

Nine-month report 2008 of InTiCa Systems AG

unaudited in accordance with IFRS
January 1, 2008 – September 30, 2008

Cost reduction program implemented successfully

Loss for the period due to growth investment
in capacity expansion

The future through innovation



InTiCa Systems

in the first nine months of 2008

The Group	Q3 2007 EUR (000)	Q3 2008 EUR (000)	9M 2007 EUR (000)	9M 2008 EUR (000)	Change in %
Sales	9,024	5,266	30,781	22,327	- 27.5
Return on sales (net income)	5.4%	- 12.5%	5.4%	- 6.8 %	
EBITDA	929	292	3,537	1,395	- 60.6
EBIT	687	- 431	2,391	- 1,058	
EBT	634	- 452	2,407	- 1,211	
Net income for the period	487	- 657	1,663	- 1,525	
Earnings per share (EUR) based on 4,287,000 shares	0.11	- 0.15	0.39	- 0.36	
Earnings per share (EUR) undiluted	0.11	- 0.15	0.39	- 0.36	
Cashflow from operating activities per share (EUR)	0.30	- 0.24	0.30	- 0.24	
Cashflow from operating activities	1,279	- 1,037	1,279	- 1,037	
Capital expenditures	2,114	1,032	4,225	4,449	5.3

	2007-09-30 EUR (000)	2008-09-30 EUR (000)	2007-12-31 EUR (000)	2008-09-30 EUR (000)	Change in %
Balance sheet total	45,896	41,379	43,855	41,379	- 5.6
Liquidity*)	15,361	11,744	15,543	11,744	- 24.4
Equity	26,249	24,432	25,869	24,432	- 5.6
Equity ratio	57%	59%	59%	59%	
Employees	240	263	236	263	11.4

The Share	2006	2007	(as of Sept 30) 2008
Year end share price (XETRA in EUR)	20.00	9.15	3.70
Year high (XETRA in EUR)	29.17	19.60	9.04
Year low (XETRA in EUR)	15.60	8.50	2.00
Market capitalization at year end (EUR million)	85.7	39.2	15.9
Number of shares	4,287,000	4,287,000	4,287,000

*) Liquid assets comprise the sum of the two balance sheet items "marketable securities" and "cash and cash equivalents".



Foreword

Dear shareholders, customers and business partners,

Over the first nine months of the fiscal year 2008, sales of InTiCa Systems went down by roughly 27 % to 22.3 million EUR compared to the prior-year period. The positive development of the automotive and industrial business could not compensate for the significant decline in sales of the business segment Communication.

On the one hand, the telecommunication segment continued to be affected in the third quarter by the basic effect of the loss of a customer relationship with a Northern European telecommunication company. On the other hand, the slowdown of demand in the service provider business has increased. In this business framework, competitive pressure and pricing pressure have gained considerably as well. After InTiCa Systems had made the decision to pass on business without contribution margins, measures were initiated in the third quarter towards improved price competitiveness by developing new sources of supply and changing manufacturing processes. Thus it will be possible to

win new telecommunications companies as customers in the future. These measures have a consolidating effect; however, they will not fully compensate for the declining business volume in Germany.

Business in the segment of automotive electronics developed positively despite the economic slump. The business development is stabilized by the broad product portfolio and existing customer relationships with virtually all leading car manufacturers. Furthermore, declining numbers of sold cars are often-times balanced by upgrades in the equipment of vehicles in the medium and luxury classes.

The focus of InTiCa Systems' strategic measures in the third quarter was set on the implementation of the cost reduction programs, planned to have a substantial effect on profits in the year 2009. By this measure the sales volume necessary for breaking even could be reduced by approximately 9 million EUR

in the year 2009. In addition, sales and development efforts were increased. By the expansion of the automotive business and the development of the segment Industry, InTiCa Systems has assumed a significantly broader and more diversified position, thus reducing the company's dependence on telecommunications.

The high level of technological know-how, the state-of-the-art in-house manufacturing base together with the good reputation in the market, and the high equity ratio provide InTiCa Systems with the opportunity to gain market shares from competitors in a phase of a sagging economy and market adjustments.



