

DATA MODUL

Half-yearly Financial Reports
as of June 30, 2013



Dear stockholders,

Despite the overall economically quite challenging situation, DATA MODUL's revenues for the second quarter of 2013 increased by 4.9% to 36.4 million euros. Order entry remained high and amounted to 35.4 million euros in the second quarter of 2013. Order backlog increased by 12.7% to 92.2 million euros that was also due to the on-going delay in our customers' order call-offs that became apparent for the first time in the first quarter of the current year. Although EBIT in the second quarter of 2013 decreased in comparison to the same period of 2012 and was 0.6 million euros, it was still by 50.0% higher than the EBIT of 0.4 million euros recorded for the first quarter of 2013.

Interim Management Report

I. General economic conditions

Our hopes for an improvement of the global economy have not been realized so far. Worldwide economists expect growth rates to remain low in 2013, although there may be regional differences. However, recently OECD leading indicators show a slight improvement in the advanced economies. Indicators for the U.S.A. and Japan point to moderate economic growth, with a lessening of the downward trend in the euro zone. This modest increase in growth rates rests on expectations that the sovereign debt crisis in Europe as well as the situation in the financial markets continue to improve.

For the German economy, a more marked improvement is expected over the next months. Growth dynamics will mostly rely on the export strength of the German industry and an improved climate for investments.

Key Indicators

In million euros	April to June 2013	April to June 2012	Changes	January to June 2013	January to June 2012	Changes
Total revenue	36.4	34.7	4.9 %	69.8	70.5	(1.0) %
Displays	20.8	19.1	8.9 %	40.4	40.4	0.0 %
Systems	15.6	15.6	0.0 %	29.4	30.1	(2.3) %
Order entry	35.4	36.4	(2.7) %	82.0	82.2	(0.2) %
Order backlog	92.2	81.8	12.7 %	92.2	81.8	12.7 %
EBIT	0.6	3.0	(80.0) %	1.0	5.1	(80.4) %
Net income	0.2	2.0	(90.0) %	0.2	3.5	(94.3) %
Investments	0.4	0.7	(42.9) %	0.8	1.2	(33.3) %
Employees	330	309	6.8 %	330	309	6.8 %
Earnings per share (in euros)	0.07	0.57	(87.7) %	0.07	1.00	(93.0) %
Based on number of shares	3,394,000	3,504,278	(3.1) %	3,394,000	3,504,278	(3.1) %
EBT	0.5	2.9	(82.8) %	0.9	4.9	(81.6) %

II. Business performance

Revenues for the first half of the current year amounted to 69.8 million euros (previous year: 70.5 million euros) and increased in the second quarter by 4.9% to 36.4 million euros (previous year: 34.7 million euros). The Displays business segment achieved revenues of 20.8 million euros in the second quarter (previous year: 19.1 million euros), whereas the Systems segment saw revenues of 15.6 million euros (previous year: 15.6 million euros). Order entry in the second quarter was 35.4 million euros (previous year: 36.4 million euros), totaling 82.0 million euros in the first half of the current year (previous year: 82.2 million euros). Order backlog increased by 12.7% to 92.2 million euros (previous year: 81.8 million euros) because of the continuing delay in our customers' order call-offs. DATA MODUL's drive toward international orientation is beginning to show effect. Thus the export quota increased to 37.3% in the first six months of 2013 (previous year: 31.2%).

III. Profitability

Higher cost incurred in the current year for the relocation of our production facilities, warehousing and the logistics center from Munich to Weikersheim as well as the change of our business model impacted profitability. Compared to the same period of 2012, EBIT in accordance with IFRS decreased in the first half of 2013 to 1.0 million euros (previous year: 5.1 million euros) and to 0.6 million euros in the second quarter (previous year: 3.0 million euros). Delayed order call-offs affected the system solutions business in particular and were due to generally weak investing activities in the eurozone countries. Thus the Systems business segment contributed to EBIT with -0.1 million euros in the second quarter (previous year: 1.5 million euros), whereas the Displays business segment contributed 0.7 million euros (previous year: 1.5 million euros).

