



Interim Financial Report as of March 31, 2010

InVision Software AG

Overview



In 1995 InVision Software was formed with a mission to provide every company with the best possible solution to its workforce management issues. InVision has never lost sight of this goal and has since become one of the global leaders in workforce management solutions and frequently sets technological trends in this field.

By using the InVision Software Group's products, the Group's international customers are able to optimise their staff deployment and increase productivity. At the same time, they can reduce planning and administrative costs and significantly improve employee motivation. Thus, investments made in workforce management solutions as a rule can be amortised within a few months, thereby yielding an impressive return on investment.

Financial Summary

Group Figures as of March 31, 2010, according to IFRS (unaudited)

Income Statement (in Euro)	Q1/2010	Q1/2009
Revenue	2,852,869	2,941,196
Licences	1,007,821	1,042,894
Maintenance	1,012,533	1,009,136
Services	832,515	889,166
EBIT	-1,295,070	-1,658,980
as percentage of revenue	-45.4%	-56.4%
Result after tax	-1.031.895	-939,505
as percentage of revenue	-36,2%	-31.9%
Earnings per share	-0.46	-0.42

Balance sheet (in Euro)	as of 31 Mar. 2010	as of 31 Dec. 2009
Total assets	16.118.922	16,574,492
Liquid funds	3,869,839	4,511,603
Equity	9,916,374	11,080,139
as percentage of total assets	62%	67%

Employees	as of 31 Mar. 2010	as of 31 Dec. 2009
Total	190	203
Thereof in Germany	86	86

Information on shares ¹	Q1/2010	Q1/2009
Closing price as of 31 March, in Euro ²	5.80	3.19
High, in Euro	6.59	4.30
Low, in Euro	3.91	3.19
Market capitalisation as of 31 March, in Euro ²	12.96 million	7.13 Mio.
Number of shares as of 31 March ²	2,235,000	2,235,000

¹ XETRA closing price

² End of period

Contents



Overview	2
Financial Summary.....	3
Contents.....	4
Group Management Report	6
Statement of Financial Position	8
Statement of Income	10
Statement of Comprehensive Income	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes	14
Financial Calendar	16

Group Management Report



Group Management Report to the Interim Financial Report as of March 31, 2010, according to IFRS (unaudited)

Specific Events during the reporting period

In January of 2010 and for the second year in a row, InVision Enterprise WFM received the Product of the Year award from the American trade magazine "Customer Interaction Solutions".

In March, a new sales partner was enlisted for Austria and Romania.

A number of new European and US clients were acquired during the reporting period, above all in the Call Centre segment.

Results of operation

In the first three months of 2010, Group revenues totalled TEUR 2,853 (previous year: TEUR 2,941) and were therefore on the same level as in the previous year. Licence revenues totalled TEUR 1,008 (previous year: TEUR 1,043). Maintenance revenues reached

TEUR 1,012 (previous year: TEUR 1,009). Service revenues decreased by 6 percent down to TEUR 833 (previous year: TEUR 889).

Revenues in the "Germany, Austria and Switzerland" region increased during the reporting period by 25 percent to TEUR 1,480 (previous year: TEUR 1,186). This region therefore makes up 52 percent of revenues (previous year: 40 percent). Revenues generated in other foreign countries totalled TEUR 1,373 (previous year: TEUR 1,755), thereby representing a decrease of 22 percent. Revenues generated in other foreign countries as a percentage of total revenue thus constitute 48 percent (previous year: 60 percent).

During the reporting period, the operating result (EBIT) was TEUR -1,295 (previous year: TEUR -1,659). The EBIT margin was -45 percent during the reporting period (previous year: -56 percent).

For the first three months of 2010, the Group result was TEUR -1,032 (previous year: TEUR -940), while earnings per share came to EUR -0.46 (previous year: EUR 0.42), in each case based on 2,235,000 shares.

Financial condition

During the reporting period, the liquid funds and securities were down to TEUR 3,870 (as of December 31, 2009: TEUR 4,511), primarily because of the negative cash flow generated from operating activity. As of end of March 2010, financial liabilities were TEUR 96 (as of December 31, 2009: TEUR 9).

