



A Strong Group

# INTERIM MANAGEMENT REPORT

Report on the First Six Months of 2012

**except Group SE**  
115 avenue Gaston Diderich  
L-1420 Luxembourg  
Grand Duchy of Luxembourg

## MANAGEMENT REPORT

### Sales Development and Orders Situation

During the first half of the current business year, exceet Group SE achieved a 16.1% on-year increase in sales, from EUR 78.0 million to EUR 90.6 million. Without consideration of acquisitions, it was possible to keep sales at the high benchmark set by the previous year's figures, despite a considerably more difficult economic environment.

During the 2nd Quarter of 2012, sales totaled EUR 44.6 million and thus contracted slightly against the strong 1st-Quarter sales of EUR 46.0 million. As electronics, acquired by the Group to expand its development competency for intelligent control systems and customer-specific engineering services, has been contributing to sales since June 1.

In addition to general investment reluctance on the part of our customers, the postponement of a major order into the second half of the year prevented a significantly higher sales total for the 2nd Quarter.

Thanks to very solid incoming orders total of almost EUR 100 million during the first half-year (book-to-bill ratio of 1.1), exceet Group SE was able to increase orders in hand to a record value of EUR 126.8 million as at June 30, 2012 (+25.2% against Dec. 31, 2011).

### Currency Effects on Sales

During the first half of 2012, the share of sales invoiced in Euro amounted to 67.8% of total sales, while sales achieved in Swiss Francs accounted for 27.6% and those in US Dollars for 4.6%.

During the first half of 2012, the total volume of sales was affected positively by currency effects in the amount of almost EUR 1.6 million, in the form of the Swiss Franc's appreciation against the Euro.

### Sales Performance in the Reporting Segments

The segment Electronic Components, Modules & Systems (ECMS), which largely encompasses the Group's activities in the field of medical technology, grew by 17.4% to EUR 63.9 million against EUR 54.4 million during the first half-year of 2011. Without the order postponements that took effect particularly in this segment, the scale of sales growth would have been even more marked. The sales share of the segment increased to 70.6% of Group-wide sales (1st half-year 2011: 69.8%).

An important investment toward the further growth of the segment was achieved by laying the foundation stone for a new center of excellence for opto-electronic technologies at our Berlin facilities. As of mid-2013, highly miniaturized components and systems for complex applications in medical technology and industrial automation will be developed at this location and manufactured with maximum precision in cleanroom conditions.

The segment ID Management & Systems also distinguished itself by achieving double-digit growth, increasing 12.6% from EUR 22.0 million during the first half-year of 2011 to now EUR 24.8 million. The trend of incoming orders since the beginning of the 3rd Quarter indicates that a further upturn can be expected. The segment's sales share contracted by about one percent, from 28.2% to 27.3%.

The third enterprise segment, Embedded Security Solutions (ESS), contributed a sales share of EUR 1.9 million, against EUR 2.1 million during the first half of 2011 (slightly over 2% of total sales against 2.7% YE). New developments in the field of secure cloud services should have a significant positive influence on growth in the coming reporting periods.

### Earnings Performance Group-wide and within Reporting Segments

During the first half-year of 2012, the operative result before interest, taxes, depreciation and amortization (EBITDA) was EUR 6.8 million against EUR 12.2 million achieved during the respective period of the previous year (-44.5%).

This is equivalent to an EBITDA margin of 7.5%, against 15.7% during the first half-year of 2011. Adjusted for one-off effects in the amount of EUR 1.4 million, recurring EBITDA amounted to EUR 8.2 million (recurring margin of 9.1%). In addition to burdens due to one-off effects, the initial consolidation of the acquired companies also had significant negative effects on the margin. The objective is to raise the margins of these companies to those of the Group at large within 12 months.

With proportionate sales of EUR 63.9 million, the ECMS segment achieved half-year EBITDA of EUR 8.6 million against EUR 13.6 million during the first half of 2011. This equals an EBITDA margin of 13.5%

(YE: 24.9%). The above-mentioned postponement of a large-scale order took effect here. The earnings deriving from this order will be achieved during the second half of the year. Precursor investments in development, facilities and qualified staff already impacted earnings performance during the current reporting period.

The segment ID Management & Systems achieved an EBITDA contribution of EUR 0.6 million, with total segment sales of EUR 24.8 million. As a result, the operative margin contracted from 9.8% during the previous year to now 2.4%. EUR 1.3 million of the aforementioned detrimental one-off effects in the total amount of EUR 1.4 million were incurred due to consolidation efforts in this segment. These were brought about by the integration of two manufacturing locations as well as expenditures in the course of staff reductions. These measures will have a positive impact on earnings performance during the second half of the year. Further cost-cutting measures have been initiated; in concert with a series of newly won customer projects, these will significantly boost profitability.

Influenced by the cost-intensive development of new cloud security products, the ESS segment recorded an EBITDA shortfall of EUR 41 thousand during the reporting period (YE 2011: EUR +390 thousand).

### **Expenditure Items**

The above-described causes for the decline in the operative result (EBITDA) during the reporting period are reflected in individual expenditure items.

The material costs ratio increased from 48.9% in 2011 to 56.7% during the first half-year of 2012. This development was additionally affected negatively by the purchase of various components in US dollars. The personnel costs ratio grew from 27% to 30% of sales. Driven by a higher number of new product developments, the first half of the year brought costs of EUR 4.1 million, an increase of EUR 1 million over the value attained during the respective period of the previous year. The Group's development expenditures are not capitalized but rather expensed in full.

### **Net Earnings and Earnings per Share**

As at June 30, 2012, except Group SE reports a net loss of EUR 3.6 million. As was already the case during the 1st Quarter of the current business year this loss encompasses, as a result of the IFRS accounting requirements, a revaluation of outstanding public warrants in the amount of EUR 4.0 million. Without this effect, the net result for the first half-year of 2012 would be EUR 0.4 million.

During the reporting period, tax payments dropped by EUR 0.9 million to EUR 1.4 million; as a result of acquisitions, depreciations and write-downs were up EUR 0.5 million from the respective on-year period. For the first half-year of 2012, earnings per share and fully diluted earnings per share are identical at EUR -0.11 respectively.

