

DATA MODUL

Interim Report as of
September 30, 2012



Dear stockholders,

DATA MODUL has confirmed the positive trend of the first two quarters in its earnings of the third quarter of 2012. We have continued developing our business model to become an intelligent systems solutions supplier with very promising results. In the third quarter of the current financial year, order entry increased by 11.4% to 37.2 million euros. Compared to the same quarter of the previous year, revenue increased slightly to 35.2 million euros. EBIT for the third quarter of the current year is 2.2 million euros and totals 7.3 million euros for the first nine months of this year. Net income for the period has risen significantly, reaching the 2.9 million euros mark for the third quarter of 2012 (previous year: 1.6 million euros) and totaling 6.4 million euros for the first nine months of the current year (previous year: 5.2 million euros). Earnings per share in the third quarter of the current financial year amount to 0.82 euros (previous year: 0.46 euros) and total 1.83 euros for the first nine months of the current year (previous year: 1.47 euros).

Interim Management Report

I. General economic conditions

The global economy is still subject to various stress factors. Uncertainties regarding the scope of budget consolidation and the effects of the sovereign debt crisis in the euro area have also influenced the U.S. economy. According to economic research, the U.S. economy is expected to expand by 2% in the second quarter of 2012. Economies in the euro zone core countries, however, are suffering from the sovereign debt crisis more than expected. Overall economic performance in the euro zone will probably shrink by 0.4%,

Key corporate results

In mio. euros	Juli to Sept. 2012	Juli to Sept. 2011	Changes	January to Sept. 2012	January to Sept. 2011	Changes
Total revenues	35.2	35.1	0.3 %	105.7	105.0	0.7 %
Displays	19.0	21.7	(12.4) %	59.5	65.0	(8.5) %
Systems	16.2	13.4	20.9 %	46.2	40.0	15.5 %
Order Entry	37.2	33.4	11.4 %	119.4	112.4	6.2 %
Order Backlog	83.7	77.0	8.7 %	83.7	77.0	8.7 %
EBIT	2.2	2.6	(15.4) %	7.3	7.5	(2.7) %
EBIT yield	6.3 %	7.4 %	(14.9) %	6.9 %	7.1 %	(2.8) %
EBT	2.1	2.4	(12.5) %	7.0	7.1	(1.4) %
Net income	2.9	1.6	81.3 %	6.4	5.2	23.1 %
Investments	0.8	0.3	166.7 %	2.0	1.2	66.7 %
Employees	322	299	7.7 %	322	299	7.7 %
Earnings per share (in euros)	0.82	0.46	78.3 %	1.83	1.47	24.5 %
Number of shares	3,480,389	3,526,182	(1.3) %	3,480,389	3,526,182	(1.3) %

although there will be differences from country to country. The ECB is expected to exert more influence in order to help stabilize the monetary union, and all the more so in order to safeguard the implementation of monetary policies in those countries affected by the crisis. To this end, the ECB ratified a program in early September for the unlimited purchase of government bonds.

After an initial strong quarter, Germany's economic upturn saw a decline in activity during springtime and summer 2012. Again, export activities in the first half of the financial year provided decisive stimuli. Weak demand in the euro area has been compensated up to now by growing export figures to third countries. Private spending has proven to be an increasingly strong pillar of support for the economy. Leading indicators indicate a further economic slow-down for the fourth quarter of the year, and gross domestic product is not expected to increase in real terms. In our opinion, recovery will be interrupted only temporarily, however. We believe that the impetus of economic expansion will increase in 2013, particularly in Germany, the USA and France – in those markets that are most important to DATA MODUL.

II. Business performance

During the first nine months of 2012, DATA MODUL increased its net income of the previous year by 23.1% to 6.4 million euros. Revenue in the third quarter of the current financial year is 35.2 million euros (previous year: 35.1 million euros). The Displays business unit achieved revenues of 19.0 million euros (previous year: 21.7 million euros), whereas the Systems segment saw revenues of 16.2 million euros (previous year: 13.4 million euros). Total revenue in the first nine months of 2012 came to 105.7 million euros (previous year: 105.0 million euros). Also on a positive note, order entry in the third quarter increased to 37.2 million euros (previous year: 33.4 million euros) and totals 119.4 million euros for the first nine months of 2012 (previous year: 112.4 million euros). Order backlog increased by 8.7% to 83.7 million euros. The export ratio in the first nine months of the current year is 30.0% (previous year: 35.6%).