Walter Brückl
Spokesman of the Board of Directors



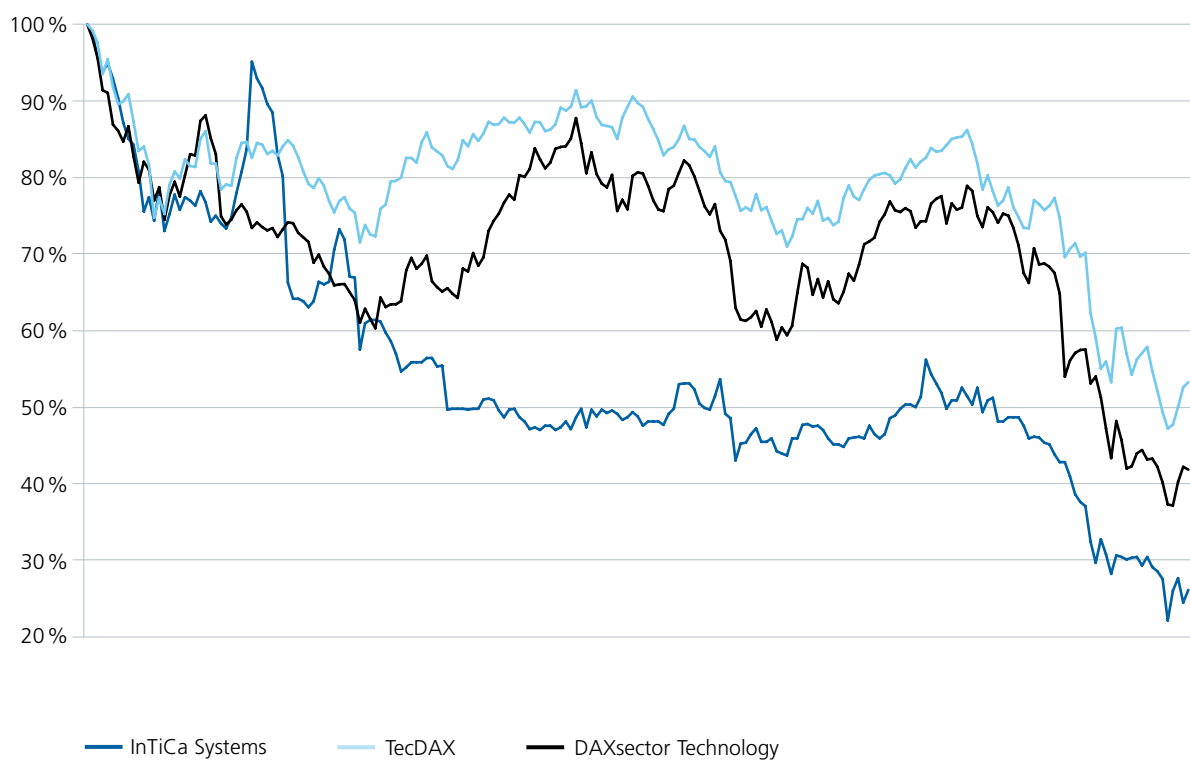
Maria Grohs
Board of Directors



Dr. Paul Grohs
Board of Directors

Management Report

2008 Share price performance InTiCa Systems vs TecDAX and DAXsector Technology



InTiCa Systems – the stock 2008

In the third quarter 2008 the stock price of InTiCa Systems initially stabilized at a low level. Subsequent to the publication of the 6-month figures in mid-August, the price started to recover. It reached its quarterly high of 5.08 EUR on August 21. The increasingly clouding economic outlook generally led to declining prices at the global stock markets towards the end of the quarter. This general development also engaged the stock of InTiCa Systems. It hit its quarterly low of 2.00 EUR on October 27 in a most turbulent market environment, seeing the preeminent international indices suffer heavy declines.

After the considerable relative weakness of the InTiCa Systems stock in the first half-year 2008, the stock performance essentially reproduced the market development in the third quarter. Compared to the indices TecDAX and the DAXsector Technology, the performance gap was reduced slightly.