### **Balance Sheet Positions**

On June 30, 2012, the total assets of except Group SE amounted to EUR 179.9 million, against EUR 171.1 million on December 31, 2011. Non-current assets totaled EUR 92.3 million, compared to EUR 79.1 million at the end of the previous year, including tangible assets in the amount of EUR 29.4 million (YE 2011: EUR 27.1 million) as well as intangible assets of EUR 62.6 million (YE 2011: EUR 51.7 million). The total goodwill position increased from EUR 31.9 million to EUR 34.6 million, related to the goodwill of the acquired companies. As in the previous full year, no impairment was recorded against goodwill during the reporting period. Current assets amount to EUR 87.6 million compared to EUR 91.9 million at year-end 2011. Inventories rose strongly by EUR 10.5 million to EUR 41.6 million (+33.8% vs. YE 2011 of EUR 31.1 million). About EUR 5.1 million are attributable to inventories at the acquired companies, the remaining EUR 5.4 million are related to significant stockbuilding due to the postponement of orders and the anticipated increase in sales during the second half of the year. Receivables increased from EUR 19.7 million to EUR 24.0 million, mainly as a result of the incorporation of the acquired companies. Cash and cash equivalents decreased from EUR 40.1 million to EUR 20.6 million. The main impact stems from the cash outflow for the acquisition of the new companies (EUR 10.9 million) and the increase in the net working capital. Due to these movements the net debt position is now EUR 11.7 million versus a cash net position of EUR 11.3 million at the end of last year.

At the end of the reporting period, equity capital of exceet Group amounted to EUR 82.5 million compared to EUR 85.6 million as at December 31, 2011. This translates to a slightly lower equity ratio of 45.9% versus 50.0% at year end 2011, reflecting the net loss for the first half-year of 2012.

Non-current liabilities increased to EUR 45.8 million from EUR 41.1 million at year end 2011. Current liabilities amount to EUR 51.5 million, against EUR 44.3 million as of December 31, 2011. In large part, the latter's increase by EUR 7.2 million is a result of the revaluation of the public warrants outstanding which increases the position "Other financial liabilities" by EUR 4.0 million.

### **Cash Flow and Financial Situation**

The operating cash flow was EUR 6.7 million for the first half of 2012 (EUR 10.9 million during the same period of 2011). After changes in net working capital, of which an increase of EUR 4.9 million in inventories had the largest single impact, as well as after taxes paid, the overall cash flow from operations was negative at EUR -3.6 million for the first half of the current year.

Cash outflows from investing activities amounted to EUR -13.1 million, which are almost fully attributable to the acquisitions of Inplator in Austria (EUR 1.9 million) and as electronics in Germany (EUR 8.8 million).

Cash flow from financing activities which balances proceeds and repayments of borrowings (EUR -0.5 million) and takes into account repayments and proceeds in finance leases (EUR -2.3 million) added up to a cash outflow of EUR -2.8 million.

The addition of cash outflows from operations, investment and financing reached attained a value of EUR -19.6 million.

### **Employees**

As at June 30, 2012, the Group employed 1'000 employees (YE 2011: 898 employees). This corresponds to an increase by 102 employees or 10.2% compared to the end of the previous year. The increase in employees during the period under review resulted from acquisitions, new hires in the engineering and development fields and an increase of the workforce at our facility in the Czech Republic. As at June 30, 2012, 373 employees were employed in Germany, 190 in Austria, 308 in Switzerland, 107 in the Czech Republic and 22 in the Netherlands.

### **Opportunities and Risk Report**

To the Company's knowledge, there is no information which would result in changes to the main forecasts and other statements made in the most recent Group Management Report regarding the development of the Group for the financial year. The statements provided in Annual Report 2011 on the opportunities and risks of the business model remain unchanged.

### **Outlook**

Encouraged by the Group's well-filled order book, management continues to take a positive view of the second half of the year and beyond. As the 3rd Quarter begins, we are already registering catch-up effects from the previous order postponements. The expenditures for development, facilities and personnel incurred during the first half-year will pay off during the second half of the year.

However, risks to the economy at large make planning and forecasts difficult.

Due to the excellent growth potential in the target markets medical technology and industrial automation, the Management Board expects a boost in organic growth for the ECMS segment, accompanied by a recovery of the operative margin.

The segment ID Management & Systems was meanwhile able to achieve a renewal of all major seasonal orders, particularly in the field of ski access. For the second half of the year, new projects have been won in the NFC field. New orders have also been secured in the field of high-value consumer and luxury goods, as well new, large-scale orders in the contactless payment sector. On the basis of growth and simultaneous continuation of cost-cutting efforts, the Management Board sees opportunities for significant EBITDA improvements in the higher single-digit figures for the ID Management & Systems segment.

On the prerequisite that the economic framework does not deteriorate further, the Management Board expects positive overall business development for the second half of the year. This means sales growth of at least 20% and a return to an EBITDA margin well into the double digits.

Luxembourg, August 10, 2012  
except Group SE  
The Board of Directors and the Management Board

# Interim condensed consolidated financial statements

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**June 30, 2012**



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August 10, 2012

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**Condensed consolidated balance sheet**

in TEUR	unaudited June 30, 2012	December 31, 2011
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	29'377	27'101
Intangible assets	62'591	51'746
Other financial investments	27	26
Other non-current receivables	259	265
<b>Total non-current assets</b>	<b>92'254</b>	<b>79'138</b>
<b>Current assets</b>		
Inventories	41'622	31'122
Trade receivables, net	20'330	17'916
Other current receivables	3'691	1'768
Current income tax receivable	255	220
Accrued income and prepaid expenses	1'104	755
Cash and cash equivalents	20'613	40'132
<b>Total current assets</b>	<b>87'615</b>	<b>91'913</b>
<b>Total assets</b>	<b>179'869</b>	<b>171'051</b>
<b>Equity</b>		
Share capital	528	528
Reserves	81'981	85'073
<b>Equity attributable to owners of the parent</b>	<b>82'509</b>	<b>85'601</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>82'509</b>	<b>85'601</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	28'598	25'718
Retirement benefit obligations	6'781	6'651
Deferred tax liabilities	7'989	6'674
Provisions for other liabilities and charges	881	556
Other non-current liabilities	1'583	1'535
<b>Total non-current liabilities</b>	<b>45'832</b>	<b>41'134</b>
<b>Current liabilities</b>		
Trade payables	13'149	10'838
Other current liabilities	7'075	5'308
Accrued expenses and deferred income	7'421	7'136
Current income tax liabilities	5'829	6'157
Borrowings	9'306	9'786
Other financial liabilities	7'000	3'000
Provisions for other liabilities and charges	1'748	2'091
<b>Total current liabilities</b>	<b>51'528</b>	<b>44'316</b>
<b>Total liabilities</b>	<b>97'360</b>	<b>85'450</b>
<b>Total equity and liabilities</b>	<b>179'869</b>	<b>171'051</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.



