



# Interim Report 9M 2012

Nine-month result remains positive despite the economic slowdown

*Technologies for growth markets!*

**InTiCa Systems**

# 9M 2012 in figures

The Group	Q3 2011 EUR '000	Q3 2012 EUR '000	9M 2011 EUR '000	9M 2012 EUR '000	Change vs. 9M 2011
Sales	10,427	<b>9,519</b>	33,004	<b>27,525</b>	-16.6%
Net margin (net result for the period)	3.0%	<b>-0.7%</b>	2.1%	<b>0.1%</b>	-
EBITDA	1,570	<b>1,169</b>	4,722	<b>3,643</b>	-22.9%
EBIT	371	<b>63</b>	1,204	<b>374</b>	-68.9%
EBT	205	<b>-55</b>	760	<b>6</b>	-99.2%
Net result for the period	317	<b>-68</b>	701	<b>25</b>	-96.4%
Earnings per share (diluted/basic in EUR)	0.07	<b>-0.02</b>	0.16	<b>0.01</b>	-93.8%
Total cash flow	529	<b>-749</b>	-1,236	<b>470</b>	-
Net cash flow from operating activities	1,455	<b>49</b>	555	<b>1,517</b>	173.3%
Capital expenditure	691	<b>538</b>	1,936	<b>1,927</b>	-0.5%

	Sep 30, 2011 EUR '000	Dec 31, 2011 EUR '000	Sep 30, 2012 EUR '000	Change vs. Dec 31, 2011
Total assets	40,415	37,433	<b>35,570</b>	-5.0%
Equity	20,148	19,489	<b>19,921</b>	2.2%
Equity ratio	50%	52%	<b>56%</b>	-
Number of employees (on the reporting date)	407	420	<b>426</b>	1.4%

The Stock	9M 2011	2011	9M 2012
Closing price (in EUR)	4.40	3.54	<b>3.05</b>
Period high (in EUR)	5.45	5.45	<b>3.75</b>
Period low (in EUR)	3.30	3.30	<b>2.47</b>
Market capitalisation at end of period (in EUR million)	18.9	15.2	<b>13.1</b>
Number of shares	4,287,000	4,287,000	<b>4,287,000</b>

The stock prices are closing prices on XETRA.



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# Foreword by the Board of Directors

## Dear shareholders, employees and business associates,

InTiCa Systems' market situation did not improve in the third quarter of 2012. The increasing economic slowdown resulting from the ongoing debt crisis in Europe, the difficult situation in the European solar industry and the downtrend on the communication technology market continued to weigh on sales and earnings in the past quarter. As a consequence, the company's performance in the first nine months of 2012 was not as good as in the comparable period of 2011.

Nevertheless, InTiCa Systems was still profitable at the end of the first nine months. This was because we were able to grow our Automotive Technology segment roughly 24% year-on-year. Moreover, this market has remained robust so far. Earnings before interest and taxes were EUR 0.4 million in the first nine months, which was still acceptable given the overall economic trend. The successful measures implemented by the company in recent years to cut costs and raise efficiency enabled us to avoid an operating loss in the more difficult business conditions in the reporting period.

As a result of the general economic weakness, we have to assume a perceptible drop in sales and earnings over the year as a whole, but still consider that it will be possible to report positive EBIT. However, that depends on the level of customer orders in the last few weeks of the year, which is difficult to forecast at present.

Despite the positive development of the Automotive Technology segment, the coming months will be challenging. The general economic risks remain, even though intervention by the central banks has stabilized the markets to some extent. From the present viewpoint we do not, however, detect any signs of a material deterioration in the market. We therefore assume that sales will stabilize in the Communication Technology and Industrial Technology segments and that the Automotive Technology segment will report a continued positive trend. On the other hand, a significant improvement in the market situation seems equally unlikely in the short term. In the light of past investment and the work undertaken by all segments on new



left: Günther Kneidinger, right: Walter Brückl

products and applications, InTiCa Systems is nevertheless well-positioned on the market with innovative solutions that should enable us to utilize opportunities for growth in the future.

Passau, November 2012

Yours,

Walter Brückl  
Chairman of the  
Board of Directors

Günther Kneidinger  
Member of the  
Board of Directors

# Interim Management Report of the Group

for the period from January 1 to September 30, 2012

## General economic conditions

According to the German Institute for Economic Research (DIW), the European sovereign debt crisis and the weakening of the global economy are dampening Germany's economic development in the second half of this year. It therefore now only expects the German economy to grow by 0.9% in 2012. Both the continued drop in demand for German products in the crisis-ridden countries in the euro zone and far lower demand from the rest of the world are slowing economic growth in Germany. The economic situation has cooled markedly, especially in the emerging markets and the USA. By contrast, the German labour market remains robust, as does consumer spending, which the DIW reports is gradually becoming the main driving force behind the - low - economic growth rate. In the DIW's view, the biggest risk for the export-driven German economy is still the euro-zone crisis. While escalation has become less likely as a result of the European Central Bank's intervention in the market, it cannot be ruled out entirely.

