



9 – MONTH REPORT 2009

USU Software AG

9 - MONTH REPORT 2009	2009	2008
<i>in Thsd. EUR, except the earnings per share and number of employees</i>	01.01.-30.09.2009	01.01.-30.09.2008
REVENUES	24,825	23,808
EBITDA	1,359	933
EBIT	544	42
NET RESULT	668	370
EARNINGS PER SHARE (EUR)	0.07	0.04
CASH-FLOW FROM ORDINARY OPERATIONS	1,088	621
NUMBER OF EMPLOYEES AT THE END OF THE PERIOD	267	255
	30.09.2009	31.12.2008
CASH AND CASH EQUIVALENTS	8,098	9,541
SHAREHOLDERS EQUITY	45,158	45,920
BALANCE SHEET	52,295	54,153
EQUITY RATIO	86.4%	84.8%

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Dear shareholders,
dear readers,

As in the preceding quarters, USU again enjoyed a positive sales and earnings performance in the third quarter of the current fiscal year. Regardless of the weak state of the economy in general, increasing price competition and our more intensive investments in internationalization, USU slightly increased its sales and expanded its profitability significantly as advised. A central aspect of this business success is that, even in the current climate, USU's products hit a nerve with a lot of companies – enhancing efficiency and transparency while getting a fast return on investment at the same time. Today, information technology assists in almost every process at a company – and we help these companies optimize their technology and leverage savings potential while simultaneously minimizing cost risks.

We are also optimistic that this positive trend will continue into subsequent quarters. In particular, there is great potential in the expansion of the regional market to Europe and later around the world. Since the start of this year we have therefore been investing selectively in international partner business to replicate the successes we have achieved in German-speaking regions to date on the world stage. We are expecting this area to generate its first notable sales from the fourth quarter of 2009, which means that it should be possible to generate a significant share of sales outside Germany from as early as fiscal 2010. If the global economic conditions improve again, we believe that the USU Group will have the potential to virtually double its share of international sales in the coming year.

USU will also work systematically and continuously to take advantage of opportunities arising in the medium term to consolidate the leading position ascribed to it by analysts in growth markets for knowledge and IT management in Europe and around the world, to selectively expand on this position and thereby to generate a positive business development. It is also the stated aim of the Management Board to allow the shareholders to participate extensively in the Company's success in the future and hence to continue its shareholder-friendly dividend policy.

Yours,
Bernhard Oberschmidt
Chairman of the Management Board of USU Software AG

Economic development

According to studies by the *Gemeinschaftsdiagnose* project group, the worst global recession appears to have bottomed out in fall 2009. In addition to a stabilization in industrial production and a rise in incoming orders in Europe, the sentiment indicators of the European Commission and the purchasing manager index are pointing to a rise in total economic production in the second half of 2009. Given the sharp slump at the start of the year, gross domestic product (GDP) in Europe will fall by 3.9% in 2009 as a whole (2008: up 0.6%). The German economy is also showing clear signs of stabilization. According to the forecasts by the *Gemeinschaftsdiagnose* project group, the economy in Germany will post a quarter-on-quarter GDP increase of 0.7% after adjustment for seasonal and calendar effects for the third quarter of 2009. Owing to the recent recession, Germany is also expected to see its GDP decline 5.0% for 2009 as a whole after growth of 1.3% in 2008.

Sector performance

According to research by BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.) sentiment on the IT market has again improved slightly. The latest BITKOM industry barometer for Q3 2009 found that 57% of IT service providers and 61% of software providers are anticipating rising or stable sales after only 53% of companies asked in the IT service sector and 46% of software providers had been so optimistic in the previous quarter. Thus, BITKOM believes that the German IT market has passed the turnaround, at the same time forecasting a decline in IT market volumes for 2009 as a whole of 2.6%. The European Information Technology Observatory (EITO) expects that the Eurozone will see a similar dent in growth. According to EITO projections, the European IT market volume will dip by 2.2% in 2009 after growth of almost 4% in 2008.

Sales and cost development

Group sales

Business performance in the third quarter of 2009.

