

Half-year report 2007 of InTiCom Systems AG

unaudited in accordance with IFRS January 1 – June 30, 2007

Disproportionately high profit improvement in 2nd quarter
Second main pillar automotive established in record time

Zukunft durch Innovation



InTiCom Systems in the second quarter and the first half-year 2007

The Group	Q2 2006 EUR (000)	Q2 2007 EUR (000)	HY1 2006 EUR (000)	HY1 2007 EUR (000)	Change in %
Sales	10,330	10,735	20,541	21,757	5.9
Profit margin (net income)	3.1 %	5.8 %	4.3 %	5.7 %	
EBITDA	743	1,219	1,845	2,608	41.4
EBIT	510	774	1,378	1,704	23.7
EBT	516	789	1,431	1,773	23.9
Net income for the period	316	626	875	1,239	41.6
Earnings per share (EUR, total of 4,287,000 shares)	0.07	0.15	0.20	0.29	45.0
Basic earnings per share (EUR)	0.07	0.15	0.20	0.29	45.0
Cash flow from operating activities per share (EUR)	0.31	0.48	0.31	0.48	54.8
Cash flow from operating activities	1,311	2,059	1,311	2,059	57.1
Capital expenditures	2,274	1,054	4,064	2,111	- 48.1
	6/30/2006 EUR (000)	6/30/2007 EUR (000)	12/31/2006 EUR (000)	6/30/2007 EUR (000)	Change in %
Total assets	33,687	40,482	38,181	40,482	6.0
Liquidity ^{*)}	15,978	15,515	13,808	15,515	12.4
Equity	23,722	25,639	24,614	25,639	4.2
Equity ratio	70 %	63 %	65 %	63 %	
Employees	137	230	155	230	48.4

The share^{**)}

	2006 XETRA (EUR)	(as of June 30) 2007 XETRA (EUR)
Closing price for the period	20.00	13.20
Period high	29.17	19.50
Period low	15.60	12.20
Market capitalization at end of period (in EUR million)	85.7	56.6
Number of shares	4,287,000	4,287,000

*) The liquid funds comprise the sum of the two balance sheet items "marketable securities" and "cash and cash equivalents".

***) Retroactively adjusted stock quotations due to the capital increase from the Company's own resources and the resulting allocation of dividend stocks at the ratio of 1:2 to the Company's stockholders as of June 12, 2006.

Foreword



The Management Board: Maria Grohs, Dr. Paul Grohs

Dear stockholders,
dear customers
and business partners!

InTiCom Systems achieved a disproportionately high profit improvement in this year's second quarter and almost doubled the net income for the quarter compared to the prior-year period. By half-year comparison, the sales increase by just under six percent resulted in a 45 percent improvement of the earnings per share, to 29 cents; this already amounts to almost 80 percent of the overall result for the fiscal year 2006.

An essential driving force behind this disproportionately high profit development are supplies for service provider side splitter solutions in the fields of

DSLAM technology and main distribution frames (MDF) to important national and international telecommunications companies and system suppliers. Particularly in Southern and Northern Europe, the respective market shares could be expanded considerably. In addition, the Company's position as a supplier of subscriber side splitters (CPE, customer premises equipment) in Germany could be assured and strengthened.

The development of the so-called triple play via VDSL2 and ADSL2+ phone connections, making it possible by means of the Internet protocol to make phone calls (VOIP), surf the Internet, and watch TV (IPTV) at the same time, requires the technical upgrading and installation of the latest VDSL2 splitter technology

made by InTiCom Systems even from a transmission rate of 16 MBIT. As market and technology leader, InTiCom Systems has the technological competence to equip the VDSL2 connection technology with optimized solutions, for the regions with copper cable or fiberglass networks. Since the beginning of 2007, several system suppliers have already been supplied with the corresponding VDSL2 splitter products which are already being installed on the service provider side by the network operators. The erection of additional new gray boxes in the streets, so-called "Multifunktionsgehäuse (MFG)" – multifunction switch cabinets – is the unmistakable indication of upgrading and the installation of VDSL2 service provider side splitters for abridging the so-called last mile to the end cus-

tomer. The increasingly positive news coverage of the expansion of the VDSL2 network and the large-scale advertising campaign started by Deutsche Telekom suggest a speedy continuation of the expansion.

