



Final Results 2009
Sales down by 4.2% to EUR 20.5 million -
EBIT amounts to EUR -0.75 million

Stuttgart/Germany, June 29, 2010 - Digital Identification Solutions AG (DISO), a leading international ID solutions provider, reports the following consolidated results for the past fiscal year 2009:

€ '000	2008	2009
Sales	21.403	20.494
Gross profit	10.372	10.465
EBITDA	577	-11
EBIT	53	-745
Net profit for the year	-820	-1.064

In fiscal year 2009, sales of DISO AG decreased to EUR 20.5 million, among other things due to the economic crisis and the resulting impact on investment spending in our customer industries. This represents a decline of almost 4.2% compared to the previous year's figure of EUR 21.4 million and the first decrease in sales in the Company's history.

The sales development was disappointing above all in the European and North American markets. The share in total sales of these markets decreased from 67% in 2008 to 55% in 2009. Very high growth rates were achieved by our companies in Asia and the Middle East/Africa, in some areas up to 50%, as customers continued to expand their infrastructures in spite of the crisis. This growth, however, could not fully offset the sales decline in Europe and North America.

The gross profit margin fell from 48.4% in 2008 to 42% in 2009. This decline was attributable to the changed product mix (less sales revenue generated in the Software and Services segment), overall reduced margins in the Hardware segment, stronger currency effects (especially from the Japanese YEN) compared to the previous years as well as write-downs on inventories.

Operating expenses amounted to EUR 10.4 million in 2009, unchanged from the prior-year period. General operating expenses such as travel and trade fair expenses could be reduced, while staff costs (expansion of sales force) and amortization and depreciation expenses increased in the same period.

Year-end results 2009 – EBITDA declines by EUR 0.6 million

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) for the past fiscal year amounted to EUR 0.0 million as compared with EUR 0.6 million in the prior year. Earnings before interest and taxes (EBIT) amount to EUR -0.7 million as compared with EUR 0.1 million in fiscal year 2008. Earnings before taxes (EBT) in 2009 came to EUR -0.7 million, after EUR -1.2 million a year earlier. The Group's net loss after tax for the fiscal year 2009 amounts to EUR -1.1 million, down from EUR -0.8 million in 2008. The difference between earnings before tax and the net loss after tax in the amount of EUR -0.3 million primarily results from income taxes in the U.S. as well as from the valuation adjustment required to be recognized for deferred taxes in accordance with International Financial Reporting Standard (IFRS), which did not lead to any cash outflows though.

Equity ratio still on a high level of above 65%

Total assets increased only slightly compared to the previous year, climbing EUR 0.3 million to EUR 17.3 million (2008: EUR 17.0 million). Inventories were reduced by almost 30%, but trade receivables rose following strong sales in December. At 65%, the equity ratio remains on a high level. Tight management of working capital enabled us to almost completely avoid additional borrowings.

The sales trend in fiscal year 2010 has been very positive so far. Strong growth has been achieved in the Consumables and Software businesses. In addition, DISO AG is currently benefiting from a very large order book. We have also achieved the first successes for some of the projects which DISO AG is involved in.

Outlook 2010 – Investment spending remains subdued

Despite the cautiously optimistic outlook for the overall market, DISO AG expects relatively strong sales growth in 2010 which will be led above all by the American and Asian markets. We also expect sales growth to continue in the Middle East and Africa. Sales are expected to amount to approx. EUR 25.0 million in 2010, leading to a bottom-line improvement of around EUR 0.5 million. However, we must continue our efforts to improve our structure and cost base.

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 *EDIsecure*[®] 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

Contact:

Sabrina Poessl

Corporate Communications

Digital Identification Solutions AG

Teckstrasse 52

73734 Esslingen

Germany

Phone: ++49 711-341 689-0

Fax: ++49 711-341 689-550

mail_ir@digital-identification.com