InTiCa Systems will present itself in November to analysts and investors during the German Equity Forum of Deutsche Börse AG. The basis for this event is provided by the release of the nine-month results. InTiCa Systems has already sent out invitations to all investors known to the company. All other interested parties have the opportunity to contact the Investor Relations team for appointments to discuss the company's development and prospects directly with the Board of Directors at this event.

Board of Directors and Supervisory Board do not hold any stock subscription rights according to Section 160 (1) nos. 2 and 5 Stock Corporation Act.

Regarding the actual changes in the Supervisory Board and the Board of Directors we refer to the statements in the chapter subsequent events on page 8 of this report.

In the past quarter there were no changes in the shareholder structure as known to the company.

Stock data of the InTiCa Systems stock

ISIN	DE0005874846
WKN	587484
Stock exchange symbol	IS7
Reuters	IS7G.DE
Trading segment	Prime Standard
Prime industry	Technology
Industry Group	Communications Technology
Indices	DAXsector Technology Tec All Share Prime All Share, CDAX
Designated Sponsor	Bank M HSBC Trinkaus & Burkhardt
Capital stock	EUR 4,287,000
Stock category	Non-par common bearer stocks

Directors' dealings

Share in the capital stock as of September 30, 2008	in numbers	in %
Board of Directors		
Maria Grohs and Dr. Paul Grohs together	127,000	2.96
Walter Brückl	1,000	0.02
Total	128,000	2.98
Supervisory Board		
Dr. Wulfdieter Braun	6,015	0.14
Harald Nöth	3,786	0.09
Total	9,801	0.23

Declining group sales due to weak telecommunication business

InTiCa Systems' sales of the first nine months 2008 went down about 27 % to 22.3 million EUR. Increasing sales in the automotive business and the industrial business, by roughly 23 % to 4.6 million EUR and by 0.2 million EUR to 0.4 million EUR, respectively, were not enough to compensate for the significant slump in the telecommunication business by 35 % or 9.5 million EUR to 17.3 million EUR.

Sales decline absorbed almost completely by reduced cost of materials

With a decline in group sales by 8.5 million EUR, the cost of materials could be reduced by efficient cost reduction measures by the amount of 8.0 million EUR. Considered in connection with the capacity expansion concerning the automotive and industrial segments, however, personnel expenses rose by roughly 1.0 million EUR and depreciation went up by 1.3 million EUR. As a consequence, the operating result (EBIT) for the reporting period dropped to –1.1 million EUR after 2.4 million EUR in the prior-year period.

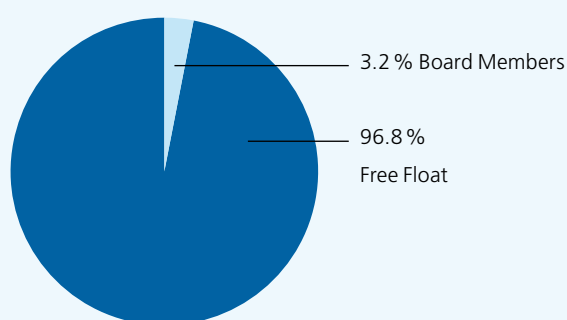
The financial result shows a negative balance of roughly 0.2 million EUR after nine months due to investment financing, following a balanced result in the prior-year period.

Earnings before taxes (EBT) come to a loss of 1.2 million EUR for the period after a 2.4 million EUR profit in the previous year. After income tax, the nine-month period states a loss of 1.5 million EUR after a profit of 2.4 million EUR for the prior-year period. The loss for the third quarter amounts to 0.7 million EUR as compared to the positive prior-year result of 0.5 million EUR. Earnings per share come to –0.36 EUR (PY 0.39 EUR).

Building up of staff capacity continued for future growth

Due to the relocation of manufacture from Thessaloniki/Greece to Prachatice/Czech Republic, the number of employees fell by 30 if compared to June 30, 2008. The staff increase over the previous year to altogether 263 employees is due especially to the increased vertical integration of serial production in the Czech Republic and, domestically, to the creation of additional sales and development resources in particular. Thus the personnel expense ratio rose from 12.8 % in the prior-year period to 22.3 %.

