution AG	
Business Areas	Investments
Enterprise Content Management	<p><b>BGS AG (100.0%)</b></p> <ul style="list-style-type: none"> <li>▪ Government</li> <li>▪ Defense</li> <li>▪ Broadcasting</li> </ul>
Enterprise Ressource Management	<p><b>CEO AG (64.8%)</b></p> <ul style="list-style-type: none"> <li>▪ Customer Relationship Management</li> <li>▪ Manufacturing</li> <li>▪ Real Estate Management</li> </ul>
Enterprise Infrastructure Solutions	<p><b>NEMC GmbH (75.0%)</b></p> <ul style="list-style-type: none"> <li>▪ Process/Content Integration</li> <li>▪ Management Consulting</li> </ul>
Real Estate Management	<p><b>nextevolution GmbH (Austria) (100.0%)</b></p> <ul style="list-style-type: none"> <li>▪ Sales Office</li> </ul>
	<p><b>qdm GmbH (100.0%)</b></p> <ul style="list-style-type: none"> <li>▪ IT-Specialists/IT-Sourcing</li> </ul>
	<p><b>Net On GmbH (51.0%)</b></p> <ul style="list-style-type: none"> <li>▪ Network Technologies</li> </ul>

## Germany-wide presence increases customer retention

Within the frame of the business acquisitions during the business year of 2007 and the completion of the service portfolio in the area of Content Management Solutions in May of 2008, the company also expanded their Germany-wide presence. In addition to the company's place of business in Hamburg, the group, together with their currently six daughter companies, is represented with seven locations in Germany and with one location in Austria. The high presence of the nextevolution group is the key for the development of long-term customer relationships and increases the efficiency of the distribution and sales process and customer administration. In addition, the chances of recruiting additional personnel are increased with more locations.



## Precise strategy statement and adequate implementation

The nextevolution group aims at the comprehensive consulting and solution approach, which covers the life cycle of a business solution, from the concept consultation to the implementation, as well as the support during the operational and usage phase. This approach is reflected by the consistent and efficient service processes - for our customer's benefit.

With the main business fields "process-integrated Content Management solutions" and "Web/Portal-based Business Solutions", nextevolution addressed market niches, which are characterized by increasing demand. Based upon a conventional, exclusively process-oriented business system environment with corresponding deficits, Content Management solutions involve the development of Business Content - weakly structured data for example in the form of documents and text - their integration into process oriented business solutions (ERP) and the illustration of content/document-driven business processes. The implementation customer specific business processes and solutions can be done by the use of Web/Portal-Technologies ideal. The state-of-the-art-technology supports "service oriented architecture" and is, beyond inter-company-solutions, the ideal tool for the realization of application solutions, that serves "business collaboration" with business partners. These "process-integrated Content Management solutions" often represent an expansion or the realignment of conventional business systems (ERP). In an other business area, "Enterprise Infrastructure Solutions", nextevolution concentrates so far on the efficient management of IT-networks. Within the completion of the service offering, nextevolution has extended the service portfolio by the competences for storage- and server solutions. Through this, the company is able to consult and attend its customers comprehensively. Typical solution approaches cover normally the consolidation of storage and servers and their virtualization as well as backup and recovery concepts.

nextevolution maintains partnerships with leading manufacturers, such as IBM (FileNet) and SAP, which offer technology platforms in the area of "Content Management". These software products have a general, software-technical functionality in the area of Content Management, but don't offer any solution quality for business application fields. However, the customers achieve the intended economic use only by utilizing the software in the context of their business processes. The business solutions, developed and implemented by nextevolution for their customers, are based upon standard technology platforms of the named manufacturers. However, they mainly represent independent application solutions for dedicated professional and industry-specific application fields. In the segment "Enterprise Infrastructure Solutions", nextevolution maintains partnerships to NET App in the storage area and CITRIX in the network area.