The balance sheet total equalled by TEUR 16.118 (as of December 31, 2009: TEUR 16,574). The equity capital is now TEUR 9,916 (as of December 31, 2009: TEUR 11,080), and the equity capital ratio is now 62 percent (as of December 31, 2009: 67 percent). The equity capital therefore provides a solid basis for the continued growth of the Company.

The cash flow from operating activity reached TEUR -709 (previous year: TEUR -1,993) during the reporting period.

Research and development

For InVision, the continued improvement of its software and its development of new components in order to meet market needs are key competitive factors. Accordingly, the InVision Group attaches great importance to research and development. Not surprisingly, therefore, InVision is constantly investing in the development of its product lines for its enterprise-wide workforce management solution, InVision Enterprise WFM.

In the first three months of 2010, the focus of development work was on making quality improvements to product releases distributed on the market and on developing future product versions.

Employees

On March 31, 2010, the InVision Group employed 190 workers worldwide, thereof 32 in Sales, 80 in Research & Development, and 58 in Professional Services. Thus, the number of employees has declined by 6 percent in the last three months (December 31, 2009: 203 employees). 86 employees worked in Germany and 104 employees worked outside Germany.

Risks and opportunities

Risks for the business development of InVision Group are described in the Group Management Report for Fiscal Year 2009. The corresponding opportunities are described in the Outlook section of this management report and in the Group Management Report for Fiscal Year 2009.

Outlook

InVision continues to forecast an increase in revenues (previous year: TEUR 11,972) and a profit before taxes and interest (previous year: TEUR -6,994) for 2010. The cost basis for 2010 will be below EUR 15 million.

Statement of Financial Position

Interim Statement of Financial Position as of March 31, 2010, according to IFRS (unaudited)

Assets (EUR)	as of 31 Mar. 2010	as of 31 Dec. 2009
Short-term assets		
Liquid funds	2,869,231	3,511,603
Securities	1,000,608	1,000,000
Trade receivables	5,221,298	5,532,283
Income tax claims	216,191	413,815
Prepaid expenses and other short-term assets	903,283	531,348
Total short-term assets	10.210.611	10,989,048
Long-term assets		
Intangible assets	114,216	117,910
Tangible assets	367,078	378,064
Deferred tax assets	5,427,017	5,054,640
Other long-term assets	0	34,847
Total long-term assets	5,908,311	5,585,443
Total assets	16.118.922	16,574,492

Equity and liabilities (EUR)	as of 31 Mar. 2010	as of 31 Dec. 2009
Short-term liabilities		
Short-term liabilities owed to financial institutions	95,890	9,302
Trade payables	342,853	822,189
Provisions	1,449,153	1,299,518
Income tax provisions	20,723	20,304
Short-term share in deferred income and other short-term liabilities	4.168.629	3,217,739
Total short-term liabilities	6.077.248	5,369,052
Long-term liabilities		
Deferred taxes	125,300	125,300
Total long-term liabilities	125,300	125,300
Equity		
Subscribed capital	2,235,000	2,235,000
Capital reserves	20,616,179	20,616,179
Earnings reserves	1,414,177	1,414,177
Equity capital difference from currency translation	-703,030	-578,599
Profit/Losses carried forward	-12,536,503	-7,813,115
Group result	-1,031,895	-4,723,388
Minority shares	-77,554	-70,115
Total equity	9,916,374	11,080,139
Total equity and liabilities	16.118.922	16,574,492

Statement of Income

Statement of Income as of March 31, 2010, according to IFRS (unaudited)

in EURO	Q1/2010	Q1/2009
Revenues	2,852,869	2,941,196
Other operating income	13,503	79,455
Cost of materials/costs of goods and services purchased	-7,185	-13,805
Personnel costs	-2,714,900	-3,268,586
Amortisation/depreciation of intangible and tangible assets	-39,833	-44,264
Other operating expenditures	-1,399,524	-1,352,976
Operating result (EBIT)	-1,295,070	-1,658,980
Financial result interest income/expenses	-3,309	20,546
Currency gains/losses	-40,538	-71,347
Result before taxes (EBT) and minority shares	-1,338,917	-1,709,781
Income tax	300,617	725,713
Consolidated net loss	-1,038,300	-984,069
InVision shares	-1,031,895	-939,505
Minority shares	-6,405	-44,563

