Perspectives

Half-Year Report
April 1, 2011 to September 30, 2011
P&I Personal & Informatik AG

Vasilios Triadis
CEO / Chairman of the Board

Dear Shareholders, Customers, Business Partners and Employees,

We are able to report positive figures for the end of the first half-year of the current fiscal year as well. Software sales recorded during the second quarter were 4.34 million euros, which is 6 per cent above the previous year's figure and Consulting sales remained at the previous year's level of 5.05 million euros. This result proves once again that we run a sustainable, profitable business and I am sure that the successful first half-year that is now behind us has put us well on course to record positive business development over the entire fiscal year.

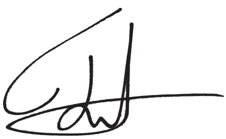
We are well aware that our goals are extremely ambitious and we always take note of the forecasts for the future economical development in Europe and Germany. The previous general elation has gradually changed into a pessimistic attitude and this has been reflected in the growth forecasts undergoing a clear downward correction. Despite this, we are of the opinion that our customers have put the substance in place during the last two years, so that they will still be in the position to make investments even if business becomes more difficult in the future. Our goal remains to make our HR systems No. 1 in the German market, or at least for them to be well established in the top three.

Our recipe for success requires us to remain focused on our strengths and to continue to concentrate on quality and customer satisfaction. Previously we focused solely on developing HR software and by focusing on this special sector, this relatively small company was able to seize the chance to become the market leader. This type of focusing has to be linked to a real net output ratio. Our Company has gained tremendous competence in HR management matters together with an in-depth knowledge of the technical IT opportunities and it is these skills that enables us to provide our customers with one of the best software products available today. Our "vertical range of manufacturing" covers all of the software and continues onwards to our prize-winning time recording equipment.

Focussing on special market segments initially restricted the market volumes but these have clearly grown as a result of grabbing the opportunities provided by globalisation. We have pursued these opportunities for many years together with all of the consequences and we have concentrated on what we consider to be important countries within Europe: Austria, the Netherlands, Spain and Switzerland. We are represented in all of these countries. It is the second part of our success recipe, giving significance to concentrating on quality and customer satisfaction that has brought us international success. 70 per cent of our employees have regular contact with our customers and this is an important requisite with regard to customer satisfaction. The quality of our products and our services has also been an important factor that has contributed to the success of our business for many years now. The ‘HR consulting’ and ‘system integration’ sectors have been added over the past years and our range of services is difficult for our competitors to imitate, as the major part of our expertise remains firmly inside our employees heads!

We are continually asked about the secret of our success. Our answer is always that there is no secret! Our magic formula has always been that we make many small things a little better than our competitors and we implement them with high consistency and this gives us the self-understanding to make our own pathway to success.

Yours faithfully,



Vasilios Triadis

KEY FIGURES ACC. TO IFRS	1.4.-30.9. 2011	1.4.-30.9. 2010	Change	Change
Details in 000 euros				*Percent*
Group Sales	34,568	33,360	1,208	3.6 %
Earnings before depreciation (EBITDA)	8,822	8,251	571	6.9 %
Earnings before interest and taxes (EBIT)	7,840	7,135	705	9.9 %
Result of ordinary activities before tax (EBT)	8,264	7,407	857	11.6 %
Profit for the period	5,794	5,182	612	11.8 %
Return on Sales (RoS)	16.8 %	15.5 %	./.	./.
Earnings per Share (DVFA/SG)	€ 0.77	€ 0.69	€ 0.08	11.8 %
Number of employees (average)	331	335	-4	-1.2 %

HIGHLIGHTS

Sales increased with improved profitability

Group sales increased in the first half-year of fiscal 2011/2012 by 3.6 per cent, i.e. from 33.4 million euros to 34.6 million euros, which meant that the P&I Group realised an operating result (EBIT) of 7.8 million euros (previous year: 7.1 million euros) and this represents an EBIT margin of 22.7 per cent (previous year: 21.4 per cent). The high-profit maintenance business and the excellent licensing business proved to be the major growth engines.

The domination and profit transfer agreement has been registered in the commercial register

The domination and profit transfer agreement between P&I AG, Wiesbaden and Argon GmbH, Munich was registered in the commercial register on September 9, 2011 and became effective on this date. As from fiscal 2011/2012, P&I AG's outside shareholders will now be able to claim a compensation payment by Argon GmbH amounting to a total of 1.55 euros per P&I share for each fiscal year. Furthermore, the domination and profit transfer agreement also states that Argon GmbH must pay compensation on demand in cash to outside shareholders.

Excellent marketing services

The strategic reorganisation that has been implemented in order to develop the market will be based on a marketing strategy supported by intensive sales campaigns. P&I AG attracted a great deal of attention in the summer of 2011 as a result of the restructuring of the customer magazine, which was realised as an in-house project. The P&I AG annual report also gained an award from the "Deutsche Standards" publishing house.

1. Orders and Sales

A sales volume of 17.2 million euros in the second quarter (previous year: 16.3 million euros) and 17.4 million euros in the first quarter of fiscal 2010/2011 (previous year: 17.1 million euros) brought the halfyear sales up to 34.6 million euros. This corresponds to an increase of 3.6 per cent (1.2 million euros) when compared to the comparable period in the previous year.