With respect to application fields, which can be standardized, nextevolution develops their proprietary standard application software, which will be marketed in relation with customer projects or via distribution partners. In comparison to customer solutions with a full or predominantly project-specific added value, nextevolution creates significant competitive advantages by having their own standard application software available. In the distribution process, the "presentable" standard application software reduces the customer's degree of abstraction and improves the decision-making ability. The realization and implementation phase will require less time and effort due to the integration of the standard application software and is therefore less expensive for the customer. By way of comparison, the quality and stability of the customer solution is higher due to the existing maturity level of the standard application.

With the alignment to "process-integrated Content Management solutions", nextevolution has been working on the development of two standard application software suites since 2006:

- nextPCM for Netweaver/RM platform (SAP)
- nextPCM for P8 platform (IBM)

Each suite is comprised of several individual products, which can be used alone or in connection with others. The perspective development of Business Applications in the context of the corresponding industries are planned to follow. As of today, we have the product component "Real Estate Records" and planning approaches for Banking & Insurance. With respect to the stability of the technology platforms (SAP and IBM), the entire development costs were adopted in the functional development and expansion of the standard software in 2006 and 2007. In 2008 and the following years, there will be additional to be specified costs in regards to the maintenance of the technological platform's conformity. In the same cycle, we will bring new releases with revised and new functionality to the market.

## **Sustained stability of the customer relations**

The nextevolution group has a diversified customer base, which is comprised of acclaimed company groups, classical small and medium sized businesses and public service institutions. During the frame of a sustained development of the customer relations, nextevolution AG positions themselves as a partner for customers and aims at the long-term customer retention to obtain follow-up projects after the completion of the original project and to efficiently use the cross-selling potential of the entire group. Based on this objective, the nextevolution group strengthened the business relationships and was able to generate additional orders after the completion of the initial projects.

In addition to the expansion of the business relationship with existing customers, the group was able to acquire a large amount of new customers and projects within the first three months of the current business year. Among the new customers are acclaimed companies, such as EnBW (Energie Baden-Württemberg) or GSW Immobilien GmbH, a real estate administration company located in Berlin with approximately 70,000 administered apartments. For GSW Immobilien GmbH, nextevolution AG will expand the existing customer management solution, based on SAP Real Estate. Also in the area of Public Sector, the nextevolution group was able to acquire new projects. Thus, the group will implement the expansion of AUREG, an automated trade register for the German states of Berlin-Brandenburg, Bremen, and Schleswig-Holstein.

## **nextevolution AG attains highest partner level with IBM**

The successful cooperation between IBM and nextevolution lead in February of 2008 to an increase of the PartnerWorld membership. IBM increased the partnership level of nextevolution AG from Advanced to Premier. The Premier partnership is the highest level that a company can obtain with IBM. Due to this status, nextevolution can access, for example, sales-supporting resources and services from IBM, which supports the acquisition of new orders, accelerates the sales cycle and significantly strengthens the market position of nextevolution AG. Due to the group-wide utilization of the Premier partnership, nextevolution also improves their daughter companies' ability to compete and thus, creates an important advantage on the market.

## **Expansion of the service portfolio in the area “Enterprise Infrastructure Solutions”**

In addition to the main business fields "Content Management Solutions" and "Web/Portal-based Business Solutions", nextevolution AG primarily focused on the efficient management of IT networks in the area of "Enterprise Infrastructure Solutions". At the beginning of May, the service portfolio was supplemented by the competences for storage and server solutions. Thus, nextevolution is able to comprehensively consult and serve their customers better with respect to their IT operation in the areas of Business Continuity and Disaster Recovery. Typical solution approaches usually include the consolidation of storage and servers and their virtualization as well as backup and recovery concepts.

The obtained solution competence ideally complements the main business field "Content Management Solutions". The group is therefore able to fully and vertically penetrate the entire range of topics, from proprietary application solutions via Content Management and Middleware platforms to the IT infrastructure, and to be a one-stop shop.

The expansion of the service portfolio follows the strategy of developing a consistent and connected range for the nextevolution group.