## Condensed consolidated income statement

in TEUR	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
	01.04.-30.06.2012	01.04.-30.06.2011	01.01. - 30.06.2012	01.01. - 30.06.2011
Revenue	44'553	42'434	90'585	78'043
Cost of sales	-36'360	-31'355	-72'924	-57'746
<b>Gross profit</b>	<b>8'193</b>	<b>11'079</b>	<b>17'661</b>	<b>20'297</b>
<i>Gross profit Margin</i>	18.4%	26.1%	19.5%	26.0%
Distribution costs	-5'898	-2'717	-9'149	-4'970
Administrative expenses	-3'230	-4'170	-6'880	-7'615
Other operating income	600	346	925	763
<b>Operating result (EBIT)</b>	<b>-335</b>	<b>4'538</b>	<b>2'557</b>	<b>8'475</b>
<i>EBIT Margin</i>	-0.8%	10.7%	2.8%	10.9%
Financial income	431	422	754	864
Financial expense	-602	-1'311	-5'557	-1'922
<b>Financial result, net</b>	<b>-171</b>	<b>-889</b>	<b>-4'803</b>	<b>-1'058</b>
<b>(Loss) / Profit before income tax</b>	<b>-506</b>	<b>3'649</b>	<b>-2'246</b>	<b>7'417</b>
Income tax expense	-476	-1'256	-1'355	-2'270
<b>(Loss) / Profit for the period</b>	<b>-982</b>	<b>2'393</b>	<b>-3'601</b>	<b>5'147</b>
<i>(Loss) / Profit Margin</i>	-2.2%	5.6%	-4.0%	6.6%
(Loss) / Profit attributable to:				
Owners of the parent	-982	2'467	-3'601	5'274
Non-controlling interests	0	-74	0	-127
Earnings per share (basic/dilutive)	EUR	EUR	EUR	EUR
Class A shares	-0.03	-1.26	-0.11	1.69
Class B/C shares	-0.03	0.00	-0.11	0.01

## Condensed consolidated statement of comprehensive income

in TEUR	3 months		6 months	
	unaudited	unaudited	unaudited	unaudited
	01.04. - 30.06.2012	01.04. - 30.06.2011	01.01. - 30.06.2012	01.01. - 30.06.2011
<b>(Loss) / Profit for the period</b>	<b>-982</b>	<b>2'393</b>	<b>-3'601</b>	<b>5'147</b>
<b>Other comprehensive income:</b>				
Actuarial gains/(losses) and adjustments under IAS 19.58b	-747	-609	-130	-510
Deferred tax effect on actuarial (gains)/losses	118	86	21	72
Currency translation differences	87	3'271	618	1'604
<b>Other comprehensive income for the period</b>	<b>-542</b>	<b>2'748</b>	<b>509</b>	<b>1'166</b>
<b>Total comprehensive income for the period</b>	<b>-1'524</b>	<b>5'141</b>	<b>-3'092</b>	<b>6'313</b>
<b>Attributable to:</b>				
Owners of the parent	-1'524	5'215	-3'092	6'440
Non-controlling interests	0	-74	0	-127

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Condensed consolidated statement of cash flows**

in TEUR	unaudited 01.01.- 30.06.2012	unaudited 01.01.- 30.06.2011
<u>(Loss) / Profit before income tax</u>	-2'246	7'417
Adjustments for non-cash transactions		
Amortization on intangible assets	1'414	1'398
Depreciation on tangible assets	2'804	2'342
Gains on disposal of assets	-14	-2
Financial (income)/expense, net	4'509	612
Other non-cash (income)/expenses	313	-733
Adjustments to retirement benefit obligation/prepaid cost	-97	-143
<b>Operating results before changes in net working capital</b>	<b>6'683</b>	<b>10'891</b>
<u>Changes to net working capital</u>		
Changes to inventories	-4'889	-4'424
Changes to receivables	-1'976	-2'684
Changes to accrued income and prepaid expenses	-239	-246
Changes to liabilities	324	-674
Changes to provisions for other liabilities and charges	-738	-53
Changes to accrued expenses and deferred income	-437	642
Tax received	126	0
Tax paid	-2'151	-989
Interest received	44	5
Interest paid	-389	-379
<b>Cashflows from operating activities</b>	<b>-3'642</b>	<b>2'089</b>
Acquisition of subsidiaries, net of cash acquired	-10'855	-6'344
Acquisition of tangible assets	-2'167	-1'325
Sale of tangible assets	18	5
Acquisition of intangible assets	-135	-62
<b>Cashflows from investing activities</b>	<b>-13'139</b>	<b>-7'726</b>
Acquisition of non-controlling interests	0	-52
Proceeds of borrowings	1'461	0
Repayments of borrowings	-1'941	-615
Repayments of other non-currents liabilities	-25	-506
Proceeds in finance lease	512	310
Repayment in finance lease	-2'829	-1'521
<b>Cashflows from financing activities</b>	<b>-2'822</b>	<b>-2'384</b>
<b>Net changes in cash and cash equivalents</b>	<b>-19'603</b>	<b>-8'021</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>40'132</b>	<b>18'911</b>
Effect of exchange rate gains/(losses)	84	236
<b>Cash and cash equivalents at the end of the period</b>	<b>20'613</b>	<b>11'126</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

in TEUR	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
<b>Balances at January 1, 2012</b>	528	65'485	-4'525	15'263	8'850	85'601	0	85'601
(Loss) / Profit for the period				-3'601		-3'601	0	-3'601
<b>Other comprehensive income:</b>								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-130		-130		-130
Deferred tax effect on actuarial (gains)/losses				21		21		21
Currency translation differences					618	618		618
<b>Total other comprehensive income for the period</b>	0	0	0	-109	618	509	0	509
<b>Total comprehensive income for the period</b>	0	0	0	-3'710	618	-3'092	0	-3'092
<b>Balances at June 30, 2012</b>	528	65'485	-4'525	11'553	9'468	82'509	0	82'509

  

	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
<b>Balances at January 1, 2011</b>	14'063	18'721	0	12'092	8'484	53'360	2'614	55'974
(Loss) / Profit for the period				5'274		5'274	-127	5'147
<b>Other comprehensive income:</b>								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-510		-510		-510
Deferred tax effect on actuarial (gains)/losses				72		72		72
Currency translation differences					1'604	1'604		1'604
<b>Total other comprehensive income for the period</b>	0	0	0	-438	1'604	1'166	0	1'166
<b>Total comprehensive income for the period</b>	0	0	0	4'836	1'604	6'440	-127	6'313
Acquisition of non-controlling interests				14		14	-66	-52
<b>Balances at June 30, 2011</b>	14'063	18'721	0	16'942	10'088	59'814	2'421	62'235