InTiCa Systems AG shareholder structure



Free Float of which:

UBS Fund Management (Switzerland) AG	7.6 %
KST Beteiligungs AG	5.1 %
TFG Capital AG Unternehmensbeteiligungsgesellschaft	3.0 %

The number of employees outside Germany continues to rise as we expand in-house capacities for serial production in the Czech Republic

	Sept 30, 2008	Dec 31, 2007	Sept 30, 2007
Group	263	236	240
thereof domestic	56	44	41
thereof international	207	192	199

Cost of materials ratio reduced considerably

The cost of materials ratio was reduced considerably, from 77.3 % in the prior-year period to now 70.7 %. Apart from the reduction of orders without contribution margins, this development reflects the success of the cost reduction programs and the reorganization of procurement.

Focus of research and development remains on the development and production of new manufacturing technologies for automotive and industrial electronics

R&D expenses amount to 1.4 million EUR in the first nine months of the fiscal year 2008 (PY 1.6 million EUR). The slight decrease is due to the reduction of development activity in the telecommunication segment. Contrasting this movement, development efforts in the automotive and industrial segments have increased.

Large investments in automotive electronics continue

In comparison to the prior-year period, investments of the first nine months 2008 were slightly increased once again, to roughly 4.4 million EUR (PY 4.2 million EUR). The main emphasis was again placed on the continued expansion of the virtually automated serial production of automotive and industrial electronics.

Continued high level of liquid assets

Liquid assets amount to 11.7 million EUR as of September 30, 2008 (PY 15.4 million EUR), compared to 15.5 million EUR as of balance sheet date 2007. The decreased level of liquid assets compared to the level as of balance sheet date is essentially due to the increase in investments in inventories and property, plant and equipment for the continued expansion of serial production of automotive electronics.

Subsequent events

Subsequent to the reporting period, the following changes in the company's management have been resolved:

Dr. Walter Hasselkus has been appointed to the Supervisory Board of InTiCa Systems AG effective November 1, 2008 by the District Court Passau at the Board of Directors' request in accordance with Section 104 (2) Stock Corporation Act. He replaces Mr. Harald Nöth, who has resigned from his position as member of the Supervisory Board for personal and professional reasons, effective October 31, 2008. The court appointment of Dr. Hasselkus will be valid until the company's next Annual General Meeting.

Dr. Hasselkus looks back on a long international career in the automotive industry. His most recent position was on the management board of BMW AG until 1998. With his vast experience collected over many years, Dr. Hasselkus will be an ideal completion of the Supervisory Board of InTiCa Systems.

Mr. Harald Nöth had been a member of the Supervisory Board of InTiCa Systems ever since the formation of the company, and in his position he has made a decisive contribution to the company's successful development. Supervisory Board, Board of Directors, and the employees of InTiCa Systems express their thanks to Mr. Nöth for his commitment to the company over so many years. We appreciate his excellent work and wish him all the best for the future.

Members of the Board of Directors, Mrs. Marielle Grohs, responsible for Sales, Materials Management, and Personnel, and Dr. Paul Grohs, responsible for Development, Technology, and Quality Control, resign from their positions on the Board for personal reasons effective December 31, 2008.

The founding Board members will be available to the company in advisory capacity for a period of at least two years and will particularly give their support to sales and development activities.

Supervisory Board and Board of Directors have agreed to appoint Mr. Günther Kneidinger as member of the Board of Directors effective January 1, 2009. Mr. Kneidinger has contributed significantly to the successful establishment of the business segment Automotive.

Supervisory Board and Board of Directors thank Mrs. Grohs and Dr. Grohs for their outstanding contributions to the company's development over the past years.

Outlook

In implementing its cost reduction measures, InTiCa Systems has achieved great success already, consolidating the economic situation and providing the prerequisite to get into the black again.

Despite a decline in sales in the telecommunication business that was significantly more severe than anticipated, the EBIT of –1.2 million EUR after nine months is on schedule. The level of group sales necessary for breaking even was reduced by roughly 9 million EUR. However, the coincidence of large investments and preproduction costs for future growth fields with the pronounced weakness of the telecommunication business will result in the statement of a loss for the fiscal year 2008. The annual result is also affected by the payment of compensation to former member of the Board of Directors, Mr. Schubert.