During the frame of developing competencies, nextevolution recruited Katharina Gülpen and Jan Dilthey for management positions. Both were previously employed with arxes NCC AG and have long-term experience in the storage and server solution business. Together with six employees, they represent a powerful team in Cologne. Another team was formed in Berlin. Under the management of Wolfgang Stehr, together with seven additional employees, there is another powerful team available. Previously, Stehr had a managing position with Tropper Dataservice AG.

Due to the expansion of the business by the area "Enterprise Infrastructure Solutions", there are direct cross-selling potentials, which we will be realized in the future. This represents the consequent completion of our previous service portfolio – from the professional concept to the IT infrastructure – and underlines nextevolution AG's leading market position as a full ELM service provider in Germany.

## **BGS AG buys back their own shares**

The company bought back shares, issued long time ago within the frame of a stock option program for employees of BGS AG after the end of the first quarter. Thus, nextevolution AG holds 90 percent of BGS AG and the company holds its own shares in the amount of ten percent. The buyback of the shares was implemented primarily with respect to the taxable consolidation. Now, there are no other shareholders besides nextevolution AG.

## Revenues

During the first quarter of 2008, the development in sales and earnings was generally as expected. The seasonality of our business regularly causes the first quarter to be weak. This effect was increased by the acquisition of BGS since, in particular in public service, the first months are used to prepare offers / participation in bids. There is only a limited feasibility in the comparison with the quarter of the previous year because BGS, net on, and CEO have not yet been part of the nextevolution group. The sales figure for the first three months of the business year of 2008 in the amount of 5,932 TEUR means an increase by 103% in comparison to the previous year (2,920 TEUR). BGS AG's share in the sales figure is 2,010 TEUR.

The increase in sales is primarily characterized by the increase in sales from services from 1,953 T€ to 5,101 T€ (+161%).

The sales volume distribution during the first quarter of 2008 was approximately to 86 percent related to the sales figures in the core business of the nextevolution group, which is the turnover from sold services. This figure comprises IT consulting. In comparison to the same period last year, the share on the overall sales figure increased by 161.26 percent. The increase is caused in part by organic growth and primarily by inorganic growth. The figure also contains turnover from the sale of services from the companies BGS AG and their daughter companies net on GmbH and CEO AG, acquired middle and end of 2007, respectively. The increase of the group's sales figure from maintenance was also slightly increased by 6.35 percent. During the first quarter of 2008, the goods turnover decreased by 53.07 percent. The decrease was caused by the goods turnover, which was deferred to the first quarter of 2007. In principle, the goods business takes place at the end of the business year. Such deferment did not occur during the first quarter of 2008.

Revenues	31.03.2008	31.03.2007	Change		31.12.2007
	€	€	€	in %	€
Service	5.101.359,66	1.952.589,56	3.148.770,10	161,26	20.182.156,38
Maintenance	674.329,54	634.042,53	40.287,01	6,35	2.610.558,30
Goods	156.680,93	333.845,50	-177.164,57	-53,07	4.107.320,37
	<b>5.932.370,13</b>	<b>2.920.477,59</b>	<b>3.011.892,54</b>	<b>103,13</b>	<b>26.900.035,05</b>

## Cost of material

During the reporting period, the cost of material increased from 1,231 TEUR in the first quarter of 2007 by 598 TEUR to 1,829 TEUR. As of the reporting date, the ratio for the costs of material was 30.8 percent in comparison to 42.0 percent as of March 31, 2007. The main reasons for the improved ratio for the cost of material are: first, BGS had less external service providers and secondly, the atypical high goods turnover during the first quarter of 2008, which was not offset by cost of material.

## Personnel expenditures

Due to the strong staff expansion by 175%, from 89 to 245 employees (as of the reporting date), the personnel expenditures of the nextevolution group increased by 2,471 TEUR to 4,070 TEUR. This corresponds with an increase of approximately 154 percent in comparison to the first three reporting months of the business year 2007, and is approximately in compliance with the growth rate of the salaried employees during the reporting period. The ratio of the personnel expenditures as of the reporting date, March 31, 2008, was 68.61% in comparison to 54.75% in the previous year.