The speed at which the Group's second main pillar, the business segment automotive electronics, has been established, appears record-breaking. The same goes for the manufacture at the newly erected production location Prachatice in the Czech Republic which has broken even although it was started only in the middle of the year 2006. Within the shortest period of time, InTiCom Systems has worked its way up in the automotive sector, from newcomer to internationally significant market participant and technology leader. Four of the global top 10 system suppliers to the automobile industry already purchase components from InTiCom Systems and have entered into binding commitments with guaranteed minimum order volumes within the framework of long-standing skeleton contracts with terms of five years plus, some of which running until 2016. The resulting capacity and sales projections for the automotive segment substantiate expectations for sales of EUR 50 to 60 million in five to seven years. In addition to RFID solutions for keyless entry systems and tire pressure monitoring systems, anti-theft immobilizer systems, and inductive components and filter applications for increasingly complex automotive electronics – solutions already developed and manufactured by InTiCom Systems – the Group doubles the number of subcontracted supplies of components for hybrid technology to a renowned system supplier from previously two to four system components. This means further growth in the automotive sector.

The transfer of the Company know-how to other business areas, such as industrial and special electronics, opens the use of already existing technologies to the development of new product and customer groups. Identical production engineering, already in use for various customers and technology applications, can be applied for new customers and products from different areas.

Apart from the development of products for the separate business segments, the Group's technology center in Neufelden (Austria) and the development division in Passau also develop the machinery required for the manufacture of these products at their own production facilities.

The search for new profitable business areas leads to applications in the field of photovoltaics in the short term. Alternative and environmentally sound technologies such as solar power plants and wind power plants generate direct current (DC) which needs to be converted to alternating current (AC) to be fed into the power supply system. Components for the so-called inverters will be supplied by InTiCom Systems to the various manufacturers in the future, supporting the establishment of the Group's third main pillar, industrial electronics.

Doubling the production space and the corresponding capacity because of the steadily increasing use to capacity of the newly erected production location Prachatice (Czech Republic) will allow

once again, responding to the demand for components of flawless quality and absolute delivery reliability.

A member of our Board of Directors of many years, Dieter Schopf, responsible for Finances, Controlling and Human Resources, has left the Company as of July 31, 2007 for personal reasons ahead of schedule. However, he will be available to InTiCom Systems in a consultative capacity until the end of the year whenever necessary. Board of Directors and Supervisory Board express their thanks to Dieter Schopf for the good teamwork in the past years. The Supervisory Board has already interviewed several adequate prospective successors and will announce its succession plan within the next couple of weeks.

In the issue with Deutsche Telekom AG about the use of trade names, InTiCom Systems has directly contacted the executives responsible at Deutsche Telekom AG in order to settle the issue on short notice by mutual consent, independent of the decision made by the Landgericht (district court) Hamburg at the request of Deutsche Telekom AG on April 26, 2007, which has not yet come into force, that the Company must not use the names "InTiCom", "InTiCom Systems", and "InTiCom Systems AG" in its business connections.

Passau, August 2007
InTiCom Systems AG
The Management Board

Maria Grohs
Board of Directors

Dr. Paul Grohs
Board of Directors

Management report

InTiCom Systems – 2007 share price performance



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InTiCom Systems – Share 2007

The negative share price development in January certainly reflected the announcement that the scheduled expansion of the VDSL network in Germany was massively delayed and resulted in sales shortfall. Since February, the price development has been virtually synchronous with the index performance, yet with significantly stronger volatility especially in its downward trend. The aftereffects of the temporarily clouded profit situation clearly show: The market reflected the previous insecurity with regard to the future development of the growth of sales and profit.

