

Mid-term Report 2008

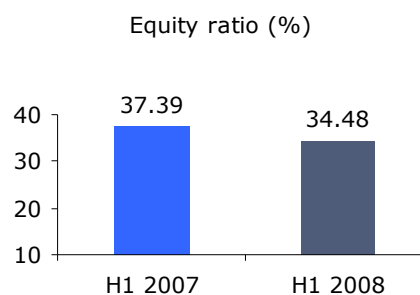
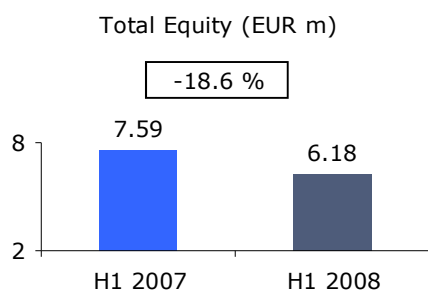
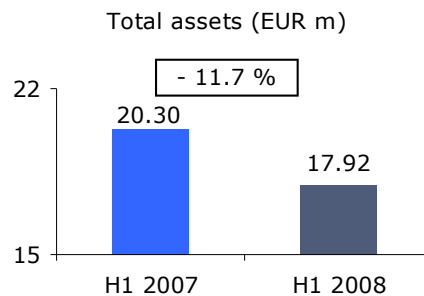
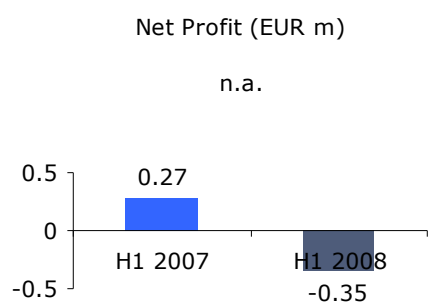
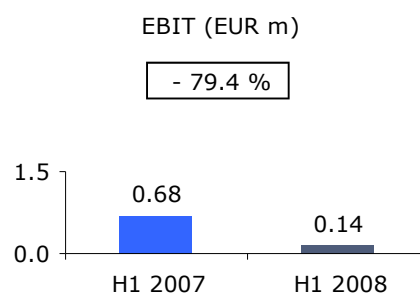
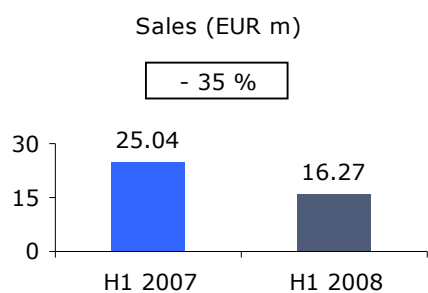


UR Holding S.p.A.



Financial ratios - Overview

Financial ratios development first half 2008



Financial calendar 2009

May 2009	Annual report 2008
July 2009	AGM 2009
September 2009	Mid-term report 2009



Financial ratios - Overview

Balance sheet ratios	2008-06-30	2007-06-30	Variance	
	EUR 000	EUR 000	EUR 000	%
Balance sheet total	17,919	20,298	-2,379	-11.7
Total equity	6,180	7,586	-1,406	-18.5
Liabilities	10,613	11,711	-1,098	-9.4
Equity ratio	34.5%	37.4%	n.a.	n.a.
Cash and cash equivalents	3,238	2,838	400	14.1
Income statement ratios				
	2008-06-30	2007-06-30	Variance	
	EUR 000	EUR 000	EUR 000	%
Revenues	16,274	25,036	-8,762	-35.0
EBITDA	400	954	-554	-58.1
EBIT	143	683	-540	-79.1
Financial result	-296	-183	-113	61.7
EBT	-189	505	-694	n.a.
Profit of the year	-352	272	-624	n.a.
Earnings per share	n.a.	0,04 EUR	n.a.	n.a.
Other ratios				
	2008-06-30	2007-12-31	Variance	
Number of employees	80	78	2	2.6
Share ratios				
	2008-06-30			
Share Capital	1,847,000 EUR			
Stock numbers	7,386,730			
Share 2008-01-02	1.53 EUR			
Share 2008-06-30	0.87 EUR			
Market Cap. 2008-06-30	6,426,455 EUR			
Segment	Entry Standard			
German Securities ID	A0LBEG			

Disclaimer

The English mid-term report is not audited. It is based on the translation of the original Italian consolidated financial statement, prepared in accordance with Italian accounting principles.