III. Profitability

In the third quarter of 2012, EBIT in accordance with IFRS increased by 15.4% to 2.2 million euros (previous year: 2.6 million euros). The Displays business unit contributed 1.1 million euros (previous year: 2.4 million euros) and the Systems business unit contributed 1.1 million euros (previous year: 0.2 million euros). The above results clearly reflect DATA MODUL's continued strategy toward supplying intelligent systems solutions. The measures implemented over the past two years to expand the Systems business are now becoming apparent in the improved net sales and earnings. This business unit will continue to grow in terms of share of revenue within the Group and will contribute to securing and increasing our gross yield margin. EBIT for the first nine months came to 7.3

million euros (previous year: 7.5 million euros). EBT for the Group in the first nine months of 2012 is at 7.0 million euros (previous year: 7.1 million euros). Net income for the same period is at 6.4 million euros (previous year: 5.2 million euros) translating into earnings per share of 1.83 euros for the first nine months of 2012 and compared to 1.47 euros during the same period of 2011. The earnings per share contain a one-time tax effect of 0.31 euros.

IV. Financial position

At the end of the third quarter of 2012, the Group's equity ratio (in accordance with IFRS) amounts to 53.7% (December 31, 2011: 55.6%) and is 64.9% (December 31, 2011: 73.1%) for DATA MODUL AG (in accordance with the German Commercial Code, HGB). Operating cash flow as of September 30, 2012 amounted to -3.3 million euros (previous year: -2.9 million euros). Due to the positive business trend, working capital has remained at a very high level. As a consequence, the Group continues to demonstrate financial stability and has excellent liquidity at its disposal.

V. Investments and regional offices

In the first nine months of 2012, investments amounted to 2.0 million euros (previous year: 1.2 million euros). We have also budgeted further investments in Research & Development as well as expanding our production and logistics center in the fourth quarter of the year. DATA MODUL AG maintains regional offices in Duesseldorf and Hamburg that serve as our sales offices for the respective regions.

VI. Employees

As of September 30, 2012, the Group had 322 employees, compared to 299 staff in the previous year. Additions to the workforce were mostly in production, R&D and sales. DATA MODUL Group employs 55 staff abroad.

VII. Risks and rewards

In the fiscal year 2012, DATA MODUL will continue to aim for growth in its core business units, 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 operations. The general economic downturn and the hesitant product call-offs by customers may lead to a further increase in working capital. 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 September 30, 2012.

IX. Forecast - Outlook 2012

The following disclosures regarding the future course of business of the DATA MODUL Group and the assumptions regarding the economy 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 bear the unavoidable risk that projected developments do not actually occur with respect to either their direction or their extent.

The impact of the sovereign debt crisis on the European core countries in 2012 has been more severe than expected. While those countries affected by the crisis continue to battle recession, economic performance in Germany and France will stagnate rather than grow. Nevertheless, we expect a growth in German GDP of 1.0% in 2012 and 1.1% in 2013. In the USA, further development will depend greatly on the outcome of the presidential elections in November. However, we anticipate good growth prospects for the fourth quarter and the coming year.

Despite rather modest overall developments of the global markets, DATA MODUL expects revenues for the current year to remain at previous year's level. We are very well positioned and are largely independent of individual markets and therefore able to compensate for any market volatility. The upturn in the USA and Germany, our most important markets, will be the driver for our business, compensating for 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 have laid the groundwork for our future success. Our company's success depends greatly on quality and cost leadership. This is the focus in all our business areas because we aim for the best for our customers. We will continue to pursue our long-term business strategy that is geared toward innovation, quality and market leadership as well as the continued globalization of our products and services.

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 indicates potential for our market capitalization.

Consolidated Statements of Financial Position - IFRS

ASSETS	IFRS	
	09/30/2012	12/31/2011
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,709	2,355
Property, plant and equipment	8,085	7,811
Other non-current assets	1,457	1,525
Deferred tax assets	1,253	1,677
Total non-current assets	15,923	15,787
Current assets		
Inventories	35,284	27,138
Trade accounts receivable, net of allowance for doubtful accounts (2012: kEUR 476; 2011: kEUR 608)	17,500	17,722
Other current assets	2,511	861
Cash and cash equivalents	6,448	8,426
Total current assets	61,743	54,147
Total assets	77,666	69,934

All figures in thousands of euros

LIABILITIES AND SHAREHOLDERS' EQUITY	IFRS	
	09/30/2012	12/31/2011
Shareholders' equity		
Common stock no-par value bearer shares (shares authorized: KEUR 5,289; shares issued and outstanding: 3,417,238 as of 09/30/2012 und 3,526,182 in 2011)	10,252	10,579
Share-based equity	22,445	22,440
Retained earnings	10,452	7,389
Other reserves	-1,429	(1,490)
Total shareholders' equity	41,720	38,918
Non-current liabilities		
Pension and non-current personnel liabilities	1,866	1,931
Non-current borrowings	4,325	4,325
Deferred tax liabilities	755	1,626
Total non-current liabilities	6,946	7,882
Current liabilities		
Accounts payable	6,965	9,029
Taxes payable	962	868
Accrued liabilities	1,336	1,060
Current borrowings	13,088	6,152
Other current liabilities	6,649	6,025
Total current liabilities	29,000	23,134
Total liabilities	35,946	31,016
Total liabilities and shareholders' equity	77,666	69,934