It is the goal – of the investor relations team in particular – to turn this uncertainty into confidence in the future

prospects of the business activity of InTiCom Systems. In this regard, the Board of Directors has decided a package of active investor relations measures:

InTiCom Systems has authorized two new designated sponsors. Newly established BankM – the biw Bank für Investments und Wertpapiere AG representation in Frankfurt/Main – has assumed the function of designated sponsor as of July 1, 2007 and will provide support to InTiCom Systems in targeting investors in Germany as well as in other European countries.

Furthermore, InTiCom Systems has authorized Bayerische Landesbank (BayernLB), just as convinced of this internationally operating Company's success, as designated sponsor.

BayernLB will actively engage in stock trading effective August 1, 2007 and see to a further increase in liquidity.

In order to improve the market presence and to attract more attention of domestic and international investors, additional research coverage will be provided by the newly acquired BankM research reports.

For the first time, InTiCom Systems will present its nine-month results to investors and analysts within the framework of the German Equity Forum sponsored by Deutsche Börse AG, in mid-November 2007. Following this presentation, the Board of Directors will enter into discussions with institutional investors and analysts,

Stock data of the InTiCom Systems stock

ISIN	DE0005874846
Stock exchange symbol	IS7
Trading segment	Prime Standard
Prime industry	Technology
Industry Group	Communications Technology
Indices	Prime All Share, Tec All Share, CDAX
Designated sponsor	BankM Bayerische Landesbank
Capital stock	EUR 4,287,000
Stock category	Non-par common bearer stocks

Stockholding

Share in the capital stock of June 30, 2007	in numbers	in %
Board of Directors		
Maria Grohs and Dr. Paul Grohs together	120,000	2.8
Dieter Schopf	120,000	2.8
Supervisory Board		
Karl Kindl	150,264	3.5
Dr. Wulfdieter Braun	6,015	0.1
Harald Nöth	3,486	0.1

in many one-on-one conversations on location as well as on the subsequent road show.

Board of Directors and Supervisory Board do not hold stock options according to Section 160 (1) Nos. 2 and 5 AktG (Securities Trading Act).

The Supervisory Board membership is unchanged.

Annual General Meeting approved increase of the existing authorized capital

The Annual General Meeting (AGM) of InTiCom Systems AG decided on this year's May 24 to create further authorized capital in addition to the existing capital. For this purpose, the Board of Directors is authorized, with the Supervisory Board's consent, to increase the Company's stock capital by up to EUR 1,672,500.00 through one or more issues of new stock against contributions in cash or contributions in kind until May 24, 2012 (authorized capital 2007/II). The stockholders are entitled to subscription rights by law. The stockholders' subscription rights can be excluded under certain conditions with the Supervisory Board's consent. The Company's Articles of Incorporation will be amended accordingly.

The representation of roughly 24 % of the capital stock at the Company's AGM in Passau included the stockholdings of the members of the Company boards. All proposals to the agenda items were passed with a majority of roughly 98 %.

Sales increase by roughly 6 % in the first half-year is based on rising automotive contribution

InTiCom Systems achieved sales of EUR 10.7 million in the second quarter of 2007 after EUR 11.0 million in the first three months of this fiscal year. This means a sales increase by roughly 6 % to EUR 21.8 million in the first half-year 2007 (PY EUR 20.5 million). Main contributors to sales are still DSL splitters for the subscriber and service provider sides, with the substantial increase being generated abroad once again. In the segment automotive electronics, sales of approximately EUR 3.0 million were achieved, showing a fast growing tendency.