Licensing sales increased when compared to the comparable period in the previous year by 6 per cent to 9.2 million euros (previous year: 8.7 million euros), which represents a 27 per cent share of total Group sales.

The maintenance business continued to grow as planned when compared to the comparable period in the previous year and it amounted to 14.3 million euros (previous year: 12.9 million euros). 41 per cent of the P&I Groups sales were generated by the recurring maintenance business. The amount of maintenance and service income is always the result of the license sales realised during the previous year. The increases were generated as a result of our successful previous year and concentrating on our existing customers. The previous year's license sales, which resulted from customers who migrated to P&I LOGA from an acquired old product at their own cost, did not generate any additional maintenance sales in the following year, but merely led to existing maintenance contracts having to be converted and this ensured that there were recurring maintenance sales within the P&I Group. A climb in maintenance income results in increased earning power, since the expenses for maintaining the software remain virtually independent of the number of customers that have to be serviced.

The service business recorded a slight decline in sales of 0.8 million euros when compared to the relevant period during the previous year and their sales amounted to 10.0 million euros. Sales recorded during the last quarter of the previous year were subjected to a special item resulting from the completion of a major fixed price project. 29 per cent of our overall P&I Group sales were generated from this business sector. Consulting sales also include revenues from seminars and training courses in addition to those arising from introductory projects and from ongoing existing customer support services.

Orders on hand for the coming twelve months (Licensing, Consulting and Maintenance) stand at 42.7 million euros, which is well above the previous year's level of 36.8 million euros and this is attributable to the closing of the major Dataport project. Orders on hand include a future maintenance income of 26.9 million euros (previous year: 25.5 million euros).

2. Profit situation and cost development

The operating result increased by 0.7 million euros to 7.8 million euros when compared to the previous year's result. This represents an EBIT margin of 22.7 per cent as opposed to 21.4 per cent in the previous year.

As the cost increases turned out to be only 0.5 million euros when compared to the previous year, an increase in the operating result has been recorded as a direct the result of the growth in sales.

The net result showed an increase of 0.6 million euros over the previous year's level due to as rise in the financial result. Profit per share stands at 0.77 euros (previous year: 0.69 euros).

The Group earnings situation is determined by P&I AG and domestic business. Reduced net revenue and lower licensing sales account for the balanced first half-year operating result in Austria. Our foreign business, which also profits from inter-company settlements, proved successful once again during this first half-year.

3. Research & Development

A strong product is the prerequisite for sustainable development. P&I has established itself in the market with four strong HR brands. Our P&I LOGA, P&I TIME and P&I PLUS products ensure that P&I possesses a valuable brand portfolio in the European software industry. P&I SMART has enabled P&I to separate off the lower part of its market segment.

6.4 million euros (previous year: 6.3 million euros) has been invested in R&D for product development, updates and changes in legislation and collective bargaining agreements as well as technical innovations. This corresponds to 18.5 per cent of total sales (previous year: 18.9 per cent). This expenditure covers all P&I products.

Legal changes to the tax and social security areas traditionally create a development focal point. Existing and newly developed reporting processes will require extensive development services during the current fiscal year. The previously simple and valid process in which the employer reported to a specific receiving office has been increasingly superceeded by a "dialogue process", in which specific data has to be reported back in addition to the normal verification of the respective reports, all of which have to be processed in the system afterwards. P&I has made important investments in our basic P&I LOGA product, whereby the technical infrastructure enables standardisation and harmonisation to be undertaken so that the growing number of requirements can be taken into account. The new EEL unemployment benefits reporting process, the use of which is mandatory as from July 1, 2011, is a classic example of this. German employers can now safely convert to using electronic payment certificates and at little extra cost thanks to the new developments in our P&I LOGA and they will also profit from the security provided by the encrypted transfer of sensitive personal data. The technical features and the content of two other new reporting procedures have been developed in addition to the reporting procedures (Social compensation and Elster II) that will come into effect on January 1, 2012 and employee's tax data, such as tax codes or tax exemptions, will be exchanged directly between the employer and the tax office in the future. The development services allocated to the complex reporting procedures will have to be intensified in addition to the normal changes to the social or taxation laws that come into effect with the new year.

4. Assets and profit

The financial and liquidity planning is updated regularly in order to ensure that the necessary liquidity is available for the ongoing business. A loan amounting to 34.5 million euros was disbursed to the controlling company, Argon GmbH, as a result of the domination and profit transfer agreement (please refer to Section 7) that was registered in September and interest will be paid on this loan at customary market interest rates. The current cash on hand corresponds with our planning, even after this loan payment was disbursed, and this will ensure that the solid financing needed for our future business is available.

The Group has had no need for short-term refinancing and it has access to adequate financial resources for the future development of the Group.

The cash flow statement for the first half-year of fiscal 2011/2012 is characterised by two significant effects, which were both based on a single business transaction: the disbursement of the loan of 34.5 million euros to the controlling company, Argon GmbH and secondly, using the funds to provide the loan from the short-term financial assets. This initially resulted in an excessive cash flow payment taken from the investment activities that amounted to -28.6 million euros (previous year: +9.7 million euros) and secondly to an extraordinarily high inflow of cash that arose from the operating activities cash flow during the first half of the fiscal year. This is the significant cause of the high cash outflow from the operating activities, as the increase cannot be assigned to the original operating activities.