Earnings before tax (EBT) for the Group were at 0.9 million euros in the first half of 2013 (previous year: 4.9 million euros). Net income for the same period was at 0.2 million euros (previous year: 3.5 million euros) resulting in earnings per share of 0.07 euros for the first half of 2013 (previous year: 1,00 euros).

IV. Financial position

Operating cash flow as of June 30, 2013 changed to -4.2 million euros (previous year: -2.1 million euros). At the end of the second quarter of 2013, the Group's equity ratio (in accordance with IFRS) amounted to 52.2% (December 31, 2012: 56.2%) and the equity ratio for DATA MODUL AG (in accordance with the German Commercial Code [HGB]) was 62.2% (December 31, 2012: 67.1%). Consequently, the Group continues to demonstrate financial stability and has sufficient liquidity at its disposal.

V. Investments and regional offices

In the first six months of 2013, investments amounted to 0.8 million euros (previous year: 1.2 million euros) and we will continue to invest in R&D and our production and logistics center. DATA MODUL AG maintains regional offices in Düsseldorf and Hamburg that serve as our sales offices for the respective regions.

VI. Employees

As of June 30, 2013, the Group had 330 employees, compared to 309 staff in the previous year of which 54 staff were employed by Group companies located outside Germany. Additions to the workforce were mostly in R&D, sales and production.

VII. Risks and rewards

In fiscal year 2013, DATA MODUL will continue to aim for growth in its core business segments Displays and Systems. Global economic trends, the impact of exchange rate fluctuations, rising commodity and energy prices as well as imponderabilities with respect to future customer ordering behavior 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 operations. As a result of 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 DATA MODUL Group. No significant changes of the information on risks and rewards that was published in the 2012 Annual Report have occurred since.

VIII. Subsequent events

There were no significant subsequent events during the reporting period after the reporting date of June 30, 2013.

IX. Forecast - Outlook 2013

The following disclosures regarding the future course of business of DATA MODUL Group and the assumptions of the economic market and industry trends 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 carry the inevitable risk that projected developments do not actually occur with respect to either their direction or their extent.

Despite the slow overall development in the global markets and the continuing hesitant order call-offs from our customers, DATA MODUL anticipates revenues for the fiscal year 2013 to be slightly higher than last year's levels. Higher cost incurred for the relocation of production facilities, warehousing and the logistics center from Munich to Weikersheim as well as the change of our business model will increase our expenditures for the current year. We will also continue to drive the international orientation of our company. As a result, profit in 2013 is expected to drop below previous year's levels. Thus – as mentioned previously – the fiscal year 2013 constitutes a year of transition. However, all these activities have to be seen as building blocks of DATA MODUL's future success. There is clearly growth potential in our most important customer base, the industry market, as these customers are being forced to introduce automated production processes because of market pressures. These 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 DATA MODUL in the coming years. For the second half of the year we expect a turnaround in the markets in which we operate and consequently an increase in revenues and margins in the current quarter.

X. Information concerning related party transactions

In the first half of 2013, 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	
	06/30/2013	12/31/2012
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,922	2,994
Property, plant and equipment	8,384	8,402
Other non-current assets	1,185	1,415
Deferred tax assets	572	882
Total non-current assets	15,482	16,112
Current assets		
Inventories	34,095	30,434
Trade accounts receivable, net of allowance for doubtful accounts (in 2013: 372; 2012: 357)	20,094	15,847
Other current assets	2,409	2,413
Cash and cash equivalents	4,442	9,517
Total current assets	61,040	58,211
Total assets	76,522	74,323