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

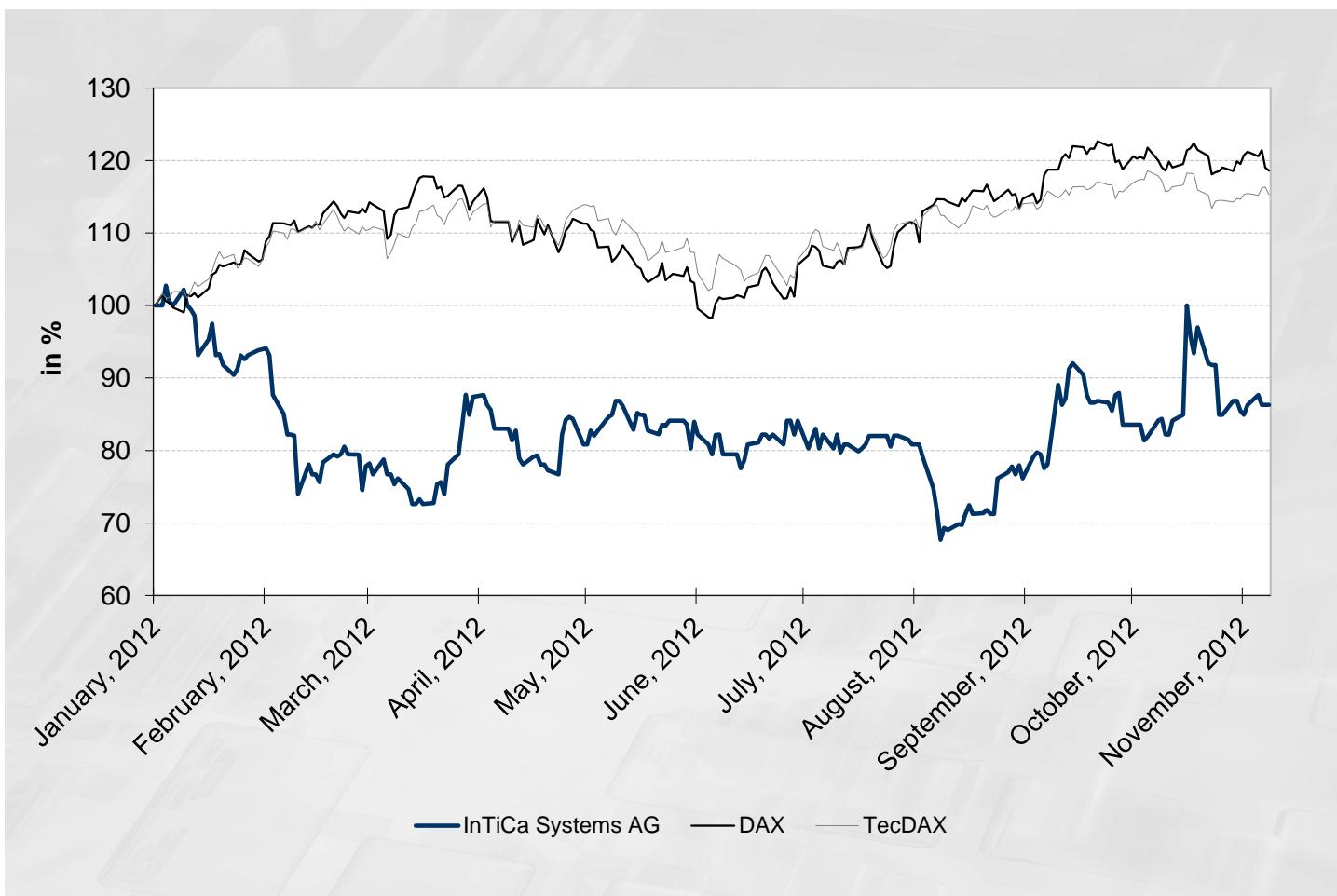
Having started the year at EUR 3.60, shares in InTiCa Systems came under pressure in the first quarter due to the exit of a major shareholder with a shareholding of more than 5%. In mid-March it hit a low of EUR 2.65. The share subsequently rallied and traded in a range of EUR 2.80 to EUR 3.20. Renewed pressure at the start of August pushed

the share price down to a new low for the year of EUR 2.47. However, it recovered fast and by mid-October it was trading at EUR 3.65, back at the level seen at the start of the year. In Xetra trading, the share price closed at EUR 3.12 on October 31, 2012.