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Products and applications range

Overview



The Management - Team

Board of directors



Giovanbattista Laghezza

CEO & President

- Founder of UR Holding S.p.A.
- Successful track record in the high-tech industry for 25 years
- Responsibilities: corporate technology, marketing, finances



Stefan Haas

CFO

- Over 15 years of relevant professional experience
- Special area of M&A and private equity with a focus on SMEs
- Responsibilities: M&A, financing, strategic planning

Supervisory board

Dr. Maria Cristina Ciarchi, chairman (Ernst & Young)

Dr. Massimo Giaconia, (Baker & Mc. Kenzie)

Dr. Giovanni Lettieri (Ernst & Young)



Dear Shareholders,

During the first half of 2008, UR Holding's business performance was characterised by the establishment of the company structures internationally expanded over the 2007 financial year and the optimised manufacturer portfolio. As a leading European sales company for high-tech components, we therefore fulfilled our ambition of achieving the market leadership in the area of demand creation in Europe on an even broader base. However, the Group's earnings were affected by the continued difficult economic conditions and by temporary contractual arrangements, as a result of new collaborations.

UR Holding's two-pillar strategy includes geographical expansion to open up new sales markets, and the ongoing adaptation of the service and product spectrum to the constantly changing requirements of the electronics industry. Acquisitions and newly established companies in the 2007 financial year, stretching from Austria and Israel to Latin America, were integrated systematically and smoothly into the UR Group structure during the first half of 2008. In addition to a strengthened market position, the Eastern European and South American growth markets are primarily in the Group's focus. At the same time, the manufacturer portfolio was strategically expanded on target and other high-quality and promising products were included in the product range. However, the income and revenues potential generated in this way were not realised in the first half of 2008.

Alongside the continued international financial crisis, exchange rate effects and an economic slowdown, primarily the contractual arrangements usual in the electronics industry led to a reduction in revenues. Despite stable business generated, the business transacted with new partners, initially on a commission basis, is leading to lower revenues before a changeover is made to the lucrative 'buy and resell'. UR Holding's revenues were thus EUR 16.3 million in the first half of 2008 (first half of 2007: EUR 25.0 million) and therefore 34.8% below the comparable previous year's figure. At the end of the reporting period, EBIT was EUR 0.14 million (first half of 2007: EUR 0.68 million). The Group's liquid assets rose by 14.1% to EUR 3.2 million (first half of 2007: EUR 2.8 million) at an equity ratio of 34.5% and a slight loss for the Group of EUR - 0.35 million (first half of 2007: EUR 0.27 million).

Despite an outcome not yet satisfactory for us, the Group's performance widely meets our targets. We maintained our claim to market leader in the Power Supply division. The Consumer and Communications divisions were strengthened and expanded by new partnerships. We are regarded as a B2B partner with specific technical expertise and necessary engineers in the mid and upper customer segment relevant to us. At the same time, we are fulfilling the function of a pan-European distribution platform with sales expertise gained over many years.

We are not only becoming more attractive to suppliers and customers as a result of the geographical expansion and extension of our service spectrum, but this is also minimising our business risk and our dependency on individual sales regions or products.



Foreword from the board

We have laid the foundation for raising newly created income and yield potential, which makes possible continued and sustainable company growth. The successes made at the strategic level – especially considering the difficult market environment, continued weakness of the dollar and portfolio optimisation – have not yet made themselves felt in the operating revenues and earnings performance. However, we are well positioned for the long term not least due to the Group's solid capital requirements and the liquid assets. In the medium term we are therefore pursuing a significant increase in revenue and an improvement in the EBIT margin and are confident about the future development of UR Holding S.p.A.