Disproportionately high profit improvement by 45 % regarding earnings per share in the first half-year results from almost doubled net income for the second quarter of 2007 despite continued expansion of production and staff in the segment automotive electronics

The disproportionately high improvement of the earnings before taxes (EBT) by roughly 53 % to EUR 0.8 million in the second quarter of 2007 (PY EUR 0.5 million) results from a gross margin which still came to more than 7 % despite the ongoing capacity expansion compared to the previous year's period. The net income for the quarter of EUR 0.6 million (PY EUR 0.3 million) exceeds the prior-year amount by roughly 100 %, benefiting from a lower effective tax rate. InTiCom

Systems thus doubled its earnings per share in the second quarter of 2007 to EUR 0.15 (PY EUR 0.07).

The 6-month earnings before taxes (EBT) rise by about 24 % to EUR 1.8 million (PY EUR 1.4 million). Due to the lower effective tax rate of about 30 %, the resulting net income for the first half-year of EUR 1.2 million is up by almost 42 % (PY EUR 0.9 million). In the first half-year 2007, InTiCom Systems thus achieved earnings per share of EUR 0.29 (PY EUR 0.20); this already amounts to almost 80 % of the earnings per share of EUR 0.37 achieved for the total fiscal year 2006.

Staff development characterized by continuous expansion of serial production in Czechia

We expect an increase of the number of employees in the Group to approx. 245 by the end of the year.

Continuous disproportionately low increase in expenses despite further expansion of production

The cost of materials ratio in the second quarter of 2007, at 77.7 % (PY 81.4 %) significantly lower than in the prior-year period of comparison despite the continuing expansion of the serial production of automotive electronics in Czechia, gives proof of the Company's consistent profit orientation and leads to a decreasing cost of materials ratio of 76.2 % on 6-month basis, compared to 80.2 % in the previous year's period.

Research and development optimize new production technologies for automotive electronics

Six months into the fiscal year 2007, research and development expenses amounted to EUR 1.0 million (PY 0.9 million). The increased expenditure is primarily due to the capacity expansion of product development in Passau as well as the special development expenses of the Group's location for the development and manufacture of own production technologies in Neufelden (Austria).

Particularly with regard to RFID applications, additional customer specific developments are realized for entry and driving authorization systems as well as for tire pressure monitoring

systems, and new developments are launched for hybrid technology, power electronics, and for new customers.

Capital expenditures support the technical setup and the capacity expansion of serial production in the segment automotive electronics

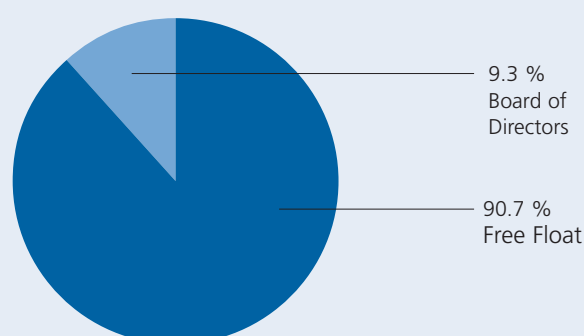
The capital expenditures of just under EUR 2.1 million in the first half-year 2007 (PY EUR 4.1 million) supported the further setup of the virtually fully automatic serial production for automotive electronics and the new VDSL technology at the up-to-date production location in the Czech Republic, as well as doubling the existing production capacity in order to complete the contractually secured volume orders received from several system suppliers

in Asia, the U.S. and Europe for keyless go and tire pressure monitoring systems, anti-theft systems, and filter applications with delivery reliability.

Liquid assets keep up high level despite capacity expansion

The Group's liquidity came to EUR 15.5 million as of June 30, 2007 (PY EUR 16.0 million), as opposed to EUR 13.8 million as of balance sheet date 2006. The increase in liquid funds principally is a result of the cash inflow from the operating activities, a stringent working capital management, and net borrowing of a comparable dimension (approx. EUR 2.0 million), to be used for financing the Company's future growth.

