

Interim Financial Report for the 2nd Quarter and 1st half of 2013
For the period from January 1, 2013 to June 30, 2013

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Key Figures (unaudited)

Results

€k	€ Tsd.	Q2/2013	Q2/2012	HY 2013	HY 2012
Revenues (A)	Umsatz (A)	7,373	6,627	14,211	13,529
Subcontracting and cost of materials (B)	Fremdkosten und Materialkosten (B)	681	769	1,352	1,570
Gross Profit (A – B)	Rohertrag (A – B)	6,692	5,858	12,859	11,959
Gross Margin	Rohertragsmarge	90.7%	84.4%	90.4%	84.4%
Operating Income (EBIT)	Operatives Ergebnis (EBIT)	553	109	1,103	207
Non-recurring Costs	Einmalkosten	0	0	0	0
EBIT after Non-recurring Costs	EBIT nach Einmalkosten	553	109	1,103	207
Operating Margin	Operative Marge	7.5%	1.6%	7.8%	1.5%
Income Before Tax (EBT)	Ergebnis vor Steuern	353	327	762	235
Pre-tax Margin	Vorsteuermarge	4.9%	4.9%	5.4%	1.7%
Net Income	Periodenergebnis	346	253	755	165
Net Income Margin	Marge	4.7%	1.9%	5.3%	1.2%
Operating Cash Flow	Operativer Cashflow	406	291	1,015	(64)

Share Information

Number of shares outstanding	Aktienanzahl	6,242,333	58,871,720	6,242,333	58,871,720
Earnings per Share € Cent (basic)	Ergebnis je Aktie € Cent (unverwässert)	5.5	0.4	12.1	0.3
Earnings per Share € Cent (diluted)	Ergebnis je Aktie € Cent (verwässert)	4.4	0.4	9.7	0.3

Balance Sheet

Solvability (Equity / Total Assets)	Solvabilität (Eigenkapital / Bilanzsumme)	31.7%	30.7%	30.7%	31.5%
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To Our Shareholders

The Catalis Group reports first-half comparable revenue growth of 5%, € 1.1m of operating profit (EBIT), and the best net income for five years.

I am pleased to announce the Catalis Group has posted one of its strongest comparable trading performances in recent years. First-half revenues grew 5% year-on-year to € 14.2m (2012: € 13.5m); first-half operating profits significantly improved to € 1.1m (2012: € 0.2m); and first-half net income of € 0.75m (2012: € 0.2m) was the strongest it has been for five years.

Traditionally the first two quarters have been the weakest periods for the group. Since my appointment in 2012, I have been working with firm resolve to reduce this seasonality. The strong performance of the Catalis Group during the first 6 months of 2013 demonstrates significant progress in this regard, and vindicates my confidence in our strategy.

Restructuring at Kuju Entertainment improves profitability; investment into Testronic fuels growth

Our strong results are attributable to realigning the focus of Kuju Entertainment and Testronic – the two operating divisions of the Catalis Group.

On first-half revenues of € 4.39m (2012: € 5.77m), Kuju Entertainment generated an operating income (EBIT) of € 0.79m (2012: € 0.51m). This marks a significant and sustainable improvement in EBIT margin (2013: 18.0%, 2012: 8.8%), and stems from decisive actions to close loss-making studios and restructure the group in 2012.

Testronic recorded a 27% year-on-year increase in first-half revenues (2013: € 9.47m, 2012: € 7.45m), and almost doubled its operating income (EBIT) to € 1.01m (2012: € 0.51m) for the same period. Testronic's superior performance has been fuelled primarily by investments into the rapidly expanding Games and Hardware testing businesses. With increased capacity in our London (UK) and Warsaw (Poland) offices, the group has attracted business from 40 new clients, and has served the growing requirements of the existing customer base.

Focus on reducing debt and improving cash flow

I have been committed to reducing the debt held by the group, and with this focus, we have made principal repayments exceeding € 700k (year-to-date). Furthermore, we successfully renegotiated the terms of our KBC bank loan in March 2013.

Catalis well-placed to benefit from healthy client relationships in strong and growing markets

There are positive signals from the industry at large, which give us confidence in our market position. The holiday season traditionally prompts an increase in consumption, and there is little doubt that this trend will be repeated in 2013, with the benefits extending across the DVD, Blu-ray and the Video Game industries alike. In particular, trading this year is expected to be buoyed by the release of new gaming consoles, like Microsoft's Xbox One and Sony's Playstation 4. With new technology there often comes increased demand for more sophisticated and complex content – a trend which will likely benefit both Kuju and Testronic in the immediate and longer term.

Committed to growth

With firm leadership the group has:

- delivered impressive revenue growth;
- repaid a significant sum of bank debt principal;
- invested heavily to increase capacity; and
- recorded strong operational profit in a traditionally weak period, and in a difficult economic environment.

These details demonstrate a strong performance by Catalis over the last six months, and give confidence to the Board about the future potential of the group. We enter the second half of 2013 in a stronger competitive position, and I remain committed to making the most of every growth opportunity, to building revenues and to delivering excellent earnings performance.