Statement of Comprehensive Income

Statement of Comprehensive Income as of March 31, 2010, according to IFRS (unaudited)

in EURO	Q1/2010	Q1/2009
Consolidated net profit/loss	-1,038,300	-984,069
Gains/Losses on exchange differences	-125,465	0
Total comprehensive income	-1,163,765	-984,069
InVision shares	-1,156,326	-939,505
Minority shares	-7,439	-44,564

Statement of Cash Flows

Statement of Cash Flows as of March 31, 2010, according to IFRS (unaudited)

EURO	Q1/2010	Q1/2009
Group result	-1,031,895	-939,505
Depreciation and amortisation of assets	39,833	44,264
De-/Increase of provisions	149,635	-398,053
De-/Increase in income tax liabilities	420	-967,064
De-/Increase in deferred taxes	-372,377	-655,910
Other payment-ineffective costs/earnings	-137,352	-28,334
De-/Increase in trade receivables	310,985	-867,960
De-/Increase in other assets and prepaid expenses	-337,089	-133,539
De-/Increase in income tax claims	197,624	-1,216
De-/Increase in trade payables	-479,336	-250,548
De-/Increase in other liabilities and deferred income	950,889	2,205,161
Cash flow from operating activity	-708,663	-1,992,704
Cash flow from investing activity		
Payments made for investments in tangible assets	-20,298	-31,017
Payments made for investments in intangible assets	0	-78,627
Payments made for purchasing securities (funds)	0	-9,807,999
Income from the distribution of securities (funds)	0	1,586,912
Cash flow from investing activity	-20,298	-8,330,731
Cash flow from financing activity		
Payments received from equity capital increase	0	0
Payments received from finance loans	0	0
Payments made for repaying finance loans	0	0
Cash flow from financing activities	0	0
Change in cash and cash equivalents	-728,961	-10,323,435
Cash and cash equivalents at the beginning of the period	3,502,302	10,860,347
Cash and cash equivalents at the beginning of the period	2,773,341	536,912

Statement of Changes in Equity

Statement of Changes in Equity as of March 31, 2010, according to IFRS (unaudited)

EURO	Subscribed capital	Capital reserves	Statutory reserves	Other earnings reserves	Equity capital differences from currency translation	Group result	Equity	Minority shares	Total
December 31, 2008	2,235,000	20,616,179	78,989	1,335,188	-763,509	-7,813,115	15,688,732	2,692	15,691,424
Period result	0	0	0	0	0	-4,799,621	-4,799,621		-4,799,621
Minority shares	0	0	0	0	0	76,233	76,233	-72,807	3,426
Exchange rate difference from converting foreign financial statements	0	0	0	0	184,911	0	184,911	0	184,911
Total recognised expenses/ income	0	0	0	0	184,911	-4,723,388	-4,538,478	-72,807	-4,611,284
December 31, 2009	2,235,000	20,616,179	78,989	1,335,188	-578,598	-12,536,504	11,150,254	-70,115	11,080,139
Period result	0	0	0	0	0	-1,038,300	-1,038,300	0	-1,038,300
Minority shares	0	0	0	0	0	6,405	6,405	-6,405	0
Exchange rate difference from converting foreign financial statements	0	0	0	0	-124,431	0	-124,431	-1,034	-125,465
Total recognised expenses/ income	0	0	0	0	-124,431	-1,031,895	-1,156,326	-7,439	-1,163,765
March 31, 2010	2,235,000	20,616,179	78,989	1,335,188	-703,030	-13,568,398	9,993,929	-77,554	9,916,374

Notes

Notes to the Interim Financial Report as of March 31, 2009, according to IFRS (unaudited)

General Information

The business activities of InVision Software Aktiengesellschaft, Ratingen (hereinafter also referred to as "InVision AG" or "Company"), together with its subsidiaries (hereinafter also referred to as the "InVision Group" or the "Group"), include developing, selling and maintaining software products relating to workforce management and providing services in connection with the sale of the software products. The InVision Group does business primarily in Europe and the United States.