All figures in thousands of euros

LIABILITIES AND SHAREHOLDERS' EQUITY	IFRS	
	06/30/2013	12/31/2012
Shareholders' equity		
Common stock no-par value (shares authorized: KEUR 5,289; shares issued and outstanding: 3,394,000 as of 06/30/2013 and 12/31/2012)	10,182	10,182
Share-based equity	22,446	22,446
Retained earnings	8,856	10,649
Other reserves	(1,505)	(1,503)
Total shareholders' equity	39,979	41,774
Non-current liabilities		
Pension and non-current personnel liabilities	1,572	1,592
Non-current borrowings	4,467	4,783
Deferred tax liabilities	754	758
Total non-current liabilities	6,793	7,133
Current liabilities		
Trade accounts payable	9,183	8,387
Taxes payable	320	521
Accruals	2,053	2,063
Current borrowings	11,393	9,033
Current portion of non-current borrowings	933	933
Other current liabilities	5,868	4,479
Total current liabilities	29,750	25,416
Total liabilities	36,543	32,549
Total liabilities and shareholders' equity	76,522	74,323

All figures in thousands of euros

Consolidated Statements of Income - IFRS

	IFRS			
	04/01 - 06/30/2013	04/01 - 06/30/2012	01/01 - 06/30/2013	01/01 - 06/30/2012
Revenues	36,385	34,685	69,811	70,467
Cost of sales	(29,300)	(25,982)	(56,151)	(53,910)
Gross margin	7,085	8,703	13,660	16,557
Research and development expenses	(1,300)	(640)	(2,472)	(1,442)
Selling and general administrative expenses	(5,218)	(5,017)	(10,213)	(10,001)
Earnings before interest and taxes (EBIT)	567	3,046	975	5,114
Interest income	1	(2)	2	4
Interest expense	(57)	(97)	(104)	(187)
Income before income taxes	511	2,947	873	4,931
Income tax expense	(240)	(929)	(630)	(1,413)
Net income	271	2,018	243	3,518
Earnings per share - basic	0.07	0.57	0.07	1.00
Earnings per share - diluted	0.07	0.57	0.07	1.00
Weighted average of shares outstanding - basic	3.394.000	3.504.278	3.394.000	3.504.278
Weighted average of shares outstanding - diluted	3.394.000	3.504.278	3.394.000	3.504.278

All figures in thousands of euros, except earnings per share and weighted average of shares outstanding

Consolidated Statements of Cash Flow - IFRS

	IFRS	
	01/01 - 06/30/2013	01/01 - 06/30/2012
Cash flows from operating activities		
Net income	243	3,518
Non-cash expenses and income		
Income tax expense	324	787
Amortization of capitalized development costs	381	404
Amortization of other intangible assets and depreciation of fixed assets	557	527
Provisions for bad debts	15	(96)
Deferred taxes	306	626
Changes in non-current accrued liabilities	(21)	(32)
Net interest	102	183
Other non-cash expenses and income	2,630	29
Changes in operating assets and liabilities		
Trade accounts receivable	(4,262)	(1,070)
Inventories	(3,661)	(9,404)
Trade accounts payable	822	3,931
Accrued liabilities	(673)	234
Other receivables, assets and loans	(189)	(87)
Income taxes paid	(662)	(1,526)
Interest received	2	4
Interest paid	(141)	(177)
Cash flows from operating activities	(4,227)	(2,149)
Cash flows from investing activities		
Outflows from capitalized development costs	(441)	(670)
Capital expenditures on other intangible and fixed assets	(408)	(570)
Cash flows from investing activities	(849)	(1,240)
Cash flows from financing activities		
Increase in short-term borrowings	2,360	5,429
Repayment of non-current borrowings	(317)	0
Acquisition of treasury shares	0	(977)
Dividend to shareholders	(2,036)	(2,100)
Cash flows from financing activities	7	2,352
Effect of exchange rate changes on cash and cash equivalents	(6)	17
Net increase in cash and cash equivalents	(5,075)	(1,020)
Cash and cash equivalents at the beginning of the period	9,517	8,426
Cash and cash equivalents at the end of the period	4,442	7,406