Yours sincerely

Dominic Wheatley
Chief Executive Officer
Eindhoven, 9th August 2013

Introduction

Catalis SE yearly financial reporting is based on the International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated condensed interim reporting for the half-year ending June 30, 2013 is in accordance with IAS 34. Generally, the quarterly report is prepared as an update of the business report focusing on the current reporting period and does not include all the information and disclosures required in the annual report. It should be read in conjunction with the consolidated annual report 2012.

Management Report

Market & Industry Environment

Video Games Industry

Xbox One coming in November, Playstation4 at the end of the year

2013 is an important year for the video games industry. The new consoles will push gaming forward. Microsoft believes that the next-generation of consoles, including the Xbox One, could reach 1 billion in combined sales.

The NPD Group's June report for the US shows total industry sales for the video games market dropping 15 per cent to \$593.3 million (year on year), as total software (including PC) fell 14 percent to \$313.8 million and hardware plummeted 30 percent to \$142 million. With digital downloads added, consumers probably spent \$1.36 billion on games in June 2013, NPD estimated. Sales on the hardware side were led by Nintendo 3DS. All market indicators point to an increase in sales of digital games content via the Internet.

At a game developers conference panel in April, game industry sales analysts from iResearch, the NPD Group, and Digi-Capital presented data about not just the game market in the US, but worldwide, demonstrating the speed at which the industry is transitioning to digital sales. Across the European Union and North America, digital content sales across PC, mobile, and consoles are growing at a rate of 33-percent year on year. According to the gathered groups, \$14.8 billion was spent on games in the U.S. in 2012, and a full 40-percent, \$5.9 billion, was spent on digital game content. Within that break down, digitally distributed games and DLC only account for about \$2.2 billion.

Microsoft announced at the end of May its next-generation console, Xbox One. The Xbox One will have 13 exclusive games, 8 of which are new IP, in its first year. The system will carry a retail price of \$499 or €499. Microsoft is predicting that the new round of home hardware - the Xbox One, PlayStation 4 and Wii U - will help the overall console market grow by 30 per cent. In a closed-door meeting called "Xbox 101", Microsoft also stressed that Xbox One has "the computational power of more than 10 Xbox 360 consoles," and that "the cloud brings infinite additional processing power."

The current generation of Xbox 360, PlayStation 3 and Wii have sold over 253m units combined, with the Wii leading the pack at close to 100 million and the Xbox 360 and PlayStation 3 almost neck and neck. The current generation has played out much longer than the previous. The Xbox 360 originally launched in 2005 and the PlayStation 3 a year later, with Sony continuing to bang the drum for a ten year lifecycle.

Sony's PlayStation 4 console was shown for the first time at the E3 conference in June, and its price, \$399 in the US was announced. The PlayStation 4 "used games strategy" was also discussed, and Sony announced there would be no protection on used PS4 games. They can be traded freely and played after purchase. Sony also announced that

the PlayStation Plus subscription membership is now required for online gaming. Worldwide Studios has more than 30 titles in development for PS4, about 20 of which are expected to launch in the first year, 12 of them brand new IPs.

The mobile market is evolving rapidly, as hardware and operating systems continue to shift worldwide. These trends are increasingly important to the game industry, as the market for mobile games is also growing at a rapid pace. Market intelligence firm Juniper Research says in a recent report that smartphones and tablets are going to be primary device for gamers to make in-app purchases in the future.

Juniper projects 64.1 billion downloads of game apps to mobile devices in 2017, compared to the 21 billion downloaded in 2012. Juniper projects that tablet gamers will spend over \$3 billion on in-app purchases in 2016, which is more than ten times the \$301 million Juniper calculated for 2012 tablet game revenue. Still, smartphones continue to outpace tablets, with more than \$6 billion projected to be spent on them in 2016.

DVD & Blu-ray

The high performance of the entertainment industry in the first six months of 2013 is mainly due to the positive impact of new technologies and a greater use of these new technologies by the consumers. The figures expected for 2013 are promising.

Figures just released by the British Video Association show that the value of the British video entertainment market increased in the first half of 2013. Consumer expenditure on all video entertainment reached more than £993 million, up 8.2% compared with the first half of 2012. Sales value increased across both physical and digital formats, with consumer purchases of physical discs growing by 2.5% from £616.8 million to £632.5 million in the first half of 2013 compared with the same period in 2012, led by Blu-ray, whose value grew strongly by 37% to £117.2 million. The value of entertainment spend on downloading and streaming from digital video services, provided by IHS Screen Digest, increased by 42.9% in the same period to £228.1 million in the first six months.

In general, more people watch movies and TV shows on DVD and Blu-ray Disc. The number of consumers renting discs at kiosks and video stores is identical to the number of people watching on a subscription video-on-demand services, according to new data from The NPD Group. In the past 12 months, 44% of U.S. consumers purchased a movie on DVD or Blu-ray. Another 25% rented from a kiosk; 14% from pay-per-view channel; 5% bought a digital copy of a movie, and just 4% bought a digital copy of a TV show.

Digital spending in the U.S. is expected to account for 43% of all entertainment and media spending in 2017, up from 31% in 2012. Overall spending on filmed entertainment, which includes physical and theatrical, will increase at a compound annual growth rate of 3.4%. The U.S. remains the largest entertainment and media market, growing at 4.8% and reaching \$632 billion in 2017, from \$499 billion in 2012.