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

## Notes to the unaudited interim condensed consolidated financial statements

### 1 General information

exceet Group SE (the ‘Company’ or the ‘Group’) – collectively with its subsidiaries – is the successor company of a reverse asset acquisition of exceet Group SE (formerly named Helikos SE) and exceet Group AG with effect from July 26, 2011. The reverse asset acquisition was the result of a plan of arrangement whereby exceet Group AG was acquired by exceet Group SE with former exceet Group AG shareholders receiving de facto control of exceet Group SE and with the management and Board of Directors of exceet Group AG becoming the management and Board of Directors of exceet Group SE.

exceet Group SE is an integrated international embedded solutions technology group specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of customers and of specific sectors.

The exceet Group SE differentiates three operating segments: Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and Embedded Security Solutions (ESS).

In the ECMS segment, the Group develops and produces complex, integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of customers. This segment offers a wide portfolio of innovative, integrated electronic solutions. The products and services of the ECMS segment are aimed primarily at customers in the sectors of medical and healthcare, industrial automation, security and avionics.

The IDMS segment is engaged in design, development and production of contact and contactless smart cards, multi-function cards, card-reading units and related services. Offering tailored, innovative solutions while meeting the highest quality and security standards, the company considers itself as one of the leading providers of comprehensive solutions for high-tech smart cards and the corresponding card-reading units in Europe. IDMS security solutions are used primarily in the sectors of financial services, security, public sector, transportation, and healthcare as well as retail.

The ESS segment combines the experience gathered in the ECMS and IDMS segments relative to the development of innovative solutions for embedded security systems in selected markets. The ESS segment focuses on security solutions for customers in the sectors of medical and healthcare, industrial automation, financial services, security, avionics and the public sector.

exceet Group SE operates in European countries as well as in the US and Asia-Pacific and consists of a total of 20 direct and indirect subsidiaries with 14 sites located in five European countries (the Republic of Austria (‘Austria’), the Czech Republic, Germany, the Kingdom of the Netherlands (the ‘Netherlands’) and Switzerland), allowing the company to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of customers.

The Group’s legal parent company is exceet Group SE, a company incorporated as a Société Européenne under the law of Luxembourg. exceet Group SE was incorporated on October 9, 2009 as Helikos SE and renamed in exceet Group SE on July 27, 2011. exceet Group SE has its registered office at 115 avenue Gaston Diderich, L-1420 Luxembourg.

On July 26, 2011, exceet Group AG completed its reverse asset acquisition of exceet Group SE pursuant to the terms and conditions of the share purchase and acquisition agreement. Further to detailed analysis in respect to the terms and conditions of the transaction between Helikos SE and exceet Group AG, management has determined the transaction as a reverse asset acquisition rather than a business combination. The consolidated financial statements have been prepared as if exceet Group AG had acquired exceet Group SE and its controlled entities, not vice versa as represented by the legal position. Due to the reverse acquisition treatment, the prior period figures of the presented consolidated financial statements will not match with those of former Helikos SE because the numbers represent the financial consolidated statement of exceet Group AG. Further information on the reverse asset acquisition please refer to the annual accounts of exceet Group SE notes 5 and 17.

The Group includes all relevant companies in which exceet Group SE, directly or indirectly, has a majority of the voting rights and is able to determine the financial and business policies based on the so-called

control concept. All companies consolidated can be seen in the list of consolidated subsidiaries of the Group (note 16).

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on August 10, 2012.

## 2 Adoption of new and revised accounting standards

No new standards or amendments to existing standards have been applied since the year end except for:

- IAS 12 (Amendments) "Deferred tax: recovery of underlying assets"
- IFRS 1 (Amendments) " Severe hyperinflation and removal of fixed dates for first-time adopters"
- IFRS 7 (Amendments) "Disclosure –Transfers of financial assets".

However, these amendments have no impact on exceet Group SE. Therefore the same accounting and valuation principles have been applied to these financial statements as to those that are described on pages 75 to 81 of the 2011 annual report of exceet Group SE.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following table shows the new standards and the amendments to existing standards which will be applicable.

New Standards or amendments to existing standards	Effective date when a standard has to apply
Amendments to IFRS 7 - Disclosures - Offsetting financial assets and financial liabilities	January 1, 2013
IFRS 9 - Financial Instruments: Classification and measurement	January 1, 2015
IFRS 10 - Consolidated financial statements	January 1, 2013
IFRS 11 - Joint arrangements	January 1, 2013
IFRS 12 - Disclosure of interests in other entities	January 1, 2013
IFRS 13 - Fair value measurement	January 1, 2013
Amendments to IAS 1 - Presentation of items of other comprehensive income	July 1, 2012
Amendments to IAS 1 - Presentation of financial statements	January 1, 2013
Amendments to IAS 16 - Classification of spare parts / servicing equipment	January 1, 2013
Amendments to IAS 19 - Employee benefits	January 1, 2013
Amendments to IAS 27 - Separate financial statements	January 1, 2013
Amendments to IAS 28 - Investments in associates and joint ventures	January 1, 2013
Amendments to IAS 32 - Recognition of tax effects of distributions and equity transactions	January 1, 2013
Amendments to IAS 32 - Offsetting financial assets and financial liabilities	January 1, 2014
Amendments to IAS 34 - Interim financial reporting	January 1, 2013

The Group is currently in process to analyze the potential impacts of the new standards and the amendments to the existing standards. As soon as this process has been completed, the Group will make the decision if the changes will be early adopted.

### 3 Basis of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies prepared in accordance with uniform accounting policies. In accordance with International Financial Reporting Standards (IFRS) adopted by the EU, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) the condensed consolidated interim financial statements have been prepared on a going concern basis under the historical cost convention except for the revaluation of certain financial assets at market value and for financial liabilities at fair value through profit or loss which are measured at fair value (relates to accounting for public warrants).

#### *Statement of compliance*

These consolidated condensed interim financial statements for the six months ended June 30, 2012 were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the EU. In accordance with IAS 34, the interim condensed consolidated financial statements do not contain all the information that is to be disclosed in the consolidated financial statements at the end of the financial year. Consequently, these interim condensed consolidated financial statements are to be read in conjunction with the consolidated financial statements of exceet Group SE for the 2011 financial year.