Giovanbattista Laghezza
Chief Executive Officer



Stefan Haas
Chief Financial Officer

Business model

Facilitation of the entire value chain possible through UR's full service approach

The business model

UR Holding is a B2B partner in the mid and upper customer segment of the high-tech electronics industry requiring a high degree of consulting. In contrast to competitors who specialise purely in sales of electronic components and products, UR has specialised expertise, a pan-European presence and the necessary resources to facilitate the entire value chain.

UR is today one of Europe's leading demand creation companies. As an integrated system partner, UR works on problem solutions and product innovations which lead on to increased growth potential at suppliers. The demand creation service unit is supported by our own technical design centre and comprehensive market knowledge. The Supply Chain Management service unit facilitates a systematic network of suppliers, producers and customers, and therefore a corresponding optimisation of the entire value process.

UR positions itself as a strategic link between suppliers and customers with this full service approach. The integrated planning, management and facilitation of the processes along the entire value chain leads to savings in costs and time. Suppliers benefit from increased growth potential, and customers from a direct connection to a pan-European distribution system, in addition to the technical support and reduction in complexity offered.

Suppliers and customers thus value UR as an enabling partner who promotes growth and improves processes.

UR Service Units



Geschäftsmodell

Full service approach rounded of by geographical presence

Since its establishment in 1996, UR Holding S.p.A. has pursued a clear strategy of expansion, focusing on opening up new markets and proximity to customers. It ensures a constant level of quality of the products and services, and best maintenance of relations with suppliers and customers. The Group's wide geographical presence further increases the benefit of UR Holding S.p.A.'s full service approach.

Expansion history

- 1996: Italy, Germany and Spain
- 1999: United Kingdom
- 2000: France
- 2001: Sweden, Israel
- 2002: USA
- 2004: Greece
- 2006: Listing in the Entry Standard of the German Stock Exchange
- 2007: Austria, Latin America

Extensive geographical presence



Weakened economic growth negatively impacts earnings performance in the first half of 2008.

The international capital and financial markets characterised by uncertainty had a slowing effect on the economy in the first half of 2008. In particular, the continued effects of the financial crisis and the ever rising price of oil, as well as higher prices for commodities and energy negatively impacted economical development. According to the *Hamburgisches WeltWirtschafts Institut* (Hamburg Institute of International Economics), the growth of the global economy will slow considerably during 2008. Growth of 1.5% is forecast for the eurozone in the wake of a pronounced dent in the economy and growth momentum in Germany is also expected to weaken in 2008. The *Statistisches Bundesamt* (Destatis) (The German Statistics Office) forecasts growth in real GDP of 1.7% (previous year: 2.5%) for Germany for the first half of 2008). Not least the continued strength of the euro had a negative effect on exports. By contrast, the US dollar sank in April 2008 to a record low against the euro and recovered only slightly by the end of the reporting period. Burgeoning inflation trends were combated in many countries with restrictive monetary policies. At the same time, a credit squeeze and more restricted lending led to worsened borrowing conditions (rising risk premiums, rationing) for companies. This economic slowdown led to lower earnings for many companies across all industries during the first half of 2008.

Master data UR share:

German Securities ID:	AOLBEG
Trading Exchanges:	Frankfurt, XETRA, Berlin/Bremen, Stuttgart
Trading Symbol:	URH
Market segment:	Open Market / Entry Standard (stock market Frankfurt)
Market Cap.*:	6.43 EUR m
Numbers of shares:	7,386,730
Share price*:	EUR 0.87
H1 2008 High (2008-01-04):	EUR 1.54
H1 2008 Low (2008-05-16):	EUR 0.74
Designated Sponsoring:	Close Brothers Seydler AG