## Results characterized by seasonal conditions

During the reporting period of the first quarter of 2008, the nextevolution group achieved an EBIT in the amount of -1,372 TEUR in comparison to -450 TEUR during the same period last year. The company generated an EBT in the amount of -1,400 TEUR in comparison to -440 TEUR during the first quarter of 2007. Due to their cycle-based business, BGS AG's share of the shortfall represents an EBT of -473 TEUR. However, for the remainder of the year, they will contribute to a positive result. The group's annual surplus according to minority interests was during the first three months of the current business year -1,136 TEUR (previous year: -457 TEUR). In addition to a weak first quarter due to business cycles, the results were characterized by sales and distribution activities as well as further staff expansions.

## Equity ratio

As of the reporting date, March 31, 2008, the equity ratio for nextevolution AG is 35.3% (previous year: 52.2%). The changes were primarily caused by the acquisition of BGS and of CEO and the related expansion of the business operation. Altogether, the equity was 6,456 TEUR in comparison to -5,042 TEUR as of the end of the first quarter of 2007.

## Liabilities

As of the reporting date, the company's short-term and long-term liabilities were 8,673 TEUR in comparison to 3,511 TEUR as of March 31, 2007 and thus, were increased by 5,162 TEUR. This was primarily caused by the increase in financing for working capital in the amount of 2,781 TEUR, the increase in long-term liabilities in the amount of 718 TEUR due to the liability from the purchase price of BGS and the increase in account payables from goods and services in the amount of 1,222 TEUR.

## Receivables

During the reporting period, the receivables from goods and services increased from 4,247 TEUR by 3,157 TEUR to a total of 7,404 TEUR. The increase is directly related to nextevolution AG's significant sales expansion.

## Staff development

During the reporting period, the number of the salaried employees was increased by 23 to 245 employees. In comparison to the reporting date March 31, 2008, there is an increase of additional 156 salaried employees. This corresponds with an increase in personnel of 175 percent.

## Volatile stock-exchange environment during the first quarter of 2008

The German Stock Index, DAX, did not continue its positive development from 2007 during the first quarter. The DAX closed on the first trading day in 2008 with a minus of 1.5 percent in comparison to the last trading day in 2007. The stock exchange's benchmark index weakened in the course of January of 2008 to 6,440 points, recovered to 7,000 points, got under pressure again and closed the first quarter of 2008 with 6,535 points. This corresponds with a drop of 21.6 percent.

### nextevolution's stock still under pressure

The stock of the nextevolution AG was not able to show a positive performance for shareholders during the first quarter of 2008. The stock closed on the first trading day in 2008 at 9.30 Euros. In the course of the first three months of the business year, the nextevolution stock weakened by 22.3 percent and closed at 7.23 Euros. As of the reporting date, the company's market capitalization was 7.8 million euros.



### Investor relations

The board of nextevolution AG continues their adopted capital market strategy. All capital market participants are regularly informed about the business course via the homepage, [www.nextevolution.de](http://www.nextevolution.de), in addition to individual discussions. Furthermore, the company presents themselves also in 2008 at acclaimed capital market conferences in order to comprehensively introduce their business model.

### Shareholder structure

nextevolution AG's shareholder structure is strongly characterized by institutional investors. Their share is currently approximately 63.7 percent (status as of May 2008). In May of this year, the companies Allianz and the AvW group increased their share in nextevolution AG. These investments represent the interest of professional capital market participants in the company.

### Stock analysts confirm positive development chances

After the end of the reporting period, the analysts of Vara Research published a follow-up study about nextevolution AG. The analysis forecasts a price objective per share in the amount of 11.70 Euros and recommends the purchase of nextevolution's stock.