The following exchange rates were relevant to the interim financial report as per June 30, 2012:

	30.06.2012	Average 01.01.-30.06.2012	31.12.2011	30.06.2011	Average 01.01.-30.06.2011
<b>1 CHF</b>	0.83	0.83	0.82	0.83	0.79
<b>1 USD</b>	0.75	0.76	0.77	0.70	0.73

#### *Consolidated statement of comprehensive income*

The consolidated interim statement of comprehensive income was prepared based on an accruals basis. Consolidated statement of comprehensive income has been presented by using “cost of sales” method.

#### *Use of estimates and judgments*

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2011. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities and contingent assets and liabilities at the date of the financial statements as well as revenue and expenses reported for the financial year. Actual results could differ from these estimates.

#### *Seasonality*

Revenues and costs are not influenced by seasonal effects, but are mainly impacted by the economic environment in the markets the Group is operating in.

#### 4 Additional information to the cash flow statement

Cash flow on acquisition of investments in TEUR	unaudited	unaudited	Date of consolidation
	Cash flow 01.01.- 30.06.2012	Cash flow 01.01.- 30.06.2011	
Cash outflow on acquisition of Inplastor GmbH	-1'944		January 27, 2012
Cash outflow on acquisition of as electronics GmbH	-8'811		May 24, 2012
Cash outflow on acquisition of exceet Austria GmbH		-9	March 1, 2011
Cash outflow on acquisition of The Art of Packaging s.r.o.	-100	-780	December 31, 2010
Cash outflow on acquisition of AuthentIDate AG		-946	April 1, 2011
Cash outflow on acquisition of Contec GmbH		-4'609	May 1, 2011
<b>Total</b>	<b>-10'855</b>	<b>-6'344</b>	

  

Transaction costs directly recognized in the income statement	unaudited
	TEUR 01.01.- 30.06.2012
Inplastor GmbH	14
as electronics GmbH	73
<b>Total</b>	<b>87</b>

The cash outflow on acquisition of The Art of Packaging s.r.o. is related to the acquisition in 2010, with contractual payments in 2011 and 2012.

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery.

#### 5 Segment information

The Group has three main business segments, Electronic Components Modules & Systems ('ECMS'), ID Management & Systems ('IDMS') and Electronic Security Solutions ('ESS'), representing different subsidiaries. The segment information is presented on the same basis as for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the Management Board. In addition, the Group has a fourth segment 'Corporate and others' for reporting purposes which only includes the investment companies.

The segment information for the six months ended June 30, 2012 and a reconciliation of EBIT to (loss)/profit for the period are provided as follows:

### Income statement/capital expenditure by segment

in TEUR	ECMS		IDMS		ESS		Corporate and others		Inter-segment elimination		Group consolidated	
	unaudited		unaudited		unaudited		unaudited		unaudited		unaudited	
	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011	01.01.2012 - 30.06.2012	01.01.2011 - 30.06.2011
External revenue	63'929	54'439	24'742	21'511	1'914	2'093	0	0			90'585	78'043
Inter-segment revenue	0	0	9	469	0	0	177	214	-186	-683	0	0
<b>Total revenue</b>	<b>63'929</b>	<b>54'439</b>	<b>24'751</b>	<b>21'980</b>	<b>1'914</b>	<b>2'093</b>	<b>177</b>	<b>214</b>	<b>-186</b>	<b>-683</b>	<b>90'585</b>	<b>78'043</b>
<b>Operating result (EBITDA)</b>	<b>8'646</b>	<b>13'550</b>	<b>595</b>	<b>2'162</b>	<b>-41</b>	<b>390</b>	<b>-2'425</b>	<b>-3'887</b>			<b>6'775</b>	<b>12'215</b>
<i>EBITDA Margin</i>	13.5%	24.9%	2.4%	9.8%	-2.1%	0.0%					7.5%	15.7%
Depreciation and amortization	-2'713	-2'556	-1'360	-1'023	-109	-146	-36	-15			-4'218	-3'740
<b>Operating result (EBIT)</b>	<b>5'933</b>	<b>10'994</b>	<b>-765</b>	<b>1'139</b>	<b>-150</b>	<b>244</b>	<b>-2'461</b>	<b>-3'902</b>			<b>2'557</b>	<b>8'475</b>
<i>EBIT Margin</i>	9.3%	20.2%	-3.1%	5.2%	-7.8%	0.0%					2.8%	10.9%
Financial income											754	864
Financial expense											-5'557	-1'922
<b>Financial result – net</b>											<b>-4'803</b>	<b>-1'058</b>
<b>(Loss) / Profit before income tax</b>											<b>-2'246</b>	<b>7'417</b>
Income tax expense											-1'355	-2'270
<b>(Loss) / Profit for the period</b>											<b>-3'601</b>	<b>5'147</b>
Capital expenditure tangible assets	1'526	875	1'663	717	13	4	29	0			3'231	1'596
Capital expenditure intangible assets	131	28	260	30	3	1	0	4			394	63
Depreciation tangible assets	-1'604	-1'440	-1'159	-897	-20	-4	-21	-1			-2'804	-2'342
Impairment tangible assets	0	0	0	0	0	0	0	0			0	0
Amortization intangible assets	-1'109	-1'116	-201	-126	-89	-142	-15	-14			-1'414	-1'398
Impairment of goodwill	0	0	0	0	0	0	0	0			0	0

### Assets/liabilities by segment

in TEUR	ECMS			IDMS			ESS			Corporate and others			Group consolidated		
	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited		unaudited	
	30.06.2012	31.12.2011	30.06.2011	30.06.2012	31.12.2011	30.06.2011	30.06.2012	31.12.2011	30.06.2011	30.06.2012	31.12.2011	30.06.2011	30.06.2012	31.12.2011	30.06.2011
Non current Assets	64'693	54'791	55'446	25'720	22'405	22'193	1'650	1'745	1'807	191	197	54	92'254	79'138	79'500
Current Assets	65'750	61'824	54'635	15'853	13'720	13'816	1'273	877	2'330	4'732	15'492	850	87'608	91'913	71'631
Liabilities	47'210	41'124	40'583	17'922	15'841	14'896	1'456	1'227	1'500	30'772	27'258	31'909	97'360	85'450	88'888



## 6 Financial expense

The position financial expense mainly contains a loss of TEUR 4'000 realized in Q1 2012 out of the valuation of the warrants and currency translation losses (note 11).

