

DATA MODUL

Interim report as of
March 31, 2012



Dear Shareholders,

The first quarter of 2012 proved to be a good start into the new fiscal year for DATA MODUL. Compared to the same quarter of the previous year, revenue increased to 35.8 million euros. There was also a positive trend in the volume of orders, with an increase of 10.4% over the first quarter of last year to 45.8 million euros. The continued positive mood in Germany, our main market, as well as the upward trend at our successful foreign subsidiaries determined this development. Thus, we have achieved our most important goal of delivering consistently positive results. EBIT for the first quarter of the current year is 2.1 million euros (2011: 2.1 million euros). In the first quarter, profit after taxes increased by 7.1% to 1.5 million euros, translating to earnings per share of 0.43 euros (based on a total number of shares of 3,518,602) (2011: 0.39 euros).

Interim Management Report

I. General economic conditions

Last fall's economic gloom prevailing in Germany and in economies across the globe turned to spring-time euphoria – albeit without positive economic figures. Taking a closer look, the global economy has improved only marginally over the past six months. On the positive side, growth prospects for most of the emerging countries had to be revised only slightly in comparison to 2011. For example, China's growth in the first quarter of 2012 was 8.1% compared to previous year's 9.2%. The highly developed countries also show a similar improvement. The U.S.A., the world's largest economy and currently DATA

Key Indicators

	Jan to Mar 2012	Jan to Mar 2011	Change
Total revenue (in million euros)	35.8	34.5	3.8 %
Displays	21.3	21.7	(1.8) %
Systems	14.5	12.8	13.3 %
Order entry (in million euros)	45.8	41.5	10.4 %
Order backlog (in million euros)	78.4	74.9	4.7 %
EBIT (in million euros)	2.1	2.1	0.0 %
Annual net earnings (in million euros)	1.5	1.4	7.1 %
Investments (in million euros)	0.4	0.4	0.0 %
Employees	306	289	5.9 %
Earnings per share	0.43	0.39	10.3 %
Based on number of shares	3,518,602	3,526,182	
EBT (in million euros)	2.0	2.1	(4.8) %

MODUL's most important foreign market, expects a marked increase in economic growth in 2012. IMF projections for the U.S.A. for 2012 forecast an increase of 1.8%, compared to 1.7% in 2011.

A noticeable slump in recovery is only expected for the euro zone, including Germany. However, there is quite a difference in the economic cycles of the northern and southern member states of the monetary union. Whereas the northern euro zone countries experienced only a pause in their economic upturn in the winter months of 2011/2012, the southern euro zone countries have not yet recovered from the 2009 recession. The reason may be the lack of trust following the sovereign debt crisis and necessary drastic budget consolidation even in the larger countries such as France, Italy and Spain. Germany gets off lightly with its 0.6% growth for 2012, primarily thanks to the robust situation on the employment front. Together with wage and salary increases, this leads to a substantial rise in private consumption. On top of that, the currently low interest rates work in favor of the real estate industry. Overall, the global economy will expand in 2012, although at a slower pace. There are only limited economic risks.

Messages proliferated by media and politics presently contribute a great deal to the general uncertainty and volatility of the markets. Major sources of uncertainty are, in addition to the high oil price, the sovereign debt crisis in the eurozone countries and the resulting destabilizing effects this has on the financial systems. A strategy for encouraging growth in the southern states of the monetary union is still lacking.

The trend in DATA MODUL's figures reflects the positive economic conditions, thus repeating the excellent results of the prior year quarter in the first quarter of 2012.

II. Business Performance

Revenue for the first quarter of the 2012 fiscal year totaled 35.8 million euros, an increase of 3.8% over the prior year result of 34.5 million euros. The Displays business segment achieved revenues of 21.3 million euros (2011: 21.7 million euros), whereas the Systems business segment saw revenues of 14.5 million euros (2011: 12.8 million euros). First quarter order entry amounted to 45.8 million euros (2011: 41.5 million euros), an increase of 10.4%. Comparing this quarter's results with those of the same quarter of the previous year, the rise in order intake is mostly attributable to the Systems segment. The order backlog amounts to 78.4 million euros (2011: 74.9 million euros) with a continued calculated revenue stream of six months. In the first three months of 2012, the export ratio was 31.1% (2011: 33.1 %).

