

Preliminary Results 2009

Stuttgart, Germany, April 13, 2010 – Digital Identification Solutions AG (DISO), a leading international ID solutions provider, reports the following preliminary unaudited figures for fiscal year 2009:

EUR million	2008	2009
Sales	21.4	20.5
EBIT	0.1	-0.7

Due to the persisting economic crisis and the resulting impact on investment spending in our customer industries, the sales trend of DISO AG and its subsidiaries was unsatisfactory in fiscal year 2009. Group sales declined by 4.6% from EUR 21.4 million in 2008 to EUR 20.5 million in the reporting period. The sales development was disappointing above all in the European market, while we were able to increase sales in Asia and the Americas. The main objective for fiscal year 2009 was to limit the negative impact of the sales decline on our bottom line, a goal which we only partially achieved.

The gross profit margin fell from 48.4% in 2008 to 42.0% 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 and stronger currency effects (especially from the Japanese YEN) compared to the previous years.

Other operating expenses decreased by EUR 0.6 million or 11.5% as compared with the prior year as a result of lower travel and marketing expenses, while staff costs rose by 10.7% due to the expansion of our sales force.

Year-end results 2009 - DISO's first net loss in the Company's history:

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 -1.5 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 -0.8 million primarily results 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.

Against the backdrop of the marginal improvement in DISO AG's business activities during the fourth quarter of 2009, we believe that the downturn of our business development has bottomed out. This trend is underlined by a very large order book (>75% above the previous year's level).

Outlook 2010 – persistently challenging market situation:

For the full year 2010, DISO AG expects the challenging market situation to continue. We believe that our business development will only recover slightly. The recently introduced structural measures and cost-saving initiatives will limit the negative impact of the global economic crisis on our profitability in the current fiscal year as much as possible. As the situation on the international markets is subject to considerable instability and a reliable business trend cannot be identified at the moment, we are not able to provide more precise forecasts of sales and earnings in 2010. The objective of the Management Board for 2010 is to generate clearly positive earnings.

The forward-looking statements and information are based on current expectations and assumptions. They are therefore subject to a number of risks and uncertainties that could cause actual results to differ in both a negative and a positive way from the underlying expectations and assumptions.

Digital Identification Solutions AG

The Management Board

Note: All figures are preliminary and unaudited. The complete annual report will be published after the meeting of the Supervisory 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

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