The annual maintenance business invoices sent out at the start of the calendar year always result in comparatively higher payments being made in the fourth quarter of the respective fiscal year. This means that it is traditional for liquid funds to increase at the end of the old fiscal year and the start of the new fiscal year. The P&I Group expects this increase to occur at the end of this fiscal year as usual.

The liquid assets holding stands at 17.6 million euros (March 31, 2011: 55.4 million euros) and this means that the P&I Group remains in a solid position. In addition to this the Group possesses two bonds worth a total of 4.3 million euros, which provide collateral for a line of credit and loan guarantees as well as another bond worth 1 million euros, which matures in February 2012. All three bonds are recorded in the balance sheet under Financial Assets.

The P&I Group's balance sheet has increased by 2.4 million euros as compared to the previous balance sheet date of March 31, 2011 and it now stands at 80,3 million euros (March 31, 2011: 77.9 million euros).

The long-term assets have recorded a significant increase by total 37.9 million euros, whereas the short-term assets have dropped down by 35.5 million euros. The increase to 39.9 million euro recorded in the financial assets on September 30, 2011 is primarily due to a loan made to Argon GmbH that amounted to 34.5 million euros and this loan has been assigned to the fixed assets due to its long-term service life. Consequently, the short-term assets have been reduced as a result of the outflow of funds that were used to finance the loan.

P&I AG tax prepayments amounting to 2.1 million euros for the current fiscal year are included in the short-term assets. As the domination and profit transfer agreement is effective this means that P&I AG is now an affiliated company of Argon GmbH, who are the taxable company. P&I AG was of the opinion that a tax-sharing agreement would be concluded between Argon GmbH and the Company and based on this assumption the liabilities and receivables that are part of this tax-sharing agreement are listed separately in the balance sheet up to September 30, 2011.

The half-yearly result of 5.8 million euros and the increase in the balance sheet as well as the dividend distribution of 0.3 million euros combined to increase the equity ration from 45.0 per cent (March 31, 2011) to 50.5 per cent.

The P&I Group holds long-term liabilities to the value of 2.4 million euros (previous year: 3.4 million euros), which now consist solely of the deferred tax liabilities and deferred liabilities arising from the tax-sharing agreement. In the meantime, the obligations arising from the long-term bonus scheme for one member of the Board of Directors now have a residual term of less than one year and are therefore listed as short-term liabilities.

Short-term liabilities fell by 2.1 million euros to 37.3 million euros when compared to the previous year. The main reason for this is the liquidation of the prepaid maintenance fees, which have to be presented in advance at the start of the calendar year and consists of annual invoices that have to be paid and these are reversed on a monthly basis in compliance with the sales realisations. Deferred tax liabilities were reduced by 1.4 million euros to 1.5 million euros. The tax liabilities include P&I AG's tax on earnings accruals for the fiscal years 2009/2010 and 2010/2011, which will be offset against the tax prepayments for this fiscal year. Newly added are the liabilities from the tax-sharing agreement, which amount to 2.5 million euros and correspond to P&I AG's tax on earnings accruals for fiscal 2011/2012 and these have not been offset against the tax prepayments.
The increase in the other short-term liabilities results from the payments that have been received for a major project. Trade payables increased by 1.6 million euros to 4.0 million euros.

5. Employess

The P&I Group employed 361 people up to September 30, 2011 (previous year: 366). The annual average number of full-time employees dropped from 336 to 331 and 249 of these employees work in Germany (previous year: 248), with a total of 82 employees working in other countries (previous year: 87) and a total of 29 employees working at our subsidiaries in Austria (previous year: 33) and 42 employees working at the development centre in Slovakia (previous year: 43), where we are most strongly represented.

6. Opportunities and risks involved in future development

In the past, we have made certain acquisitions, and we shall continue to consider possible purchases for the future. This of course means that the P&I group is subject to acquisition and integration risks. The risk that customers will postpone a planned migration from a legacy product to a P&I software solution is even greater with regard to the licensing business. Apart from this, there has been no significant change in the risks and chances in comparison with the assessments set out in the annual report of March 31, 2011. Controllable risks are managed at P&I AG under a company-wide risk management system.

The opinion of the Board of Directors is that the closing of the domination and profit transfer agreement does not increase the risks in any way but is rather more likely to result in stabilisation of our environment. This will enable the Board of Directors and the Company to continue to concentrate on the operating activities after the previous turbulent year. The granting of the loan to Argon GmbH required the testing of recoverability on the respective balance sheet date. This procedure fulfilled all of the necessary precautions.

At the end of the quarter the Company entered into a financing agreement in October, as planned, with Argon GmbH amounting to 110 million euros, as opposed to the banks that provide financing, and various collateral and liability agreements covering interest payments and the repayment of loans were closed in accordance with the existing liquidity plan. The Board of Directors does not see any increased risks for the Company with regard to the current status of the Company's planning in relation to the in-flow of liquidity as well as the present interest payment and loan repayment plan.

7. domination and profit transfer agreement/Profit appropriation

P&I AG closed a domination and profit transfer agreement with Argon GmbH, of Munich on February 7, 2011. Consequently, P&I AG is now obliged to cede their total profit to Argon GmbH. The agreement was concluded for a minimum of five years. Approval of the agreement was adopted at Argon GmbH's AGM that was held on February 7, 2011 and at P&I AG's AGM that was held on March 24, 2011. The domination and profit transfer agreement was registered in the commercial register on September 9, 2011. The agreement became effective on that date.