III. Profitability

Due to the continued favorable development in revenues, EBIT for the first quarter of 2012 was 2.1 million euros (2011: 2.1 million euros). EBIT breaks down as follows: 1.4 million euros (2011: 1.7 million euros) attributable to the Displays business segment and 0.7 million euros (2011: 0.4 million euros) to the Systems business segment. We continued systematic efforts to expand the Systems business, which now accounts for a constantly growing portion of revenue within the Group. Expanding the Systems business will help maintain our gross yield margin and support our customer-oriented value-added activities and R&D efforts, giving us an edge over our competitors.

EBT for the Group in the first three months of 2012 was 2.0 million euros (2011: 2.1 million euros). Net income for the year for the same period was at 1.5 million euros (2011: 1.4 million euros), translating into earnings per share of 0.43 euros in the first three months of 2012, compared to 0.39 euros during the same period of 2011.

IV. Net assets and financial situation

Operating cash flow as of March 31, 2012 amounted to minus 1.6 million euros (2011: – 4.4 million euros). Based on positive business trends, working capital was increased further. At the end of the first quarter of 2012, the Group's equity ratio (in accordance with IFRS) amounts to 54.6% (December 31, 2011: 55.6%). Hence, the Group continues to demonstrate its financial strength and remarkable liquidity.

V. Investments and regional offices

In the first three months of 2012, investments amounted to 0.4 million euros (2011: 0.4 million euros). In the current fiscal year, we plan to invest in fixed assets both in our Munich location and in our production and logistics center Weikersheim in order to strengthen the Systems segment.

DATA MODUL AG maintains regional offices in Duesseldorf and Hamburg that serve as our sales offices for the respective region.

VI. Employees

As of March 31, 2012, the Group had 306 employees, compared to 289 staff in the previous year. The DATA MODUL Group employed 51 staff abroad.

VII. Risks and rewards

In the financial year 2012, DATA MODUL continues to aim at growing its core business segments Displays and Systems. Global economic trends, the impact of exchange rate fluctuations, rising commodity and energy prices, as well as uncertainty with respect to future customer demand constitute risks that may have a sustained impact on our business performance. We are aware of these risks and thoroughly monitor their impact on our business operation. As a result of the economic recovery and low customer inventories displays are in short supply, leading to much longer delivery periods and price increases. Currently, there are no apparent existential risks for the DATA MODUL Group. No significant changes of the information on risks and rewards that was published in the 2011 Annual Report have occurred since.

VIII. Subsequent events

There were no significant subsequent events during the reporting period after the reporting date of March 31, 2012.

IX. Forecast - Outlook 2012

The following disclosures regarding the future business trends of the DATA MODUL Group and assump-

tions relating to trends in the market and the industry that are regarded as significant in this context are based on our assessments that we believe are currently realistic given the information available. However, these assumptions and assessments are subject to uncertainty and bear the inevitable risk that the projected developments will not actually occur, neither in respect to their trends nor in respect to their extent.

At the beginning of Spring, we consider the economic situation to be stable. The recovery of the global economy has slowed down in the first quarter of 2012. However, Germany will profit from the positive development of its domestic economy and its positioning in foreign markets as well as positive developments in its labor market. The future of Europe, however, is hard to predict because of the different regional economic cycles and the continuing sovereign debt crisis. For 2012, we expect the most positive trends in the U.S.A. as well as in China. The presidential elections, an improvement in the income of private households and favorable economic figures are expected to boost the U.S. economy 2012.

Nevertheless, and because of the somewhat uncertain economic situation, we would currently predict only a slight increase in sales but distinctly positive earnings for 2012. The upturn in the U.S.A. and Germany, our most important markets, will be the driver for our business, compensating the difficult business environment in southern Europe. DATA MODUL will continue to grow its R&D activities in 2012 and will prepare its production and logistics center in Weikersheim for future growth. Even though these investments may have a short-term impact on our earnings, we will have prepared for our future success. We expect definite growth potential in the industry market that forms our most important customer base. Due to market pressures, these customers had to introduce automated production processes. The interconnected production processes are highly complex and require man-machine communication (displays) to control the production lines. These integrated embedded systems are a great opportunity for growth for the DATA MODUL Group in the coming years.

