

DISO AG reports positive sales trend in Q1 2010

Stuttgart/Germany, July 15, 2010 - Digital Identification Solutions AG (DISO), a leading international ID solutions provider, reports a positive sales trend in the first quarter of 2010:

- Demand continues to recover
- Sales increase by 14.6% compared to the prior year
- Strong momentum in the Software segment as well as in the regions Asia-Pacific, Africa and South America
- Bottom-line results still not on a satisfying level

The first quarter 2010 at a glance

€ Mn.	March 31, 2009	March 31, 2010	Change
Sales	4.1	4.7	+ 14.6%
Gross profit	2.2	2.6	+ 18.2%
EBITDA	- 0.3	- 0.1	> 100%
EBIT	- 0.4	- 0.4	0%
Order backlog	1.7	3.4	> 100%

Business development

In the first quarter of 2010, DISO AG's sales amounted to EUR 4.5 million, up from EUR 4.1 million in the corresponding prior-year quarter. Accordingly, the positive development, which has seen increasing sales since late 2009, continued. The growth rate compared to the prior-year quarter, which was particularly impacted by the financial and economic crisis, amounts to 14.6%.

It is encouraging that sales in North and South America as well as in the Asia-Pacific region and in Africa are above the level achieved in the first quarter of 2008. In Europe, however, we were not able to achieve the 2008 sales level.

The Software segment continues to develop positively, reporting growth of more than 50%.

€ Mn.	2009	2010	Change
Hardware	1.1	1.1	0%
Media	2.4	2.7	12.5%
Software and Services	0.6	0.9	50%
Total	4.1	4.7	14.6%

The gross profit margin remains on a good level at above 50% and results from sales increases in the Media and Software segments.

Unfortunately, EBIT was unchanged from the prior-year quarter (EUR -0.4 million) and does not yet reflect the positive sales development. While EBITDA at EUR -0.1 million (prior year: EUR -0.3 million) begins to show initial positive signs in operating terms, we must continue our efforts to improve our structure and cost base.

Outlook

The macroeconomic situation has improved worldwide in recent months.

"We had a very successful start into the new fiscal year in terms of sales development and continue to focus primarily on our organic growth as well as on improving our earning power and cash flows," says Gerd Schaefer, Chief Executive Officer of DISO AG. "This trend has also become evident in the second quarter, however not only in terms of sales, as EBIT is also improving considerably compared to the first quarter of 2010."

Therefore, DISO AG confirms its outlook for double-digit sales growth for the full fiscal year, particularly as the order book amounting to EUR 3.4 million at the end of March has never been at a higher level. Thus, ensuring liquidity is the focus, besides the abovementioned measures.

In terms of bottom-line results, the Management Board expects EBIT to amount to more than EUR 0.5 million for the full fiscal year.

The Management Board

About Digital Identification Solutions

The Digital Identification Solutions Group is a global provider of advanced identification solutions with a worldwide installed base of more than 11,000 systems. In October 2009 the Group introduced to the world market the latest *EDlsecure*[®] XID Retransfer Printer generations for distinct Business Line segments as well as a much enhanced Professional Line Portfolio in combination with new Inline Lamination Modules. The Professional Line Portfolio will support multiple new modules in the forthcoming future, as well as the revolutionary LCP 9000 Laser Color Personalization System, which had been pre-announced already earlier. The company has own sales-, marketing-, logistic- and support centers in Germany, the United Arab Emirates, Singapore, China, the United States and Mexico. Together with its vast network of certified partners, Digital Identification Solutions is in a position to deliver state-of-the-art solutions virtually anywhere in the world. The company combines cutting-edge technology, extensive industry know-how and an impressive array of references in the private and public sector.

For further information please visit www.digital-identification.com

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