New technologies will present new challenges. Sony and Panasonic announced they will jointly develop a next-generation disc with recording capacity of at least 300GB by the end of 2015. Both companies have previously developed products based on the Blu-ray Disc format, leveraging the strengths of optical discs. However, both Sony and Panasonic recognised that optical discs will need to accommodate much larger volumes of storage in years to come given the expected future growth in the archive market. While this joint announcement makes no specific reference to Blu-ray discs' single-layer 25GB and dual-layer 50GB capacity, these developments will have a bearing on the necessity to augment the Blu-ray disc storage to accommodate 4K video content. This will open up a large number of opportunities to us.

Another important issue is UltraViolet. By 2018, active UltraViolet accounts could exceed 65 million worldwide - up from the estimated 6 to 8 million at present and depending on

the action from key holdouts the base could reach as high as 108 million, according to ABI Research. The North American and European regions will continue to offer the most market potential for UV, but as retailers and content holders extend the business model from purchases (EST) to include rentals (TVOD) the opportunities should expand. Since March 2012, Testronic Labs is a member of the Digital Entertainment Content Ecosystem (DECE). DECE is the cross-industry consortium responsible for developing UltraViolet. Testronic Labs contributes to the specification and the definition of the testing and certification for UltraViolet.

Digital Television

According to a new report from Futuresource Consulting the global TV market will return to growth in 2013 after shipments fell by 6% last year. Longer term, the market expects modest growth, with a CAGR of 5% between 2013 and 2016.

The uplift in the markets is, in part, attributable to emerging markets which are expected to grow by 6%, and account for over 60% of worldwide TV volumes in 2013. However, global growth is also expected to arise from technical advances led by a consumer demand for more engaging, technologically superior content.

To satisfy this demand, screen technologies have evolved, spawning next-generation 3D TVs and ultra-high definition 4K TVs. Widely considered the natural successors to current generation HD televisions, these sets offer a rich and engaging entertainment experience. Sales growth of 3D TVs has been particularly strong in China and Western Europe where in each region they accounted for 20% of flat panel sales in 2012. As a newer technology, 4K TVs have not yet seen significant market penetration, but are forecasting significant growth with shipments rising from just 62,000 units last year, to 780,000 in 2013 and 22 million units in 2017.

Business Development

Segment Information

Kuju Entertainment

The video games development business of Catalis SE is undertaken by our subsidiary Kuju, one of Europe's leading game developers. Kuju studios develop all genres of video games for consoles, PC and handheld platforms.

Business Headlines

- Kuju studios are currently working on 5 major console releases
- Current projects under development have a total contract value in excess of € 10 m
- Strong royalty deals in place, presents opportunity for significant back-end royalties

Strong operational performance from Kuju's studios

During the second quarter, Kuju generated revenues of € 2.1m (2012: € 2.7m), and contributed operating profits (EBIT) of € 0.5m to the group (2012: € 0.1m), representing an EBIT margin of 23.8% (2012: 3.7%). This significant increase in profitability is largely attributable to the decisive action of Kuju's management who, since June 2012, have been restructuring the studios and have been committed to improving cost efficiency.

Kuju in the news

Zoë Mode's Powerstar Golf announced as launch title for Microsoft's Xbox One

Each year, Q2 plays host to the annual Electronic Entertainment Expo E3 – one of the world's largest gaming conventions. Zoë Mode, Kuju's Brighton-based studio, featured heavily at the event, as an official launch partner for Microsoft's Xbox One. Zoë Mode is developing Powerstar Golf, one of only three official Microsoft sports titles going on sale with the release of the new console in Fall 2013.

Majesco Entertainment announce the latest video game title in the best-selling Zumba franchise: Zumba World Party

Another big announcement was made by Majesco Entertainment, who released details of Zumba World Party – an exhilarating fitness and rhythm game developed in collaboration with Zoë Mode. Zoë Mode has been developing titles for the Zumba franchise since 2011, which today, has recorded lifetime sales in excess of 9 million units. This latest contribution to the franchise perfectly demonstrates the team's expertise in video and motion capture technologies – making for a compelling product, and reinforcing Zoë's reputation for technical excellence.

A healthy pipeline of opportunities

From a business development perspective, Kuju continues to pursue work-for-hire opportunities, in tandem with generating its own original game concepts. This new approach, introduced by Gary Bracey (Commercial Director) following his appointment in 2012, has reinvigorated the sales efforts, and is gaining increasing attention from major international publishers. The dedicated "pitch team," responsible for conceiving new game ideas, are tendering for a number of large contracts, and are optimistic these opportunities will bear fruit.

The future of wider market

Much of the industry is focussed on the release of next-generation consoles in Fall 2013, and Kuju has witnessed first-hand that the majority of new projects are being targeted towards the latest devices. As a launch partner to Microsoft's Xbox One, Kuju is well positioned to get early exposure to this market.

However, Seeking Alpha, an industry analyst, predicts that only 1.8 million units of Sony's Playstation 4 and 1.1 million units of Microsoft's Xbox One will have shipped by the end of the 2013. As a developer, the opportunity for generating significant revenue from this small consumer base will come from selling additional downloadable content (DLC) which extends the gaming experience beyond that provided in the core product.

