



# Interim Report Q3 2010

InTiCa Systems with a strong sales growth and a positive  
operating cash flow -  
high costs of raw material in Q3 negatively affect earnings

Innovation for the future

**InTiCa Systems**

# The first nine months of 2010 in figures

The Group	Q3 2009 EUR '000	Q3 2010 EUR '000	9M 2009 EUR '000	9M 2010 EUR '000	Change
Sales	6,304	<b>8,168</b>	17,637	<b>21,920</b>	24.3%
Net margin (net result for the period)	0.7%	<b>-7.2%</b>	-4.4%	<b>-3.7%</b>	-
EBITDA	1,024	<b>657</b>	2,159	<b>2,651</b>	22.8%
EBIT	145	<b>-478</b>	-450	<b>-476</b>	-
EBT	51	<b>-603</b>	-695	<b>-822</b>	-
Net loss for the period	45	<b>-587</b>	-775	<b>-809</b>	-
Earnings per share (diluted/basic in EUR)	0.01	<b>-0.14</b>	-0.18	<b>-0.19</b>	-
Total cash flow	-1,303	<b>-668</b>	-5,919	<b>-4,520</b>	-
Net cash flow for operating activities	52	<b>1,141</b>	-2,531	<b>927</b>	-
Capital expenditure	1,246	<b>1,686</b>	3,346	<b>5,215</b>	55.9%

	Sep 30, 2009 EUR '000	Dec 31, 2009 EUR '000	Sep 30, 2010 EUR '000	Change
Total assets	38,448	36,652	<b>39,324</b>	7.3%
Equity	21,349	20,906	<b>20,684</b>	-1.1%
Equity ratio	56%	57%	<b>53%</b>	
Number of employees (on the reporting date)	266	267	<b>377</b>	41.2%

The Stock	9M 2009	2009	<b>9M 2010</b>
Closing price (in EUR)	3.80	3.95	4.33
Period high (in EUR)	4.03	4.37	5.25
Period low (in EUR)	1.34	1.34	3.75
Market capitalisation at end of period (in EUR million)	16.3	16.9	18.6
Number of shares	4,287,000	4,287,000	4,287,000

The stock prices are closing prices on XETRA.

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# Foreword by the Board of Directors



The Prachatice production site in the Czech Republic

## Dear shareholders, employees and business associates,

InTiCa Systems faced a number of operating setbacks in the third quarter of 2010. Orders on hand continued to rise significantly and reached a new record high of around EUR 45 million at the start of the fourth quarter (2009: approx. EUR 11 million). Similarly, the operating cash flow was EUR 1.2 million at the end of the first nine months, bringing back into clearly positive territory as we had forecast and pointing to an improvement in our business situation. Nevertheless, unit costs were adversely affected by a combination of supply bottlenecks by suppliers of raw materials, higher raw material and ancillary procurement costs and increased shipping expenses due to special deliveries in the third quarter. Postponement of production start-up for some products in the Automotive Technology segment and cable assemblies, plus higher start-up costs for a number of new products, and quality issues in the supply of raw material to the Communication Technology segment also had an unfavourable impact on material costs. Overall, this resulted in a shortfall of some EUR 0.6 million compared with the budget. Following slightly positive EBIT in the first six months, earnings therefore declined in the third quarter.

At the end of the first nine months EBIT was well below expectations at minus EUR 0.5 million so we will not be able to meet our target of reporting positive earnings for the full year.

On the positive side, sales increased, especially in the Industrial Electronics segment, which reported sales growth of approximately 610% year-on-year. At EUR 6.1 million this segment's sales were almost on a par with those of the Automotive Technology segment (9M 2010: EUR 6.4 million). Thanks to new orders in the Automotive Technology and Industrial Electronics segments, production capacity is now almost fully utilized. In view of this, we invested further in expansion of our production facilities in the past quarter and hired new employees for our production site in Prachatice in the Czech Republic.

The achievements of recent months are not yet visible in our income statement. At the end of the first nine months, InTiCa Systems' earnings were around the same level as in the previous year. However, the positive development is evident from the cash flow statement and order intake, making us



confident about the future. With an equity ratio of around 53% as of September 30, 2010, InTiCa Systems is still soundly financed. We anticipate that the earnings trend will pick up in fiscal 2011 and that the company will be able to report a sustained positive earnings trend.