The annual net profit shown in the annual financial statement that was prepared in accordance with commercial legislation for P&I AG for fiscal 2011/2012, will be ceded to Argon GmbH for the first time in accordance with the domination and profit transfer agreement. The outside shareholders of P&I AG will receive a compensation payment by Argon GmbH amounting to 1.55 euros per P&I share.

Furthermore, the domination and profit transfer agreement also states that Argon GmbH must pay cash compensation on demand to outside P&I shareholders. The acceptance deadline started on September 9, 2011 and ends two months from the day on which the existence of the controlling and profit transfer was registered in the commercial register that refers to P&I and published in accordance with § 10 HGB (also referred to as 'acceptance deadline' in the following). The registration of the existence of the domination and profit transfer agreement in the commercial register that refers to P&I was published on September 19, 2011. Consequently, the acceptance deadline for the cash compensation offer will end on November 21, 2011 (24:00 hours CET).

If a legal challenge is lodged then the cash compensation acceptance deadline will end in accordance with § 305, Para. 4, Sentence 3 AktG, i.e. two months from the day on which the decision covering the final positive application is published in the electronic pages of the Bundesanzeiger.

8. Other developments

A total of five shareholders lodged objections and nullification actions with the District Court in Frankfurt am Main at the close of the AGM held on September 2, 2010 and one of the plaintiffs has withdrawn his objection in the meantime. Another shareholder, as well as two former members of the Supervisory Board, have also joined the process as intervening parties on the side of the plaintiff. An initial decision made on April 19, 2011 rejected the important points of the objections but accepted the objections regarding the discharge of the Board of Directors and part of the Supervisory Board. However, we do not expect these proceedings to be completed before the end of 2011. Two shareholders have lodged objections and nullification actions at the close of the AGM held on August 30, 2011 to the following: the resolution covering the use of the net profit; resolution covering the discharge of the members of the Board of Directors for fiscal 2010/2011; the resolution covering the discharge of the members of the Supervisory Board for fiscal 2010/2011; the resolution covering the appointment of Mr. Michael Wand as a member of the Supervisory Board; the resolution in accordance with § 244 AktG covering the confirmation of the discharge resolutions resolved at the AGM held on September 2, 2010 with regard to Point 3 of the Agenda (discharge of the Board of Directors); the resolution in accordance with § 244 AktG covering the confirmation of the discharge resolutions proposed at the AGM held on September 2, 2010 with regard to Point 4 of the Agenda (discharge of the members of the Supervisory Board). The objections are pending with the 5th court for commercial matters at the District Court in Frankfurt am Main.

Two annulment actions were also lodged against the resolution to register the domination and profit transfer agreement that was passed at the extraordinary AGM held on March 24, 2011. A settlement has already been reached regarding this matter.

To the best of our knowledge, the Company does not expect these proceedings to have any effect on the Group's assets, financial situation or profit and loss situation.

9. Outlook for 2011 / 2012

Whilst the 0.8 per cent GDP (Gross Domestic Product) growth prognosis for 2012 issued by leading German economic institutes has clearly been revised downwards, the GDP actually increased by 2.9 per cent in 2011.

The operating activities of the P&I Group developed positively during the first half-year of fiscal 2011/2012: Sales growth combined with continuous profitability marked the Company's development. This is a very positive signal with regard to further business development. Competence, quality, service-orientation and creativity all combine to ensure a successful and sustainable business.

All in all, P&I can confirm its forecasts for fiscal 2011/2012: we should see a slight growth in sales as compared to the previous reporting year and the Group's EBIT margin should remain at the high level that was realised during the previous 2010/2011 fiscal year.

Expertise and continuity are the hallmarks of P&I – we are the standard HR management software experts and have been for more than 40 years. P&I's wealth lies in its software, which is firmly anchored to our HR management expertise, the technological maturity of the software as well as the reliability and the credibility of the entire organisation: which covers our Administration, Consulting, R&D and Sales divisions. The build-up in our services and systems means that P&I are well positioned to enjoy a very successful future.

We are confident that we will continue to realise our goals in the future as well. Our claim as a specialist provider of integrated HR management processes is that we are the best.

CONSOLIDATED BALANCE SHEET ACC. TO IFRS	30. 9. 2011	31. 3. 2011
Details in 000 euros		
Assets		
Long-term assets		
Customer bases	3,967	4,511
Goodwill	1,738	1,738
Other intangible assets	584	584
Tangible assets	1,244	1,041
Financial assets	39,853	1,946
Deferred tax assets	1	468
Deferred tax assets resulting from tax-sharing agreement	809	0
Total long-term assets	**48,196**	**10,288**
Short-term assets		
Inventories	272	276
Trade receivables	11,431	10,313
Short-term financial assets	0	33,554
Other short-term assets	2,826	1,618
Cash and cash equivalents	17,556	21,862
Total short-term assets	**32,085**	**67,623**
Total financial assets	**80,281**	**77,911**