## 7 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of TEUR 4'074 (prior period January 1, 2011 to June 30, 2011 - TEUR 3'125; prior year January 1, 2011 to December 31, 2011 – TEUR 6'800).

Development costs are mainly related to the development projects for customers and products, process development and optimizations for the production.

## 8 Equity

The share capital consists of 34'734'221 shares and can be divided into 20'523'695 Class A shares ("public shares"), thereof 20'073'695 class A shares listed on the stock exchange and 450'000 unlisted own class A shares held by the company (treasury shares), 5'210'526 Class B shares (founding shares) and 9'000'000 Class C shares (earn-out shares) with a par value of EUR 0.0152 each.

There were no changes to the share capital of except Group SE since the last reporting date of December 31, 2011.

For further information regarding the transactions before December 31, 2011 – please refer to the annual report of except Group SE 2011 – Note 17 on pages 112 -117.

## 9 Earnings per share

Earnings per shares (EPS) are calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Due to different rights to receive dividends except Group SE has two classes of ordinary shares. Disclosure of EPS amounts is required for both classes of ordinary shares.

### a) Basic

The calculation of basic EPS at June 30, 2012, is based on the (loss)/profit attributable to the owners of the parent of TEUR -3'601 (Q1 2011: TEUR 5'274) and the weighted average number of ordinary shares outstanding of 20'073'695 Class A shares and 14'210'526 Class B/C shares respectively. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding are 3'069'736 Class A shares and 9'000'000 Class C shares respectively.

		unaudited 01.01. - 30.06.2012	unaudited 01.01. - 30.06.2011
(Loss)/Profit for the period (TEUR) attributable to equity holders of the Company	Class A shares	-2'108	5'184
	Class B/C shares	-1'493	90
	<i>Total</i>	<i>-3'601</i>	<i>5'274</i>
Weighted average number of ordinary shares outstanding	Class A shares	20'073'695	3'069'736
	Class B/C shares	14'210'526	9'000'000
	<i>Total</i>	<i>34'284'221</i>	<i>12'069'736</i>
<b>Basic earnings per share (EUR/share)</b>	<b>Class A shares</b>	<b>-0.11</b>	<b>1.69</b>
	<b>Class B/C shares</b>	<b>-0.11</b>	<b>0.01</b>

b) Diluted

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. The Group has 20'000'000 outstanding public warrants. The warrants are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants. Additionally, Class B and C shares that are not converted to public shares on or prior to the fifth anniversary of the consummation of the reverse asset acquisition will no longer be convertible into public shares and will be redeemed. A redemption would reduce the numbers of ordinary shares outstanding, which would then impact the EPS. In the period presented it would lead to higher earnings per share for the other class of shares and consequently has not been considered as dilutive.

As a result, the basic earnings per share equal the dilutive EPS.

## 10 Dividends

No dividends were paid during the six months ended June 30, 2012.

## 11 Other financial liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of TEUR 7'000.

### *Public Warrants*

exceet Group SE completed its initial public offering of 20'000'000 units consisting each of one share and one warrant, both traded on the Frankfurt Stock Exchange, at an initial price of EUR 10.00 raising hence a total of TEUR 200'000.

With consummation of the acquisition on July 26, 2011, the terms and conditions of the Class A warrant were amended, notably;

- (i) to provide for the payment in cash of EUR 0.625 per Class A warrant upon consummation of the business combination; (amount to TEUR 12'500 for all public warrants);
- (ii) to amend the exercise formula for the Class A warrants to provide that the number of Class A shares received upon exercise of each Class A warrant is reduced by 50 %;
- (iii) to increase the warrant exercise price per Class A share from EUR 9 per Class A share to EUR 12 per Class A share;
- (iv) to increase the redemption trigger from EUR 14 to EUR 17; and
- (v) to extend the term of the Class A warrants from five years from the date of Helikos SE's IPO to five years from the consummation of the business combination.

Public warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit or loss.

As at December 31, 2011, the rating of one public warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.15, hence a fair value of TEUR 3'000 was recorded at December 31, 2011.

As at March 31, 2012 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.35, hence a fair value adjustment of TEUR 4'000 was recorded at March 31, 2012.

As at June 30, 2012 the rating of one public warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.35, hence no additional fair value adjustment was required for Q2 2012.

## 12 Significant events and transactions

In January 2012, the Company announced the implementation of a management stock option program, for details please refer to the annual report of exceet Group SE 2011 – Note 37 on page 153. Until June 30, 2012 no further actions have been taken.

### 13 Financial risk management

Until June 30, 2012, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

Until June 30, 2012, there were no reclassifications of financial assets.

### 14 Ultimate controlling parties and related-party transactions

The Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

One shareholder loan of TEUR 1'050 (with additional interest and any other amounts accrued) granted to exceet Group AG was repaid in full by January 30, 2012. All other shareholder loans remain unchanged since year-end (interest charge for the period in 2012 - TEUR 65 (Q2 2011: TEUR 123)). In addition, the Group had legal charges in the first six months of 2012 of TEUR 130 (Q2 2011: TEUR 54). For the acquisition of The Art of Packaging s.r.o. at December 31, 2010, TEUR 100 has been paid to members of Management Board of exceet Group SE by the end of the first quarter of 2012.

### 15 Scope of consolidation

#### *exceet Austria GmbH*

On March 1, 2011, the Group acquired exceet Austria GmbH, an inactive holding company, which has been purchased for TEUR 40. At the date of acquisition, the acquired asset contains only cash positions.

#### *Winter AG*

On February 16, 2011, the Group acquired additional 4.88% of the issued share capital of Winter AG and increased its interest in the subsidiary to 100%. The purchase of additional subsidiary shares once control was obtained by the parent entity was accounted for as an equity transaction and no gain or loss was recorded. The purchase price was TEUR 52.

#### *AuthentiDate AG.*

On April 1, 2011, the Group acquired all of the issued shares in AuthentiDate AG, Düsseldorf, for a cash consideration of TEUR 1'031. The fair value of net assets acquired were TEUR 651 resulting in a Goodwill of TEUR 380. With cash and cash equivalents of TEUR 85 acquired, cash outflow amounted to TEUR 946. AuthentiDate AG contributed revenue of TEUR 2'093 and a net profit of TEUR 263 for the period of April 1, 2011 to June 30, 2011.