Passau, November 2010

Yours,



Walter Brückl  
Chairman of the  
Board of Directors



Günther Kneidinger  
Member of the  
Board of Directors

# Group Management Report

for the period from January 1 to September 30, 2010

## General economic conditions

The global economic recovery continued in the reporting period, driven principally by strong economic growth in the emerging economies in Asia and South America. Although the pace of recovery slowed somewhat in the third quarter as stimulus packages came to an end, economic conditions were robust and the return to recession feared by many market participants did not materialize. However, within the EU economic growth rates are continuing to drift apart. Calculations by the German Institute for Economic Research (DIW) put the range in the second quarter of 2010 at between 2.2% in Germany and -1.8% in Greece. In particular in the southern European countries and Ireland, the necessary savings will hold back growth for some time. Exports were the main growth driver in Germany. The DIW forecasts that exports will increase by around 15% in 2010 as a whole and by almost 8% in 2011. Output in the export sector will therefore soon be back at the level reported before the economic crisis. Domestic demand also recovered. According to the DIW, in the second quarter German consumer spending rose for the first time in a year, (+6% vs. Q1 2010) reflecting stable prices and lower unemployment. Overall, the DIW expects Germany to report growth of about 3.4% in 2010. Growth in the US economy flattened somewhat in the second quarter of 2010 and was 0.6% according to the OECD. Nevertheless, that represented year-on-year growth of 3.2%.

## InTiCa Systems' share price performance<sup>1)</sup>

Shares in InTiCa Systems AG traded sideways at around EUR 4 in the first quarter of 2010. In April, they abruptly surged towards EUR 5 and then briefly exceeded this threshold. However, the stock market was subsequently unsettled by the growing sense of crisis about Greece and the euro, which led to a sell-off on the equity markets. During the summer, the share traded sideways at around EUR 4. At the start of September new impetus lifted it towards EUR 4.50 but this proved unsustainable. At present, shares in InTiCa Systems AG have dropped back to the level seen in the summer. In Xetra trading, the share price closed at EUR 3.89 on November 12.

In the first nine months, we provided timely information for our shareholders and the general public on current business trends, major orders acquired, specific events and the company's prospects. At the Annual General Meeting on July 9, 2010 shareholders were able to find out about the company's performance in 2009 and the current situation at InTiCa Systems. The presentation and speech given at this year's Annual General Meeting and the results of the votes on the resolutions can be accessed on the company's homepage at Investor Relations/Annual General Meeting [available in German only].

As a Prime Standard company, InTiCa Systems will once again have a presence at the German Equity Forum on

1) Price data based on Xetra, source: Bloomberg



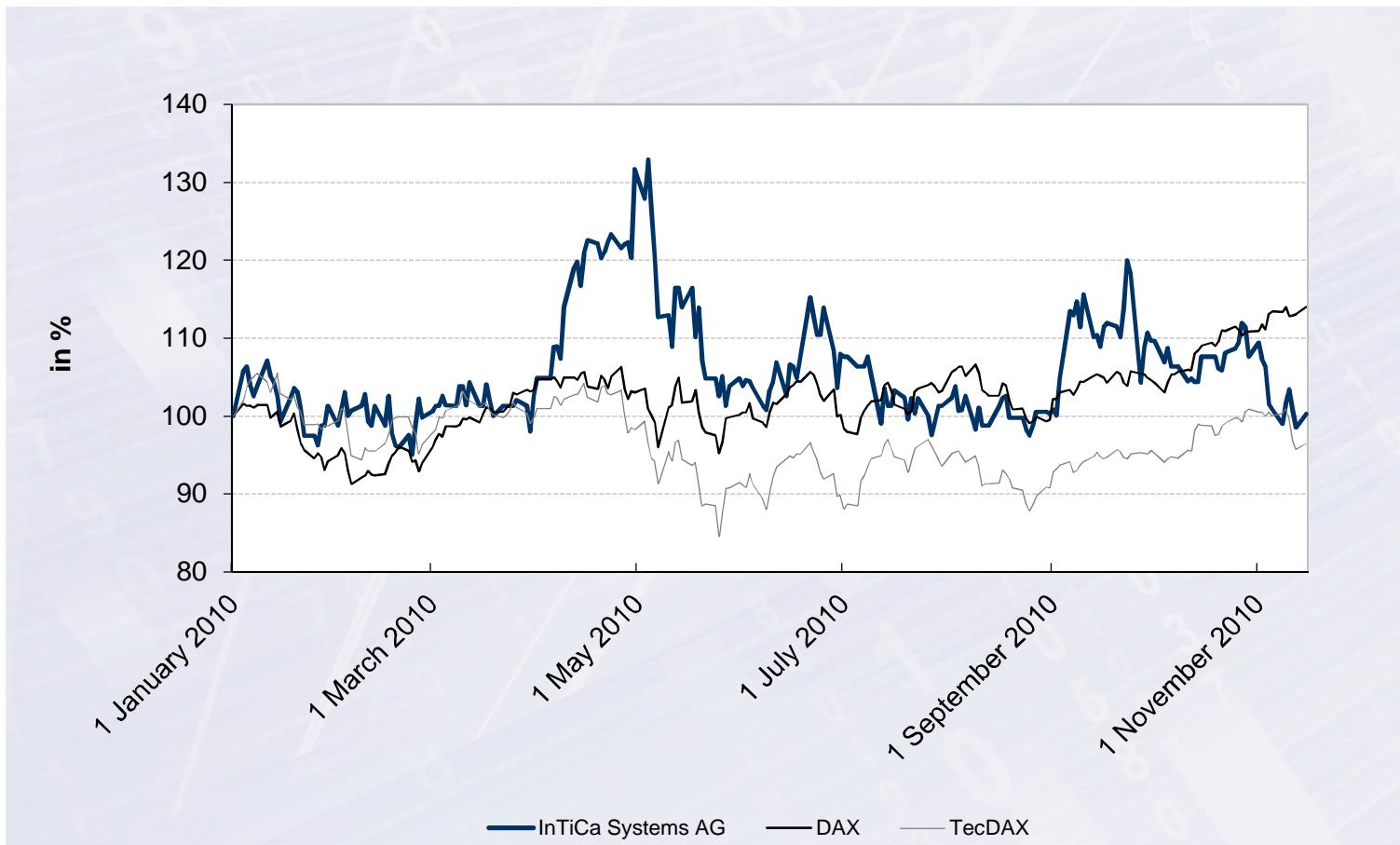
November 22, 2010 and will use this opportunity to present its latest financial results. The three-day German Equity Forum, which attracts more than 5,000 participants from the financial sector, German and international entrepreneurs, investors and analysts, is now Europe's leading platform for equity financing.