With an installed user base of 253 million units, and further sales expected, the current generation console users cannot be ignored. For this reason, Kuju holds a balanced development portfolio of current- and next-generation projects.

The proliferation of smartphone and tablet gaming is another key market trend. Market intelligence firm Juniper Research projects that there will be 64.1 billion downloads of game apps to mobile devices in 2017, compared to the 21 billion downloaded in 2012, and that tablet gamers will spend over \$3 billion on in-app purchases in 2016. Despite the strong growth prospects of the mobile gaming industry, development budgets for game apps remain small and are typically reserved for in-house development teams. It is expected that in the coming years, game app projects will command larger budgets and more outsource opportunities will be made available.

In closing

Kuju is making good progress on its current developments. The announcements of Powerstar Golf and Zumba World Party commanded great interest from the industry, supporting Kuju's confidence in each product's potential at retail. Furthermore, these projects have given Kuju early market exposure at the forefront of next-generation console development. This experience places Kuju in a strong position to increase its market presence as the next-generation industry matures.

Testronic Laboratories

Testronic Labs is a leading provider of quality assurance, localisation services, compliance, and certification. Operating from four global locations, Testronic Labs provides a broad spectrum of quality assurance services to the Games, Film, TV, Software and Hardware industries.

Business Headlines

- Best six monthly results in the company's history
- Games unit will be the largest business Line in 2013
- Film & TV, Digital TV and Software Testing business lines continue to conduct R&D activities

The best half-year result in the history of Testronic Labs

In the second quarter Testronic generated revenues of € 4.8m (2012: € 3.8m), representing an increase of 26.3%. Testronic generated an EBIT of € 0.5m (2012: € 0.3m). For the first six months of 2013, revenues at Testronic amounted to € 9.5m (2012: € 7.5m), an increase of 27.0% from the previous year. Testronic's EBIT for the first half-year of 2013, amounted to € 1.0m (2012: € 0.5m). This represents a de facto doubling of Testronic's EBIT for the first half of 2013.

Testronic in the news

Testronic Named HTC Connect™ Authorized Test Center

Testronic, has been named an Authorized Test Center for the HTC Connect™ testing and compliance program. HTC created the HTC Connect program to offer consumer electronics manufacturers the opportunity to create an improved sound and visual standard when connecting HTC® devices with their consumer electronics. We are the first testing center in Europe that was certified by HTC for this program.

New brand identity

In July we revealed our new brand identity. The new look provides a complete overhaul of the company brand and positively promotes the services that Testronic supplies and industries that it serves. The emblem is formed by colour coded ticks, each representing one of the four Testronic business lines (Games, Film & TV, Digital TV and Software).

New dedicated games facility in Poland

Quite recently, we have opened a new facility in Warsaw, Poland. The new site will be specifically used to service Testronic's growing games business line, carrying out functionality, compliance and compatibility testing. This is due to the fact that our games testing services are more and more adopted by our customers and new clients. We view this as a good opportunity for our business model and for the further expansion of our portfolio. Growth is expected to be additionally boosted by the launch of the new Xbox One and PS4.

Outlook for the second half - and the trend continues upwards

Our Games and Digital TV business lines are well set for further good growth in the second half of 2013, both from existing clients and from potential new clients. These areas of operations are fast becoming the backbone for Testronic. In respect of the latter, we have a good line up of prospective clients and a good deal of interest in both our traditional services and the new services penned for the last six months of 2013. It is widely expected that Games will be the largest business Line in 2013. The new dedicated games facility in Poland therefore is a logical further development.

Our traditional Film & TV markets, on the other hand, continued their good performance in the first half of 2013. In the U.S., Blu-ray Disc sales were up 15% over the first half of 2012, with new-release Blu-ray product sales up 19%. Blu-ray catalog product sales were up more than 8%. Overall digital revenue in the first half of the year was up more than 24% to more than \$3 billion, with electronic sellthrough (EST) revenue up more than 50%. Consumers bought more than 5 million Blu-ray-compatible devices during the first half of 2013, bringing the total number of Blu-ray devices in American homes to more than 61 million.

In addition, the progress of digital markets and UltraViolet cannot be stopped. Global consumer expenditure on digital content was in excess \$3 billion during the first six months of 2013 – up 24% year on year. Further, UltraViolet now provides over 10,000 film and TV titles to 13 million account holders. Through our participation in the Digital Entertainment Content Ecosystem, we are exposed first-hand to these digital technologies, and fully intend to participate in their ongoing development as the market gains widespread adoption.

In closing

This was an extremely good first half of the year but it shouldn't be considered in isolation. Our businesses are organised so that they are close to the markets and customers they serve and the administration is consequently small. Testronic demonstrated its ability to generate strong revenue growth for all business units which resulted in higher profit. In this current financial year we have achieved our best six monthly results in the company's history. The course of business leaves us with an optimistic outlook.

Investments

Total investments in the first half year amounted to € 0.3m and were attributable to the purchase of property, plant and equipment.

At Testronic, total investments of € 0.3m comprised the investment in a new equipment for the testing teams. At Kuju there were no significant investments in the purchase of property, plant and equipment.