In the third quarter of 2009, USU Software AG and its subsidiaries (hereafter: "USU Group" or "USU") generated Group-wide sales of EUR 8,145 thousand (Q3/2008: EUR 8,134 thousand), corresponding to slight organic growth of 0.1%. In spite of increases in expenses for more the intensive activities in international partner business, the cost basis was down slightly on the previous year at EUR 7,652 thousand (Q3/2008: EUR 7,696 thousand) on account of targeted savings in costs of materials. Other operating income and expenses amounted to EUR -39 thousand in the third quarter (Q3/2008: EUR -364 thousand) after the previous year's figure had been influenced by non-recurring tax effects.

USU's earnings before interest, taxes, depreciation and amortization (EBITDA) trebled as against the previous year to EUR 547 thousand (Q3/2008: EUR 169 thousand). While earnings before interest and taxes (EBIT) had been negative in the previous year at EUR -132 thousand, this figure was up to EUR 272 thousand in the reporting period. At EUR 273 thousand (Q3/2008: EUR 112 thousand), the net profit for the period also rose significantly year-on-year. With an average number of shares outstanding of 10,021,054 (Q3/2008: 10,158,014), this is equivalent to earnings per share of EUR 0.03 (Q3/2008: EUR 0.01).

Business performance in the first nine months of fiscal 2009

Sales and cost development

Group sales

In the first nine months of fiscal 2009, USU increased its consolidated sales as against the previous year by 4.3% or EUR 1,017 thousand to EUR 24,825 thousand (Q1-Q3/2008: EUR 23,808 thousand). While consulting business picked up by 7.6% to EUR 15,524 thousand (Q1-Q3/2008: EUR 14,428 thousand) and maintenance business rose by 7.0% to EUR 5,278 thousand (Q1-Q3/2008: EUR 4,933 thousand), license business was down 16.1% at EUR 3,218 thousand after a very strong previous year (Q1-Q3/2008: EUR 3,836 thousand). Other income amounted to EUR 805 thousand in the first three quarters of 2009 (Q1-Q3/2008: EUR 611 thousand) and essentially related to merchandise.

Sales by segment

As a result of its strong consulting and maintenance business, the USU Group generated a sales increase of 6.3% in the "Product Business" segment to EUR 16,324 thousand (Q1-Q3/2008: EUR 15,360 thousand). In the same period, consulting revenue in the "Service Business" segment remained virtually constant year-on-year with growth of 0.7% to EUR 8,478 thousand (Q1-Q3/2008: EUR 8,419 thousand). Growth in this area was muted by project postponements and rising price competition. The sales not assigned to the segments amounted to EUR 23 thousand in the first nine months of fiscal 2009 (Q1-Q3/2008: EUR 29 thousand).

The USU Group's sales generated outside Germany amounted to EUR 1,769 thousand (Q1-Q3/2008: EUR 1,638 thousand) in the period under review, accounting for 7.1% (Q1-Q3/2008: 6.9%) of consolidated sales. USU is anticipating tangible success in this field from the fourth quarter of 2009 on account of the significant expansion of activities in international partner business.

Operating costs

The cost of sales rose by 3.6% year-on-year in the first nine months of fiscal 2009 to EUR 12,921 thousand (Q1-Q3/2008: EUR 12,467 thousand), due partly to the targeted reduction of the internal consulting team to 108 (September 30, 2008: 102) employees. As a percentage of consolidated sales, the cost of sales fell to 52.0% in the reporting period (Q1-Q3/2008: 52.4%). Accordingly, gross income amounted to EUR 11,904 thousand (Q1-Q3/2008: EUR 11,341 thousand), which corresponds to a gross margin of 48.0% (Q1-Q3/2008: 47.6%).

As a result of the push in the USU Group's international and partner activities since the start of the current year, marketing and sales expenses climbed by 7.0% to EUR 4,474 thousand in the months from January to September 2009 (Q1-Q3/2008: EUR 4,181 thousand). Accordingly, marketing and sales expenses rose to 18.0% of consolidated sales in the reporting period (Q1-Q3/2008: 17.6%).

Thanks to a streamlined and efficient administrative organization, general administrative expenses remained almost exactly at the level of the previous year at EUR 2,203 thousand (Q1-Q3/2008: EUR 2,199 thousand), with the result that the ratio of administrative expenses to consolidated sales dropped further to 8.9% (Q1-Q3/2008: 9.2%).