The telecommunication business undergoes a stabilization of the sales performance by reorganizing procurement and winning new customers. For the current as well as the next fiscal year, though, a further decline in the sales volume is anticipated.

The business segment Automotive will make a much larger contribution to total sales in the year 2008 already, with a sales volume of roughly 6.0 million EUR. This segment's growth will continue through the fiscal year 2009. Based on framework agreements already concluded, the sales contribution will rise to more than 40 % of group sales in the medium term. Because of large investments in this business sector's development and in innovative new products, the segment result will still be negative in the year 2008. By the commencement of serial production for a number of orders by major international manufacturers, the breakeven point should be reached in the year 2009. Numerous project requests in the field of hybrid engines in particular, especially addressing energy management and the control of power transmission, will create additional growth potential in the medium term.

For the business segment Industry, a sales contribution of roughly 0.5 million EUR is expected for the whole year 2008. As validation periods are usually shorter in this field of business, the transition from product development to serial production can occur faster, so that a considerable increase in sales can be anticipated for the year 2009. Because of the necessary investments for expanding the business and development expenses for innovative new products as well as the still humble sales base for the generation of contribution margins, the segment result for the years 2008

and 2009 will turn out negative. According to today's corporate planning, the breakeven point will be reached in the year 2010. The positive development of customer relationships and resulting initial orders for serial production, particularly in the field of products and solutions for renewable energy sources (solar energy), create the basis for continuous growth. Against this backdrop, the sales contribution made by this segment will rise to roughly 20 % of group sales in the medium term.

Group sales of InTiCa Systems will amount to roughly 26 million EUR in the fiscal year 2008. With substantial investments in the segments Automotive and Industry, InTiCa Systems has placed its business model on a broader base and will be dependent on the unfavorable development of the domestic telecommunication business in particular to a diminishing extent in the future. Thus the course is set for medium-term and sustainable growth in both sales and profit: The measures for structural adjustment and the support of sales and development resources improve market position and technological know-how of InTiCa Systems. The cost reduction measures realized or initiated improve the company's competitiveness significantly. On this basis, a stabilization of sales and an improvement of results can be expected for the fiscal year 2009.

Risks and opportunities

The risk report included in the Annual Report 2007 gives detailed account of risks that could jeopardize the company's success. There were no material changes of the risk profile of InTiCa Systems in the reporting period.

In the reporting period no material transactions with related parties were made.

Interim consolidated financial statements according to IFRS

The interim consolidated financial statements of InTiCa Systems AG and its subsidiaries as of September 30, 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU) and the additional regulations of German commercial law in accordance with Section 315 a (1) Commercial Code.

These interim consolidated financial statements contain all accruals and deferrals required and, in the opinion of the Board of Directors, they communicate a true and fair view of the group's profit situation, finances, and asset situation.

Consolidated Financial Statements of InTiCa Systems AG for the first nine months 2008

January 1, 2008 – September 30, 2008

Consolidated statement of income

of InTiCa Systems according to IFRS/IAS

	2008-07-01 to 2008-09-30 EUR (000)	2007-07-01 to 2007-09-30 EUR (000)	2008-01-01 2008-09-30 EUR (000)	2007-01-01 to 2007-09-30 EUR (000)	Change 2008 to 2007 in %
Sales	5,266	9,024	22,327	30,781	– 27.46
Other income	212	21	584	210	178.10
Change in finished/unfinished goods	– 366	246	4	447	– 99.11
Other capitalised company-produced services	474	665	1,422	1,560	– 8.85
Raw materials and supplies	2,965	7,227	15,778	23,796	– 33.69
Personnel expenses	1,645	1,307	4,969	3,924	26.63
Depreciation	723	242	2,453	1,146	114.05
Other expenditures	684	493	2,195	1,741	26.08
Operating profit (EBIT)	– 431	687	– 1,058	2,391	
Financial expenses	134	139	445	342	30.12
Other financial income	113	86	292	358	– 18.44
Earnings before taxes	– 452	634	– 1,211	2,407	
Income taxes	205	147	314	744	– 57.80
Net income in the first nine months	– 657	487	– 1,525	1,663	
Earnings per share (diluted/basic, in EUR)	– 0.15	0.11	– 0.36	0.39	