<b>Purchase consideration at April 1, 2011</b>	TEUR
Purchase consideration settled in cash	1'031
<b>Total purchase consideration</b>	<b>1'031</b>
Fair value of net assets acquired	-651
<b>Goodwill</b>	<b>380</b>

The assets and liabilities arising from the acquisition are as follows:

	<b>Fair Value</b>
	TEUR
Cash and cash equivalents	85
Tangible assets (note 9)	41
Software and other intangible assets (note 10)	26
Customer base (note 10)	1'500
Inventory	6
Trade receivables (including allowance)	455
Other receivables	360
Accrued income and deferred expenses	43
Trade payables	-106
Other liabilities	-517
Accrued expenses and deferred income	-1'059
Provisions	-5
Loan from shareholder	-70
Deferred tax, net	-108
<b>Net assets acquired</b>	<b>651</b>
Purchase consideration settled in cash	-1'031
Cash and cash equivalents in subsidiary acquired	85
<b>Cash outflow on acquisition</b>	<b>-946</b>

*Contec Steuerungstechnik & Automation Gesellschaft m.b.H.*

On May 2, 2011, the Group (except Austria GmbH 99.01%, except Group AG 0.99%) acquired all of the issued shares of Contec Steuerungstechnik & Automation Gesellschaft m.b.H (Contec GmbH) for a cash consideration of TEUR 4'745. The fair value of net assets acquired were TEUR 6'397 resulting in a Goodwill of TEUR 793. With cash and cash equivalents of TEUR 136 acquired, cash outflow amounted to TEUR 4'609. Contec GmbH contributed revenues of TEUR 4'467 and a net profit of TEUR 62 for the period of May 1, 2011 to June 30, 2011.

<b>Purchase consideration at May 1, 2011</b>	TEUR
Purchase consideration settled in cash	4'745
Contingent consideration	2'445
<b>Total purchase consideration</b>	<b>7'190</b>
Fair value of net assets acquired	-6'397
<b>Goodwill</b>	<b>793</b>

The assets and liabilities arising from the acquisition are as follows:

	<b>Fair Value</b>
	TEUR
Cash and cash equivalents	136
Tangible assets (note 9)	4'769
Software and other intangible assets (note 10)	206
Customer base and technology (note 10)	3'590
Other financial assets	27
Inventory	7'440
Trade receivables (including allowance)	1'972
Other receivables	804
Accrued income and deferred expenses	152
Trade payables	-2'244
Other liabilities	-1'394
Accrued expenses and deferred income	-508
Provisions	-116
Long-term financial liabilities	-7'763
Deferred tax, net	-674
<b>Net assets acquired</b>	<b>6'397</b>
Purchase consideration settled in cash	-4'745
Cash and cash equivalents in subsidiary acquired	136
<b>Cash outflow on acquisition</b>	<b>-4'609</b>

#### *Helikos AG*

Helikos AG was incorporated at May 27, 2011 and is a 100% subsidiary of except Group SE.

#### *Inplastor Graphische Produkte Gesellschaft m.b.H.*

On January 23, 2012, the Group acquired by way of a share purchase agreement all of the shares of Inplastor Graphische Produkte Gesellschaft m.b.H. (Inplastor GmbH), an Austrian full-line provider of card-based Loyalty- and ID-Security-Solutions. The rationale for the acquisition was to strengthen except Group SE's market leader position in the card-based Loyalty- and ID-Security-Solution market in the DACH-Region (Germany, Austria and Switzerland). The aggregate consideration amounts to TEUR 2'700, which consists of TEUR 2'200 purchase consideration, a contingent consideration of TEUR 300 paid with the submission of the final financial statements as of December 31, 2011 of Inplastor GmbH, and TEUR 200 payable one year after the effective date of the acquisition provided that except Group SE does not submit a warranty claim. The contingent consideration has already been paid into an escrow account.

Inplastor GmbH was acquired through an intermediate Austrian holding company (except Austria GmbH). Transaction costs of TEUR 14 have been recognized in administrative expenses.

Inplastor GmbH contributed revenue of TEUR 4'794 and a net profit of TEUR 142 to the Group for the period of January 23, 2012 to June 30, 2012. If the acquisition had occurred on January 1, 2012 Inplastor GmbH would have contributed revenue of TEUR 5'151 and a net profit of TEUR 32 to the Group.

The initial accounting for the acquisitions in the current financial year is provisional.

Details of net assets acquired and goodwill are as follows:

	TEUR
<b>Purchase consideration</b>	
Purchase consideration paid January 27, 2012	2'200
Contingent consideration paid January 27, 2012 in an escrow account	500
<b>Total purchase consideration</b>	<b>2'700</b>
Fair value of net assets acquired	-2'277
<b>Goodwill</b>	<b>423</b>

The assets and liabilities arising from the acquisition are as follows:

	Fair Value
	TEUR
Cash and cash equivalents	756
Tangible assets	489
Software and other intangible assets	71
Customer base and technology	1'765
Inventory	299
Trade receivables	172
Other receivables	20
Accrued income and deferred expenses	29
Trade payables	-291
Other liabilities	-211
Accrued expenses and deferred income	-72
Provisions	-189
Other long-term liabilities	-52
Deferred tax, net	-509
<b>Net assets acquired</b>	<b>2'277</b>
	TEUR
Consideration settled in cash until January 27, 2012	-2'700
Cash and cash equivalents in subsidiary acquired	756
<b>Cash outflow on acquisition</b>	<b>-1'944</b>

*as electronics GmbH*

On May 24, 2012, the Group acquired by way of a share purchase agreement all of the shares of as electronics GmbH, a leading provider of embedded electronics and security solutions in Germany. The rationale for the acquisition was to expand the Group's engineering and development expertise in the electronics sector. The aggregate consideration amounts to TEUR 11'470, which consists of TEUR 10'070 purchase consideration and a contingent consideration which requires the Group to pay TEUR 1'400 in the next financial year, depending on defined results. The management expects the earn-out payment to be made in full.

as electronics GmbH was acquired by exceet Group AG. Transaction costs of TEUR 73 have been recognized in administrative expenses.

as electronics GmbH contributed revenue of TEUR 1'354 and a net profit of TEUR 41 to the Group for the period of May 24, 2012 to June 30, 2012. If the acquisition had occurred on January 1, 2012 as electronics GmbH would have contributed revenue of TEUR 7'978 and a net profit of TEUR 338 to the Group.

The initial accounting for the acquisitions in the current financial year is provisional.