**InTiCa Systems received major orders and increased orders in hand**

In the first nine months of this year, InTiCa Systems' Automotive Technology segment and especially the Industrial Electronics segment secured further major long-term orders worth several million euros, thus underscoring the growth prospects of these segments. Most of the orders on hand are secured by firm take-off obligations, so the inflow of funds in the coming months should result in a positive cash flow. Moreover, in line with customary market practice in the sector, payment terms in the Industrial Electronics segment – which is currently the fastest-growing segment at InTiCa Systems – are far shorter than in the automotive industry. By the end of the third quarter of 2010, orders on hand had increased by more than 175% year-on-year to over EUR 30.7 million (9M 2009: EUR 11.1 million). The Board of Directors expects consolidated sales to top EUR 40 million in 2011. With orders on hand of around EUR 45 million at present, it regards the implied sales growth of over 35% in 2011 versus 2010 as realistic.

**Break-even will not be achieved in 2010**

On November 3, 2010 InTiCa Systems issued an ad-hoc statement that costs had been around EUR 0.6 million above budget at group level in the third quarter due to the unfavourable development of unit costs. As a consequence, the company will not be able to report a profit in 2010.



## Key data on the stock

ISIN	DE0005874846
WKN	587 484
Stock exchange symbol	IS7
Symbol Reuters / Bloomberg	IS7G.DE / IS7:GR
Trading segment	Regulated Market
Transparency level	Prime Standard
Listed	XETRA®, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Düsseldorf
Prime sector	Technology
Indices	CDAX, DAXsector All Technology, DAXsector Technology, DAXsubsector All Communications Technology, DAXsubsector Communications Technology, Prime All Share, Technology All Share
Designated sponsor	BankM
Research coverage	BankM
Number of shares	4,287,000
Capital stock	EUR 4,287,000
Stock category	No-par common bearer shares

# Shareholder Structure

On November 1, 2010 the major shareholders were:

	Shareholding
UBS Global Asset Management (Deutschland) GmbH	more than 5%
KST Beteiligungs AG	more than 5%
Dr. Axel Diekmann	more than 5%
UBS Fund Management (Switzerland) AG	more than 3%
Dr. Paul and Maria Grohs	more than 3%
Karl Kindl	more than 3%
InTiCa Systems AG	4.91%