Aktieninhaber	Anzahl Aktien	%
*VMR Fund European small & mid cup	6.500	0,60%
*DAB Adviser	15.000	1,39%
Allianz Global Investor	15.000	1,39%
*Plutos International Fund	20.000	1,86%
Management neAG	35.349	3,28%
Shareholder Value Beteiligungen AG	35.000	3,25%
DB Platinum SICAV Luxembourg	31.089	2,88%
Fortis Investment Management Belgium S.A.	72.532	6,73%
VA BW	90.000	8,35%
Allianz Finanzbeteiligungs GmbH	166.201	15,42%
AvW Gruppe	235.718	21,87%
Streubesitz	355.480	32,98%

nextevolution AG's board expects a positive course for the business development during the business year of 2008. In addition to positive frame conditions for the IT industry, the implemented business strategy meets the requirements of the market. During the frame of the further alignment of the nextevolution group, the board focuses on the expansion of the thematic connection of the service portfolio and the introduction of proprietary standard software applications, which will be sold in relation to projects and via partners. In addition, the enhancement by the area of "Enterprise Infrastructure Solutions" will further strengthen the market position of the nextevolution AG as an integrated IT service provider and will lead to cross-selling potentials.

For the business year of 2008, the board expects sales figures in the amount of 36.5 to 38.0 million Euros and an EBITDA of 2.9 to 3.2 million Euros.

	<b>31.03.2008</b>	31.03.2007	Change		31.12.2007
	€	€	in €	in %	€
<b>Income Statement</b>					
Revenues	5.932.370,13	2.920.477,59	3.011.892,54	103,13	26.900.035,05
Changes in Inventories	451.970,30	469.791,38	-17.821,08	-3,79	-386.224,81
Other own work capitalized	91.216,13	0,00	91.216,13	n.a.	658.860,62
Other operation income	86.702,34	52.762,43	33.939,91	64,33	218.842,88
Cost of materials	-1.828.735,04	-1.230.990,84	-597.744,20	48,56	-8.353.749,09
Employee expenses	-4.070.300,23	-1.598.966,84	-2.471.333,39	154,56	-11.769.346,01
Other operating expenses	-1.656.856,40	-937.976,59	-718.879,81	76,64	-5.320.824,40
Participation result	0,00	426,06	-426,06	-100,00	540,00
Depreciation	-378.611,22	-125.986,10	-252.625,12	200,52	-1.095.970,93
<b>Earnings before interest and tax (EBIT)</b>	<b>-1.372.243,99</b>	<b>-450.462,91</b>	<b>-921.781,08</b>	<b>204,63</b>	<b>852.163,31</b>
Interest result	-27.753,92	10.027,49	-37.781,41	-376,78	-91.302,18
<b>Earnings before taxes (EBT)</b>	<b>-1.399.997,91</b>	<b>-440.435,42</b>	<b>-959.562,49</b>	<b>217,87</b>	<b>760.861,13</b>
Taxes on income	188.169,11	-16.974,25	205.143,36	-1.208,56	-485.970,91
<b>Net profit</b>	<b>-1.211.828,80</b>	<b>-457.409,67</b>	<b>-754.419,13</b>	<b>164,93</b>	<b>274.890,22</b>
Minority interests in shareholders' equity	75.942,18	0,00	75.942,18	n.a.	-246.828,29
<b>Net profit after minority interests</b>	<b>-1.135.886,62</b>	<b>-457.409,67</b>	<b>-678.476,95</b>	<b>148,33</b>	<b>28.061,93</b>
Undiluted earnings per share	-1,05	-0,46	-0,59	130,39	0,03
Ddiluted earnings per share	-1,05	-0,46	-0,06	130,39	0,03