Details of net assets acquired and goodwill are as follows:

<b>Purchase consideration</b>	TEUR
Purchase consideration paid May 24, 2012	10'070
Contingent consideration	1'400
<b>Total purchase consideration</b>	<b>11'470</b>
Fair value of net assets acquired	-9'391
<b>Goodwill</b>	<b>2'079</b>

The assets and liabilities arising from the acquisition are as follows:

	<b>Fair Value</b>
	TEUR
Cash and cash equivalents	1'259
Tangible assets	217
Software and other intangible assets	2'011
Customer base and technology	5'204
Other financial assets	20
Inventory	4'691
Trade receivables	1'456
Other receivables	922
Accrued income and deferred expenses	84
Trade payables	-971
Other liabilities	-1'142
Accrued expenses and deferred income	-564
Provisions	-135
Bank liabilities	-2'524
Liabilities from finance leasing	-44
Deferred tax, net	-1'093
<b>Net assets acquired</b>	<b>9'391</b>
	TEUR
Consideration settled in cash until May 24, 2012	-10'070
Cash and cash equivalents in subsidiary acquired	1'259
<b>Cash outflow on acquisition</b>	<b>-8'811</b>

## 16 List of consolidated subsidiaries of exceet Group SE

Company	Year of acquisition <sup>1</sup>	Activity	Land	Share Capital	Share in the capital	Share of the votes
exceet Group SE	2011	Investments in subsidiaries	LUX	EUR 527'960	100%	100%
- Helikos AG	2011	Investments in subsidiaries	SUI	CHF 100'000	100%	100%
- exceet Group AG	2006	Investments in subsidiaries	SUI	CHF 25'528'040	100%	100%
- ECR AG	2006	Manufacturing of electronic components for industrial and med-tech application	SUI	CHF 500'000	100%	100%
- GS Swiss PCB AG	2006	Manufacturing of flexible, semi-flexible and HDI printed circuit boards	SUI	CHF 1'350'000	100%	100%
- Mikrap AG	2008	Development and distribution of software and hardware for instrumentation and control technology	SUI	CHF 1'000'000	100%	100%
- AEMtec GmbH	2008	Manufacturing of multi-chip modules	GER	EUR 2'250'000	100%	100%
- Winter AG <sup>6</sup>	2010	Production of smart cards and card personalization	GER	EUR 5'292'000	100%	100%
- as electronics GmbH	2012	Development and manufacturing of electronic components for industrial applications	GER	EUR 102'150	100%	100%
- exceet Austria GmbH <sup>7</sup>	2011	Investments in subsidiaries	AUT	EUR 35'000	100%	100%
- Contec Steuerungstechnik & Automation Gesellschaft m.b.H.	2011	Manufacturing of electronic components for industrial and med-tech application	AUT	EUR 36'000	100%	100%
- Inplastor Graphische Produkte Gesellschaft m.b.H.	2012	Manufacturing of plastic card for Loyalty, Events and ID -Security- Solutions	AUT	EUR 50'000	100%	100%
- AuthentiDate International AG	2011	Digital signatures and trust center	GER	EUR 1'000'000	100%	100%
- AuthentiDate Deutschland GmbH <sup>8</sup>	2011	Digital signatures and trust center	GER	EUR 25'000	100%	100%
- exceet Card Group AG <sup>9</sup>	2009	Investments in subsidiaries	GER	EUR 5'915'500	100%	100%
- VisionCard Kunststoffkartenproduktions GmbH <sup>2</sup>	2009	Manufacturing of plastic card for Loyalty, Access, Events and Transportation	AUT	EUR 35'000	100%	100%
- idVation GmbH <sup>3</sup>	2009	Customizing Solutions for RFID area and Logical Access	GER	EUR 25'000	100%	100%
- The Art of Packaging s.r.o. <sup>4</sup>	2010	Production of prelamines for RFID card components, packaging services	CZE	CZK 1'500'000	100%	100%
- PPC Card Systems GmbH <sup>2</sup>	2009	Manufacturing of bank- and credit cards w/o chips for Banking, Loyalty, Medical & Transportation	GER	EUR 1'023'584	100%	100%
- PPC Card Systems B.V. <sup>5</sup>	2009	Personalization and mailing of all types of cards	NED	EUR 226'900	100%	100%
- NovaCard Informationssysteme GmbH <sup>2</sup>	2009	Development and marketing of contact and contactless smart cards	GER	EUR 1'022'584	100%	100%

<sup>1</sup> Year of acquisition refers to exceet Group AG point of view

<sup>2</sup> exceet Card Group AG holds 100% of the share capital of these subsidiaries

<sup>3</sup> VisionCard Kunststoffkartenproduktions GmbH holds 100% of the share capital of idVation GmbH

<sup>4</sup> VisionCard Kunststoffkartenproduktions GmbH holds 98.67% of the share capital of TAoP s.r.o. idVation GmbH holds 1.33% of the share capital of TAoP s.r.o.

<sup>5</sup> PPC Card Systems GmbH holds 100% of the share capital of PPC Card Systems B.V.

<sup>6</sup> 4.88% of the share in the capital and in the votes were held by the public and purchased by exceet Group AG on February 16, 2011

<sup>7</sup> exceet Austria GmbH holds 99.01% of the share capital of Contec GmbH and exceet Group AG 0.99% of the share capital of Contec GmbH

<sup>8</sup> AuthentiDate International AG holds 100% of the share capital of AuthentiDate Deutschland GmbH

<sup>9</sup> exceet Card Group AG holds 100% of the share capital of NovaCard Systems Inc., USA, which is an inactive company and therefore not consolidated.



## **17 Contingencies**

The provision for a legal claim brought up against the Group in 2011, has been reduced in Q2 2012 by TEUR 250, as management expects the costs to be less than anticipated at year end 2011.

Provisions for the restructuring of the IDMS segment have been increased in Q2 2012 by TEUR 752. The additional costs are caused by the extension of the restructuring program to impacted additional staff.

## **18 Events occurring after the reporting period**

On July 5, 2012 a new bank agreement has been signed. The credit facility amount was extended and new maturity dates have been agreed, therefore TEUR 4'167 currently shown as short-term borrowings will be reclassified to long-term borrowings.

## 19 Responsibility statement

In accordance with article 4(2) of the Luxembourg law of 11 January 2008 *relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé* (the "Transparency Law") the undersigned confirm that to the best of their knowledge, the condensed set of financial statements covering the period ended 30 June 2012, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole as required under article 4(3) of the Transparency Law.

Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the period ended 30 June 2012 includes a fair review of important events that have occurred during the first six month of the current financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 10 August 2012

The Board of Directors  
exceet Group SE