CONSOLIDATED BALANCE SHEET ACC. TO IFRS	30. 9. 2011	31. 3. 2011
Details in 000 euros		
Equity and Liabilities		
Shareholders Equity		
Subscribed capital	7,700	7,700
Capital reserve	-429	-429
Revenue reserve less own shares	33,272	27,781
Accumulated other Group Result	-17	1
Total shareholders' equity	**40,526**	**35,053**
Long-term liabilities		
Deferred tax liabilities	61	2,194
Deferred tax liabilities resulting from tax-sharing agreement	2,374	0
Long-term liabilities towards employees	0	1,248
Total long-term liabilities	**2,435**	**3,442**
Short-term liabilities		
Trade payables	3,991	2,363
Obligations from taxes on income	1,479	2,910
Liabilities resulting from tax-sharing agreement	2,454	0
Accruals and deferrals	10,004	20,260
Other short-term liabilities	19,392	13,883
Total short-term liabilities	**37,320**	**39,416**
Total liablities	**39,755**	**42,858**
Total equity and liabilities	**80,281**	**77,911**

CONSOLIDATED STATEMENT OF INCOME ACC. TO IFRS	Quarter report 1. 7. to 30. 9. 2011	Quarter report 1. 7. to 30. 9. 2010	Half-year report 1. 4. to 30. 9. 2011	Half-year report 1. 4. to 30. 9. 2010
Details in 000 euros				
Sales	17,161	16,302	34,568	33,360
Cost of sales	5,393	5,046	10,622	10,550
Gross profit	**11,768**	**11,256**	**23,946**	**22,810**
Research and development expenses	3,161	2,945	6,379	6,292
Sales and distribution expenses	2,350	2,149	4,876	4,339
Administrative expenses	1,490	1,133	2,838	2,422
Write-down of goodwill and customer bases	224	331	544	663
Other operating income	69	16	80	27
Other operating expenses	1,294	1,816	1,549	1,986
Result of ordinary activities (EBIT)	**3,318**	**2,898**	**7,840**	**7,135**
Income from investments	227	134	457	287
Financing expenses	-5	15	33	15
Result of ordinary activities before tax (EBT)	**3,550**	**3,017**	**8,264**	**7,407**
Tax expenses resulting from tax-sharing agreement	837	0	2,351	0
tax-sharing agreement*	58	904	120	2,225
Profit or loss for the period	**2,655**	**2,113**	**5,793**	**5,182**
Average number of shares (diluted/undiluted)	7,522,752	7,522,752	7,522,752	7,522,752
Earnings per share in euros (diluted/undiluted)	€ 0.35	€ 0.28	€ 0.77	€ 0.69

* Tax expenses account both the paid taxes on income and deferred taxes on ordinary business activities.

GROUP'S STATEMENT ACC. TO IFRS	Quarter report 1. 7. to 30. 9. 2011	Quarter report 1. 7. to 30. 9. 2010	Half-year report 1. 4. to 30. 9. 2011	Half-year report 1. 4. to 30. 9. 2010
Details in '000 euros				
Profit/loss of the period	**2,655**	**2,113**	**5,793**	**5,182**
Foreign exchange translations for foreign business operations				
thereof change in not realised gains and losses	-16	1	37	0
Effects on tax on income	0	0	0	0
Total	**-16**	**1**	**37**	**0**
Change in market value of financial assets held for sale				
thereof change in not realised gains and losses	-53	89	-82	115
thereof change in realised gains and losses	0	0	0	0
Effects on tax on income	17	-32	26	-36
Total	**-36**	**57**	**-56**	**79**
Other consolidated earnings	**-52**	**58**	**-19**	**79**
Group's Statement of recognised income and expenditure	**2,603**	**2,171**	**5,774**	**5,261**

CASH-FLOW STATEMENT ACC. TO IFRS	Half-year report 1. 4. to 30. 9. 2011	Half-year report 1. 4. to 30. 9. 2010
Details in 000 euros		
Consolidated result	**5,793**	**5,182**
Taxes on income and profit	2,471	2,225
Financial result	-424	-272
Earnings before interest and tax (EBIT)	**7,840**	**7,135**
Depreciation on tangible assets, intangible assets and financial assets	983	1,117
Changes in inventories, trade receivables and other assets not attributable in investing of financing activities	20,761	3,256
Changes in trade payables and other liabilities not attributable in investing of financing activities	-2,045	-12,298
Losses/gains from sales of non-current assets	-2	-1
Changes in other items not affecting payments	34	-36
Interest paid	-30	0
Interest received	582	188
Tax payments	-3,529	-3,120
Cash flow from operating activities	**24,594**	**-3,759**

CASH-FLOW STATEMENT ACC. TO IFRS	Half-year report 1. 4. to 30. 9. 2011	Half-year report 1. 4. to 30. 9. 2010
Details in 000 euros		
Payments for investments in tangible assets	-520	-220
Payments for the purchase of intangible assets	-145	-79
Proceeds from the sale of tangible/intangible assets	2	3
Payments in connection with loans to affiliated companies	-34,500	0
Proceeds from the sale of non-current marketable securities	0	0
Proceeds from the sale of marketable securities	10,000	10,000
Payments for the purchase of non-current marketable securities	0	0
Payments for the purchase of marketable securities	-3,436	0
Payments for the acquisition of affiliated companies	0	0
Cash flow from financing activities	**-28,599**	**9,704**
Payments for the acquisition of own shares	0	0
Payments of the distribution of the dividend	-301	-8,275
Cash flow from financing activities	**-301**	**-8,275**
Change in cash and cash equivalents	-4,306	-2,330
Cash and cash equivalents at the beginning of the fiscal year	21,862	28,428
Cash and cash equivalents at the end of the reporting period	**17,556**	**26,098**

