



Interim Financial Report as of June 30, 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 June 30, 2010, according to IFRS (unaudited)

Income Statement (in Euro)	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2009
Revenues	6,561,988	6,390,224
Licences	2,278,737	2,691,279
Maintenance	2,458,192	2,049,851
Services	1,825,059	1,649,094
EBIT	-793,066	-2,874,539
as percentage of revenue	-12%	-45%
Result after tax	-476,061	-2,128,368
as percentage of revenue	-7%	-33%
Earnings per share	-0.21	-0.95

Balance sheet (in Euro)	as of 30 Jun 2010	as of 31 Dec 2009
Total assets	16,825,140	16,574,492
Liquid funds	4,138,047	4,511,603
Equity	10,942,190	11,080,139
as percentage of total assets	65%	67%

Employees	as of 30 Jun 2010	as of 31 Dec 2009
Total	170	203
Thereof in Germany	77	86

Information on shares ¹	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2009
Closing price as of 30 June, in Euro ²	4.79	5.61
High, in EURO ¹	9.20	5.91
Low, in EURO ¹	4.31	3.19
Market capitalisation as of 30 June, in Euro ²	10.71 Mio.	12.54 Mio.
Number of shares as of 30 June ²	2,235,000	2,235,000

¹ XETRA closing price

² End of period

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Group Management Report



Group Management Report to the Interim Financial Report as of June 30, 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 six months of 2010, Group revenues increased totalled TEUR 6,562 (previous year: TEUR 6,390). Licence revenues totalled TEUR 2,279 (previous year: TEUR 2,691). Maintenance revenues increased by 20 percent to TEUR 2,458 (previous year:

TEUR 2,050). Service revenues reached TEUR 1,825 (previous year: TEUR 1,649).

Revenues in the "Germany, Austria and Switzerland" region increased during the reporting period by 12 percent to TEUR 2,733 (previous year: TEUR 2,435). This region therefore makes up 42 percent of revenues (previous year: 38 percent). Revenues generated in other foreign countries totalled TEUR 3,829 (previous year: TEUR 3,955), thereby representing a decrease of 3 percent. Revenues generated in other foreign countries as a percentage of total revenue thus constitute 58 percent (previous year: 62 percent).

During the reporting period, the operating result (EBIT) was TEUR -793 (previous year: TEUR -2,875). The EBIT margin was -12 percent during the reporting period (previous year: -45 percent).

For the first six months of 2010, the Group result was TEUR -476 (previous year: TEUR -2,128), while earnings per share came to EUR -0.21 (previous year: EUR -0.95), in each case based on 2,235,000 shares.

Financial condition

During the reporting period, the liquid funds and securities were down to TEUR 4,138 (as of December 31, 2009: TEUR 4,512), primarily because of the negative cash flow generated from operating activity. As of end of June 2010, financial liabilities were TEUR 305 (as of December 31, 2009: TEUR 9).

The balance sheet total equalled by TEUR 16,825 (as of December 31, 2009: TEUR 16,574). The equity capital is now TEUR 10,942 (as of December 31, 2009: TEUR 11,080), and the equity capital ratio is now 65 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 -645 (previous year: TEUR -4,486) 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 six 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 June 30, 2010, the InVision Group employed 170 employees worldwide, thereof 30 in Sales, 72 in Research & Development, and 46 in Professional Services. Thus, the number of employees has declined by 16 percent (December 31, 2009: 203 employees). 77 employees worked in Germany and 93 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 to TEUR 15,000 (previous year: TEUR 11,972) and a profit before taxes and interest amounts to TEUR 1,000 (previous year: TEUR -6,994) for 2010.

Statement of Financial Position

Interim Statement of Financial Position as of June 30, 2010, according to IFRS (unaudited)

Assets (EUR)	as of 30 June 2010	as of 31 Dec. 2009
Short-term assets		
Liquid funds	3,136,590	3,511,603
Securities	1,001,457	1,000,000
Trade receivables	5,570,857	5,413,282
Trade receivables Contract manufactory	171,846	119,000
Income tax claims	166,790	413,815
Prepaid expenses and other short-term assets	847,560	531,348
Total short-term assets	10,895,100	10,989,048
Long-term assets		
Intangible assets	111,871	117,910
Tangible assets	339,766	378,064
Deferred tax assets	5,478,403	5,054,640
Other long-term assets	0	34,847
Total long-term assets	5,930,040	5,585,443
Total assets	16,825,140	16,574,491

Equity and liabilities (EUR)	as of 30 Jun 2010	as of 31 Dec 2009
Short-term liabilities		
Short-term liabilities owed to financial institutions	305,384	9,302
Trade payables	686,103	822,189
Provisions	1,106,260	1,299,518
Income tax provisions	15,289	20,304
Short-term share in deferred income and other short-term liabilities	3,644,614	3,217,739
Total short-term liabilities	5,757,650	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 translations	-231,117	-578,599
Losses carried forward	-12,536,503	-7,813,115
Group result	-476,061	-4,723,388
Minority shares	-79,485	-70,115
Total equity	10,942,190	11,080,139
Total equity and liabilities	16,828,140	16,574,491