InTiCom Systems AG shareholder structure



Free Float of which:

UBS Fund Management (Switzerland) AG	7.6 %
KST Beteiligungs AG	5.1 %
Union Investment Privatfonds GmbH	4.7 %
UBS Global Asset Management (Deutschland) GmbH	3.5 %
TFG Capital AG Unternehmensbeteiligungsgesellschaft	3.0 %
Universal-Investment-Gesellschaft mbH	3.0 %

Staff development characterized by continuous expansion of serial production in Czechia

	June 30, 2007	Dec. 31, 2006	June 30, 2006
Group	230	155	137
Thereof domestic	42	39	34
Thereof abroad	188	116	103

Backlog range constant at roughly four months

As of June 30, 2007, the order backlog of InTiCom Systems amounted to roughly EUR 13.8 million (PY EUR 12.6 million), keeping up the high level. Considering the net income for the fiscal year 2006, the resulting backlog range remains constant at roughly four months. Orders from the automobile industry for the next four months are included here.

At present, new contracts with major car manufacturers and suppliers to the automobile industry are entered into almost by the month. InTiCom Systems e.g. received an order for the serial production of keyless go antennas from a large global manufacturing Group in February this year. While InTiCom Systems has been manufacturing antennas of that kind for several ranges of the renowned German corporate brand, the U.S. model ranges are scheduled to follow from the second half-year 2008. The order volume amounts to approximately EUR 1.2 million at the start of production, covering an equipment rate of 15 percent of these model ranges – in the medium term, the equipment rate is intended to increase to 100 percent.

One month later, in March 2007, the Company concluded a contract over the supply of roughly 250,000 modules per annum for the so-called start-stop unit of a major German car manufacturer. Start of production is mid-2008 as well. Both contracts have terms of five years plus.

In May, InTiCom Systems receives the serial order for the equipment of a new generation of hybrid engines with system components developed in cooperation with a well-known system supplier. The start of production is scheduled for the third quarter of 2008. The contract term will be five years. The use of these components in further vehicle ranges of this eminent German automobile manufacturer as well as the adoption of these products for additional car brands and platforms is planned.

It appears that the expansion of production scheduled for mid-2007 will be quickly followed by the next expansion stage. Even that will be possible fast and without difficulty if necessary: The entire property in Prachatice is fully developed with regard to infrastructure – another prefab production hall can be erected within the shortest amount of time.

Risk report

In the course of the first half-year 2007, no material changes of the risks detailed in the Annual Report 2006 under “Risk Management and Risk Report” have occurred.

Subsequent events

From another new customer ranking among the top 10 automotive system suppliers, InTiCom Systems has received a serial order for the development and manufacture of a keyless entry sensor system. The sensors will be used for two different types of cars, to be introduced to five model ranges. The order volume includes the production of at least 4.5 million sensors over a contract term of five years plus. The start of production at the newly erected plant in Prachatice in the Czech Republic is scheduled for January 2009.

Having won this new system supplier as customer opens up new sales potential for InTiCom Systems in additional fields of production.

Outlook

The upgrade of the German DSL network towards higher transmission rates (VDSL) did not happen in 2006 for the most part; InTiCom Systems therefore missed out on considerable

sales potential in 2006. However, the VDSL business still provides enormous potential for InTiCom Systems, owing to the fact that the setup of the German VDSL network has only suffered a delay, and because a great many system suppliers in the other European countries are intent on increasing their VDSL activities much more. Experts anticipate growth rates for the VDSL technology at least as high as those for DSL technology. InTiCom Systems will benefit from the development of new DSL and VDSL markets in more and more countries even after 2007 in the shape of significant sales and profit improvements.

First profit contributions from the automotive segment in the current fiscal year signify the still rising importance of the automotive sector as the second main pillar of InTiCom Systems. In the year 2007, the full-year effect of the automotive segment will come to bear for the first time – and it will become the essential driving force behind the future development. In this segment, InTiCom Systems expects to generate sales of between EUR 50 and 60 million in the next five to seven years.

Interim consolidated financial statements according to IFRS

The interim consolidated financial statements of InTiCom Systems AG and its subsidiaries as of June 30, 2007 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional provisions of commercial law as applicable according to Section 315a (1) HGB (Commercial Code).