## Directors' Dealings in the first nine months of 2010

Date	Reporting person	Board Member	Buy/Sale	Amount	Price in EUR	Volume in EUR	Exchange
Jan 22, 2010	Walter Brückl	Board of Directors	Buy	1,000	3.85	3,850	Xetra
Jun 6, 2010	Walter Brückl	Board of Directors	Buy	1,000	4.136	4,136	Frankfurt
Jul 14, 2010	Walter Brückl	Board of Directors	Buy	500	4.09	2,045	Xetra

### Earnings, asset and financial position

In the first nine months of 2010 consolidated sales increased 24.3% year-on-year, principally due to growth in the Industrial Electronics and Automotive Technology segments. However, persistently strong price pressure on products in the Communication Technology segment and considerably higher material and logistics expenses in the third quarter resulted in an operating loss of EUR 0.48 million at the end of the first nine months (9M 2009: operating loss of EUR 0.45 million). The reasons for this include supply bottlenecks at raw material suppliers, coupled with higher raw material and auxiliary sourcing costs, postponement of the start-up of various cable assembly and automotive technology products, increased start-up costs for a wide range of new products and higher shipping costs incurred for special deliveries. InTiCa Systems' equity ratio of 53% (December 31, 2009: 57%) shows that it is still soundly financed. An increase in orders prefinanced by customers led to a positive cash flow from operating activities. In view of the high level of orders on hand, further investment in non-current assets was necessary, resulting in a decline in cash and cash equivalents.

### Earnings position

The Group lifted sales by roughly 24.3% to EUR 21.9 million in the first nine months of 2010 (9M 2009: EUR 17.6 million).

In the Communication Technology segment sales slipped to EUR 9.5 million, down roughly 15.8% from EUR 11.2 million in the first nine months of 2009. The downturn was, however, more than offset by stronger growth in the Automotive Technology and Industrial Electronics segments. The Automotive Technology segment grew sales by around 15.5% year-on-year from EUR 5.5 million to EUR 6.4 million. In the Industrial Electronics segment sales rose 610% year-on-year to EUR 6.1 million (9M 2009: EUR 0.9 million).

The material cost ratio increased to around 71% in the reporting period (9M 2009: approx. 66%). The personnel cost ratio remained virtually unchanged year-on-year at around 20% as the increase in headcount was accompanied by higher production. Capital expenditures undertaken in the past for property, plant and equipment and intangible assets increased depreciation and amortization to EUR 3.1 million (9M 2009: EUR 2.6 million). There was a minimal increase in other expenses to EUR 2.2 million in the reporting period (9M 2009: EUR 2.1 million).

EUR 2.0 million was spent on research and development in the first nine months. That was slightly more than in the year-back reference period (EUR 1.9 million).

The Group lifted EBITDA 22.8% to EUR 2.7 million in the first nine months of 2010, up from EUR 2.2 million in the first nine months of 2009. EBITDA was EUR 0.7 million in the

third quarter, a drop of 37% year-on-year (Q3 2009: EUR 1.0 million) due to unexpectedly high material and logistics costs.

Consolidated EBIT was minus EUR 0.5 million in the first nine months of 2010 (9M 2009: minus EUR 0.5 million). The massive improvement in EBIT in the Industrial Electronics segment to EUR 0.4 million in the first nine months of 2010 (9M 2009: EUR 0.09 million) was counteracted by negative EBIT of minus EUR 1.1 million in the Communication Technology segment (9M 2009: minus EUR 0.8 million) and a decline in EBIT in the Automotive Technology segment to EUR 0.2 million (9M 2009: EUR 0.3 million). The EBIT margins in the Industrial Electronics and Automotive Technology segments slipped to 6.7% and 3.0% respectively (9M 2009: 10.1% and 5.6%) due to higher material and logistics costs and the allocation of overheads on the basis of segment sales.

The financial result was at minus EUR 0.35 million at the end of the first nine months (9M 2009: minus EUR 0.25 million). At the end of the first nine months, the InTiCa Systems Group recognized a loss of EUR 0.8 million for the reporting period (9M 2009: loss of EUR 0.8 million). Earnings per share were minus EUR 0.19 (9M 2009: minus EUR 0.18). As a result of positive currency effects amounting to EUR 0.6 million (9M 2009: approx. EUR 0.6 million) from the translation of foreign businesses, comprehensive income was minus EUR 0.2 million (9M 2009: minus EUR 0.1 million).

## Non-current assets

Non-current assets increased by around 9.5% from EUR 23.1 million as of December 31, 2009 to EUR 25.3 million as of September 30, 2010. This was due to extensive investment in property, plant and equipment, capitalization of development costs and capital expenditures for intangible assets.