					Accumulated Other Group Result		
	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Currency translation effects	Change in market value of financial assets available-for-sale, which in turn altered the gains and losses	Total
Details in '000 euros							
As at March 31, 2010	**7,700**	**-429**	**27,215**	**-2,019**	**6**	**-78**	**32,395**
Group Result			10,860		28	45	10,933
Distribution of dividend			-8,275				-8,275
As at March 31, 2011	**7,700**	**-429**	**29,800**	**-2,019**	**34**	**-33**	**35,053**
Group Result			5,793		37	-56	5,774
Distribution of dividend			-301				-301
As at September 30, 2011	**7,700**	**-429**	**35,292**	**-2,019**	**71**	**-89**	**40,526**

SEGMENT REPORTING FOR 2ND QUARTER 2011/2012

	Germany		Austria		Other foreign countries		Elimination		Group	
	Q2, 2011	Q2, 2010	Q2, 2011	Q2, 2010	Q2, 2011	Q2, 2010	Q2, 2011	Q2, 2010	Q2, 2011	Q2, 2010
Details in '000 euros										
Sales to third parties	14,085	12,926	1,633	1,700	1,443	1,676	0	0	17,161	16,302
Intersegment sales	1,152	1,135	2	2	27	0	-1,181	-1,137	0	0
Segment Sales	**15,237**	**14,061**	**1,635**	**1,702**	**1,470**	**1,676**	**-1,181**	**-1,137**	**17,161**	**16,302**
Segment Result (EBIT)	2,486	1,962	532	-11	300	947	0	0	3,318	2,898
Financial Result									232	119
Group Result before tax									**3,550**	**3,017**

SEGMENT REPORTING FOR HALFYEAR 2011/2012

	Germany		Austria		Other foreign countries		Elimination		Group	
	30. 9. 2011	30. 9. 2010	30. 9. 2011	30. 9. 2010	30. 9. 2011	30. 9. 2010	30. 9. 2011	30. 9. 2010	30. 9. 2011	30. 9. 2010
Details in '000 euros										
Sales to third parties	27,854	26,007	3,162	3,547	3,552	3,806	0	0	34,568	33,360
Intersegment sales	2,269	1,151	0	2	27	0	-2,296	-1,153	0	0
Segment Sales	**30,123**	**27,158**	**3,162**	**3,549**	**3,579**	**3,806**	**-2,296**	**-1,153**	**34,568**	**33,360**
Segment Result (EBIT)	6,065	4,673	39	335	1,736	2,127	0	0	7,840	7,135
Financial Result									424	272
Group Result before tax									**8,264**	**7,407**

1. Basic Principles of the Group financial statement

According to Article 4 of the European Parliament Regulation (EG) No. 1606/2002 and the counsel of July 19, 2002 concerning the use of international financial accounting standards (ABl. EG No. L 243 p.1), the company produces the consolidated financial statement according to International Financial Reporting Standards (IFRS). The Group has also taken into account the regulations of the German Financial Accounting Standard No. 315a, Sentence 1 HGB in creating this Group financial statement. All regulations valid on the cut-off date for the Group financial statement were taken into account (IFRSs, IASs, IFRICs, SICs), as they are required to be applied in the European Union.

The consolidated financial statements have been compiled in euros. Unless otherwise stated, all of the values have been rounded to thousand euros.

Accounting principles to be applied for the first time from September 30, 2011

The following changes to the standards and interpretations are to be first applied to all fiscal years starting after July 1, 2010 or after January 1, 2011 and they are therefore obligatory for the P&I Group as from fiscal 2011/2012:

- Changes to IAS 24: Related party disclosures
- Collective standard for changes to various IFRS (2010): Improvements to IFRSs
- Changes to IFRIC 14 and IFRIC 19

2. Notes on the Profit and Loss Accounting

The two “Other operating income“ and “Other operating expenses“ postings include income and expenses, which cannot be assigned to specific functional sectors. Bad debt losses / payment of damages are recorded under other operating expenses in addition to investor relations expenditure and Supervisory Board costs.

The financial result amounting to 424,000 euros (previous year: 272,000 euros) mainly includes interest income from bank balances and securities.

The Group’s tax expenses are shown as follows:

In '000 euros	30. 9. 2011	30. 9. 2010
Tax on income from tax-sharing agreement	2,422	0
Deferred tax revenue from tax-sharing agreement	-71	0
Tax expenses arising from the tax-sharing agreement between Argon GmbH / P&I AG	**2,351**	**0**
Taxes on income	124	2,141
Deferred tax revenue	-4	84
Deferred tax revenue	**120**	**2,225**
Group tax expenses	**2,471**	**2,225**

P&I AG is of the opinion that a tax-sharing agreement will be concluded between Argon GmbH and the Company. P&I AG taxes have been calculated up to September 30, 2011 under this assumption.

The combined tax rate applicable to P&I AG of 31.23 per cent takes into account the business tax assessment rate of 432 per cent, the corporate tax rate of 15 per cent and the solidarity surcharge of 5.5 per cent. The ensuing deferred tax liability is based on the sales realisation arising from the “Percentage of Completion” method.

Earnings per share amount to 0.77 euros (previous year: 0.69 euros).