In the first nine months of this year we provided timely information for our shareholders and the general public on current business trends, specific events and the company's prospects. At the Annual General Meeting, which was held in Passau, Germany, on July 6, 2012, shareholders were able to find out about the company's performance in 2011 and its present situation. 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].

On December 5, 2012 InTiCa Systems will be giving a presentation for investors, analysts and financial journalists at the 14th Munich Capital Markets Conference (MKK). This is now the largest capital markets conference in southern Germany.

1) Price data based on Xetra, source: Bloomberg



## 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 - biw AG ICF Kursmakler AG
Research coverage	Performaxx Research GmbH
Number of shares	4,287,000
Capital stock	EUR 4,287,000
Stock category	No-par common bearer shares

## Shareholder structure

On November 1, 2012 the major shareholders were:	Shareholding
Thorsten Wagner	more than 25%
Dr, Dr, Axel Diekmann	more than 10%
bcm Invest GmbH	more than 5%
Dr, Paul und Maria Grohs	more than 3%
Karl Kindl	more than 3%
InTiCa Systems AG	1.5%
Management	less than 1%

## Directors' Dealings in the first nine months

Date	Reporting person	Board Member	Buy/Sale	Amount	Price in EUR	Volume in EUR	Exchange
none							

### Earnings, asset and financial position

Group sales dropped roughly 17% year-on-year to EUR 27.5 million in the first nine months of 2012. In parallel with this, EBITDA contracted to EUR 3.6 million (9M 2011: EUR 4.7 million). While the ratio of material expenses to total output improved considerably from 66% to 60%, overheads did not decline as fast. EBIT was EUR 0.4 million at the end of the first nine months (9M 2011: EUR 1.2 million) and the EBIT margin slipped to 1.4% (9M 2011: 3.7%). The Automotive Technology segment continued its upward trend with sales growing by 24%, but this was not sufficient to offset the difficult market situation in the Communication Technology and Industrial Electronics segments, where sales were down 45% and 33% respectively.

The equity ratio increased to 56% in the reporting period (December 31, 2011: 52%) as a result of lower liabilities. Current liabilities to banks were reduced from EUR 2.3 million to EUR 1.8 million and trade payables declined by around EUR 1.0 million to EUR 1.8 million. Repayment of EUR 0.6 million of non-current debt also contributed to the increase in the equity ratio. In the reporting period, both scheduled repayment of a EUR 1.5 million bonded loan and the significant improvement in the operating cash flow to EUR 1.5 million had a positive impact on the company's liquidity.

### Earnings position

Group sales dropped 17% year-on-year from EUR 33.0 million to EUR 27.5 million in the first nine months of 2012. The Automotive Technology segment continued its positive development in the third quarter and sales grew 24% in the first nine months to EUR 13.9 million (9M 2011: EUR 11.2 million). However, sales revenues fell 45% to EUR 4.7 million in the Communication Technology segment (9M 2011: EUR 8.6 million) and 33% to EUR 8.9 million in the Industrial Electronics segment (9M 2011: EUR 13.2 million).

There was a significant improvement in the ratio of material costs to total output from 66% in the first nine months of 2011 to 60% in the first nine months of 2012. In view of an increase in headcount and the reduction in sales revenues, the personnel expense ratio increased from 14% in the first nine months of 2011 to 17% in the first nine months of 2012. The costs for temporary staff at the Prachatice production site, which are recognized in "Other expenses", declined to EUR 0.5 million (9M 2011: EUR 0.6 million). In all, "Other expenses" decreased to EUR 3.0 million (9M 2011: EUR 3.3 million). Depreciation and amortization of property, plant and equipment and intangible assets amounted to EUR 3.3 million in the reporting period (9M 2011: EUR 3.5 million).

Spending on research and development totalled EUR 1.6 million, which was slightly below the previous year's level of EUR 1.8 million. Development work focused principally on the Automotive Technology and Industrial Electronics segments.

Analogously to the drop in business volume, EBITDA contracted from EUR 4.7 million to EUR 3.6 million in the first nine months of 2012.

Consolidated EBIT was EUR 0.4 million in the first nine months of 2012 (9M 2011: EUR 1.2 million). The EBIT margin dropped from 3.7% to 1.4%. Automotive Technology was mainly responsible for the positive earnings, with EBIT coming in at EUR 0.8 million in the first nine months of 2012 (9M 2011: EUR 0.8 million). Due to the weak market situation, the Communication Technology segment reported negative EBIT of minus EUR 0.4 million (9M 2011: minus EUR 0.1 million) while Industrial Electronics reported EBIT of minus EUR 0.1 million (9M 2011: EUR 0.5 million).

