DATA MODUL

Interim report as of

March 31, 2011

Dear Shareholders,

Similar to the 2010 financial year, the generally improved economic growth had an impact on Data Modul's results for the first quarter of 2011. Compared to the same quarter of the previous year, the Company's revenue increased significantly. In the first quarter of the current financial year the EBIT amounts to 2.1 million euros (2010: 1.5 million euros). The order entry a disproportional increase by 40.7% over the same period of the previous year. Apart from our extensive expansion of our business, a decisive aspect in this respect is our leading position in the fast growing market for innovative and energy-efficient flatbed displays for man-machine communication and the increasing integration of our largest affiliate company, Conrac GmbH, into our operating business. Thus we were able to achieve our most significant goal, namely to further increase our earnings. The net income for the year increased considerably and totaled 1.4 million euros (2010: 0.9 million euros) in the first quarter, accounting for earnings per share of 0.39 euros (based on 3,526,182 shares).

Interim Management Report

Due to a change in the structure of our internal organization, the composition and the description of the reportable segments have changed. The business activities now break down into the two business segments Displays and Systems. Hence, the corresponding information of previous reporting periods have been adjusted accordingly.

Key Indicators

	Jan to Mar 2011	Jan to Mar 2010	Change
Total revenue (in million euros)	34.5	28.2	22.3%
Displays	21.7	16.8	29.2%
Systems	12.8	11.4	12.3%
Order entry (in million euros)	41.5	29.5	40.7%
Order backlog (in million euros)	74.9	65.1	15.1%
EBIT (in million euros)	2.1	1.5	40.0%
Annual net earnings (in million euros)	1.4	0.9	55.6%
Investments (in million euros)	0.4	0.2	100.0%
Employees	289	270	7.0%
Earnings per share	0.39	0.30	30.0%
Based on number of shares*	3,526,182	3,205,620	10%
EBT (in million euros)	2.1	1.4	50.0%

*Stock dividend issued based on the resolution passed by the Annual Shareholders' Meeting in May 2010

I. Underlying economic conditions

The speedy economic recovery that commenced in the summer of 2009 continues unabatedly in 2011, entering into its third consecutive year. Although the German economy benefits substantially from the recovery of the global trade, the global economy continues to be subject to certain stress factors.

On the one hand, the conflicts in Northern Africa and the Middle East have intensified and therefore accelerated the price increase of crude oil. If the reduction of oil production and the corresponding price increase continues, then this could adversely affect the economy.

On the other hand, the actual impact of the damage caused by the earthquake and the resulting tsunami in Japan on March 11 cannot yet be estimated reliably. Given the close relations with our suppliers and partners in Japan that we have had for decades we are horrified by the impact of these natural disasters that left thousands of people dead. Our sympathies are with the people of Japan and in particular with our personal contacts and their families. As an indication as to the economic impact of such an event, the 1995 earthquake that destroyed the Japanese port of Kobe may serve as reference. Back then, the real economic consequences of the earthquake remained rather manageable. If there is no significant radioactive pollution, the reconstruction and catch-up effects could become positive growth drivers. Even though at this point no reliable estimates can be made as to the impact on the energy supply and the resulting production downtimes within as well as beyond the borders of Japan due to supply chain interruptions, the extent of the effects of the disaster in this respect seem to be limited.

The escalation of national debt crisis in Europe resulted in a significant increase in the industrial countries' national deficits. This lead to much larger concerns regarding the credit standing of some southern European countries such as Greece and now Portugal as well. Even though the risk of such southern European countries becoming insolvent and giving rise to a new crisis is relatively minor, it cannot altogether be excluded.

Each of these stress factors in itself would be manageable; the cumulative impact, however, should not be underestimated.

Nevertheless, Data Modul was able to further increase its revenues and the net earnings in the first quarter of the current financial year. The significant increase in revenues, the development of the share price as well as the good reception from analysts and investors have positively affected the market capitalization.

II. Business Performance

In the first quarter of the 2011 financial year, the revenues totaled 34.5 million euros, an increase of 22.3% over the first quarter of the previous year of 28.2 million euros. The Displays segment generated revenues of 21.7 million euros (2010: 16.8 million euros), while the Systems segment's revenues totaled 12.8 million euros (2010: 11.4 million euros). In the first quarter of the 2011 financial year, the order entry totaled 41.5 million euros (2010: 29.5 million euros), an increase of 40.7%. Compared to the the first quarter of the previous year, there was an increase in order intake in both segments.

The order backlog totals 74.9 million euros (2010: 65.1 million euros). In the first three months of 2011, the export ratio equaled 33.1% (2010: 30.7%).