*2008-06-30



Investor Relations

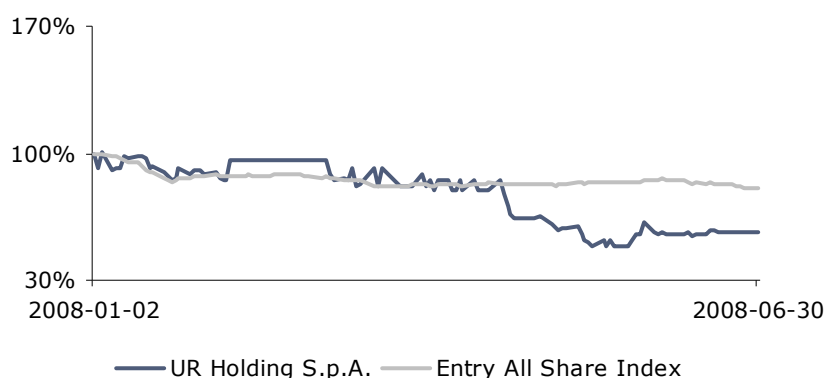
UR Share

Stock markets characterised by uncertainty

The effects of the financial crisis, followed by lowered economic forecasts, led to value corrections on the stock markets, which affected the financial sector in particular. The German share index, the DAX, lost over 20% in the first half of 2008 and closed at 6,418 points on 30 June 2008. The MDAX fell by over 8% and closed at 9,035 points at the end of the reporting period.

The Entry All Share Index, which indicates the performance of Entry Standard values, including UR Holding S.p.A., fell by 19.6% between the beginning of the year and the end of the first half of 2008, closing at 859 points. UR shares could not escape this negative capital market trend and closed 37.9% lower at EUR 0.87 at the end of the reporting period. Market capitalisation was EUR 6.43 million as at 30 June 2008.

Performance H1 2008



Performance H1 2008

	2007-12-28	2008-06-30	Performance in % H1 2008
DAX	8,067.32	6,418.32	-20.4
MDAX	9,864.62	9,035.09	-8.4
Entry All Share Index	1,063.53	859.53	-19.2
UR Holding S.p.A.	1.40	0.87	-37.9



Director's Dealings

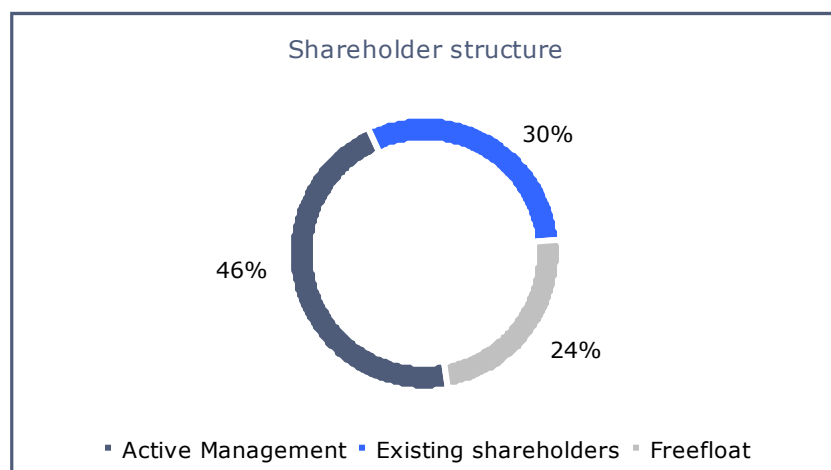
In the period from December 2007 until the end of the reporting period on 30 June 2008, the following share transactions were made by the Management and the holding company:

- Middle management and employees acquired 60,000 company shares.
- UR Holding S.p.A. acquired 40,000 company shares.

Aktionärsstruktur

UR Holding S.p.A.'s shareholder structure can be broken down as follows:

The active management holds 46% of the Company shares, the existing shareholders hold 30% and 24% are in free float.