Consolidated cash flow statement

of InTiCa Systems according to IFRS/IAS

	2008-01-01 to 2008-09-30 EUR (000)	2007-01-01 2007-09-30 EUR (000)
Net income of the period	- 1,525	1,663
+ Depreciation of fixed assets	2,453	1,146
+/- Other non-cash transactions	398	- 27
- Decrease in provisions	- 39	- 12
+/- - Increase / + decrease in assets not attributable to investing or financing activities		
Deferred taxes	95	0
Inventories	- 776	- 1,005
Trade receivables	1,631	- 2,253
Other assets	- 277	175
+/- + Increase / - decrease of liabilities not attributable to investing or financing activities		
Deferred taxes	219	547
Trade payables	- 3,171	759
Other liabilities	- 45	286
Cash flow from operating activities	- 1,037	1,279
- Payments for investments in intangible assets	- 1,665	- 1,529
- Payments for investments in fixed assets	- 2,784	- 2,696
- Increase in financial assets in the scope of the short-term liquidity planning	14,702	- 1,739
Cash flow for investment activities	10,253	- 5,964
+ Proceeds from the intake of loans	2,542	6,665
- Payments for the amortisation of loans and finance leases	- 545	- 2,154
- Acquisition of treasury stock	- 310	0
Cash flow from financing activities	1,687	4,511
Cash flow total	10,903	- 174
Cash and cash equivalents at the beginning of the period	841	545
Cash and cash equivalents at the end of the period	11,744	371

Consolidated balance sheet

of InTiCa Systems according to IFRS/IAS

	2008-09-30 EUR (000)	2007-12-31 EUR (000)
Assets		
Long-term assets		
Intangible assets	4,364	3,567
Property, plant and equipment	17,316	16,117
Deferred taxes	568	663
Total long-term assets	22,248	20,347
Current assets		
Securities	0	14,702
Inventories	2,333	1,557
Trade receivables	4,243	5,874
Tax assets	470	343
Other current receivables	341	191
Cash and cash equivalents	11,744	841
Total current assets	19,131	23,508
Total assets	41,379	43,855

Consolidated balance sheet

of InTiCa Systems according IFRS/IAS

Equity and Liabilities	2008-09-30 EUR (000)	2007-12-31 EUR (000)
Equity		
Subscribed capital	4,287	4,287
Treasury stock	– 310	0
Capital reserve	15,088	15,088
Revenue reserve	4,470	5,996
Currency translation reserve	897	498
Total equity	24,432	25,869
Long-term liabilities		
Long-term interest-bearing debt	10,000	8,955
Other long-term liabilities	1,199	1,744
Deferred tax liabilities	1,698	1,479
Total long-term liabilities	12,897	12,178
Short-term liabilities		
Other short-term provisions	288	327
Short-term interest-bearing debt	1,503	6
Trade payables	1,839	5,010
Other short-term liabilities	420	465
Total short-term liabilities	4,050	5,808
Total equity and liabilities	41,379	43,855

Statement of changes in shareholders' equity

of InTiCa Systems according to IFRS/IAS

	Subscribed capital EUR (000)	Treasury stock EUR (000)	Capital reserve EUR (000)	Revenue reserve EUR (000)	Currency translation reserve EUR (000)	Total equity EUR (000)
As of January 1, 2007	4,287	0	15,088	4,963	276	24,614
Currency translation reserve					– 27	– 27
Net income first nine months 2007				1,663		1,663
As of September 30, 2007	4,287	0	15,088	6,626	249	26,250
Currency translation reserve					249	249
Net income Q3-Q4 2007				– 630		– 630
As of December 31, 2007	4,287	0	15,088	5,996	498	25,869
Acquisition of treasury stock		– 310				– 310
Currency translation reserve					398	398
Net income first nine months 2008				– 1,525		– 1,525
As of September 30, 2008	4,287	– 310	15,088	4,471	896	24,432