III. Profitability

Incidental with the positive development of the revenues, the EBIT in accordance with the IFRS increased by 40.0% to 2.1 million euros in the first quarter of 2011 (2010: 1.5 million euros). The EBIT breaks down as follows: 1.7 million euros (2010: 1.0 million euros) relate to the Displays segment, while 0.4 million euros (2010: 0.5 million euros) relate to the Systems segment. We continued our systematic efforts to expand the Systems business, that account for a constantly growing revenues portion within the Group now and is expected to do so in the future. As a result, the gross yield margin remained stable, and we do not face a general squeeze on our margins due to our high rate of value-added activities and great development performance, giving us an edge over our competitors.

The Group's EBT in the first three months of 2011 totaled 2.1 million euros (2010: 1.4 million euros) and thus increased by 50.0%. The net income for the year during the same period amounts to 1.4 million euros (2010: 0.9 million euros), resulting in earnings per share of 0.39 euros in the first three months of 2011 compared to 0.30 euros in the first three months of 2010.

IV. Financial Position

The operating cash flow as of March 31, 2011 shows a negative amount of -4.4 million euros (2010: 0.2 million euros). Given the positive development of the business, the working capital was increased further. At the end of the first quarter of 2011, the Group's equity ratio (in accordance with IFRS) amounts to 48.7% (December 31, 2010: 50.7%) and 69.9% (December 31, 2010: 73.1%) for Data Modul AG (in accordance with the HGB). Hence, the Group continues to demonstrate its financial strength and remarkable liquidity.

V. Investments and regional offices

In the first three months of 2011, the investments amounted to 0.4 million euros (2010: 0.2 million euros). The Group does not intend to make major investments in the current financial year; however, we shall continue to invest in research and development as well as our production and logistics center.

Data Modul AG has regional offices in Duesseldorf and Hamburg. These offices serve as regional sales offices.

VI. Employees

As of March 31, 2011, the Group had 289 employees, compared to 270 employees in the previous year. The Data Modul Group employs 45 staff abroad.

VII. Risks and rewards

In the 2011 financial year, Data Modul continues to aim at growth in its core business segments Displays and Systems. Global economy trends, the impact of exchange rate fluctuations, increasing prices of raw materials and energy, as well as imponderabilities in respect to future customer ordering behavior constitute risks that might have a sustained impact on our business performance. We are aware of these risks and thoroughly monitor their impact on our business. As a result of the economic rebound and customers' exhausted inventories there is a general lack of displays leading to longer delivery periods and price increases. This effect is further exacerbated by the natural disaster in Japan mentioned earlier and resulting supply chain interruptions of our suppliers. There are currently no apparent risks endangering the existence of the Data Modul Group. No significant changes of the information on risks and rewards disclosed in the 2010 report have occurred since.

VIII. Subsequent events

There were no significant subsequent events after the reporting date of March 31, 2010.

IX. Forecast - Outlook 2011

The following disclosures regarding the future business performance of the 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 salvage the inevitable risk that the projected developments will not actually occur, neither in respect to their trends nor in respect to their extent.

We consider the economic situation at the beginning of spring as stable. The global economy continued to recover in the first quarter of 2011. Both in Germany, Europe and now also in the United States, the markets have returned or are returning to their former strong growth. However, uncertainties persist in respect to the situation in Japan, the national debt crisis in Europe and the position of some European banks that continues to be marked by tensions. The European Central Bank has already taken precautionary measures regarding the existing risks of inflation and initiated a turnround of interest rates in Europe in order to prevent the economy from overheating.

As long as nothing unexpected happens, we expect a marked increase in revenues for Data Modul and clearly positive earnings for the 2011 financial year. We shall benefit from the general upswing in our major markets, in the United States and Europe, and from the increasing integration of our affiliate company Conrac. There is a clear growth potential on our most important business segment, Industry, where companies were forced to automate their production processes due to market pressure. The subsequent integration results in highly complex systems that must be controlled via man-machine communication (displays). We believe that these integrated embedded systems will result in a large growth potential for the Data Modul Group.

We shall continue to globalize Data Modul, consolidate markets and add interesting technologies to our portfolio. We shall further focus on developing customized systems and solutions for our customers. In this respect, our strategy is based on organic growth.