All figures in thousands of euros

Consolidated Statements of Changes in Equity - IFRS

	Capital Stock		Share-Based Equity	Retained Earnings	Other Reserves	Total
	Shares	Amount				
Balance as of 01/01/2012	3,526,182	10,579	22,440	7,389	(1,490)	38,918
Net income	-	-	-	3,518	-	3,518
Dividend	-	-	-	(2,100)	-	(2,100)
Transfers to share-based equity	-	-	5	(5)	-	-
Treasury shares	(68,306)	(205)	-	(773)	-	(978)
Foreign currency translation adjustment	-	-	-	-	97	97
Balance as of 06/30/2012	3,457,876	10,374	22,445	8,029	(1,393)	39,455
Balance as of 01/01/2013	3,394,000	10,182	22,446	10,649	(1,503)	41,774
Net income	-	-	-	243	-	243
Dividend	-	-	-	(2,036)	-	(2,036)
Foreign currency translation adjustment	-	-	-	-	(2)	(2)
Balance as of 06/30/2013	3,394,000	10,182	22,446	8,856	(1,505)	39,979

All figures in thousands of euros

Consolidated Statements of Comprehensive Income

	IFRS			
	04/01-06/30/2013	04/01-06/30/2012	01/01-06/30/2013	01/01-06/30/2012
Consolidated net income for the period	271	2,018	243	3,518
Exchange rate differences on translation of foreign operations	(81)	150	(2)	97
Total comprehensive income	190	2,168	241	3,615

All figures in thousands of euros

Income tax

The income tax expense in the consolidated income statement breaks down into the following major line items:

	01/01 - 06/30/2013	01/01 - 06/30/2012
Actual income tax expense	(324)	(787)
Deferred taxes	(306)	(626)
Income tax expense	(630)	(1.413)

Dividend to shareholders

	06/30/2013	06/30/2012
Dividend on common stock resolved and distributed in the first half of the year	2,036	2,100

All figures in thousands of euros

Notes - Explanatory disclosures

Basis for the compilation of the financial statements

Basis for the preparation of the financial statements

The abbreviated consolidated interim accounts for the first half of 2013 do not contain all information and disclosures required when preparing consolidated financial statements and thus shall be interpreted in the context of the consolidated financial statements as of December 31, 2012.

The recognition and measurement methods applied to the consolidated financial statements as of December 31, 2012 remain unchanged and were applied when preparing these abbreviated consolidated semi-annual accounts. This interim report for the Group has been prepared in accordance with the provisions of IAS 34 – Interim Reporting. The new IFRS to be adopted in the financial year 2013 did not affect our net assets, financial and earnings position. The interim financial results and management report at hand were not audited according to § 317 HGB, nor were they audited by an external auditing organization.

The semi-annual accounts were prepared in euros (EUR). For presentation purposes, the euro amounts are rounded to thousands of euros (KEUR). For computation purposes, the tables and notes may include deviations from the accurately calculated amounts due to rounding.

Segment reporting

For corporate controlling reasons, the Group is divided into product and service segments and comprises the following two segments requiring reporting:

- Displays
- Systems

Segment results January 1 through June 30, 2013

	Displays	Systems	Group
Total revenue	40,378	29,433	69,811
Net income	1,153	(910)	243

Segment results January 1 through June 30, 2012

	Displays	Systems	Group
Total revenue	40,404	30,063	70,467
Net income	1,663	1,856	3,519

All figures in thousands of euros

Management Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Peter Hecktor
CEO

Dr. Florian Pesahl
CFO

Walter King
CO

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 known and as yet unknown risks, uncertainties and other factors may, as a result, lead to significant deviations in the actual events, the financial situation, the development or the Corporation's performance compared to 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 Corporation 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 2013 / 2014:

Interim Report as of September 30, 2013

November 7, 2013

German Equity Forum, Frankfurt

November 11, 2013

Annual Shareholders' Meeting 2014

May 12, 2014



DATA MODUL Aktiengesellschaft

Landsberger Str. 322

80687 Munich

Tel. +49-89-5 60 17-0

Fax +49-89-5 60 17-119

www.data-modul.com