Development of Earnings, Financial and Asset Situation

Earnings Situation

Catalis Group

In the second quarter of 2013, total revenues of Catalis Group amounted to € 7.4m (2012: € 6.6m). This represents an increase of 11.3% from the previous year. EBIT amounted to € 0.6m (2012: € 0.1m). Taking into account a financial result, € -0.2m, the company's pre-tax result amounted to € 0.4m compared to € 0.3m in the previous year. Net income for the period amounted to € 0.3m (2012: € 0.2m). This equals earnings per share of € Cent 5.5 (2012: € Cent 0.0).

In the first six months of the fiscal year 2013, revenues of Catalis Group were up to € 14.2m (2012: € 13.5m) representing an increase of 5.1%. The EBIT increased from € 0.2m to € 1.1m. We achieved a substantial increase of 450%. There were no non-recurring costs. Pre-tax earnings amounted to € 0.8m (2012: € 0.2m). Net income for the period amounted to € 0.8m (2012: € 0.2m). Earnings per share for the first half of the fiscal year 2013 amounted to € Cent 12.1 (2012: € Cent 0.0).

Testronic Laboratories

In the second quarter Testronic generated revenues of € 4.8m (2012: € 3.8m), representing an increase of 26.3%. Testronic generated an EBIT of € 0.5m (2012: € 0.3m).

For the first six months of 2013, revenues at Testronic amounted to € 9.5m (2012: € 7.5m), an increase of 27.0% from the previous year. Testronic's EBIT for the first half-year of 2013, amounted to € 1.0m (2012: € 0.5m). This represents a de facto doubling of Testronic's EBIT for the first half of 2013.

Kuju Entertainment

In the second quarter Kuju generated revenues of € 2.1m (2012: € 2.7m). EBIT for Q2 showed a profit and amounted to € 0.5m (2012: € 0.1m). For the first six months of 2013 revenues at Kuju amounted to € 4.4m (2012: € 5.8m), representing a decrease of 23.9%. Kuju's EBIT amounted to € 0.8m (2012: € 0.5m) an increase of 54.2%.

Segment reporting

The following table illustrates information about the reportable segments:

Six months to June 2013, €k	Testing	WFH Games	DDP	Corporate	Total
Revenues from external customers	9,467	4,389	389	0	14,211
Operating profit (EBIT)	1,005	785	47	(734)	1,103
Non-recurring costs	0	0	0	0	0
EBIT after non-recurring costs	1,005	785	47	(734)	1,103
EBIT margin %	10.6%	17.9%	12.1%	-	7.8%

Six months to June 2012, €k	Testing	WFH Games	DDP	Corporate	Total
Revenues from external customers	7,454	5,770	305	0	13,529
Operating profit (EBIT)	505	509	(184)	(623)	207
Non-recurring costs	0	0	0	0	0
EBIT after non-recurring costs	505	509	(184)	(623)	207
EBIT margin %	6.8%	8.8%	n.a.	n.a.	1.5%

Financial Situation

Cash flow

In the first six months of the fiscal year 2013, Catalis SE generated an operating cash flow of € 1.0m (2012: € -0.0m). This is mainly composed of the period's net income of € 0.8m, depreciation of tangible fixed assets (€ 0.4m) .

Cash flow from investing activities amounted to € -0.3m (2012: € -0.4m) and is attributable to the purchase of property, plant & equipment as well as additions of intangible assets.

Cash flow from financing activities amounted to € -0.6m (2012: € 0.0m).

The company's net cash flow in the first six months of 2013 amounted to € 0.2m (2012: € -0.4m), resulting in a net cash position at the end of the reporting period of € 1.6m (2012: € -1.4m).

Asset Situation

Balance Sheet

As of June 30, 2013, total assets of Catalis SE amounted to € 24.9m. In the first half of fiscal year 2013, the balance sheet total remained largely unchanged as compared to the end of 2012 (€ 24.9m at December 31, 2012).

The company's non-current assets were also nearly unchanged at € 16.9m (2012: € 17.0m).

Current assets increased to € 8.0m at the end of June 2013 (31.12.2012: € 7.8m).

On the equity and liabilities side, the company's total equity amounted to € 7.9m (31.12.2012: € 7.8m). This equals € 1.27 per share (31.12.2012: € 0.13), based on the number of shares outstanding of 6,242,333 (31.12.2012: 62,423,328). This increase results from the reverse stock split. It was entered in the commercial register of the Company at the end of March 2013. The technical adjustment took place on Thursday, 11th July 2013.

Long term liabilities amounted to € 8.6m (2012: € 0.2m). This is mainly attributable to the increase of long-term debt € 7.1m (2012: € 0.2m). The reason for this is that, KBC Bank converted the short term credit facility with Catalis SE into a term loan. Current liabilities decreased from € 16.8m to € 8.4m. Here, trade and other payables were down from € 5.6m to € 2.4m and current loans decreased from € 8.7m to € 1.6.

Employees

As of June 30, 2013, there were 347 (2012: 349) permanent employees working for Catalis Group. The total is composed of 241 (2012: 230) employees working at Testronic and 105 (2012: 109) at Kuju as well as one (2012: 3) employee at Catalis SE.