Investor Relations - informative and current

UR Holding S.p.A. still operates systematic and comprehensive investor relations, which go beyond the legal requirements of the Entry Standard. The communication with investors, financial journalists and other interested parties is regarded as an important means of increasing transparency and the currency of information. Investors and analysts were informed of the most recent Company developments during the Entry & General Standard Conference held in April and in personal meetings during a roadshow.

At the end of the reporting period, UR introduced itself to a wide specialist audience at the Small Cap Conference held in August.

You will continue to find up-to-date and comprehensive information about the current developments of UR Holding S.p.A. on our homepage at www.ur-home.com.



Significant events

Net assets, financial position and results of operations

1. General

The consolidated financial statements of UR Holding S.p.A. for the first half of 2008 were prepared in line with Italian accounting principles. The previous year's figures were also determined in accordance with Italian accounting principles.

2. Overall statement on the reporting period and outlook

The new, expanded Group structures were consolidated in the first half of 2008. The geographical expansion has firstly underscored our growth strategy, which has been pushed since the Company's establishment and has secondly created new earnings and revenues potential. In addition, our market position has been strengthened and our portfolio expanded on target. Even if these successes are not yet reflected in the earnings performance, we believe we are well positioned for future development. Our aim is to exploit potential created with the measures initiated over the course of the 2008 financial year and in 2009 and to extend UR's market share.

3. Revenues and earnings performance

Revenues

In the first half of 2008, UR Holding S.p.A.'s revenues stood at EUR 16,274 thousand (first half of 2007: EUR 25,036 thousand) and are thus 35% below the value of the comparable period of the previous year. This revenue performance was influenced by various factors.

The effects of the continued financial crisis and the economic slowdown negatively impacted the financial performance and thus the market environment of UR Holding. The establishment of expanded company structures represents another aspect. During the 2007 financial year, the Austrian B.E.S.T. Electronics Distribution GmbH and the Israeli 2B Tronics were acquired and the first subsidiary in South America was established with UR Latin America. In addition, new partnerships were made in the wake of the portfolio optimisation. The contractual arrangements usual at the beginning of collaborations initially provide for cooperation on a commission basis. Despite stable business volume, lower revenues will be generated before the changeover to the lucrative 'buy and resell'.

Costs

Costs for raw materials and supplies for generating revenues sank against those of the previous year by 42.6% to EUR 11,191 thousand (first half of 2007: EUR 19,486 thousand). At EUR 2,566 thousand (first half of 2007: EUR 2,457 thousand), staff costs are 4.5% above those of the previous year.

EBIT

At the end of the reporting period, EBIT was EUR 143 thousand (first half of 2007: EUR 683 thousand).

Net loss for the period

As of 30 June 2008, UR Holding posted a net loss for the period of EUR -352 thousand (first half of 2007: EUR 272 thousand).



4. Net assets

As at 30 June 2008, the Group's total assets amounted to EUR 17,919 thousand. UR Holding's asset structure has therefore not changed significantly since the 2007 reporting date. On 31 December 2007, total assets amounted to EUR 18,499 thousand, and have therefore decreased by only 3.2% at the end of the first half of 2008.

As at 30 June 2008, non-current assets amounted to EUR 2,710 thousand (31 December 2007: EUR 2,810 thousand) and are thus 3.6% below the value on the reporting date for the 2007 financial year. The Land and Buildings item represent the largest items with a value of EUR 2,094 thousand (31 December 2007: EUR 2,144 thousand).

Current assets remained at virtually the same level. They sank by 1.9% to EUR 15,086 thousand as of 30 June 2008 (31 December 2007: EUR 15,385 thousand). Finished goods and products rose by 9.4% to EUR 3,188 thousand (31 December 2007: EUR 2,913 thousand), receivables rose by 5.5% to EUR 8,442 thousand (31 December 2007: EUR 8,000 thousand) at the end of the reporting period. As at 30 June 2008, the Group's liquid assets sank by 21.4% to EUR 3,238 thousand (31 December 2007: EUR 4,118 thousand).