## Current assets

Current assets increased from EUR 13.6 million to EUR 14.1 million in the first nine months of 2010. Inventories rose from EUR 4.0 million as of December 31, 2009 to EUR 6.0 million as of September 30, 2010 as a result of orders on hand in the Industrial Electronics and Automotive Technology segments. At the same time, trade payables rose from EUR 4.3 million to EUR 5.2 million. Cash and cash equivalents decreased by EUR 2.4 million to EUR 2.5 million in the reporting period (December 31, 2009: EUR 4.9 million) as a consequence of investment to expand business operations.

## Liabilities

The Group's current liabilities increased by roughly 71.8% in the first nine months of 2010 from EUR 4.3 million to EUR 7.3 million, mainly due to higher drawings on credit lines (increase of approx. EUR 2.1 million to EUR 3.2 million) and an increase in trade payables (up approx. EUR 1.0 million at EUR 3.1 million). In the same period, non-current liabilities decreased slightly from

EUR 11.5 million to EUR 11.3 million due to repayment instalments on loans.

## Equity

Equity was EUR 20.7 million as of September 30, 2010. That represented a slight decline of EUR 0.2 million since December 31, 2009 (EUR 20.9 million). The negative interim result for the first nine months (minus EUR 0.8 million) was partly offset by positive translation differences relating to the Czech subsidiary (EUR 0.6 million) so equity did not decrease as fast as earnings. The increase in debt reduced the equity ratio from 57% to 53% in the reporting period. Total assets increased from EUR 36.7 million to EUR 39.3 million in the first nine months.

## Liquidity and cash flow statement

The net cash flow from operating activities improved significantly to EUR 0.9 million in the first nine months of 2010, compared with a cash outflow of EUR 2.5 million in the year-back period. The reasons for this positive development in the third quarter of 2010 (H1 2010: outflow of EUR 0.2 million) were the increased intake of prefinanced orders and a rise in depreciation and amortization charges. Excluding interest payments, InTiCa Systems achieved a cash inflow from operating activities of EUR 1.3 million (9M 2009: outflow of EUR 2.2 million).

The net outflow for investing activities was EUR 5.2 million in the first nine months of 2010. The outflow was attributable to high investment in property, plant and equipment, especially to expand the production facilities in Prachatice, Czech Republic, and in intangible assets.

The net cash outflow for financing activities was EUR 0.3 million, exactly in line with the year-back level. In the reporting period, outflows were exclusively for repayment instalments on loans (EUR 0.3 million).

Cash and cash equivalents (less current account credit lines drawn) were minus EUR 0.5 million as of September 30, 2010 (9M 2009: EUR 3.5 million). Moreover, InTiCa Systems has assured credit facilities which can be drawn at any time totalling EUR 3.1 million.

## Employees

The number of employees increased as planned from 267 as of December 31, 2009 to 377 as of September 30, 2010 in response to the rise in orders on hand. The average headcount in the first nine months of 2010 was 327.

## Risks and opportunities

The management report in the annual report for 2009 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 10 "Risk management and risk report" while business potential is discussed in section 12



“Opportunities”. There was no material change in the risk/opportunity profile of InTiCa Systems AG in the reporting period.

### Events after the end of the reporting period

The Supervisory Board of InTiCa Systems AG held its constitutive meeting on August 25, 2010. Mr. Werner Paetschek, managing director of OWP Brillen GmbH, was elected the new Chairman of the Supervisory Board, with Mr. Christian Fürst, managing partner of Ziel Management Consulting GmbH as Deputy Chairman. The third member of the Supervisory Board is Mr. Detlef Hözel.

On November 3, 2010 InTiCa Systems AG issued an ad-hoc statement in which it announced that consolidation of the figures for the nine-month report had revealed that costs were around EUR 0.6 million above budget at group level in the third quarter due to the unfavourable development of unit costs. As a consequence, the company will not be able to report a profit in 2010. However, in view of the very good order situation the Board of Directors raised its sales guidance for 2011 from EUR 34 million to over EUR 40 million. With orders on hand of around EUR 45 million at present, it regards the implied sales growth of over 35% in 2011 compared to 2010 as realistic.

### Outlook

As stated in the ad-hoc announcement on November 3, 2010, the Board of Directors assumes that the company will not break even in 2010 owing to unexpectedly high material and logistics expenses in the third quarter. However, it has not changed its forecast of sales growth of over 20% to EUR 28-30 million in FY 2010. At the same time, the Board of Directors is raising its sales guidance for fiscal 2011 from EUR 34 million to over EUR 40 million due to the very good order situation. That represents a sales increase of over 35% in 2011 compared with 2010. Orders on hand in the Group currently amount to around EUR 45 million.