Owing to the selective expansion of development activities since the middle of the previous year as part of the product offensive, research and development expenses rose by 5.1% as against the previous year to EUR 4,131 thousand in the first nine months (Q1-Q3/2008: EUR 3,930 thousand). As a percentage of consolidated sales, the research and development ratio was virtually exactly stable year-on-year at 16.6% (Q1-Q3/2008: 16.5%).

USU's net other operating income and expenses improved from EUR -370 thousand in the first nine months of 2008 to EUR -6 thousand in the reporting period, after the previous year's figure had been influenced by non-recurring tax effects.

Earnings situation

With a surge in net profit for the period of 80.5% as against the previous year to EUR 668 thousand (Q1-Q3/2008: EUR 370 thousand), the USU Group continued its positive earnings performance in the reporting period. Accordingly, earnings per share amounted to EUR 0.07 (Q1-Q3/2008: EUR 0.04). Regardless of more intensive overseas and partner activities as part of its strategy of internationalization and the targeted investments in the ongoing development of Group products, USU also increased its operating EBITDA by 45.7% to EUR 1,359 thousand (Q1-Q3/2008: EUR 933 thousand). There was also an above-average improvement in EBIT, which was up from EUR 42 thousand in the previous year to EUR 544 thousand in the first nine months of fiscal 2009.

Balance sheet structure

On the assets side of the balance sheet, non-current assets amounted to EUR 34,434 thousand as of the end of the third quarter (December 31, 2008: EUR 34,859 thousand). The decline in this balance sheet item is mainly due to the amortization of intangible assets. Current assets declined to EUR 17,861 thousand as of September 30, 2009 (December 31, 2008: EUR 19,294 thousand). While work in progress rose to EUR 3,695 thousand as of the reporting date (December 31, 2008: EUR 1,827 thousand), trade receivables and income tax receivables at USU were down to EUR 5,219 thousand (December 31, 2008: EUR 6,775 thousand). Cash and cash equivalents declined to a total of EUR 8,098 thousand (December 31, 2008: EUR 9,541 thousand) following the final earn-out payment in the first quarter of 2009 of EUR 877 thousand for LeuTek GmbH, which was acquired in 2006, and the payment of the dividend to the shareholders of USU Software AG on June 26, 2009 of EUR 1,503 thousand. On the equity and liabilities side, current and non-current liabilities amounted to EUR 7,137 thousand as of September 30, 2009 (December 31, 2008: EUR 8,232 thousand). This reduction in liabilities was essentially due to the earn-out payment for LeuTek GmbH and the associated drop in other provisions and liabilities to EUR 951 thousand (December 31, 2008: EUR 2,284 thousand). By contrast, deferred income for maintenance agreements invoiced at the start of the year for which the service will be rendered and the sales recognized later in the year increased to EUR 2,106 thousand (December 31, 2008: EUR 954 thousand). Equity fell to EUR 45,158 thousand after EUR 45,921 thousand as of December 31, 2008 due to the dividend payment in the second quarter of 2009. Within equity, the recall of treasury shares in the second quarter to reduce share capital resulted in the offsetting of the treasury shares items with issued capital in the amount of the nominal value of the shares and with the capital reserves beyond this. The equity ratio was therefore 86.4% (December 31, 2008: 84.8%) as of September 30, 2009 on total assets of EUR 52,295 thousand (December 31, 2008: EUR 54,153 thousand).

Cash-Flow and investments

Cash and cash equivalents not including securities amounted to EUR 4,572 thousand (Q1-Q3/2008: EUR 4,996 thousand) as of September 30, 2009. USU improved its cash flow from operating activities significantly from EUR 621 thousand in the previous year to EUR 1,088 thousand in the reporting period. Cash flow from investing activities of EUR -1,129 thousand (Q1-Q3/2008: EUR 1,168 thousand) mainly relates to the final earn-out payment for LeuTek GmbH acquired in 2006 while the figure for the previous year was influenced by the partial disposal of securities. This item also includes investments in property, plant and equipment and intangible assets totaling EUR -257 thousand (Q1-Q3/2008: EUR -231 thousand) for hardware and software.