In general, the permanent work force of Testronic and Kuju has been reduced significantly over the past quarters with the intention to have a highly flexible work force with minimal fixed costs. This was also achieved by hiring staff with highly flexible freelancing contracts. The number of freelancers in Catalis Group is about 220.

Supplementary Report

In July 2013, the technical adjustment of the reverse stock split was carried out. The Annual General Meeting of Shareholders approved this transaction in October 2013. The reverse stock split in a ratio of 10:1, which was accompanied by an ordinary capital reduction, took place on Thursday, 11th July 2013. The number of issued shares after the consolidation is 6,242,333, each share with a par value of € 0.10. The number of outstanding shares before the adjustment was 62,423,328 with a par value of € 0.10. At the end of March 2013, Catalis SE issued in total 1,550,000 new stock options. The exercise price of these options is € 1.00 for each share. Beneficiaries of these options are Members of the Board and associated companies.

The Frankfurt Stock Exchange trading symbol for Catalis SE is still "XAE1" and the new German securities code (WKN) is A1T98Z. The new ISIN number is NL0010447306.

Risk Report

Within the scope of its operating activities in a variety of markets, Catalis SE is exposed to various risks connected with technological, entrepreneurial and investment transactions. A full risk report can be found in our Annual Report for the fiscal year 2012. The report is available for download on our corporate website at www.catalisgroup.com in the investor relations / financial publications section.

Management Statement

We declare, pursuant to section 5:25d of the Wet op het financieel toezicht (Wft), that to the best of our knowledge and in accordance with the applicable reporting principles:

- the condensed consolidated interim financial statements as of June 30, 2013 give a true and fair view of the assets, liabilities, the financial position and the profit and loss of Catalis SE and its consolidated operations; and
- the management report includes a true and fair review of the position as per June 30, 2013 and of the development and performance during the first six months of the fiscal year 2013 of Catalis SE and its related participations of which the data have been included in the financial statements, together with a true and fair presentation of the expected future developments.

Directors' Holdings

As of June 30, 2013, the following number of shares and options is held by the directors of the company:

Shareholder	No. of Shares	Options	Controlled by	Function
Jens Bodenkamp	8,916	0	Jens Bodenkamp	Chairman of the Board
Dominic Wheatley	227,510	500,000	Dominic Wheatley	Executive Director, Chief Executive Officer
Peter Biewald	10,000	60,000	Peter Biewald	Executive Director, Chief Financial Officer
Robert Kaess	5,000	0	Robert Kaess	Non-Executive Director
Dr. Michael Hasenstab	5,000	0	Dr. Michael Hasenstab	Non-Executive Director
Nick Winks	10,000	0	Nick Winks	Executive Director, Chief Restructuring Officer

Audit Statement

The semi-annual financial report for the six months ended June 30, 2013, consists of the condensed consolidated semi-annual financial statements, the semi-annual management report and responsibility statement by the company's Board of Directors. The information in this semi-annual report is unaudited. Our group auditor has neither performed an audit nor a review of these financial statements.

Forecast Report

In July 2013, the International Monetary Fund (IMF) published its current World Economic Outlook (WEO) Update. Global growth is projected to remain subdued at slightly above 3 percent in 2013, the same as in 2012.

The underperformance is due to three factors. First, continuing growth disappointments in major emerging market economies, reflecting, to varying degrees, infrastructure bottlenecks and other capacity constraints, slower external demand growth, lower commodity prices, financial stability concerns, and, in some cases, weaker policy support. Second, a deeper recession in the euro area, as low demand, depressed confidence, and weak balance sheets interacted to exacerbate the effects on growth and the impact of tight fiscal and financial conditions. Third, the U.S. economy expanded at a weaker pace, as stronger fiscal contraction weighed on improving private demand. Growth in the United States is projected to rise from 1.75 percent in 2013 to 2.75 percent in 2014. The euro area will remain in recession in 2013, with activity contracting by over 0.5 percent. Growth will rise to just under 1 percent in 2014, weaker than previously projected, in part due to base effects from the delayed recovery in 2013.

In spite of all the above side effects and risks, during the first half of our financial year we made good progress in implementing our strategies. We are very pleased with the positive development of the first six months. Our vision for the future of Catalis is clear. During the rest of this year we will press ahead with our strategy delivering further growth in sales and drive profitable growth in all units. Yet, the challenging times are now behind us and the steps taken are having a tangible effect on the development of our business.

Against the backdrop of challenging market conditions, our results for the quarter and the first six months are within the range targeted by us as part of our annual forecast. A further improvement is anticipated in Q3 and Q4. We are assuming that our strong growth will continue in the second half of 2013 and are reiterating our forecast for the year based on our results to date.

Catalis expects revenues to come in ahead of 2012, with revenues up from € 27.7m to between € 29m and € 32m and an EBIT from € 0.8m to between € 1.8m and € 2.2m.