Consolidated Statements of Financial Position - IFRS

ASSETS	IFRS	
	03/31/2011	12/31/2010
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,618	2,645
Property, plant and equipment	7,745	7,765
Financial assets	16	0
Other non-current assets	565	1,417
Deferred tax assets	993	1,015
Total non-current assets	**14,356**	15,261
Current assets		
Inventories	26,361	22,880
Trade accounts receivable, net of allowance for doubtful accounts (in 2011: 1,894; 2010: 2,018)	21,795	18,512
Taxes receivable	142	142
Other current assets	1,376	1,024
Cash and cash equivalents	5,466	6,477
Total current assets	**55,140**	49,035
Total assets	**69,496**	64,296

All figures in thousands of euros

LIABILITIES AND SHAREHOLDERS' EQUITY	IFRS	
	03/31/2011	12/31/2010
Shareholders' equity		
Common stock no-par value bearer shares (shares authorized: KEUR 5,289; contingent: KEUR 754; shares issued and outstanding: 3,526,182 in 2010)	10,579	10,579
Share-based equity	22,445	22,445
Retained earnings	2,564	1,201
Other reserves	(1,734)	(1,652)
Total shareholders' equity	**33,854**	32,573
Non-current liabilities		
Pension and non-current personnel liabilities	2,070	2,083
Non-current borrowings	4,000	3,500
Deferred tax liabilities	1,590	1,594
Total non-current liabilities	**7,660**	7,177
Current liabilities		
Accounts payable	9,554	10,054
Taxes payable	878	617
Accrued liabilities	1,356	872
Current borrowings	11,615	8,292
Other current liabilities	4,579	4,711
Total current liabilities	**27,982**	24,546
Total liabilities	**35,642**	31,723
Total liabilities and shareholders' equity	**69,496**	64,296

All figures in thousands of euros

Consolidated Statements of Income – IFRS

	IFRS	
	01/01 - 03/31/2011	01/01 - 03/31/2010
Revenue	34,541	28,214
Cost of sales	(26,700)	(21,149)
Gross margin	**7,841**	7,065
Research and Development expenses	(567)	(636)
Selling, general and administrative	(5,147)	(4,873)
Earnings before interest and taxes (EBIT)	**2,127**	1,556
Interest income	4	2
Interest expense	(73)	(146)
Income before income taxes	**2,058**	1,412
Income taxes	(695)	(455)
Net income	**1,363**	957
Earnings per share - basic	0.39	0.30
Earnings per share - diluted	0.39	0.30
Weighted average shares outstanding - basic	3,526,182	3,205,620
Weighted average shares outstanding - diluted	3,526,182	3,205,620

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 - 03/31/2011	01/01 - 03/31/2010
Cash flows from operating activities		
Net income	1,363	957
Non-cash expenses and income		
Amortization of capitalized development costs	224	268
Amortization of intangible assets and depreciation on property, plant and equipment	254	280
Deferred taxes	17	(37)
Provision for bad debts	0	72
Net interest	69	0
Other non-cash expenses and income	961	0
Changes in operating assets and liabilities	3	
Trade accounts receivable	(3,284)	(2,016)
Inventories	(3,481)	(1,860)
Trade accounts payable	(500)	1,027
Accrued liabilities	484	97
Other current assets and liabilities	(14)	1,131
Income taxes paid	(405)	180
Interest received	54	(2)
Interest paid	(129)	146
Net cash provided by operating activities	**(4,386)**	243
Cash flows from investing activities		
Additions from capitalized development costs	(217)	(118)
Capital expenditures in property, plant and equipment	(221)	(76)
Net cash used in investing activities	**(438)**	(194)
Cash flows from financing activities		
Increase in short-term borrowings	3,323	180
Repayment of non-current debt	0	(63)
Increase in non-current borrowings	500	0
Net cash used in financing activities	**3,823**	117
Effect of exchange rate changes on cash and cash equivalents	(10)	7
Net increase in cash and cash equivalents	**(1,011)**	173
Cash and cash equivalents at the beginning of the period	6,477	4,847
Cash and cash equivalents at the end of the period	**5,466**	5,020

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 01/01/2010	3,205,620	29,767	79	595	(1,734)	28,707
Net income	-	-	-	957	-	957
Foreign currency translation adjustment	-	-	-	-	70	70
Balance as of 03/31/2010	3,205,620	29,767	79	1,552	(1,664)	29,734
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**

In thousand euros, except for number of shares

Consolidated Statements of Comprehensive Income

	IFRS	
	01/01 - 03/31/2011	01/01 - 03/31/2010
Net income	1,363	957
Exchange differences on translation of foreign operations	(82)	70
Total comprehensive income	**1,281**	1,027

In thousand euros

Notes - Explanatory disclosures

Basis for the compilation of the financial statements

These abbreviated Consolidated Interim Report for the first quarter of 2011 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, 2010.
The recognition and measurement methods applied to the Consolidated Financial Statements as of December 31, 2010 remained unchanged and were applied when compiling this abbreviated Consolidated Interim Report. The new IFRS to be adopted in the 2010 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 2011/2012:

Interim report as of June 30, 2011	August 12, 2011
Interim report as of September 30, 2011	November 11, 2011
Deutsches Eigenkapitalforum *[German Equity Forum]*, Frankfurt	November 2011
Annual Report 2011	March 2012
2012 Annual Shareholders' Meeting	May 9, 2012

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