Cash flow from financing activities amounted to EUR -1,503 thousand (Q1-Q3/2008: EUR -1,839 thousand) in the reporting period on account of the dividend distribution to USU Software AG shareholders on June 26, 2009. The comparative figure for the previous year includes the cost of the dividend distribution to the Company's shareholders, the acquisition of treasury shares and proceeds taken directly to equity from a tax reimbursement.

Orders on hand

As of September 30, 2009, orders on hand throughout the USU Group amounted to EUR 12,476 thousand (September 30, 2008: EUR 15,505 thousand). In line with planning, the decline as against the previous year was due to the completion of multi-year consulting contracts, while maintenance orders on hand developed positively. The downward trend in orders on hand was only minor as against the previous quarter (June 30, 2009: EUR 12,877 thousand).

The order book as of the end of the quarter shows the USU Group's fixed future sales based on binding contracts. This primarily comprises project-related orders and maintenance agreements.

Research and development

The Group's subsidiary USU AG released Valuation version 3.6 at the start of the third quarter of 2009. Among other things, the new release includes a new interface style in its web client and various new graphics-based elements for improved usability. The recently launched dashboard component of Valuation was extended to include additional key performance indicators for incident and problem management. Performance has also been significantly improved in Valuation 3.6 and an optimized performance analysis has been implemented.

The USU KnowledgeCenter product suite underwent performance optimization in the third quarter of 2009 with the indexing of a number of documents within the LIS search engine developed by USU. It is also now possible to index Lotus Notes and Microsoft Exchange databases and e-mails taking user permissions into consideration more easily with the USU KnowledgeMiner module. Other functional additions were implemented in the process-based document management system USU KnowledgeBase and USU KnowledgeGuide, a system for intelligent error diagnosis and solution searches using dynamic decision trees.

The Group's subsidiary LeuTek GmbH continued the development of its ZIS System software solution for systems management in the reporting period. Firstly, the operation and administration of alarm functions in ZIS System were greatly expanded. Secondly, the central configuration of ZISAgent – the software agent for monitoring the availability of system, applications and log files – can now be carried out in ZIS System.

New configuration and configuration changes can therefore be rolled out to server agents centrally through ZIS System. In addition to the development of extended interfaces, development also continued on “Service Monitor” and “Service Explorer”, two new features that allow users to create and map process structures fully automatically in real time.

Research and development activities at the Group’s Omega Software GmbH subsidiary focused on the advancement of the SME product suite “myCMDB”, implementing a number of new functions, such as a new navigation tool to help create complex analyses more easily. The KPI presentation was also redesigned with new functions.

Cumulative research and development costs amounted to EUR 4,131 thousand in the first nine months of fiscal 2009 (Q1-Q3/2008: EUR 3,930 thousand).

Employees

As of the end of the third quarter of 2009, the USU Group employed a total of 267 (September 30, 2008: 255) people, a year-on-year increase of 4.7%.

Broken down by functional area 108 (September 30, 2008: 102) employees worked in consulting and services, 94 (September 30, 2008: 89) in research and development, 38 (September 30, 2008: 36) in sales and marketing and 27 (September 30, 2008: 28) in administration as of the end of the reporting period.

Broken down by segment, the USU Group employed 188 (September 30, 2008: 183) staff members in the Product Business division, 60 (September 30, 2008: 53) in the Service Business division and 19 (September 30, 2008: 19) in central administration.

USU shares (ISIN DE000A0BVU28).

The shares of USU Software AG are listed in the Prime Standard of the Frankfurt Stock Exchange under securities identification number A0BVU2 and International Securities Identification Number (ISIN) DE000A0BVU28 and are authorized for trading on the regulated market of this stock exchange.