Responsibility statement in accordance with Section 37y WpHG (Securities Trading Act) read in conjunction with Section 37w (2) No. 3 WpHG on interim reporting:

“We affirm to the best of our knowledge, and in accordance with the accounting principles applicable to interim reporting, that the interim consolidated financial statements communicate a true and fair view of the Group’s profit situation, finances and asset situation and that the interim Group management report includes a fair review of the course of business including the Company result and the Group’s position as well as a description of the essential opportunities and risks involved in the Group’s anticipated development for the rest of this fiscal year.”

Consolidated Financial Statements of InTiCom Systems AG in H1 2007

from 1 January 2007
through 30 June 2007

Consolidated statement of income

of InTiCom Systems for the period from 4/1/2007 to 6/30/2007
according to IFRS/IAS

	4/1 – 6/30/2007 EUR (000)	4/1 – 6/30/2006 EUR (000)	1/1 – 6/30/2007 EUR (000)	1/1 – 6/30/2006 EUR (000)	Change 2007 to 2006 in %
Sales	10,735	10,330	21,757	20,541	5.9
Other operating income	50	158	189	222	-14.9
Change in finished goods and work in process inventory	264	-149	201	-236	–
Other own costs capitalized	450	614	895	900	-0.6
Material expense	8,340	8,405	16,569	16,467	0.6
Personnel expense	1,325	1,116	2,617	1,948	34.3
Depreciation	445	233	904	467	93.6
Other expenses	615	689	1,248	1,167	6.9
Operating income	774	510	1,704	1,378	23.7
Finance expense	91	53	203	95	113.7
Other finance income	106	59	272	148	83.8
Earnings before taxes	789	516	1,773	1,431	23.9
Income taxes	163	200	534	556	-4.0
Net income for the period	626	316	1,239	875	41.6

Consolidated cash flow statement

of InTiCom Systems according to IFRS/IAS

	1/1 – 6/30/2007 EUR (000)	1/1 – 6/30/2006 EUR (000)
Net income for the period	1,239	875
+ depreciation	904	467
+/- other non-cash transactions	-214	-68
- decrease in provisions	-12	-30
-/+ - increase / + decrease in assets not attributable to investing or financing activities		
deferred taxes	40	-112
inventories	-471	93
trade receivables	1,266	472
other assets	-221	-735
+/- + increase / - decrease in liabilities not attributable to investing or financing activities		
deferred taxes	251	251
trade payables	-820	-121
other liabilities	97	219
Cash flow from operating activities	2,059	1,311
- capital expenditures for intangible assets	-901	-809
- capital expenditures for property, plant and equipment	-1,210	-3,255
- increase in financial assets within the context of current financial planning	-1,534	-4,440
Cash flow from investing activities	-3,645	-8,504
+ payments-in from taking out loans and entering into finance lease agreements	5,000	0
- payments-out from repayment of loans and in fulfillment of finance lease agreements	-3,348	-1,389
+ payments-in from contributions to equity	0	9,435
Cash flow from financing activities	1,652	8,046
Cash flow total	66	853
Cash and cash equivalents at beginning of period	545	1,529
Cash and cash equivalents at end of period	611	2,382

Consolidated balance sheet

of InTiCom Systems according to IFRS/IAS

ASSETS	6/30/2007 EUR (000)	12/31/2006 EUR (000)
Non-current assets		
Intangible assets		
Other intangible assets	3,310	2,710
Property, plant and equipment	13,241	12,813
Deferred taxes	555	595
Total non-current assets	17,286	16,118
Current assets		
Marketable securities	14,785	13,251
Inventories	1,354	883
Trade receivables	5,543	6,809
Tax assets	242	242
Other current receivables	542	321
Cash and cash equivalents	730	557
Total current assets	23,196	22,063
Total assets	40,482	38,181