On the production side, the historically high level of orders on hand in the Industrial Electronics and Automotive Technology segments has resulted in very high capacity utilization. As a result, both inventories and personnel increased further in recent months. In addition, high investment was made to expand business operations so that orders can be processed as quickly as possible without compromising quality targets. The Board of Directors anticipates that the earnings trend will pick up in fiscal 2011 and that the company will be able to report a sustained positive earnings trend.



Production of coils

Further information on the expectations for the individual segments is set out in section 14 "Outlook" in the management report published in the annual report for 2009 and in the "Outlook" section of the report on the first three months of this year.

#### **Consolidated interim financial statements in accordance with IFRS**

The unaudited consolidated interim financial statements for InTiCa Systems AG and its subsidiaries as of September 30, 2010 have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as applicable for use in the European Union, and the supplementary commercial law regulations set out in sec. 315a paragraph 1 of the German Commercial Code (HGB). No audit review has been conducted of the consolidated interim financial statements.

# Consolidated Financial Statements

for the period from January 1 to September 30, 2010

# Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS/IAS  
as of September 30, 2010

Assets	Sep 30, 2010 EUR '000	Dec 31, 2009 EUR '000
<b>Non-current assets</b>		
Intangible assets	5,309	4,852
Property, plant and equipment	18,134	16,503
Deferred taxes	1,823	1,719
<b>Total non-current assets</b>	<b>25,266</b>	<b>23,074</b>
<b>Current assets</b>		
Inventories	5,947	3,975
Trade receivables	5,240	4,331
Tax assets	6	91
Other current receivables	339	233
Cash and cash equivalents	2,526	4,948
<b>Total current assets</b>	<b>14,058</b>	<b>13,578</b>
<b>Total assets</b>	<b>39,324</b>	<b>36,652</b>

## Equity and liabilities

	Sep 30, 2010 EUR '000	Dec 31, 2009 EUR '000
<b>Equity</b>		
Capital stock	4,287	4,287
Treasury stock	-210	-210
General capital reserve	14,808	14,808
Profit reserve	983	1,792
Currency translation reserve	816	229
<b>Total equity</b>	<b>20,684</b>	<b>20,906</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	9,250	9,500
Deferred taxes	2,081	1,991
<b>Total non-current liabilities</b>	<b>11,331</b>	<b>11,491</b>
<b>Current liabilities</b>		
Other current provisions	380	466
Current financial liabilities	3,231	1,133
Trade payables	3,074	2,095
Finance lease	53	290
Other current liabilities	571	271
<b>Total current liabilities</b>	<b>7,309</b>	<b>4,255</b>
<b>Total equity and liabilities</b>	<b>39,324</b>	<b>36,652</b>
<b>Equity ratio</b>	<b>53%</b>	<b>57%</b>

# Consolidated Income Statement

of InTiCa Systems AG in accordance with IFRS/IAS  
for the period from January 1 to September 30, 2010

	Q3 2010 EUR '000	Q3 2009 EUR '000	9M 2010 EUR '000	9M 2009 EUR '000	Change 9M 2010 vs. 2009
<b>Sales</b>	<b>8,168</b>	<b>6,304</b>	<b>21,920</b>	<b>17,637</b>	<b>24.3%</b>
Other operating income	264	206	562	378	48.7%
Changes in finished goods and work in process	377	5	987	127	677.2%
Other own costs capitalized	463	457	1,388	1,378	0.7%
Material expense	6,225	4,053	15,534	11,638	33.5%
Personnel expense	1,604	1,186	4,436	3,592	23.5%
Depreciation and amortization	1,135	897	3,127	2,609	19.9%
Other expenses	786	691	2,236	2,131	4.9%
<b>Operating profit (loss) / (EBIT)</b>	<b>-478</b>	<b>145</b>	<b>-476</b>	<b>-450</b>	<b>-</b>
Cost of financing	136	136	387	402	-3.7%
Other financial income	11	42	41	157	-73.9%
<b>Profit (loss) before taxes</b>	<b>-603</b>	<b>51</b>	<b>-822</b>	<b>-695</b>	<b>-</b>
Income taxes	-16	6	-13	80	-
<b>Net loss for the period</b>	<b>-587</b>	<b>45</b>	<b>-809</b>	<b>-775</b>	<b>-</b>
<b>Other comprehensive income</b>					
Exchange differences from translating foreign business operations	431	203	587	646	-9.1%
Deferred taxes from translating foreign business operations	0	0	0	0	-
<b>Other comprehensive income, after taxes</b>	<b>431</b>	<b>203</b>	<b>587</b>	<b>646</b>	<b>-9.1%</b>
<b>Total comprehensive income for the period</b>	<b>-156</b>	<b>248</b>	<b>-222</b>	<b>-129</b>	
Earnings per share (diluted/basic in EUR)	-0.14	0.01	-0.19	-0.18	-
<b>EBITDA</b>	<b>657</b>	<b>1,042</b>	<b>2,651</b>	<b>2,159</b>	<b>22.8%</b>

# Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS/IAS  
for the period from January 1 to September 30, 2010

	9M 2010 EUR '000	9M 2009 EUR '000
<b>Cash flow from operating activities</b>		
Net loss for the period	-810	-775
Income tax expenditures / receipts	-13	81
Cash outflow for borrowing costs	387	402
Income from financial investments	-41	-157
Depreciation and amortization of non-current assets	3,127	2,609
Other non-cash transactions	588	647
<i>Increase/decrease in assets not attributable to financing or investing activities</i>		
Inventories	-1,972	-1,176
Trade receivables	-910	-1,043
Other assets	-82	-84
<i>Increase/decrease in liabilities not attributable to financing or investing activities</i>		
Other current provisions	-85	-297
Trade payables	980	-1,713
Other liabilities	94	-688
<b>Cash flow from operating activities</b>	<b>1,263</b>	<b>-2,194</b>
Cash inflow for income taxes	83	62
Cash outflow for interest payments	-419	-399
<b>Net cash flow for operating activities</b>	<b>927</b>	<b>-2,531</b>
<b>Cash flow for investing activities</b>		
Increase/decrease in financial assets due to short-term financial management	0	0
Cash inflow from interest payments	18	208
Cash outflow for intangible assets	-1,569	-1,571
Cash outflow for property, plant and equipment	-3,646	-1,775
<b>Net cash flow for investing activities</b>	<b>-5,197</b>	<b>-3,138</b>
<b>Cash flow from financing activities</b>		
Cash inflow from loans	0	0
Cash outflow for loan repayment installments	-250	-250
<b>Net cash flow from financing activities</b>	<b>-250</b>	<b>-250</b>
<b>Total cash flow</b>	<b>-4,520</b>	<b>-5,919</b>
Cash and cash equivalents at start of period	4,065	9,379
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	0	0
<b>Cash and cash equivalents at end of period</b>	<b>-455</b>	<b>3,460</b>

# Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS/IAS  
for the period from January 1 to September 30, 2010

	Capital stock EUR '000	Treasury stock EUR '000	Paid-in capital EUR '000	Retained earnings EUR '000	Currency translation reserve EUR '000	Total equity EUR '000
<b>As of January 1, 2009</b>	<b>4,287</b>	<b>-264</b>	<b>14,650</b>	<b>2,663</b>	<b>142</b>	<b>21,478</b>
Net loss 9M 2009	0	0	0	-775	0	-775
Other comprehensive income, after taxes 9M 2009	0	0	0	0	646	646
<b>Total comprehensive income for 9M 2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-775</b>	<b>646</b>	<b>-129</b>
<b>As of September 30, 2009</b>	<b>4,287</b>	<b>-264</b>	<b>14,650</b>	<b>1,888</b>	<b>788</b>	<b>21,349</b>
<b>As of January 01, 2010</b>	<b>4,287</b>	<b>-210</b>	<b>14,808</b>	<b>1,793</b>	<b>229</b>	<b>20,907</b>
Net loss 9M 2010	0	0	0	-809	0	-809
Other comprehensive income, after taxes 9M 2010	0	0	0	0	587	587
<b>Total comprehensive income for 9M 2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-809</b>	<b>587</b>	<b>-222</b>
<b>As of September 30, 2010</b>	<b>4,287</b>	<b>-210</b>	<b>14,808</b>	<b>984</b>	<b>816</b>	<b>20,685</b>

(Rounding difference -1)

# Notes to the Consolidated Financial Statements

for the period from January 1 to September 30, 2010

## **Accounting based on the International Financial Reporting Standards (IFRS)**

The consolidated interim financial statements as of September 30, 2010, prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", use the same accounting policies and valuation methods as the consolidated financial statements for fiscal 2009, which were drawn up in accordance with International Financial Reporting Standards valid as of the reporting date, as applicable for use in the European Union, and the relevant Interpretations. A detailed overview can be found in the Notes to the Financial Statements in the annual report for 2009.