The equity markets continued the previous quarter’s rising trend in the third quarter of 2009. The Technology All Share improved by 19.8% to 865.39 points in the reporting period, while the German share index DAX rose by 18.0% to 5,675.16 in the same period. Following a significant climb over the second quarter, USU’s shares climbed a further 4.3% on the previous quarter on the electronic trading system Xetra as of the end of Q3/2009 to reach EUR 3.38 at close of trading on September 30, 2009. As against the balance sheet date December 31, 2008, the price of USU shares ballooned by 57.2% as of September 30, 2009 while the Technology All Share posted growth of 43.5% and the DAX climbed by 18.0%. USU’s shares continued to rise strongly after the end of the reporting period, closing at EUR 3.80 on Xetra on November 6, 2009.

Supplementary report

There were no transactions of special importance after the balance sheet date of September 30, 2009 that had a significant effect on the development of business in the USU Group. In this respect, there were no major changes to the net assets, financial position or earnings of the Group.

Opportunity and risk report

There were no changes to the opportunities and risks of USU Software AG or of the Group as a whole as against the balance sheet date December 31, 2008. For more information, please see the risk report in the 2008 Annual Report.

Forecast report

General economy

In the *Gemeinschaftsdiagnose* fall report for 2009, Germany's leading economic research institutes forecast GDP growth in Germany in 2010 of 1.2% after an anticipated decline of 5.0% in the current year. Thus, experts are assuming that the economy in Germany is increasingly recovering from its worst crisis since the Second World War. The forecast is therefore better than expected. In its spring report for this year, experts were still forecasting a GDP decline of 0.5% in 2010. The economic recovery will also continue at a moderate pace in the Eurozone with research institutes forecasting that GDP will grow by 0.7% (2009e: -3.9%).

Sector

According to the latest studies by BITKOM, the German IT market will expand slightly in 2010 and recover from the dip in growth in 2009. According to BITKOM forecasts, market volumes in the IT sector will swell by 1.0% in 2010 after an expected decline of 2.6% in 2009. While BITKOM is predicting growth of 2.5% in 2010 (2009e: -0.2%), the software market is expected to see only a minor sales increase of 0.5% (2009e: -3.2%). EITO predicts similar results for the USU Group's target European market. According to EITO projections, the European IT market volume will rise by 0.6% in 2010 after a forecast slide of 2.2% in the current year.

Outlook

With the successful business performance in the first nine months of the current fiscal year as a basis, the Management Board expects, as forecast, to generate sales growth in excess of the average for the relevant market segments for the year as a whole. Operating EBITDA is also expected to rise strongly compared to sales.

In particular, visible growth contributions are expected to result from international partner business from the fourth quarter 2009. The Company gained several international sales partners with which it has already performed a number of product training sessions and events for potential customers as of the end of the third quarter of 2009. Thus, by 2010, the international share of consolidated sales, which will primarily consist of partner sales from license and maintenance business, will almost double. The Company is therefore investing specifically in increasing its internationalism and the further development of Group products to generate sales growth above the relevant market segment and above-average earnings growth in the medium to long term, thereby establishing a foundation on which to continue the shareholder-friendly dividend policy of recent years to allow the shareholders of USU Software AG to participate in the business success of the Company as in previous years.

USU Software AG

The Management Board

ASSETS (Thsd. EUR)	9-month report 30.09.2009	Annual report 31.12.2008
Non current assets		
Intangible assets	4,694	5,233
Goodwill	27,108	27,108
Property, plant and equipment	528	571
Other financial assets	367	367
Deferred tax assets	978	978
Other assets	759	602
Total non current assets	34,434	34,859
Current assets		
Inventories	587	556
Work in process	3,695	1,827
Trade receivables	4,368	5,383
Income tax receivables	851	1,392
Other financial assets	0	244
Other assets	54	54
Prepaid expenses	208	297
Securities	3,526	3,405
Cash on hand and bank balances	4,572	6,136
Total non current assets	17,861	19,294
Total assets	52,295	54,153

LIABILITIES AND SHAREHOLDERS' EQUITY (Thsd. EUR)	9-month report 30.09.2009	Annual Report 31.12.2008
Shareholders' equity		
Subscribed capital	10,021	10,335
Capital reserve	51,490	52,764
Legal reserve	176	176
Treasury shares	0	-1,588
Other comprehensive income	61	-11
Accumulated losses	-16,590	-15,755
Total shareholders' equity	45,158	45,921
Non-current liabilities		
Pension provisions	200	154
Total non-current liabilities	200	154
Current liabilities		
Provisions for income taxes	49	49
Personnel-related provisions and liabilities	2,934	3,208
Other provisions and liabilities	951	2,284
Liabilities from received payments	123	461
Trade payables	774	1,122
Deferred income	2,106	954
Total current liabilities	6,937	8,078
Total liabilities and shareholders' equity	52,295	54,153