All figures in thousands of euros, except for common stock

Consolidated Statements of Income - IFRS

	IFRS			
	07/01 - 09/30/2012	07/01 - 09/30/2011	01/01 - 09/30/2012	01/01 - 09/30/2011
Revenues	35,236	35,133	105,703	104,918
Cost of sales	(27,480)	(26,931)	-81,390	(80,366)
Gross margin	7,756	8,202	24,313	24,552
Research and development expenses	(674)	(816)	-2,116	(2,033)
Selling, general and administrative expenses	(4,902)	(4,803)	-14,903	(15,031)
Earnings before interest and taxes (EBIT)	2,180	2,583	7,294	7,488
Interest income	18	33	22	42
Interest expense	(93)	(200)	-280	(439)
Income before income taxes	2,105	2,416	7,036	7,091
Income taxes	756	(801)	-657	(1,896)
Net income	2,861	1,615	6,379	5,195
Earnings per share - basic	0.82	0.46	1.83	1.47
Earnings per share - diluted	0.82	0.46	1.83	1.47
Weighted average shares outstanding - basic	3,480,389	3,526,182	3,480,389	3,526,182
Weighted average shares outstanding - diluted	3,480,389	3,526,182	3,480,389	3,526,182

All figures in thousands of euros, except for earnings per share and number of shares

Consolidated Statements of Cash Flow - IFRS

	IFRS	
	01/01 - 09/30/2012	01/01 - 09/30/2011
Cash flows from operating activities		
Net income	6,379	5,195
Non-cash expenses and income		
Income tax expense	1,105	1,770
Amortization of capitalized development costs	512	674
Amortization of other intangible assets and depreciation of fixed assets	809	745
Provision for bad debts	(132)	(1,552)
Deferred taxes	(447)	126
Changes in non-current accrued liabilities	(65)	0
Net interest	258	397
Other non-cash expenses and income	(2)	1,723
Changes in operating assets and liabilities		
Trade accounts receivable	353	(373)
Inventories	(8,146)	(8,735)
Trade accounts payable	(2,063)	(1,515)
Accrued liabilities	276	485
Other receivables, assets and loans	93	194
Income taxes paid	(2,023)	(1,697)
Interest received	6	8
Interest paid	(222)	(340)
Cash flows from operating activities	(3,309)	(2,895)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	11	0
Additions from capitalized development costs	(1,009)	(554)
Capital expenditures on other intangible and fixed assets	(949)	(609)
Cash flows from investing activities	(1,947)	(1,163)
Cash flows from financing activities		
Decrease in short-term borrowings	0	(2,146)
Increase in short-term borrowings	6,936	0
Increase in non-current borrowings	0	3,875
Purchase of treasury shares	(1,537)	0
Dividends paid	(2,100)	(1,410)
Cash flows from financing activities	3,299	319
Effect of exchange rate changes on cash and cash equivalents	(21)	6
Net increase in cash and cash equivalents	(1,978)	(3,733)
Cash and cash equivalents at the beginning of the period	8,426	6,477
Cash and cash equivalents at the end of the period	6,448	2,744

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	-	-	-	5,195	-	5,195
Dividend	-	-	-	(1,410)	-	(1,410)
Foreign currency translation adjustment	-	-	-	-	24	24
Balance as of 09/30/2011	3,526,182	10,579	22,445	4,986	(1,628)	36,382
Balance as of 01/01/2012	3,526,182	10,579	22,440	7,389	(1,490)	38,918
Net income	-	-	-	6,379	-	6,379
Dividend	-	-	-	(2,100)	-	(2,100)
Additions to share-based equity	-	-	5	(5)	-	-
Treasury shares	(108,944)	(327)	-	(1,211)	-	(1,538)
Foreign currency translation adjustment	-	-	-	-	61	61
Balance as of 09/30/2012	3,417,238	10,252	22,445	10,452	(1,429)	41,720

All figures in thousands of euros

Consolidated Statements of Comprehensive Income

	IFRS			
	07/01-09/30/2012	07/01-09/30/2011	01/01-09/30/2012	01/01-09/30/2011
Consolidated net income for the period	2,861	1,615	6,379	5,195
Exchange differences on translation of foreign operations	-36	121	61	24
Total comprehensive income	2,825	1,736	6,440	5,219

All figures in thousands of euros

Notes - Explanatory disclosures

Basis for the compilation of the financial statements

These quarterly accounts for the third quarter of 2012 do not contain all information and disclosures required for preparation of 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 remain unchanged and were applied when preparing these abbreviated consolidated quarterly 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 2012 did not affect the net assets, financial and earnings position. These Interim Report and Interim Management Report were not audited in accordance with Sec. 317 German Commercial Code (HGB) nor were they audited by an external auditing organization.

The quarterly accounts were compiled 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.

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:

German Equity Forum, Frankfurt	November 12, 2012
Annual Report 2012	March 2013
Annual Press Conference	March 2013
Interim Report as of March 31, 2013	May 2013
Annual Shareholders' Meeting 2013	May 17, 2013



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