**Balance sheet**

	<b>31.03.2008</b>	31.03.2007	31.12.2007
	€	€	€
<b>Current assets</b>			
Cash, bank balances	25.416,02	2.002.147,83	535.973,86
Trade receivables	7.403.630,09	4.246.862,54	11.000.949,95
Receivables from POC	151.512,28	0,00	0,00
Other assets	336.819,66	94.128,16	277.556,61
Prepayments and accrued income	811.484,37	957.885,51	445.864,03
Inventories	809.808,58	1.003.460,94	617.050,56
	<b>9.538.671,00</b>	8.304.484,98	12.877.395,01
<b>Long-term assets</b>			
Intangible assets	6.540.125,10	931.739,14	6.533.236,31
Property, plant and equipment	993.437,65	311.746,67	1.031.763,59
Other long-term assets	195.993,88	70.878,85	248.272,50
Deferred tax assets	1.040.470,75	42.747,24	791.619,56
	<b>8.770.027,38</b>	1.357.111,90	8.604.891,96
<b>Assets</b>	<b>18.308.698,38</b>	9.661.596,88	21.482.286,97
<b>Short-term liabilities</b>			
Short-term financial liabilities	3.486.707,56	705.725,16	2.519.764,54
Prepayments received for orders	0,00	0,00	12.500,00
Trade payables	2.889.487,53	1.667.800,95	4.870.520,74
Other short-term liabilities	1.541.284,51	1.121.042,07	3.464.238,37
Deferred income	1.446.821,09	1.031.285,54	461.415,53
Current provision	70.193,75	4.254,33	121.602,05
	<b>9.434.494,44</b>	4.530.108,05	11.450.041,23
<b>Long-term liabilities</b>			
Long-term financial liabilities	20.761,00	0,00	20.761,00
Long-term liabilities	734.586,55	16.524,95	684.586,55
Long-term provisions	112.977,17	0,00	112.977,17
	<b>2.417.936,96</b>	89.954,31	2.365.493,36
<b>Equity</b>			
Subscribed capital	1.077.869,00	1.000.000,00	1.000.000,00
Capital reserves	9.429.968,87	8.557.836,07	8.557.836,07
Retained earnings	-9.173,15	0,00	-9.173,15
Net loss	-5.166.716,57	-4.516.301,55	-4.030.829,95
Reconciling item of minority interests in shareholders' equity	1.124.318,83	0,00	1.198.917,61
	<b>6.456.266,98</b>	<b>5.041.534,52</b>	<b>6.716.750,58</b>
<b>Deposits made for purpose of carrying out declared capital increase</b>	0,00	0,00	950.001,80
<b>Liabilities &amp; equity</b>	<b>18.308.698,38</b>	9.661.596,88	21.482.286,97

	31.03.2008	31.03.2007
	€	€
<b>Net result before income taxes</b>	<b>-1.399.997,91</b>	<b>-440.435,42</b>
Depreciation on assets	378.611,22	125.986,10
Non-cash decrease in provisions	-51.408,30	0,00
Taxes on income	-188.169,11	-16.974,25
Interest expense	27.753,92	-10.027,49
Other non-cash expenses/income	0,00	-198,44
Loss on disposals from assets	3.265,17	-120,84
Increase/decrease in inventories, trade receivables and other assets not allocated to investing or financing	2.663.506,76	-587.600,63
Increase/decrease in inventories/work in progress	-192.758,02	-469.791,38
Increase/decrease in trade receivables	3.597.319,86	209.582,45
Increase/decrease in other assets	-741.055,08	-327.391,70
Increase/decrease in trade payables and other liabilities not allocated to investing or financing activities	-2.856.869,73	562.825,03
Increase/decrease in trade receivables	-1.981.033,21	-246.476,40
Increase/decrease in other liabilities	-875.836,52	809.301,43
Income tax paid	-52.469,48	0,00
Interest received	2.412,27	9.651,56
Interest paid	-30.034,65	-2.479,14
Dividends received	0,00	426,06
<b>Cash-flow from operating activities</b>	<b>-1.127.061,62</b>	<b>-358.947,46</b>
Payments-in for property, plant and equipment	-50.554,80	-31.773,93
Payments-in for intangible assets	-197.634,92	0,00
Payments-in for financial assets	-102.249,52	0,00
<b>Cash-flow from investing activities</b>	<b>-350.439,24</b>	<b>-31.773,93</b>
Payments-in/out for equity	0,00	0,00
Due to banks	966.943,02	361.992,09
<b>Cash-flow from financing activities</b>	<b>966.943,02</b>	<b>361.992,09</b>
<b>Net change in cash and cash equivalents</b>	<b>-510.557,84</b>	<b>-28.729,30</b>
Cash and cash equivalents at start of period	535.973,86	2.030.877,13
Cash and cash equivalents at end of period	25.416,02	2.002.147,83
	<b>-510.557,84</b>	<b>-28.729,30</b>