CONSOLIDATED INCOME STATEMENT (Thsd. EUR)	Quarterly Report	Quarterly Report	9-Month Report	9-Month Report
	III / 2009	III / 2008	2009	2008
	01.07.2009 -	01.07.2008 -	01.01.2009 -	01.01.2008 -
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Sales revenue	8,145	8,134	24,825	23,808
Cost of sales	-4,214	-4,183	-12,921	-12,467
Gross profit	3,931	3,951	11,904	11,341
Sales and marketing expenses	-1,393	-1,466	-4,474	-4,181
General administrative expenses	-678	-716	-2,203	-2,199
Research and development expenses	-1,367	-1,331	-4,131	-3,930
Other operating income	21	174	128	241
Other operating expenses	-60	-538	-134	-611
Amortization of intangible assets recognized in the course of company acquisitions	-182	-206	-546	-619
Result of ordinary operations (EBIT)	272	-132	544	42
Interest income / expenses	27	240	213	407
Result before tax (EBT)	299	108	757	449
Income taxes	-26	3	-89	-79
Net profit / loss	273	111	668	370
Earnings per share (in EUR)				
(basic and diluted)	0.03	0.01	0.07	0.04
Weighted average shares				
(basic and diluted)	10,021,054	10,158,014	10,021,054	10,238,165

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Thsd. EUR)	Quarterly Report	Quarterly Report	9-Month Report	9-Month Report
	III / 2009	III / 2008	2009	2008
	01.07.2009 -	01.07.2008 -	01.01.2009 -	01.01.2008 -
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Group result	273	111	668	370
Currency translation difference	3	-12	22	-2
Available-for-sale financial instruments (securities)	43	-54	50	-73
Deferred taxes on value changes directly recognized in equity	0	16	0	18
Other comprehensive income	46	-50	72	-57
Overall result	319	61	740	313

CONSOLIDATED STATEMENT OF CASH FLOW <i>(Thsd. EUR)</i>	9-month report 01.01.2009 - 30.09.2009	9-month report 01.01.2008 - 30.09.2008
CASH FLOW FROM ORDINARY ACTIVITIES:		
Result bevor taxes (EBT)	757	449
Adjustments for:		
Financial income / financial expenditure	-212	-407
Depreciation and amortization	815	891
Income taxes paid	-89	-333
Interest paid	-18	-148
Interest received	332	706
Other non-cash income and expenses	-52	-114
Change in working capital:		
Inventories	-32	-126
Work in process	-1,867	-1,983
Trade receivables	1,013	975
Prepaid expenses and other assets	660	87
Trade payables	-348	285
Personnel-related provisions and liabilities and pension provisions	-228	140
Other provisions and liabilities	357	199
Net cash flow form ordinary activities	1,088	621
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of subsidiaries less cash and cash equivalents acquired	-877	0
Capital expenditure in property, plant and equipment	-182	-205
Capital expenditure in other intangible assets	-75	-26
Repayment of short-term loans	53	53
Sales of non-current assets	26	4
Sale of available-for-sale securities	513	2,022
Investments in available-for-sale securities	-587	-680
Net cash flow from investing activities	-1,129	1,168
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend payment	-1,503	-1,540
Purchase of capital stock	0	-743
Subsequent allowable input taxes from the IPO costs	0	444
Net cash flow from financing activities	-1,503	-1,839
Net effect of currency translation in cash and cash equivalents	-20	-18
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	-1,564	-68
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,136	5,064
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,572	4,996