Consolidated balance sheet

of InTiCom Systems according IFRS/IAS

Equity and Liabilities	6/30/2007 EUR (000)	12/31/2006 EUR (000)
Equity		
Subscribed capital	4,287	4,287
Capital reserve	15,088	15,088
Revenue reserve	6,202	4,963
Currency translation reserve	62	276
Total equity	25,639	24,614
Non-current liabilities		
Non-current interest-bearing liabilities	6,875	1,875
Other non-current liabilities	2,020	2,367
Deferred taxes	1,831	1,580
Total non-current liabilities	10,726	5,822
Current liabilities		
Other current accrued liabilities	166	178
Tax liabilities	43	3
Current interest-bearing liabilities	119	3,012
Trade payables	3,534	4,354
Other current liabilities	255	198
Total current liabilities	4,117	7,745
Total equity and liabilities	40,482	38,181

Statement of changes in shareholders' equity

of InTiCom Systems according to IFRS/IAS

	Subscribed capital EUR (000)	Capital reserve EUR (000)	Revenue reserve EUR (000)	Currency translation reserve EUR (000)	Total equity EUR (000)
as of 1/1/2006	1,300	8,640	3,394	146	13,480
Capital increase	129	9,306			9,435
Capital increase from the Company's own resources	2,858	-2,858			0
Currency translation reserve				-68	-68
Net income for the first half-year 2006			875		875
as of 6/30/2006	4,287	15,088	4,269	78	23,722
Currency translation reserve				198	198
Net income for the second half-year 2006			694		694
as of 12/31/2006	4,287	15,088	4,963	276	24,614
Currency translation reserve				-214	-214
Net income for the first half-year 2007			1,239		1,239
as of 6/30/2007	4,287	15,088	6,202	62	25,639

Notes to the consolidated financial statements

for the first half-year 2007

Accounting in accordance with International Financial Reporting Standards (IFRS)

The interim consolidated financial statements as of June 30, 2007 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". For the preparation of the interim consolidated financial statements, basically the same accounting policies and valuation methods have been adopted as were applied to the consolidated financial statements for the fiscal year 2006, prepared in accordance with the International Financial Reporting Standards and interpretations. For a detailed description of these policies and methods, please see the Annual Report 2006.

This publication can also be found on the Internet at:

http://www.inticom-systems.de/eng/fs/fs_investor_relations/publikation.html?Publikationen

Basis of consolidation

The basis of consolidation of InTiCom Systems AG has remained unchanged compared to the fiscal year 2006. In addition to the parent, three foreign subsidiaries are included in the consolidated financial statements. All of these companies are 100 percent subsidiaries.

Consolidated income statement

The earnings before taxes, interest, depreciation and amortization (EBITDA) have grown faster than the personnel expense, also on the increase due to the steadily rising number of employees.

The almost doubled depreciation gives an indication of the increased capital expenditures for the setup of the new production location Prachatice and for the expansion of development capacity at the locations Passau and Neufelden (Austria) over the past quarters.

Consolidated balance sheet

For medium-term and long-term financing purposes, a promissory note loan ("Schuldscheindarlehen") to the amount of EUR 5 million has been raised in the first half-year 2007. Supported by this loan, current liabilities due to banking institutes have been repaid to the amount of EUR 3 million.

Review

The interim consolidated financial statements at hand have neither been audited according to Section 317 HGB (Commercial Code) nor reviewed by an auditor.

	June 30, 2007 EUR (000)	June 30, 2006 EUR (000)	Change absolute	Change in %
Personnel expense	2,617	1,948	+669	+34.3
EBITDA	2,608	1,845	+763	+41.4
Depreciation	904	467	+437	+93.6

Financial calendar

August 22, 2007 Publication of half-year consolidated financial statements

November 14, 2007 Publication of 9-month consolidated financial statements

November 14, 2007,
5.15 p.m. Analysts' conference at the German Equity Forum 2007,
Frankfurt/Main, Congress Center Messe, Hall "Leipzig"

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