	ECM		real estate management	
	2008	2007	2008	2007
	€	€	€	€
External revenues	1.871.963,08	2.060.412,55	1.114.084,17	104.233,67
Internal revenues	107.997,94	0,00	31.860,00	0,00
Other operating income	6.358,13	32.572,03	3.623,43	0,00
Cost of materials	-563.188,97	-939.505,29	-787.217,05	-127,10
profit	1.423.130,18	1.153.479,29	362.350,55	104.106,57
Employee expenses and other operating expenses	-1.564.714,41	-1.086.325,50	-380.163,91	-154.542,44
Depreciation	-108.393,70	-49.933,04	-127.312,05	-52.561,23
Participation result	0,00	0,00	0,00	0,00
Interest result	-10.466,50	-1.769,78	-404,03	0,00
<b>Segment result from normal business activities</b>	<b>-260.444,43</b>	<b>15.450,97</b>	<b>-145.529,44</b>	<b>-102.997,10</b>

	ERM		Public Sector	
	2008	2007	2008	2007
	€	€	€	€
External revenues	166.936,63	271.287,99	2.010.327,53	0,00
Internal revenues	0,00	0,00	0,00	0,00
Other operating income	0,00	0,00	63.408,23	0,00
Cost of materials	0,00	-56.329,50	-361.664,50	0,00
profit	166.936,63	214.958,49	1.712.071,26	0,00
Employee expenses and other operating expenses	-104.858,36	-119.160,26	-1.978.262,19	0,00
Depreciation	-133,50	-453,46	-97.318,87	0,00
Participation result	0,00	0,00	0,00	0,00
Interest result	0,00	0,00	292,77	0,00
<b>Segment result from normal business activities</b>	<b>61.944,77</b>	<b>95.344,77</b>	<b>-363.217,03</b>	<b>0,00</b>

	management consulting		IT Services	
	2008	2007	2007	2007
	€	€	€	€
External revenues	325.818,57	447.085,78	423.199,85	295.011,35
Internal revenues	11.595,12	0,00	196.674,40	0,00
Other operating income	381,89	0,00	11.745,05	0,00
Cost of materials	-135.949,75	-265.120,30	-252.545,93	-290.956,45
profit	201.845,83	181.965,48	379.073,37	4.054,90
Employee expenses and other operating expenses	-342.740,27	-247.662,99	-358.683,74	-80.433,88
Depreciation	-6.252,39	-1.856,38	-16.264,38	-268,80
Participation result	0,00	0,00	0,00	426,06
Interest result	-21.118,74	-9.719,00	-205,87	-1.316,36
<b>Segment result from normal business activities</b>	<b>-168.265,57</b>	<b>-77.272,89</b>	<b>3.919,38</b>	<b>-77.538,08</b>

	Other / consolidation		nextevolution group	
	2008	2007	2008	2007
	€	€	€	€
External revenues	20.040,30	-257.553,75	5.932.370,13	2.920.477,59
Internal revenues	-348.127,46	0,00	0,00	0,00
Other operating income	1.185,61	20.190,40	86.702,34	52.762,43
Cost of materials	271.831,16	321.047,80	-1.828.735,04	-1.230.990,84
profit	-55.070,39	83.684,45	4.190.337,43	1.742.249,18
Employee expenses and other operating expenses	-454.547,32	-379.026,98	-5.183.970,20	-2.067.152,05
Depreciation	-22.936,33	-20.913,19	-378.611,22	-125.986,10
Participation result	0,00	0,00	0,00	426,06
Interest result	4.148,45	22.832,63	-27.753,92	10.027,49
<b>Segment result from normal business activities</b>	<b>-528.405,59</b>	<b>-293.423,09</b>	<b>-1.399.997,91</b>	<b>-440.435,42</b>

Due to the acquisitions in 2007 (BGS AG, net on GmbH, CEO AG) and to internal restructurings, the business segments were redefined. Because of the comparability, the figures of the previous year were adjusted.