3. Segment results

Segment reporting is now carried out by applying the "through the management’s eyes" approach. Please refer to the explanatory notes contained in Secton 4 in the Notes to the financial statement issued on March 31, 2011 for an explanation of the segmentation.

The Board of Directors monitors each business segment's operating results separately, in order to determine the allocation of resources and to undertake an evaluation of the earning power of each segment. The earning power of each individual segments is assessed on the basis of its operating result (EBIT). Segment EBITs are measured in compliance with IFRS in the same way as the Group operating result (EBIT). Finance costs, finance revenues and taxes on income are managed at Group level.

The presentation of the business segments can be found on page 18 of this report.

4. Notes on the balance sheet

The financial assets, which total 39.9 million euros, include a loan to an associated company that amounts to 34.5 million euros. The loan was made to Argon GmbH, Munich.

As explained previously, P&I AG became an affiliated company of Argon GmbH when the domination and profit transfer agreement came into effect. P&I AG is of the opinion that a tax-sharing agreement will be concluded between Argon GmbH and the Company. The receivables (809,000 euros) and the liabilities (2,709,000 euros, of which 2,374,000 euros are deferred tax liabilities and 335,000 euros are tax on income liabilities), which result from the tax-sharing agreement, have been listed separately in the balance sheet.

Investments amounting to 665,000 euros were made during the first half-year of fiscal 2011/2012 (previous year: 299,000 euros). Cash and the financial assets available for sale are constituted as follows:

In '000 euros	30. 9. 2011	31. 3. 2011
Cash on hand and in bank balances	17,556	21,862
Available-for-sale financial assets	0	33,554
Total	**17,556**	**55,416**

Of the trade receivables of 11,431,000 euros (March 31, 2011: 10,313,000 euros) there was still 43 per cent (March 31, 2011: 53 per cent) that was not yet due.

The capital stock of the Company remained unchanged at 7,700,000 euros as at September 30, 2011 and is divided into 7,700,000 individual share certificates made out to bearer.

The entry for other equity of –17,000 euros (March 31, 2011: 1,000 euros) mainly reflects the exchange rate differences arising from the valuation of securities as well as the effect of currency exchange rates had on equity.

5. Changes in shareholder group and executive bodies

In accordance with §95 AktG (German Companies Act) and in conjunction with §6 of the statutes, version issued on the September 1, 2009, the Company has a Supervisory Board consisting of three members.

Thomas Volk, Chairman, Vice President at EMEA, of Bobingen
Michael Wand, Deputy Chairman, Managing Director of The Carlyle Group, of London (GB)
Dr. Thorsten Dippel, Associate Director of the The Carlyle Group, of London (GB)

The Supervisory Board of P&I AG unanimously adopted a resolution on May 17, 2011, in which the appointment of Mr. Vasilios Triadis, the Chairman of the Board of Directors, as a chairman of the Board of Directors was extended for a further four years until March 31, 2016.

6. Shareholdings of the Company and Members of the Executive Bodies

As at September 30, 2011, P&I AG has shareholdings of 177,248 pieces of its own shares. The purchase price of our own shares amounted to 2,018,972.63 euros and this sum was paid from equity. No convertible bonds or similar securities pursuant to §160 Para.1 No. 5 AktG had been issued by P&I AG or other companies pursuant to § 160 Para. 1 No. 2 AktG as at September 30, 2011.

As at September 30, 2011 no members of the Board of Directors or Supervisory Board have shareholdings in or options on P&I shares.

7. Dividend

The net profit shown in the annual financial statements of P&I AG is, pursuant to the German Companies Act, material to a dividend distribution.

Dividend for 2010/2011
On August 30, 2011 the AGM resolved to use the net profit for fiscal 2010/2011 as follows:

In euros	
Net profit up to March 31, 2011	19,547,054.65
Dividend distribution	- 300,910.08
Profit carried forward	**19,246,144.57**

The distribution payout corresponded to a dividend payment of 4 cents per no-par share entitled to a dividend.

Own shares held by P&I AG that are not entitled to a dividend were not taken into account.

The compensation payments for the current fiscal year to be made to the outside shareholders later on were defined in the domination and profit transfer agreement concluded between Argon GmbH and P&I AG. This agreement came into effect after it was registered in the commercial register on September 9, 2011 and applies as from fiscal 2011/2012.

8. Earnings per share

In determining the earnings per share according to IAS 33, the annual profit attributable to the shareholders is divided by the weighted average of the ordinary shares issued.

A share buyback scheme was implemented during the period from October 23, 2008 until September 30, 2009. A total of 177,248 shares were repurchased. As of September 30, 2011 the weighted average number of shares was 7,522,752, which results in undiluted earnings per share of 0.77 euros.

No further transactions involving ordinary shares or potential ordinary shares have taken place in the period between the balance sheet date and the preparation of the Group consolidated financial statements.

9. Board of Directors remuneration

Remuneration for the members of the Board of Directors is determined by the Supervisory Board and comprises both fixed and variable components. The fixed component, aside from a fixed-amount monthly remuneration, also includes benefits in kind, in particular the valuation for company vehicles to be applied in compliance with German taxation legislation as well as other financial benefits.