Condensed Consolidated Statement of Financial Position of Catalis Group
As of June 30, 2013 and December 31, 2012 (in thousands of euros) **unaudited**

ASSETS	AKTIVA	30/06/2013	31/12/2012
Current Assets	Kurzfristige Vermögensgegenstände		
Cash and cash equivalents	Liquide Mittel	1,382	1,376
Trade receivables	Forderungen aus LuL	3,358	4,401
Income tax receivable	Steuerforderungen	53	90
Other current assets	Andere	3,248	1,973
Total Current Assets	Kurzfr. Vermögensgegenstände gesamt	8,041	7,840
Non-Current Assets	Langfristige Vermögensgegenstände		
Intangible assets	Immaterielle Vermögenswerte	640	586
Goodwill	Firmenwerte	14,250	14,455
Property, plant and equipment at cost - net	Sachanlagen	1,989	1,776
Deferred tax	Latente Steuern	0	196
Other non-current assets/ investments	Andere	0	0
Total Non-Current Assets	Langfr. Vermögensgegenstände gesamt	16,879	17,013
TOTAL ASSETS	AKTIVA gesamt	24,920	24,853
LIABILITIES & EQUITY	PASSIVA		
Current Liabilities	Kurzfristige Verbindlichkeiten		
Trade and other payables	Verbindlichkeiten aus LuL	2,427	5,627
Taxes and social securities	Steuern und Sozialversicherungen	1,069	1,353
Income tax payable	Verbindlichkeiten aus Ertragssteuern	43	52
Provisions	Rückstellungen	3,315	390
Bank overdraft	Kurzfristige Bankverbindlichkeiten	0	688
Current Loans	Kurzfristige Darlehen	1,556	8,731
Total Current Liabilities	Kurzfr. Verbindlichkeiten gesamt	8,410	16,841
Non-Current Liabilities	Langfristige Verbindlichkeiten		
Deferred tax liability	Latente Steuern	198	196
Provisions	Rückstellungen	1,312	0
Long-Term Debt	Langfristige Bankverbindlichkeiten	7,100	0
Total Non-Current Liabilities	Langfrist. Verbindlichkeiten gesamt	8,611	196
Total Equity	Eigenkapital gesamt	7,899	7,816
TOTAL LIABILITIES & EQUITY	PASSIVA gesamt	24,920	24,853

Condensed Consolidated Income Statement of Catalis Group (unaudited)

For the periods ended June 30, 2013 and June 30, 2012 (in thousands of euros)

€k	T€	Q2 2013	Q2 2012	HY 2013	HY 2012
Revenues	Umsatz	7,373	6,627	14,211	13,529
Total revenues	Gesamteinnahmen	7,373	6,627	14,211	13,529
Subcontracting and cost of materials	Fremd- und Materialkosten	681	769	1,352	1,570
Personnel costs	Personalkosten	4,525	4,054	8,802	8,260
Depreciation fixed assets	Abschreibungen auf Sachanlagen	187	152	356	312
Amortisation intangible assets	Abschreibungen immaterieller Vermögensgegenstände	0	(25)	21	125
Impairment of goodwill	Goodwill-impairment	0	0	0	0
General and administration	Allgemeine Verwaltungskosten	1,427	1,568	2,577	3,055
Total expenses	Kosten gesamt	6,820	6,518	13,108	13,322
Profit/(loss) from operations	operativer Gewinn/(Verlust)	553	109	1,103	207
Interest income	Zinseinnahmen	(16)	0	(60)	3
Interest expense	Zinsaufwendungen	(146)	(118)	(251)	(193)
Currency translation differences	Währungsdifferenzen	(34)	336	(26)	218
Currency Options	Währungsoptionen	(4)	0	(4)	0
Total financial income	Finanzergebnis gesamt	(200)	218	(341)	28
Income tax	Ertragsteuern	(7)	(74)	(7)	(70)
PROFIT FOR THE YEAR	Ergebnis	346	253	755	165
Earnings per share € Cent	Ergebnis je Aktie € Cent				
Basic	Unverwässert	5.5	0.4	12.1	0.3
Diluted	Verwässert	4.4	0.4	9.7	0.3

Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the periods ended June 31, 2013 and June 30, 2012 (in thousands of euros)

€k		HY 2013	HY 2012
Profit (loss) for the period	Periodenergebnis	1,103	207
Foreign exchange translation differences	Währungsdifferenzen aus der Umrechnung ausländischer Geschäftsaktivitäten	0	0
Total comprehensive income for the period	Gesamterfolg im Geschäftsjahr	1,103	207
Attributable to non-controlling interests	Davon entfallen auf nicht beherrschende Anteile	0	0
Attributable to shareholders of Catalis SE	Anteil der Aktionäre der Catalis SE	1,103	207

Condensed Consolidated Cash Flow Statement of Catalis Group (unaudited)
For the six-months period ended June 30, 2013 and 2012 (in thousands of euros)