The Company's registered offices are located at Halskestrasse 38, 40880 Ratingen, Germany. It is entered in the Commercial Register of the Municipal Court of Duesseldorf under registration number HRB 44338.

Bases for preparing the financial report

The consolidated interim financial report for the period of January 1, 2010, through March 31, 2010, was prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated interim financial report does not contain all explanations and information that are required for the annual financial statements of the fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2009.

Changes of the group of consolidated companies

The group of consolidated companies has not changed since December 31, 2009.

Equity capital

The development of the Group's equity capital is shown in the statement of changes in equity.

Treasury shares

The Company holds no treasury shares.

Sales revenue

The sales revenue is divided into the following business areas:

<u>In TEUR</u>	<u>1 Jan.- 31 March 2010</u>	<u>1 Jan.- 31 March 2009</u>
Licence revenues	1,008	1,043
Maintenance revenues	1,013	1,009
Service revenues	<u>833</u>	<u>889</u>
Total	<u>2,853</u>	<u>2,941</u>

The sales revenues are divided among the following sales regions:

<u>In TEUR</u>	<u>1 Jan.- 31 March 2010</u>	<u>1 Jan.- 31 March 2009</u>
Germany, Austria, Switzerland	1,480	1,186
Other foreign countries	<u>1,373</u>	<u>1,755</u>
Total	<u>2,853</u>	<u>2,941</u>

Taxes on income and earnings

Taxes on income and earnings are classified as follows:

<u>In TEUR</u>	<u>1 Jan.- 31 March 2010</u>	<u>1 Jan.- 31 March 2009</u>
Income taxes	0	102
Deferred taxes	<u>372</u>	<u>624</u>
Total	<u>372</u>	<u>726</u>

Executive Board

As of March 31, 2010, the Executive Board of InVision Software AG consists of the following members:

Peter Bollenbeck	Chairman
Matthias Schroer	Member

Supervisory Board

As of March 31, 2010, the Supervisory Board of InVision Software AG consists of the following members:

Dr. Thomas Hermes	Chairman
Dr. Christof Nesemeier	Deputy Chairman
Prof. Dr. Wilhelm Mülder	Member

Securities transactions by company executives and directors

Under § 15a of the German Securities Trading Act (WpHG), members of the Executive Board, members of the senior management and members of the Supervisory Board of InVision Software AG are obligated to report their trades and transactions involving InVision shares. The reporting obligation applies to all transactions, which exceed a total sum of 5,000.00 Euro in a given calendar year. In the first three months of 2010, no transactions were reported to the company.

Significant transactions between related parties

In the reporting period, the Company purchased project and consulting services from eTimum Software GmbH, Ratingen, in the amount of TEUR 112.5.

Number of employees

As of March 31, 2010, the InVision Group had 190 employees.

Segment reporting

Given the uniformity of the services provided by the companies of the InVision Group, no partitioning into separate mandatory reporting segments within the meaning of IFRS 8 was undertaken.

Earnings per share

Earnings per share were calculated and reported by dividing the earnings for the period as attributable to the InVision Software AG shareholders by the average weighted number of shares issued and outstanding during the reporting period. InVision Software AG has issued only ordinary shares. In the first three months of 2010, the assumed number of shares equalled 2,235,000. Earnings per share for this period therefore equalled -0.46 Euro compared to -0.42 Euro in the first three months of the previous year, based on the same number of shares.

Events after the balance sheet date

After the reporting period, there have been no transactions of special significance which are of a material significance to the consolidated interim report.

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 Group's assets, liabilities, financial position and results of operation, and the Group's interim management report includes a fair review of the development and performance of the business, together with a description of the principal opportunities and risks related to the anticipated development of the Group for the remainder of the fiscal year.

InVision Software AG

The Executive Board

Ratingen, May 31, 2010

Financial Calendar

Publication of the report for the first quarter of 2010	31 May 2010
Annual shareholder's meeting	24 August 2010
Publication of the report for the second quarter of 2010	31 August 2010
Publication of the report for the third quarter of 2010	30 November 2010

Investor Relations

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