Our shareholders will also benefit from DATA MODUL's bright future, as the current development of our business and encouragement from analysts and investors alike clearly indicate great potential for our market capitalization.

X. Related party transactions

In the first quarter of 2012, the Group incurred expenses for services rendered in relation to filling a Group level key management position. In addition, DATA MODUL AG purchased goods at customary market conditions from Varitronix Investment Ltd., Hong Kong, China, which holds 19.99% of the voting rights.

Consolidated Statements of Financial Position - IFRS

ASSETS	IFRS	
	03/31/2012	12/31/2011
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,411	2,355
Property, plant and equipment	7,713	7,811
Other non-current assets	1,493	1,525
Deferred tax assets	1,691	1,677
Total non-current assets	15,727	15,787
Current assets		
Inventories	31,351	27,138
Trade accounts receivable, net of allowance for doubtful accounts (in 2012: 466; 2011: 608)	18,909	17,722
Other current assets	1,523	861
Cash and cash equivalents	5,841	8,426
Total current assets	57,624	54,147
Total assets	73,351	69,934

All figures in thousands of euros

LIABILITIES AND SHAREHOLDERS' EQUITY	IFRS	
	03/31/2012	12/31/2011
Shareholders' equity		
Common stock no-par value bearer shares (shares authorized: KEUR 5,289; shares issued and outstanding: 3,507,117 as of 03/31/2012 and 3,526,182 in 2011)	10,521	10,579
Share-based equity	22,440	22,440
Retained earnings	8,663	7,389
Other reserves	(1,543)	(1,490)
Total shareholders' equity	40,081	38,918
Non-current liabilities		
Pension and non-current personnel liabilities	1,916	1,931
Non-current borrowings	4,325	4,325
Deferred tax liabilities	1,619	1,626
Total non-current liabilities	7,860	7,882
Current liabilities		
Accounts payable	10,195	9,029
Taxes payable	895	868
Accrued liabilities	1,109	1,060
Current borrowings	5,899	6,152
Other current liabilities	7,312	6,025
Total current liabilities	25,410	23,134
Total liabilities	33,270	31,016
Total liabilities and shareholders' equity	73,351	69,934

All figures in thousands of euros

Consolidated Statements of Income – IFRS

	IFRS	
	01/01 - 03/31/2012	01/01 - 03/31/2011
Revenue	35,782	34,541
Cost of sales	(27,928)	(26,700)
Gross margin	7,854	7,841
Research and development expenses	(802)	(567)
Selling, general and administrative expenses	(4,984)	(5,147)
Earnings before interest and taxes (EBIT)	2,068	2,127
Interest income	6	4
Interest expense	(90)	(73)
Income before income taxes	1,984	2,058
Income taxes	(484)	(695)
Net income	1,500	1,363
Earnings per share - basic	0.43	0.39
Earnings per share - diluted	0.43	0.39
Weighted average shares outstanding - basic	3,518,602	3,526,182
Weighted average shares outstanding - diluted	3,518,602	3,526,182

In thousand euros, except earnings per share, number of shares and weighted average of shares outstanding.