The financial result was minus EUR 0.4 million in the reporting period (9M 2011: minus EUR 0.4 million), although financial expenses declined from EUR 0.5 million to EUR 0.4 million. Group net income for the first nine months of 2012 was EUR 0.03 million (9M 2011: EUR 0.7 million). Earnings per share were therefore EUR 0.01 (9M 2011: EUR 0.16).

As a result of currency translation gains of EUR 0.4 million (9M 2011: losses of EUR 0.2 million) from the translation of foreign business operations, comprehensive income was EUR 0.4 million in the first nine months of 2012 (9M 2011: EUR 0.5 million).

## Non-current assets

Since depreciation and amortization exceeded investment in property, plant and equipment in the reporting period, non-current assets dropped to EUR 21.4 million as of September 30, 2012 (December 31, 2011: EUR 22.3 million).

## Current assets

Current assets decreased from EUR 15.1 million to EUR 14.2 million in the reporting period. Inventories were reduced from EUR 7.5 million to EUR 6.1 million and trade receivables increased from EUR 4.7 million to EUR 6.5 million. Cash and cash equivalents declined slightly to EUR 1.0 million in the reporting period (December 31, 2011: EUR 1.1 million).

## Liabilities

Current liabilities declined to EUR 5.0 million in the first nine months of this year (December 31, 2011: EUR 6.5 million). Current liabilities to banks dropped from EUR 2.3 million to EUR 1.8 million and trade payables were scaled back from EUR 2.8 million to EUR 1.8 million in the reporting period.

Non-current liabilities to banks fell from EUR 9.4 million to EUR 8.8 million in the same period, principally as a result of scheduled loan repayment instalments. Overall, non-current liabilities therefore decreased from EUR 11.4 million to EUR 10.7 million.

## Equity

Equity increased in the first nine months of 2012, from EUR 19.5 million as of December 31, 2011 to EUR 19.9 million as of September 30, 2012. This was mainly due to the change in the currency translation reserve from minus EUR 0.6 million to minus EUR 0.2 million. Total equity and liabilities declined to EUR 35.6 million (December 31, 2011: EUR 37.4 million) due to the drop in current and non-current liabilities, so the equity ratio improved from 52% to 56%.

## Liquidity and cash flow statement

The net cash flow from operating activities improved significantly year-on-year to EUR 1.5 million in the first nine months of 2012 (9M 2011: EUR 0.6 million). The improvement was mainly attributable to the reduction in inventories in the reporting period. Excluding interest payments, the cash inflow from operating activities was EUR 1.9 million (9M 2011: EUR 1.1 million).

The net cash outflow for investing activities decreased considerably year-on-year to EUR 0.4 million (9M 2011: outflow of EUR 1.9 million). This was due to the scheduled repayment of a bonded loan totalling EUR 1.5 million. Capital expenditures on property, plant and equipment amounted to EUR 0.9 million (9M 2011: EUR 0.9 million) while investment in intangible assets was unchanged year-on-year at EUR 1.0 million (9M 2011: EUR 1.1 million). These investments were mainly for expansion.

The net cash outflow for financing activities was EUR 0.7 million in the first nine months. In the reporting period, cash outflows related solely to scheduled loan repayment instalments totalling EUR 0.6 million and leasing expenses of EUR 0.1 million.

Cash and cash equivalents (less overdraft facilities used) totalled minus EUR 0.03 million on September 30, 2012, which was well above the year-back level of minus EUR 2.3 million. Moreover, InTiCa Systems has assured credit facilities which can be drawn at any time totalling EUR 4.1 million.

## Employees

The number of employees increased in the first nine months of 2012, from 420 as of December 31, 2011 to 426 as of September 30, 2012 (September 30, 2011: 407; all figures include temporary agency staff). On average, the Group had 418 employees in the reporting period (9M 2011: 437).



## Risks and opportunities

The management report in the annual report for 2011 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

No material events have occurred since the reporting date on September 30, 2012.

## Outlook

In view of the continuing difficult situation in the European solar industry, delays in product launches and ramp-ups in the automotive industry and the increasing overall uncertainty caused by the expected deterioration of the economic situation, especially in the euro zone, the Board of Directors anticipates a noticeable decline in sales and earnings performance in 2012 as a whole. Nevertheless, a positive operating result (EBIT) looks likely. It also expects a significant improvement in the Group's liquidity situation in the low single-digit millions.

The Board of Directors is of the opinion that InTiCa Systems remains well-positioned in terms of both costs and products despite the general economic uncertainty. Orders on hand were around EUR 29 million on September 30, 2012, which was a satisfactory level.