€	Reserves				Total excluding minority shareholdings	Minority interests in shareholders equity	Total
	Subscribed capital	Capital reserves	Net loss	Other income and expense recognised in equity			
<b>As at 1.1.2007</b>	<b>1.000.000,00</b>	<b>8.557.836,07</b>	<b>-4.058.891,88</b>	<b>0,00</b>	<b>5.498.944,19</b>	<b>0,00</b>	<b>5.498.944,19</b>
Income after tax	0,00	0,00	-457.409,67	0,00	<b>-457.409,67</b>	0,00	<b>-457.409,67</b>
<b>As at 31.03.2007</b>	<b>1.000.000,00</b>	<b>8.557.836,07</b>	<b>-4.516.301,55</b>	<b>0,00</b>	<b>5.041.534,52</b>	<b>0,00</b>	<b>5.041.534,52</b>
<b>As at 1.1.2008</b>	<b>1.000.000,00</b>	<b>8.557.836,07</b>	<b>-4.030.829,95</b>	<b>-9.173,15</b>	<b>5.517.832,97</b>	<b>1.198.917,61</b>	<b>6.716.750,58</b>
Income after tax	0,00	0,00	-1.135.886,62	0,00	<b>-1.135.886,62</b>	-75.942,18	<b>-1.211.828,80</b>
Capital increase	77.869,00	872.132,80	0,00	0,00	<b>950.001,80</b>	1.343,40	<b>951.345,20</b>
<b>As at 31.03.2008</b>	<b>1.077.869,00</b>	<b>9.429.968,87</b>	<b>-5.166.716,57</b>	<b>-9.173,15</b>	<b>5.331.948,15</b>	<b>1.124.318,83</b>	<b>6.456.266,98</b>

## Reporting principles

The financial statements for the nextevolution AG were prepared in compliance with the International Financial Reporting Standards (IFRS). The interim report was not subject to an audit review. However, based on the board's opinion, it contains all material information, which represents a true picture of the actual situation.

## Basis of consolidation

The basis of consolidation has not changed in comparison to the financial statements of 2007. In comparison to the same period last year, the first quarter of 2007, nextevolution AG' basis of consolidation changed from three to six companies. In addition to the daughter companies nextevolution management consulting GmbH (NEMC GmbH), Hamburg, qualified developers market GmbH, Hamburg (qdm GmbH) and nextevolution GmbH (Vienna), also the Beratungsgesellschaft Software Systemplanung, Mainz (BGS AG) with their daughter company net on Netzwerktechnologien Online GmbH, Mainz as well as Centrum für Ertragsoptimierung, Krefeld (CEO AG) are now part of nextevolution AG's basis of consolidation.

## Financial Calendar

Annual General Meeting	29.05.2008
Release Mid-term-Report 2008	29.08.2008
Capital Market Conference (Deutsches Eigenkapitalforum)	November 2008
Release Nine-months-Report 2008	28.11.2008

## Imprint / Contact

nextevolution AG

Robert-Koch-Straße 41

55129 Mainz

Germany

Phone: +49 (0) 61 31 / 914 200

Fax: + 49 (0) 61 31 / 914 222

[www.nextevolution.de](http://www.nextevolution.de)

[unternehmensinformation@nextevolution.de](mailto:unternehmensinformation@nextevolution.de)

Am Sandtorkai 74 (Hanseatic Trade Center)

20457 Hamburg

Germany

+49 (0) 40 / 822 232 0

+49 (0) 40 / 822 232 499

Register Court Hamburg

HRB: 75529

Board of Directors: Peter Ohl, Nils Manegold

Chairman of the Supervisory Board: Franz-Josef Lhomme

Concept

GFEI Gesellschaft für Effekteninformation mbH

Carl-Bosch-Haus

Hamburger Allee 26-28

60486 Frankfurt

Germany

Phone: +49 (0) 69 / 743 037 00

Fax: +49 (0) 69 / 743 037 22

[www.gfei.de](http://www.gfei.de)

[info@gfei.de](mailto:info@gfei.de)