Consolidated Statements of Cash Flow – IFRS

	IFRS	
	01/01 - 03/31/2012	01/01 - 03/31/2011
Cash flows from operating activities		
Net income	1,500	1,363
Non-cash expenses and income		
Income tax expense	505	679
Amortization of capitalized development costs	216	224
Amortization of other intangible assets and depreciation of fixed assets	271	254
Provision for bad debts	(142)	0
Deferred taxes	(21)	17
Changes in non-current accrued liabilities	(16)	0
Net interest	84	69
Other non-cash expenses and income	0	283
Changes in operating assets and liabilities		
Trade accounts receivable	(1,046)	(3,284)
Inventories	(4,213)	(3,481)
Trade accounts payable	1,166	(500)
Accrued liabilities	50	484
Other receivables, assets and loans	818	(14)
Income taxes paid	(695)	(405)
Interest received	2	54
Interest paid	(79)	(129)
Cash flows from operating activities	(1,600)	(4,386)
Cash flows from investing activities		
Additions from capitalized development costs	(335)	(217)
Capital expenditures on other intangible and fixed assets	(111)	(221)
Cash flows from investing activities	(446)	(438)
Cash flows from financing activities		
Decrease in short-term borrowings	(253)	0
Increase in short-term borrowings	0	3,323
Increase in non-current borrowings	0	500
Purchase of treasury shares	(284)	0
Cash flows from financing activities	(537)	3,823
Effect of exchange rate changes on cash and cash equivalents	(2)	(10)
Net increase in cash and cash equivalents	(2,585)	(1,011)
Cash and cash equivalents at the beginning of the period	8,426	6,477
Cash and cash equivalents at the end of the period	5,841	5,466

All figures in thousands of euros

Consolidated Statements of Changes in Equity – IFRS

	Common stock		Share Based Equity	Retained earnings	Other reserves	Total
	Shares	Amount				
Balance as of 01/01/2011	3,526,182	10,579	22,445	1,201	(1,652)	32,573
Net income	-	-	-	1,363	-	1,363
Foreign currency translation adjustment	-	-	-	-	(82)	(82)
Balance as of 03/31/2011	3,526,182	10,579	22,445	2,564	(1,734)	33,854
Balance as of 01/01/2012	3,526,182	10,579	22,440	7,389	(1,490)	38,918
Net income	-	-	-	1,500	-	1,500
Treasury shares	(19,065)	(58)	-	(226)	-	(284)
Foreign currency translation adjustment	-	-	-	-	(53)	(53)
Balance as of 03/31/2012	3,507,117	10,521	22,440	8,663	1,543	40,081

In thousand euros, except for number of shares

Consolidated Statements of Comprehensive Income

	IFRS	
	01/01 - 03/31/2012	01/01 - 03/31/2011
Net income	1,500	1,363
Exchange differences on translation of foreign operations	(53)	(82)
Total comprehensive income	1,447	1,281

In thousand euros

Notes - Explanatory disclosures

Basis for the compilation of the financial statements

These abbreviated Consolidated Interim Report for the first quarter of 2012 does not contain all information and disclosures required when compiling consolidated financial statements and thus shall be interpreted in context with the Consolidated Financial Statements as of December 31, 2011.

The recognition and measurement methods applied to the Consolidated Financial Statements as of December 31, 2011 remained unchanged and were applied when compiling this abbreviated Consolidated Interim Report. The new IFRS to be adopted in the 2011 financial year did not affect the net assets, financial and earnings position. This Interim Report and Interim Management Report was neither audited in accordance with Sec. 317 HGB [*German Commercial Code*] nor reviewed by an auditor.

The quarterly accounts were compiled in euros (EUR). For presentation purposes, the euro values have been rounded to thousand euros (KEUR). For calculation purposes, the tables and references may contain rounding differences.

Disclaimer

These consolidated quarterly accounts contain certain disclosures regarding future events that are based on the currently foreseeable and available information, assumptions and projections by the management of DATA MODUL. They are provided for information purposes only and are marked by terms such as "believe", "expect", "predict", "intend", "project", "plan", "estimate" or "aim at". Hence, these statements can only apply at the date at which they are publicly disclosed. Various identified and yet unknown risks, uncertainties and other factors might result in the actual events, the financial situation, the development or the Group's performance significantly deviating from the projections provided in this report. DATA MODUL is not obligated to add or modify such statements predicting future events or adjust such statements based on future events or trends. Hence, the Group does not – neither conclusively nor explicitly – assume any liability or warranty for the data and information being up-to-date, accurate and complete.

Financial Calendar 2012/2013:

Interim report as of June 30, 2012	August 9, 2012
Interim report as of September 30, 2012	November 8, 2012
Deutsches Eigenkapitalforum [<i>German Equity Forum</i>], Frankfurt	November 2012
Annual Report 2012	March 2013
Annual Shareholders' Meeting 2013	May 22, 2013



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