On a short-term view, neither a significant improvement in the market, nor a dramatic deterioration looks likely. Despite this, the general economic risks are unchanged and it is highly probable that the overall market situation will remain challenging. The present deterioration in the business situation in the solar sector will be offset to some extent by orders on hand in the Automotive Technology segment. Overall, the Board of Directors expects the sales trend in the Industrial Electronics and Communication Technology segments to stabilize. The Board of Directors currently assumes that the positive trend in the Automotive Technology segment will continue but that growth rates will be slightly lower than recently. The additional products for new applications that have been brought to market maturity in all three segments in recent months, combined with the increase in vertical integration and the company's systems competence, offer sufficient potential for volume sales.

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 2011.



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

The unaudited consolidated interim financial statements for InTiCa Systems AG and its subsidiary as of September 30, 2012 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.

**Forward-looking statements and predictions**

This quarterly report contains statements and forecasts referring to the future development of InTiCa Systems AG, which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future performance and developments depend on a wide variety of factors which contain a number of risks and unforeseeable factors and are based on assumptions that may prove incorrect. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.

# Consolidated Interim Financial Statements

for the period from January 1 to September 30, 2012

# Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS/IAS  
as of September 30, 2012

Assets	Sep 30, 2012 EUR '000	Dec 31, 2011 EUR '000
<b>Non-current assets</b>		
Intangible assets	4,854	4,841
Property, plant and equipment	15,256	16,131
Deferred taxes	1,297	1,372
<b>Total non-current assets</b>	<b>21,407</b>	<b>22,344</b>
<b>Current assets</b>		
Inventories	6,131	7,545
Trade receivables	6,480	4,657
Tax assets	26	17
Other financial assets	237	1,542
Other current receivables	241	200
Cash and cash equivalents	1,048	1,128
<b>Total current assets</b>	<b>14,163</b>	<b>15,089</b>
<b>Total assets</b>	<b>35,570</b>	<b>37,433</b>

## Equity and liabilities

	Sep 30, 2012 EUR '000	Dec 31, 2011 EUR '000
<b>Equity</b>		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	474	449
Currency translation reserve	-165	-572
<b>Total equity</b>	<b>19,921</b>	<b>19,489</b>
<b>Non-current liabilities</b>		
Interest-bearing non-current liabilities	8,785	9,387
Other non-current liabilities	201	264
Deferred taxes	1,695	1,788
<b>Total non-current liabilities</b>	<b>10,681</b>	<b>11,439</b>
<b>Current liabilities</b>		
Other current provisions	867	850
Interest-bearing current financial liabilities	1,779	2,329
Trade payables	1,838	2,791
Liabilities under finance leases	82	78
Other financial liabilities	188	179
Other current liabilities	214	278
<b>Total current liabilities</b>	<b>4,968</b>	<b>6,505</b>
<b>Total equity and liabilities</b>	<b>35,570</b>	<b>37,433</b>
<b>Equity ratio</b>	<b>56%</b>	<b>52%</b>

# Consolidated Statement of Comprehensive Income

of InTiCa Systems AG in accordance with IFRS/IAS  
for the period from January 1 to September 30, 2012

	Q3 2012 EUR '000	Q3 2011 EUR '000	9M 2012 EUR '000	9M 2011 EUR '000	Change 9M 2012 vs. 2011
<b>Sales</b>	<b>9,519</b>	<b>10,427</b>	<b>27,525</b>	<b>33,004</b>	<b>-16.6%</b>
Other operating income	142	260	402	828	-51.5%
Changes in finished goods and work in process	-174	-365	-805	1,117	-
Other own costs capitalized	315	210	925	940	-1.6%
Material expense	6,041	6,409	16,689	23,105	-27.8%
Personnel expense	1,576	1,567	4,709	4,769	-1.3%
Depreciation and amortization	1,106	1,199	3,269	3,518	-7.1%
Other expenses	1,016	986	3,006	3,293	-8.7%
<b>Operating profit (EBIT)</b>	<b>63</b>	<b>371</b>	<b>374</b>	<b>1,204</b>	<b>-69.0%</b>
Cost of financing	119	178	377	477	-21.0%
Other financial income	1	12	9	33	-72.7%
<b>Profit before taxes</b>	<b>-55</b>	<b>205</b>	<b>6</b>	<b>760</b>	<b>-99.2%</b>
Income taxes	13	-112	-19	59	-
<b>Net result for the period</b>	<b>-68</b>	<b>317</b>	<b>25</b>	<b>701</b>	<b>-96.4%</b>
<b>Other comprehensive income</b>					
Exchange differences from translating foreign business operations	358	-372	407	-223	-
Deferred taxes from translating foreign business operations	0	0	0	0	-
<b>Other comprehensive income, after taxes</b>	<b>358</b>	<b>-372</b>	<b>407</b>	<b>-223</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>290</b>	<b>-55</b>	<b>432</b>	<b>478</b>	<b>-9.6%</b>
Earnings per share (diluted/basic in EUR)	-0.02	0.07	0.01	0.16	-
<b>EBITDA</b>	<b>1,169</b>	<b>1,570</b>	<b>3,643</b>	<b>4,722</b>	<b>-22.9%</b>

# Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS/IAS  
for the period from January 1 to September 30, 2012

	9M 2012 EUR '000	9M 2011 EUR '000
<b>Cash flow from operating activities</b>		
Net result for the period	25	701
Income tax expenditures / receipts	-19	59
Cash outflow for borrowing costs	377	477
Income from financial investments	-9	-33
Depreciation and amortization of non-current assets	3,269	3,518
Other non-cash transactions	-73	-452
<i>Increase/decrease in assets not attributable to financing or investing activities</i>		
Inventories	1,414	-1,970
Trade receivables	-1,823	-343
Other assets	-267	-58
<i>Increase/decrease in liabilities not attributable to financing or investing activities</i>		
Other current provisions	17	131
Trade payables	-952	-1,170
Other liabilities	-16	198
<b>Cash flow from operating activities</b>	<b>1,943</b>	<b>1,058</b>
Cash outflow for income taxes	-9	-15
Cash outflow for interest payments	-417	-488
<b>Net cash flow from operating activities</b>	<b>1,517</b>	<b>555</b>
<b>Cash flow from investing activities</b>		
Cash inflow from interest payments	40	41
Cash outflow for intangible assets	-1,036	-1,056
Cash outflow for property, plant and equipment	-891	-880
Cash inflow from non-current receivables	1,500	0
<b>Net cash flow from investing activities</b>	<b>-387</b>	<b>-1,895</b>
<b>Cash flow from financing activities</b>		
Expenses for the sale of treasury stock	0	-11
Cash inflow from the sale of treasury stock	0	738
Cash outflow for loan repayment installments	-602	-586
Cash outflow for liabilities under finance leases	-58	-37
<b>Net cash flow from financing activities</b>	<b>-660</b>	<b>104</b>
<b>Total cash flow</b>	<b>470</b>	<b>-1,236</b>
Cash and cash equivalents at start of period	-500	-1,093
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>-30</b>	<b>-2,329</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, 2012

	Capital stock EUR '000	Treasury stock EUR '000	Paid-in capital EUR '000	Retained earnings EUR '000	Currency trans- lation reserve EUR '000	Total equity EUR '000
<b>As of January 1, 2011</b>	<b>4,287</b>	<b>-210</b>	<b>14,427</b>	<b>0</b>	<b>440</b>	<b>18,944</b>
Net result for 9M 2011	0	0	382	319	0	701
Other comprehensive income, after taxes 9M 2011	0	0	0	0	-223	-223
<b>Total comprehensive income for 9M 2011</b>	<b>0</b>	<b>0</b>	<b>382</b>	<b>319</b>	<b>-223</b>	<b>478</b>
Sale of shares	0	146	591	0	0	737
Expenses for the sale of shares	0	0	-11	0	0	-11
<b>As of September 30, 2011</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>319</b>	<b>217</b>	<b>20,148</b>
<b>As of January 1, 2012</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>449</b>	<b>-572</b>	<b>19,489</b>
Net result for 9M 2012	0	0	0	25	0	25
Other comprehensive income, after taxes 9M 2012	0	0	0	0	407	407
<b>Total comprehensive income for 9M 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>407</b>	<b>432</b>
<b>As of September 30, 2012</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>474</b>	<b>-165</b>	<b>19,921</b>



# Notes to the Consolidated Interim Financial Statements

for the period from January 1 to September 30, 2012

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

The consolidated interim financial statements of InTiCa Systems AG as of September 30, 2012, 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 2011, 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. The consolidated interim financial statements have been prepared for the nine-month period ending on September 30, 2012. Comparative data refer to the consolidated financial statements as of December 31, 2011 or the consolidated interim financial statements as of September 30, 2011. The consolidated interim financial statements do not contain all information that would be required for a full set of annual financial statements. A detailed overview of the accounting and valuation principles applied can be found in the notes to the consolidated financial statements in the annual report for 2011.

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

The currency used to prepare the consolidated interim financial statements is the euro (EUR). Amounts are stated in thousands of euros (EUR '000), except where otherwise indicated.