5. Financial position

As of 31 December 2007, equity was EUR 6,648 thousand and sank by 1.4% to EUR 6,180 thousand as of 31 June 2008. At the end of the reporting period, the Group's equity ratio was 34.5% (31 December 2007: 35.9%). The Group's capital requirements are therefore still at a solid level.

Borrowing decreased during the reporting period by 1.5% and amounted to EUR 10,613 thousand as of 30 June 2008 (31 December 2007: EUR 10,775 thousand). The reduction is essentially the result of a decrease in liabilities to suppliers of 6.9% to EUR 4,654 thousand (31 December 2007: EUR 4,998 thousand). Liabilities to banks rose by 8.5% to EUR 3,423 (31 December 2007: EUR 3,154 thousand). Other liabilities amounted to EUR 1,319 thousand (31 December 2007: EUR 1,120 thousand), thus 17.8% above the comparable figure of the previous year.

6. Employees

UR operates in an expertise driven environment involving intensive consultation. The Group therefore particularly values its employees' level of qualification. Their specialist knowledge and commitment form the basis for future success.

At the end of the reporting period, the Group employed (excluding Management Board members) 80 staff (31 December 2007: 78 staff).

7. Significant events following the end of the reporting period

There have been no important events since the end of the reporting period.



Profit and Loss statement as of June 30, 2008

Profit and loss statement	2008-06-30 EUR 000	2007-06-30 EUR 000	Variance EUR 000	%
<i>Revenues</i>				
Sales	16,184	24,864	-8,680	-34.9
Other revenues and income	90	172	-82	-47.7
Total	16,274	25,036	-8,762	-35.0
<i>Production costs</i>				
Raw materials, subsidiary materials, consumables and goods	-11,191	-19,486	8,295	-42.6
Services	-1,723	-1,591	-132	8.3
Rent/lease	-329	-304	-25	8.2
Personnel costs				
- Salaries and wages	-1,934	-1,961	27	-1.4
- Social contribution	-484	-427	-57	13.3
- Empl. Leaving indemnity, pensions, sim. obligations	-76	-49	-27	55.1
- Other charges related to staff	-72	-20	-52	260.0
Miscellaneous running costs	-65	-244		
Total	-15,874	-24,082	8,208	-34.1
EBITDA	400	954	-554	-58.1
<i>Depreciation and value adjustments</i>				
Depreciation of intangible assets	-130	-130	0	0.0
Depreciation of tangible assets	-115	-116	1	-0.9
Write down of accounts receivable recorded among current and liquid assets	-12	-25	13	-52.0
Total	-257	-271	14	-5.2
EBIT	143	683	-540	-79.1
<i>Financial income and costs</i>				
Other financial income	30	34	-4	-11.8
Interest and other financial costs	-326	-217	-109	50.2
Total	-296	-183	-113	61.7
<i>Extraordinary income and expenses</i>				
Other extraordinary income	4	12	-8	-66.7
Other extraordinary expenses	-40	-7	-33	471.4
Total	-36	5	-41	n.a.
EBT	-189	505	-694	-137.4
<i>Income taxes</i>				
Total	-163	-233	70	-30.0
PROFIT (LOSS) of the financial year	-352	272	-624	n.a.
Profit(loss) of the year of third parties	-12	-3	-9	n.a.
Profit(loss) of the year of group	-340	275	-615	-223.6



