

DISO AG achieves its goals

Stuttgart, Germany, March 2, 2011 - Digital Identification Solutions AG (DISO), a leading international ID solutions provider, achieved its goals in fiscal year 2010 in terms of both sales and operating business, based on preliminary evaluations. The main drivers for this positive development are the substantial international market presence of DISO AG as well as the strategic realignment and the focus on profitable business.

| € mn | 2009 | 2010 | Change |
|---------------------|-------|-------|--------|
| Sales | 20.5 | 25.3 | +23.4% |
| Gross margin | 41.7% | 43.0% | +3% |
| EBIT* | -0.7 | 0.5 | n.a. |

* before extraordinary expenses due to restructuring

Sales: DISO AG closed the fiscal year 2010 with another significant sales growth, with sales in each quarter outperforming the comparable prior year quarter.

In fiscal year 2010, the preliminary Group sales amounted to EUR 25.3 million, which represents an increase by more than 23% year-on-year. In the fourth quarter of 2010, sales amounted to approx. EUR 7.3 million, which is another 5% rise compared to the good result achieved in the prior year quarter.

Sales growth has been achieved in all regions where DISO AG is actively operating on the market, particularly in North America where sales grew by more than 50%. Even on the very challenging European market, the Group increased sales by 10% compared to the prior year.

Gross profit: Improvements realized with respect to the product mix led to a margin increase of 3 percentage points to approx. 43%.

Results of operations: The operating result (EBIT) before extraordinary items rose significantly year-on-year-on-year and was again positive. Based on preliminary figures, operating earnings before interest and taxes for the fiscal year 2010 before extraordinary expenses within the framework of the restructuring measures initiated in November amounted to EUR 0.5 million (prior year: EUR -0.7 million) and thus meets the forecasted figure.

Extraordinary expenses for restructuring came to approx. EUR 0.9 million and will reduce pressure in fiscal year on a sustained basis. The streamlining of our internal administration is nearly completed, and the strategic realignment resolved in October 2010 is taking shape.

Products: In terms of the distribution of sales, the very good growth can be observed in all operating areas. The disproportionate growth in the Software & Services segment is encouraging.

| € mn | 2009 | 2010 | Change |
|--------------------------------|------|------|--------|
| Hardware | 6.2 | 7.5 | 21.0% |
| Consumables | 11.4 | 13.8 | 21.0% |
| Software & Services | 2.9 | 4.0 | 38.0% |
| Total | 20.5 | 25.3 | 23.4% |

The sales and earnings development is all the more encouraging as the goals have been achieved despite the cancellation or delay of some larger projects. DISO AG now expects that some of these projects are likely to be successfully implemented in the course of 2011.

Outlook 2011: "The strategic and structural realignment initiated in 2010 is the basis for future profitable growth. DISO AG also expects for 2011 a further sales increase and a simultaneous improvement of profitability. In addition to the stabilization of the gross margin, we will continue to focus on measures improving our bottom-line results," says Frank Posnanski, member of the Management Board of DISO AG.

The Management Board

About Digital Identification Solutions

The Digital Identification Solutions Group is a global provider of advanced identification solutions with a worldwide install 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. The company has its 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:

Frank Posnanski

CFO

Digital Identification Solutions AG

Teckstrasse 52

D-73734 Esslingen

Phone: +49 (711) 341 689-0

Fax: +49 (711) 341 689-550

mail_ir@digital-identification.com