Statement of Comprehensive Income

Statement of Comprehensive Income as of June 30, 2010, according to IFRS (unaudited)

in EURO	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2009
Revenues	6,561,988	6,390,226
Other operating income	342,042	120,347
Cost of materials/costs of goods and services purchased	-16,247	-55,541
Personnel costs	-5,223,009	-6,478,045
Amortisation/depreciation of intangible and tangible assets	-91,500	-93,197
Other operating expenditures	-2,366,340	-2,758,329
Operating result (EBIT)	-793,066	-2,874,539
Financial result	16,873	28,386
Currency losses	-133,000	-147,070
Result before taxes (EBT) and minority shares	-909,193	-2,993,223
Income tax	423,762	836,285
Consolidated net loss	-485,431	-2,156,958
Minority shares	9,370	28,570
Net loss/Group result	-476,061	-2,128,368

Statement of Cash Flows

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

EURO	1 Jan - 30 Jun 2010	1 Jan - 30 Jun 2009
Net loss/Group result	-476,061	-2,128,368
Depreciation and amortisation of assets	91,500	93,198
De-/Increase of provisions	-192,958	-462,072
De-/Increase in income tax liabilities	-5,015	-1,140,058
De-/Increase in deferred taxes	-423,763	-849,943
Other payment-ineffective costs/earnings	315,612	135,866
De-/Increase in trade receivables	-210,421	-1,242,597
De-/Increase in other assets and prepaid expenses	-281,365	132,360
De-/Increase in income tax claims	247,025	-92,515
De-/Increase in trade payables	-136,086	-181,736
De-/Increase in other liabilities and deferred income	426,874	1,249,772
Cash flow from operating activity	-644,658	-4,486,093
Cash flow from investing activity		
Payments made for investments in tangible assets	-26,438	-58,867
Payments made for investments in intangible assets	0	-78,907
Receipt of payments made for purchasing securities	1,000,000	0
Payments made for purchasing securities	-1,000,000	-9,807,999
Income from the distribution of securities)	0	4,002,427
Cash flow from investing activity	-26,438	-5,943,346
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	-671,096	-10,429,439
Cash and cash equivalents at the beginning of the period	3,502,301	10,860,347
Cash and cash equivalents at the beginning of the period	2,831,205	430,908

Statement of Changes in Equity

Statement of Changes in Equity as of June 30, 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	-578,599	-12,536,503	11,150,254	-70,115	11,080,139
Period result	0	0	0	0	0	-493,586	-493,586	0	-493,586
Minority shares	0	0	0	0	0	17,525	17,525	-17,525	0
Exchange rate difference from converting foreign financial statements	0	0	0	0	347,482	0	347,482	8,155	355,637
Total recognised expenses/ income	0	0	0	0	347,482	-476,061	-128,579	-9,370	-137,949
June 30, 2010	2,235,000	20,616,179	78,989	1,335,188	-231,117	-13,012,564	11,021,675	-79,485	10,942,190

Notes

Notes to the Interim Financial Report as of June 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 June 30, 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.- 30 June 2010</u>	<u>1 Jan.- 30 June 2009</u>
Licence revenues	2,279	2,691
Maintenance revenues	2,458	2,050
Service revenues	<u>1,825</u>	<u>1,649</u>
Total	<u>6,562</u>	<u>6,390</u>

The sales revenues are divided among the following sales regions:

<u>In TEUR</u>	<u>1 Jan.- 30 June 2010</u>	<u>1 Jan.- 30 June 2009</u>
Germany, Austria and Switzerland	2,733	2,435
Other foreign countries	<u>3,829</u>	<u>3,955</u>
Total	<u>6,562</u>	<u>6,390</u>

Taxes on income and earnings

Taxes on income and earnings are classified as follows:

<u>In TEUR</u>	<u>1 Jan.- 30 June 2010</u>	<u>1 Jan.- 30 June 2010</u>
Income taxes	0	-11
Deferred taxes	<u>424</u>	<u>847</u>
Total	<u>424</u>	<u>836</u>

Executive Board

As of June 30, 2010, the Executive Board of InVision Software AG consists of the following members:

Peter Bollenbeck	Chairman
Matthias Schroer	Member

Supervisory Board

As of June 30, 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 TEUR 5 in a given calendar year. In the first six 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 229.5.

Number of employees

As of June 30, 2010, the InVision Group had 170 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 number of shares issued and outstanding during the reporting period. InVision Software AG has issued only ordinary shares. In the first six months of 2010, the assumed number of shares equalled 2,235,000. Earnings per share for this period therefore equalled -0.21 Euro compared to -0.95 Euro in the first six 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, 20th of August 2010

Financial Calendar

Annual shareholder's meeting	24 August 2010
Analysts' Conference (Small Cap Conference, Frankfurt/Main)	1 September 2010
Publication of the report for the third quarter of 2010	30 November 2010

Investor Relations

InVision Software AG
Halskestraße 38
40880 Ratingen
Germany

Phone: +49 (2102) 728-444

Fax: +49 (2102) 728-111

www.invision.de/investors

email: ir@invision.de

Headquarter

Germany
+49 (2102) 728-0

Worldwide Offices

Austria
+43 (1) 5999 9174

Estonia
+372 618 1524

France
+33 (1) 73 29 4777

Italy
+39 (02) 872 86-550

The Netherlands
+31 (26) 35 27 537

Scandinavia
+46 (8) 678 0890

Spain
+34 (91) 789 3405

Switzerland
+41 (44) 308 38 05

United Kingdom
+44 (121) 503 2620

United States
+1 (630) 780 1060