## Scope of consolidation

The scope of consolidation of InTiCa Systems AG has contracted compared with fiscal 2011. Alongside the parent company in Passau, Germany, only InTiCa Systems s.r.o. of Prachatice, Czech Republic, is included in the consolidated interim financial statements. The parent company has a stake of 100% in this subsidiary. InTiCa Systems Ges.mbH of Neufelden, Austria, which was included in the consolidated financial statements for 2011, has been deleted from the commercial register and is therefore no longer included in the consolidated interim financial statements. The interim financial statements of the consolidated companies are prepared as of the reporting date for the consolidated interim financial statements.

## Currency translation

When preparing the financial statements for each individual Group company, business transactions in currencies other than the functional currency of that company (foreign currencies) are translated at the exchange rates applicable on the transaction date.

## Segment report as of September 30, 2012

### Segment sales and segment earnings

Segment	Communication Technology	Automotive Technology	Industrial Electronics		Total			
In EUR '000	9M 2012	9M 2011	9M 2012	9M 2011	9M 2012	9M 2011	9M 2012	9M 2011
Sales	4,711	8,596	13,933	11,247	8,881	13,161	27,525	33,004
EBIT	-358	-105	848	815	-116	494	374	1,204

### Key financial figures

	9M 2012 EUR '000 or %	9M 2011 EUR '000 or %	Change 2012 vs. 2011
EBITDA	3,643	4,722	-22.9%
Net margin	0.1%	2.1%	
Pre-tax margin	0.0%	2.3%	
Material cost ratio	60.6%	70.0%	
Material cost ratio (to total output)	60.4%	65.9%	
Personnel cost ratio	17.1%	14.5%	
EBIT margin	1.4%	3.7%	
Gross profit margin	36.4%	33.4%	

When preparing the consolidated interim financial statements, the assets and liabilities of the Group's foreign business operations are translated into euros (EUR) at the exchange rate applicable on the reporting date. Income and expenses are translated using the weighted average exchange rate for the fiscal year. The following exchange rates were used for the consolidated financial statements:

Closing rates			
	Sep 30, 2012	Dec 31, 2011	Sep 30, 2011
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25,141	CZK 25,800	CZK 24,755
USA	USD 1,292	USD 1,293	USD 1,349
Average rates			
	Sep 30, 2012	Dec 31, 2011	Sep 30, 2011
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25,133	CZK 24,585	CZK 24,359
USA	USD 1,281	USD 1,392	USD 1,406

### Segment information

The notes to the consolidated financial statements in the annual report for 2011 contain a detailed overview of the assets allocated to each segment. There have not been any changes of significance in the assets allocated to the segments since December 31, 2011.

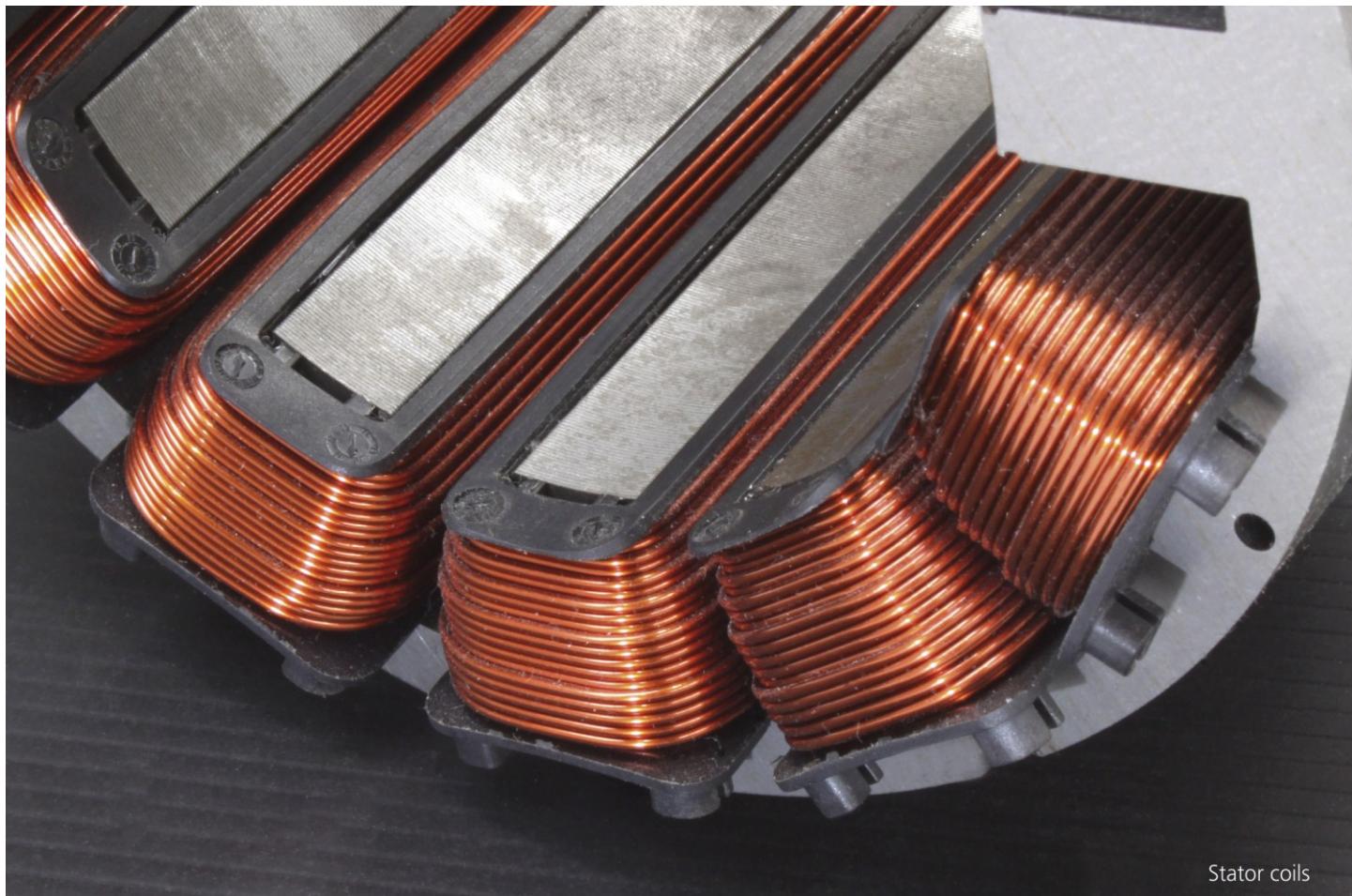
### Consolidated Income statement / statement of comprehensive income