€k	T€	HY 2013	HY 2012
Cash Flow from operating activities	Kapitalfluss aus betrieblicher Tätigkeit		
Net Income	Periodenergebnis	755	165
Depreciation of tangible fixed assets and amortisation intangible assets	Abschreibungen auf Anlagevermögen and Abschreibungen von immateriellen Firmenwerten	377	437
Increase/(decrease) provisions	Zunahme/(Abnahme) von Rückstellungen	264	0
(Increase)/decrease share based payment	(Zunahme)/Abnahme von Share based payment	23	0
(Increase)/decrease current assets	(Zunahme)/Abnahme von kurzfristigen Vermögensgegenständen	91	509
Increase/(decrease) current liabilities	Zunahme/(Abnahme) von kurzfristigen Verbindlichkeiten	419	-1175
Increase/(decrease) in deferred taxes	Zunahme/(Abnahme) latenter Steuern	169	0
Increase/(decrease) in other liabilities	Zunahme/(Abnahme) von sonstigen Verbindlichkeiten	-160	0
Interest paid	Gezahlte Zinsen	-309	0
Income tax paid	Gezahlte Ertragssteuern	-7	0
Net cash (used in) / provided by operating activities	Aus betrieblicher Tätigkeit erwirtschaftete Zahlungsmittel	1,015	-64
Cash Flow from investing activities	Kapitalfluss aus Investitionen		
Purchase of property, plant & equipment	Zahlungen für Sachanlagen	-313	-299
Additions of intangible assets	Zahlungen für immaterielle Vermögenswerte	-0	-86
Net Cash (used in) / provided by investing activities	Aus Investitionstätigkeit erwirtschaftete Zahlungsmittel	-313	-385
Cash Flow from financing activities	Kapitalfluss aus Finanzierungstätigkeit		
Proceeds from issuance of share capital	Zuflüsse aus der Ausgabe von Aktien	0	0
Payment for share issue costs	Zahlungen für Aktienausgabekosten	-5	0
Redemption of loans	Rückzahlung von Darlehen	-531	0
Finance Leases	Finanzierungsleasing	-14	0
Net Cash (used in) / provided by financing activities	Aus Finanzierungstätigkeit erwirtschaftete Zahlungsmittel	-550	0
Net effect of currency translation		-106	0
Net Increase in cash and cash equivalents	Veränderung der liquiden Mittel	216	-449
Cash and cash equivalents at beginning of year	Liquide Mittel zu Beginn der Periode	1,376	-922
Cash and cash equivalents at end of period	Liquide Mittel am Ende der Periode	1,592	-1376

Explanatory notes and accounting principles

Reporting entity

Catalis SE is a public limited liability company incorporated and domiciled in the Netherlands and listed on the regulated market segment of the Frankfurt Stock Exchange.

The condensed consolidated interim financial statements of Catalis SE as at and for the six months period ended June 30, 2013 include the company and its subsidiaries (together called the "Group").

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2012, which have been prepared in accordance with IFRS adopted by the EU. The condensed consolidated interim financial statements have not been reviewed nor audited by our external auditor.

These condensed consolidated interim financial statements have been prepared by the Executive Board of Directors on August 29, 2013. The Board of Directors gave permission for publication of the condensed consolidated financial statements on August 29, 2013.

Significant accounting policies

Except as described below the accounting policies as applied in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as and for the year ended December 31, 2012.

Non-GAAP Measures

In our financial reporting we use certain measures that are not recognised under IFRS or other generally accepted accounting principles (GAAP). We do this because we believe that these measures are useful to investors and other users of our financial statements in helping them to understand underlying business performance.

Estimates

The preparation of these condensed consolidated interim financial statements requires the Group to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimated and judgements.

Management reassessed the main estimates used in these condensed interim financial statements and except as described in these notes there are no material changes in this reporting period with respect to the significant judgements made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2012 financial statements.

Seasonality

The Group's activities are not impacted by seasonal patterns.

Financial risk management

Due to the recent financial crisis the credit risk policies have been under scrutiny. Thus far, no significant increases in credit risk appeared.

Segment reporting

The following table illustrates information about the reportable segments:

Six months to June 2013, €k	Testing	WFH Games	DDP	Corporate	Total
Revenues from external customers	9,467	4,389	389	0	14,211
Operating profit (EBIT)	1,005	785	47	(734)	1,103
Non-recurring costs	0	0	0	0	0
EBIT after non-recurring costs	1,005	785	47	(734)	1,103
EBIT margin %	10.6%	17.9%	12.1%	-	7.8%
Six months to June 2012, €k	Testing	WFH Games	DDP	Corporate	Total
Revenues from external customers	7,454	5,770	305	0	13,529
Operating profit (EBIT)	505	509	(184)	(623)	207
Non-recurring costs	0	0	0	0	0
EBIT after non-recurring costs	505	509	(184)	(623)	207
EBIT margin %	6.8%	8.8%	n.a.	n.a.	1.5%

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2012.

Investments

Investments in the reporting period were attributable to the purchase of property, plant & equipment resulting from replacement investments and testing equipment as well as additions in intangible assets.

Related parties

There have been no significant related party transactions in the first six months of 2013.

Eindhoven, August 16, 2013

The Board of Directors:

Dr. Jens Bodenkamp (Chairman, Non-Executive)
Dominic Wheatley (Executive)
Peter Biewald (Executive)
Nick Winks (Executive)
Dr. Michael Hasenstab (Non-Executive)
Robert Kaess (Non-Executive)

Additional information

Forward-looking Statements

This report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Catalis SE management and information currently available to the company. The statements involve certain risks and uncertainties that are difficult to predict and therefore Catalis SE does not guarantee that its expectations will be realized. Furthermore, Catalis SE has no obligation to update the statements contained in this report.

Imprint

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