Balance sheet as of June 30, 2008

	2008-06-30	2007-06-30	Variance	Assets
	EUR 000	EUR 000	EUR 000	%
Assets				
<i>Accounts receivable from shareholders in respect of unpaid share capital</i>	0	46	46	n.a.
Fixed assets				
<i>Intangible Assets</i>				
Start-up and expansion costs	139	257	-118	-45.9
Industrial patent and intellectual property rights	26	32	-6	-18.8
Concessions, licenses, trademarks and similar rights	6	2	4	200.0
Goodwill	38	36	2	5.6
Work-in-progress and advances	18	14	4	28.6
Other intangible assets	30	31	-1	-3.2
Total	257	372	-115	-30.9
<i>tangible assets</i>				
Land and buildings	2,094	2,144	-50	-2.3
Plant and machinery	71	7	64	914.3
Industrial and commercial equipment	76	125	-49	-39.2
Other assets	122	148	-26	-17.6
Total	2,363	2,424	-61	-2.5
<i>Financial assets</i>				
Participations	9	8	1	12.5
Other accounts receivables	6	6	0	0.0
Treasury shares	75	0	0	n.a.
Total	90	14	76	542.9
Total fixed assets	2,710	2,810	-100	-3.6
Current assets				
Stock	3,397	3,267	130	4.0
Accounts receivable	8,442	8,000	442	5.5
Financial assets other than fixed assets	9	0	9	n.a.
Total	11,848	11,267	581	5.2
<i>Liquid assets</i>				
Bank and postal deposits	3,220	4,114	-894	-21.7
Cheques	10	1	9	900.0
Cash and cash equivalents	8	3	5	166.7
Total	3,238	4,118	-880	-21.4
Total current assets	15,086	15,385	-299	-1.9
Prepayments and accrued income	123	258	-135	-52.3
Total assets	17,919	18,499	-580	-3.1



Balance sheet as of June 30, 2008

Liabilities

Liabilities	2008-06-30 EUR 000	2007-12-31 EUR 000	Variance EUR 000	%
Equity				
Share capital	1,847	1,847	0	0.0
Share premium reserve	4,629	4,629	0	0.0
Legal reserve	55	55	0	0.0
Other reserves	523	1,030	-507	-49.2
Retained Earnings (loss) carry forwards	-448	-407	-41	10.1
Profit (loss) of the year	-352	-378	26	-6.9
Total equity of Group	6,330	6,776	-446	-6.6
Share capital and reserves of third parties	-138	-105	-33	n.a.
Profit (loss) of the year of third parties	-12	-23	11	n.a.
Total equity of third parties	-150	-128	-22	n.a.
Total shareholder's equity	6,180	6,648	-468	-7.0
Provisions for liabilities and charges				
Provision for pensions and similiar obligations	280	270	10	3.7
Provision for taxes	82	52	30	57.7
Employees leaving indemnity	484	442	42	9.5
Other provisions	106	117	-11	-9.4
Total	952	881	71	8.1
Accounts Payables				
- to banks	3,423	3,154	269	8.5
- represented by negotiable instruments	6	0	6	n.a.
- to third party lenders	19	14	5	35.7
- to suppliers	4,654	4,998	-344	-6.9
- Taxes payable	287	474	-187	-39.5
- to social security institutions	230	213	17	8.0
- to to owners for loans	700	816	-116	-14.2
- Other accounts payable	1,294	1,106	188	17.0
Total	10,613	10,775	-162	-1.5
Prepayments and accrued income	174	195	-21	-10.8
Total Liabilities	17,919	18,499		



Disclaimer

This report contains future-oriented statements that reflect the current management views of UR Holding S.p.A. regarding future events. Every statement in this report that reflects intentions, assumptions, expectations or predictions, as well as the assumptions on which they are based, is such a future-oriented statement. These statements are based on plans, estimates and forecasts currently available to the management of UR Holding S.p.A.. Therefore, they only apply to the day on which they are made.

By their nature, future-oriented statements are subject to risks and uncertainty factors that can result in actual developments deviating considerably from the future-oriented statements or the events implicitly expressed in them. UR Holding S.p.A. is not obligated, nor does it intend, to update such statements in view of new information or future events.

Other information

This document contains the consolidated financial statements for UR Holding S.p.A., reported in accordance with Italian accounting standards. This interim report has been prepared in EUR. Unless stated otherwise, all amounts are given in thousands of euro. This form of reporting may result in rounding differences.



Imprint



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