One part of the variable component of the Board of Directors' remuneration constitutes a performance related target income. The amount of the performance related target income is calculated on the basis of the degree to which the target Group EBIT (= earnings before interest and taxes) respectively the Group EBITDA (= earnings before depreciation, interest and tax) set by the Supervisory Board has been fulfilled. The result-orientated compensation for a member of the Board of Directors for the current fiscal year. Is based on the advent of defined project events.

10. Notification of voting rights pursuant to § 26 Para. 1 German Securities Trading Act (WpHG)

The company registered several investments in the first half-year of fiscal 2011/2012 in compliance with §§ 21 ff. of the German Securities Trade Act.

On April 29, 2011, **Lazard Asset Management LLC** headquartered in New York, (U.S.A.), notified P&I Personal & Informatik AG pursuant to §§21 Para. 1 WpHG of the following:
The percentage of voting rights in P&I Personal & Informatik AG, Kreuzberger Ring 56, 65205 Wiesbaden, Germany, held by Lazard Asset Management, LLC had dropped below the 3 per cent threshold as at April 28, 2011 and that the percentage of voting rights it now holds amounts to 2,89 per cent (which corresponds to 222,780 voting rights). The voting rights have been calculated in accordance with § 22 Para. 1, Sentence 1, No. 6 WpHG.

On September 16, 2011, **Axxion S.A.** headquartered in Munsbach, (Luxembourg), notified P&I Personal & Informatik AG pursuant to §§21 Para. 1 WpHG of the following:
The percentage of voting rights in P&I Personal & Informatik AG, Kreuzberger Ring 56, 65205 Wiesbaden, Germany, held by Axxion S. A. exceeded the 3 per cent threshold as at September 13, 2011 and that the percentage of voting rights it now holds amounts to 3,01 per cent (which corresponds to 231,385 voting rights).

This participation report for the period under review can be found on the homepage of the Company's internet site.

11. Relations with closely related enterprises or persons

The following payments were made to closely related enterprises and persons:

	Receivables		Revenue	
In '000 euros	30. 9. 2011	30. 9. 2010	HY-2011/12	HY-2010/11
P&I Timemanagement B.V., Amsterdam, Netherlands[1]	./.	0	./.	9
H.C. Starck GmbH, Goslar[2]	10	49	18	44
Total	**10**	**49**	**18**	**53**

	Liabilities		Expenditure	
In '000 euros	30. 9. 2011	30. 9. 2010	HY-2011/12	HY-2010/11
P&I Timemanagement B.V., Amsterdam, Netherlands[1]	./.	0	./.	14
Total	**0**	**0**	**0**	**14**

[1] P&I Timemanagement B.V., of Amsterdam, in the Netherlands, was a non-consolidated, fully owned subsidiary company of P&I Personeel & Informatica B.V., of Amsterdam, Netherlands, up to March 31, 2011. It provided consulting services to other Group affiliated companies and uses the P&I Time licence from the parent company. The business merged with Personeel & Informatica B.V. on April 1, 2011.

[2] H.C. Starck GmbH, of Goslar, is an affiliated company of the superior parent company of Argon GmbH, Carlyle Offshore Partners II, Ltd. The business activities with H.C. Starck GmbH cover maintenance and consulting services as well as the sale of software.

No related services were ordered from closely related enterprises or persons during the reporting period. The terms and conditions for the transactions with closely related enterprises and persons are in accordance with normal market practice and certainly comparable with any transactions the Company may have arranged with independent third parties (price comparison method in accordance with IAS 24.21).

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial situation and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the situation of the group, as well as a description of the principal opportunities and risks associated with the expected development of the group."

Wiesbaden, November 10, 2011

P&I Personal & Informatik AG

Vasilios Triadis

Dr. Erik Massmann

FINANCIAL CALENDAR

February 16, 2012	Publication of the 9-monthly Report 2011/2012
June 14, 2012	Publication of the Annual Report 2011/2012
August 16, 2012	Publication of the Quarterly Report 2012/2013
September 4, 2012	Shareholders' Meeting (AGM) for 2012 in Wiesbaden

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P&I – YOUR PARTNER FOR INTEGRATED HR SOLUTIONS – Almost 400 people – contributing their knowledge, their high level of dedication and passion – make P&I the premium supplier of integrated software solutions for human resources management. Regardless of whether it is payroll, web-based personnel management or time management: the HR software of P&I AG is cutting edge – with regard to technological as well as functional attributes. In the meantime, the P&I LOGA payroll accounting software is now utilised in fourteen European countries. With the P&I TIME product, P&I now has a platform-independent and flexibly adaptable standard software application for time management and is thus positioning an attractive stand-alone product in the premium segment. Services such as implementation, consulting, training and HR outsourcing additionally round off the range of services that P&I offers.

P&I serves its customers through 6 branch offices in Germany and another 7 offices in other European countries, guaranteeing those customers reliability and investment protection by means of its large investments in product research and development. Leading international HR service providers as well as computer centres rely on P&I as a product supplier, and over 3,000 direct customers successfully process their HR business using P&I solutions. They all place their trust in the high level of expertise that P&I AG has in the meantime amassed in the course of its more than 40 years of presence in the market. P&I offers human resource management from one single source, providing solutions that ensure its customers are well-prepared for the future. P&I is stock exchange listed in the Prime Standard segment of the Frankfurt Stock Exchange; in the business year 2010/2011 it achieved a turnover of 69,1 million Euros.

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