**CONSOLIDATED STATEMENT OF
SHAREHOLDERS EQUITY** (unaudited)



CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY	Subscribed capital		Capital reserve	Legal reserve	Treasury shares	Accumu- lated losses	Other comprehensive income		Total
	Shares	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Currency Trans- lation	Securities measured at fair value	
							Thsd. EUR	Thsd. EUR	
Consolidated equity as of January 1, 2008	10,335,004	10,335	52,320	154	-714	-15,623	62	-55	46,479
Group result	0	0	0	0	0	370	0	0	370
Other comprehensive income	0	0	0	0	0	0	-2	-55	-57
Overall result	0	0	0	0	0	370	-2	-55	313
Acquisition of treasury shares	0	0	0	0	-743	0	0	0	-743
Subsequent allowable input taxes from the IPO costs	0	0	444	0	0	0	0	0	444
Dividend payment	0	0	0	0	0	-1,540	0	0	-1,540
Consolidated equity as of September 30, 2008	10,335,004	10,335	52,764	154	-1,457	-16,793	60	-110	44,953
Consolidated equity as of January 1, 2009	10,335,004	10,335	52,764	176	-1,588	-15,755	26	-37	45,921
Group result	0	0	0	0	0	668	0	0	668
Other comprehensive income	0	0	0	0	0	0	22	50	72
Overall result	0	0	0	0	0	668	22	50	740
Capital reduction	-313,950	-314	-1,274	0	1,588	0	0	0	0
Dividend payment	0	0	0	0	0	-1,503	0	0	-1,503
Consolidated equity as of September 30, 2009	10,021,054	10,021	51,490	176	0	-16,590	48	13	45,158

Principles of Accounting

This nine-month report for 2009 was prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as they are to be applied within the European Union. Basically, the same accounting and valuation principles were used as for the preparation of the consolidated financial statements for the preceding financial year ending December 31, 2008. This unaudited nine-month report for 2009 should therefore be read in connection with the audited financial statements for 2008. It complies with the regulations IAS 34 for interim reporting. It complies with the regulations of IAS 34 for interim reporting. Furthermore, the Company used the German Accounting Standard 16 (Interim Financial Reporting) as a guideline when preparing this report.

On account of the new version of IAS 1 "Presentation of Financial Statements", in addition to the income statement the consolidated financial statements include a separate statement of recognized income and expense, that reports both the net profit for the period and all changes in equity for the period not resulting from transactions with shareholders in their capacity as owners as "Other comprehensive income". The statement of other comprehensive income replaces the previously reported presentation of recognized income and expenses. As a result, this also changes the presentation of changes in consolidated equity. Transactions with shareholders are now reported separately in the statement of changes in consolidated equity, which is no longer a component of the notes to the consolidated financial statements and is now instead a separate element of the consolidated financial statements of USU Software AG. The consolidated net profit and the other comprehensive income are broken down according to the individual equity components. The figures for the previous year have been adjusted accordingly. The consolidated net profit, consolidated equity and earnings per share were not changed as a result of the different presentation.

This interim report contains all the necessary deferrals and, in the opinion of the management, provides a true and fair view of assets, liabilities, financial position, and profit or loss. All deferrals performed are in line with the customary accruals concept.

In preparing interim financial statements in line with IFRS, estimates and opinions relating to the assets and liabilities recognized at the reporting date and the income and expenses for the reporting period are required to a certain extent. Actual results may differ from those estimates.

Income taxes are recorded in the interim period based on the best estimate of the weighted average annual income tax rate expected for the year as a whole. This tax rate is applied to the pre-tax profit of the consolidated companies.

It is not necessarily possible to conclude the net profit from the profit of the interim periods.

Sales revenues

Revenues from the sales of goods and services break down as follows:

	1.1.-30.9.2009 Thsd. EUR	1.1.-30.9.2008 Thsd. EUR
Consulting	15,524	14,428
Licences / products	3,218	3,836
Service and maintenance	5,278	4,933
Other	805	611
	24,825	23,808

Segment reporting

For the purpose of segment reporting in accordance with IFRS 8, USU is active in “Product Business“ and “Service Business“, both of which have a major influence on the risks and equity return.