Notes to the interim consolidated financial statements for the first nine months 2008

January 1, 2008 – September 30, 2008

Accounting in accordance with the International Financial Reporting Standards (IFRS)

The interim consolidated financial statements as of September 30, 2008 have been prepared in accordance with IAS 34, "Interim Financial Reporting". For the preparation of the interim consolidated financial statements, the same accounting policies and valuation methods have been adopted as were applied to the preparation of the consolidated financial statements for the fiscal year ended December 31, 2007, in accordance with the International Financial Reporting Standards and their Interpretations. A detailed description of these policies and methods has been released as part of the Annual Report 2007.

This report can also be found on the Internet at <http://www.intica-systems.de> under "investor relations" / "publications".

Basis of consolidation

The basis of consolidation has not changed from the fiscal year 2007 of InTiCa Systems AG. In addition to the parent company, three international subsidiaries are included in the consolidated financial statements. All of these companies are wholly owned subsidiaries.

Consolidated income statement

Because of the disproportionately high increase in depreciation, the EBITDA remains positive at 1,395 thousand EUR. Due to the continued building up of staff in Passau and Prachatice, personnel expenses climbed from 3,924 thousand EUR to 4,969 thousand EUR.

Consolidated balance sheet

In accordance with the new capital market investment directive, marketable securities were redeemed and converted into money market instruments. This measure increased the item "cash and cash equivalents" from 841 thousand EUR to 11,744 thousand EUR.

Selection of key figures from the Consolidated income statement

	2008-01-01 to 2008-09-30 EUR (000)	2007-01-01 to 2007-09-30 EUR (000)	Change 2008 to 2007 absolute	Change 2008 to 2007 in %
Personnel expenses	4,969	3,924	1,045	26.6
EBITDA	1,395	3,537	- 2,142	- 60.6
Depreciation	2,453	1,146	1,307	114.1

Segment report

	Communication		Automotive		Others		Total	
	2008 EUR (000)	2007 EUR (000)	2008 EUR (000)	2007 EUR (000)	2008 EUR (000)	2007 EUR (000)	2008 EUR (000)	2007 ü (000)
Sales	17,323	26,852	4,635	3,774	369	155	22,327	30,781
EBIT	- 788	2,393	- 91	- 30	- 106	40	- 985	2,403

Events after the balance sheet date

Material events taking place after the interim balance sheet date are discussed in the report on “subsequent events”.

German Corporate Governance Code

The most recent declaration of compliance with the recommendations of the German Corporate Governance Code issued by Board of Directors and Supervisory Board in accordance with Section 161 Stock Corporation Act has been made permanently available to the shareholders on the Internet at <http://www.intica-systems.de>.

Auditor's review

These interim consolidated financial statements have neither been audited in accordance with Section 317 Commercial Code nor been subject to an auditor's review.

Responsibility statement

“We affirm to the best of our knowledge, and in accordance with the accounting principles applicable to interim reporting, that the interim consolidated financial statements communicate a true and fair view of the group's profit situation, finances and asset situation and that the interim group management report includes a fair review of the course of business including the company result and the group's position as well as a fair description of the essential opportunities and risks of the group's anticipated development in the remaining period of this fiscal year.”

Passau, November 2008

InTiCa Systems AG

The Board of Directors

Financial Calendar

November 10, 2008	Publication of 9-month financial statements
November 10-12, 2008	Analyst conference at the German Equity Forum in Frankfurt/Main

Imprint

Publisher InTiCa Systems AG, Spitalhofstrasse 94, 94032 Passau
Phone +49 (0) 851 - 96 692 - 0, Fax +49 (0) 851 - 96 692 - 15
www.intica-systems.de, info@intica-systems.de

Concept PvF Investor Relations, Frankfurt/Main
www.pvf.de

Illustrations Werbefotostudio Peter Dafinger, Hutthurm
www.dafinger.eu

Design DianaDesign, Hamburg
www.dianadesign.de

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