This is available at Investor Relations/Publications on the company's website at <http://www.intica-systems.de>.

## **Scope of consolidation**

There has been no change in the scope of consolidation of InTiCa Systems AG compared with fiscal 2009. Alongside the parent company in Passau, Germany, the consolidated interim financial statements include two foreign subsidiaries, InTiCa Systems Ges.mbH, Neufelden, Austria, and InTiCa Systems s.r.o., Prachatice, Czech Republic. The parent company has a stake of 100% in both subsidiaries.

## **Consolidated income statement**

In the reporting period the Group grew sales roughly 24.3% from EUR 17,637 thousand to EUR 21,920 thousand. This was due to strong growth, especially in the Industrial Electronics and Automotive Technology segments. As a result, consolidated EBITDA advanced by around 22.8% year-on-year, from EUR 2,159 thousand to EUR 2,651 thousand. Higher material and logistics costs in the third quarter put pressure on margins. Moreover, investment in expansion of the business increased depreciation to EUR 3,127 thousand (9M 2009: EUR 2,609 thousand). Overall, the Group reported a net loss of EUR 222 thousand at the end of the first nine months (9M 2009: net loss of EUR 129 thousand).

## **Consolidated balance sheet and cash flow statement**

The capital stock of InTiCa Systems AG is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares, with a theoretical pro rata share of the capital stock of EUR 1.00 per share. In view of high investment to expand business operations, cash and cash equivalents declined from EUR 4,948 thousand on December 31, 2009 to EUR 2,526 thousand. Inventories increased by EUR 1,972 thousand, trade receivables rose by EUR 909 thousand and trade payables were EUR 979 thousand higher.

## Segment report as of September 30, 2010

### Segment sales and segment earnings

Segment	Communication Technology	Automotive Technology	Industrial Electronics	Total	
In EUR '000	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010
Sales	9,474	11,246	6,394	5,538	6,052
EBIT	-1,070	-844	191	308	403

### Key financial figures

	9M 2010 EUR '000 or %	9M 2009 EUR '000 or %	Change 2010 vs. 2009
EBITDA	2,651	2,159	22.8%
Net margin	-3.7%	-4.4%	
Pre-tax margin	-3.8%	-3.9%	
Material cost ratio	70.9%	66.0%	
Personnel cost ratio	20.2%	20.4%	
EBIT margin	-2.2%	-2.6%	
Gross profit	7,373	6,126	20.4%
Gross profit margin	33.6%	34.7%	

### Authorized capital

The Board of Directors is authorized by a resolution of the Annual General Meeting of May 24, 2007 to increase the capital stock with the Supervisory Board's consent, up to May 24, 2012, by a total of up to EUR 1,672,500.00 in return for cash or contributions in kind under exclusion of shareholders subscription rights (authorized capital 2007/1).

### Events after the reporting date

Material events after the reporting date (September 30, 2010) are outlined in the section on material changes since the end of the reporting period in the management report.

### German Corporate Governance Code and declaration of conformance

In compliance with sec. 161 of the German Stock Corporation Act (AktG), the Board of Directors and Supervisory Board have made their current declarations of conformance with the German Corporate Governance Code available permanently to shareholders on the company's website at <http://www.intica-systems.de>, Investor Relations/Corporate Governance.

### Other information

The Board of Directors and Supervisory Board do not have any stock options or other stock subscription rights within the meaning of sec. 160 paragraph 1 nos. 2 and 5 of the German Stock Corporation Act (AktG).

Treasury shares held by InTiCa Systems AG comprised 210,489 units as of September 30, 2010. Treasury shares are not eligible for the dividend and had no voting rights at the company's Annual General Meeting in Passau, Germany, on July 9, 2010.

No material transactions were conducted with related parties in the reporting period.

# Responsibility Statement

(in accordance with sec. 37v paragraph 2 no. 3 WpHG)

We hereby declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements as of September 30, 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the management report for the Group includes a fair review of the development and performance of the business from January 1 to September 30, 2010 and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Passau, November 18, 2010

**The Board of Directors**



Walter Brückl  
Chairman of the  
Board of Directors



Günther Kneidinger  
Member of the  
Board of Directors



# Financial Calendar 2010

November 22, 2010

Publication of Interim Financial Statements for Q3 2010

November 22, 2010

German Equity Forum in Frankfurt

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Innovation for the future

**InTiCa Systems**