The breakdown of various key ratios by segment in line with IFRS 8 is represented in the following overview:

	Product Business		Service Business		Total Segments		Unallocated		Group	
	1.1.-30.9.2009 Thsd. EUR	1.1.-30.9.2008 Thsd. EUR								
Revenues	16,324	15,360	8,478	8,419	24,802	23,779	23	29	24,825	23,808
EBITDA	2,565	1,807	469	1,091	3,034	2,898	-1,675	-1,965	1,359	933
EBIT	1,844	1,012	391	1,014	2,235	2,026	-1,691	-1,984	544	42
Net financial income	-	-	-	-	-	-	213	407	213	407
Taxes	-	-	-	-	-	-	-89	-79	-89	-79
Net profit / loss	1,844	1,012	391	1,014	2,235	2,026	-1,567	-1,656	668	370
Employees and the end of period	188	183	60	53	248	236	19	19	267	255

The USU Software Group generated a total of 7.1% or EUR 1,769 thousand of its consolidated sales outside Germany in the first nine months of the 2009 financial year. In addition, less than 10% of the consolidated assets held are outside Germany. At the same time, the investments made outside Germany came to less than 10% of the consolidated total investments. Further details of the geographical data have thus not been provided.

Treasury shares

Effective May 13, 2009, the 313,950 treasury shares were recalled in order to reduce the share capital. USU Software AG therefore no longer held any treasury shares as of September 30, 2009.

Shares capital and shares, capital reserves

By way of the recalling of treasury shares, the issued capital of the Company was reduced to EUR 10,021 thousand as of September 30, 2009. As of this reporting date, the capital is divided into 10,021,054 no-par value bearer shares with a notional share of issued capital of EUR 1.00 each. The capital reserves were also reduced to EUR 51,490 thousand by way of the recall of treasury shares.

Dividend

At the proposal of the Management Board and the Supervisory Board, the Annual General Meeting on June 25, 2009 resolved to distribute a dividend of EUR 1,503,158.10 from the unappropriated surplus of USU Software AG as of December 31, 2008 of EUR 3,611,892.26 and to carry forward the remaining profit of EUR 2,108,734.16 to new account. The corresponds to a dividend of EUR 0.15 per entitled share. The dividend was distributed on June 26, 2009.

Shares and stock options held by members of corporate bodies at USU Software AG

The following shares and options in USU Software AG were held by members of corporate bodies of the company as at September 30, 2009:

Holdings of members of corporate bodies	shares September 30, 2009	shares September 30, 2008
Management Board		
Bernhard Oberschmidt	18,696	18,696
Supervisory Board		
Udo Strehl*	1,989,319	1,989,319
Erwin Staudt	100,000	68,000
Günter Daiss	85,500	53,500

* An additional 3,773,868 (2008: 3,707,848) shares of USU Software AG can be allocated to Udo Strehl via Udo Strehl Private Equity GmbH as the majority shareholder of the company pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. A further 32,000 (2008: 32,000) shares in USU Software AG are allocated to Udo Strehl through the "Knowledge is the future" foundation of which he is the Managing director pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.

Related party disclosures

In accordance with IAS 24, all related parties are persons or companies with the ability to control the Group or exercise significant influence over it, or on whom/which the Group can exert significant influence, including the management and the Supervisory Board. Companies that are already included as part of full consolidation in the interim consolidated financial statements are not considered related parties.

The final earn-out payment to the former majority shareholder of LeuTek was made in the first quarter of 2009. There are therefore no longer any obligations arising from the earn-out regulations.

There were no significant changes to business relations between USU Software AG and the Supervisory Board Chairman and majority shareholder Udo Strehl and his wife compared with the information in the notes to the consolidated financial statements of fiscal 2008. For more information, please refer to the details in the consolidated financial statements of USU Software AG for the fiscal year ending December 31, 2008.

Möglingen (Germany), November 9, 2009

Bernhard Oberschmidt,
Chairman of the Management Board

NOVEMBER 9, 2009
11:15 a.m. – 12:00 a.m.

**ANALYST CONFERENCE OF USU SOFTWARE AG
- GERMAN EQUITY FORUM -
Frankfurt am Main, Germany**

MARCH 25, 2010

ANNUAL REPORT 2009

MAY 21, 2010

3-MONTH REPORT 2010

JULY, 2010

ANNUAL GENERAL MEETING

AUGUST 19, 2010

6-MONTH REPORT 2010

NOVEMBER 8, 2010

9-MONTH REPORT 2010