In the first nine months of this year Group sales dropped to EUR 27,525 thousand, down from EUR 33,004 thousand in the same period of 2011, as the increase in sales revenues in the Automotive Technology segment was unable to offset the declines in the Industrial Electronics and Communication Technology segments. EBITDA declined analogously from EUR 4,722 thousand to EUR 3,643 thousand. Total comprehensive income was EUR 432 thousand at the end of the first nine months of 2012, compared with EUR 478 thousand in the first nine months of 2011.

### 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. InTiCa Systems' equity ratio of around 56% (September 30, 2011: 52%) shows that it is still soundly financed.

The net cash flow from operating activities improved to EUR 1,517 thousand in the first nine months of 2012 (9M 2011: EUR 555 thousand). The total cash flow in the reporting period improved to EUR 470 thousand (9M 2011:



minus EUR 1,236 thousand). Cash and cash equivalents improved from minus EUR 500 thousand as of December 31, 2011 to minus EUR 30 thousand as of September 30, 2012. In addition, inventories were reduced by EUR 1,414 thousand year-on-year to EUR 6,131 thousand. At the same time, trade receivables rose by EUR 4,657 thousand to EUR 6,480 thousand. As a result of repayment of the EUR 1,500 thousand bonded loan and subsequent use of the funds to repay current account credits, other current financial assets declined by EUR 1,306 thousand and current liabilities to banks were thus reduced by EUR 550 thousand.

### Authorized capital

The Board of Directors is authorized by a resolution of the Annual General Meeting of July 6, 2012 to increase the capital stock with the Supervisory Board's consent, up to July 5, 2017, by a total of up to EUR 2,143,500.00 in return for cash or contributions in kind under exclusion of shareholders' subscription rights (authorized capital 2012/1).

### Events after the reporting date

Material events after the reporting date (September 30, 2012) are outlined in the section on events after 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 declaration of conformance with the German Corporate Governance Code and the declaration on corporate management pursuant to sec. 289a of the German Commercial Code (HGB) 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).

As of September 30, 2012 InTiCa Systems AG held 64,430 treasury shares. Treasury shares were not eligible for the dividend and had no voting rights at the company's Annual General Meeting in Passau, Germany, on July 6, 2012.

All shares have the same voting rights and dividend claims. The only exceptions are shares held by the company (treasury shares), which do not confer any rights on the



company. There are no shares in the company with special rights according rights of control.

The rights and obligations of the shareholders are set out in detail in the German Stock Corporation Act (AktG), in particular in sec. 12, sec. 53a et seq., sec. 118 et seq. and sec. 186. Restrictions on the voting rights of shares could result from statutory provisions (sec. 71b and sec. 136 AktG). The Board of Directors is not aware of any other restrictions on the exercise of voting rights or the transfer of shares.

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

There are no agreements that confer specific rights on contractual partners in the event of a change in the company's shareholder or ownership structure.

There are no compensation agreements with either members of the Board of Directors or employees relating to a takeover bid.

# 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, 2012 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, 2012 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 19, 2012

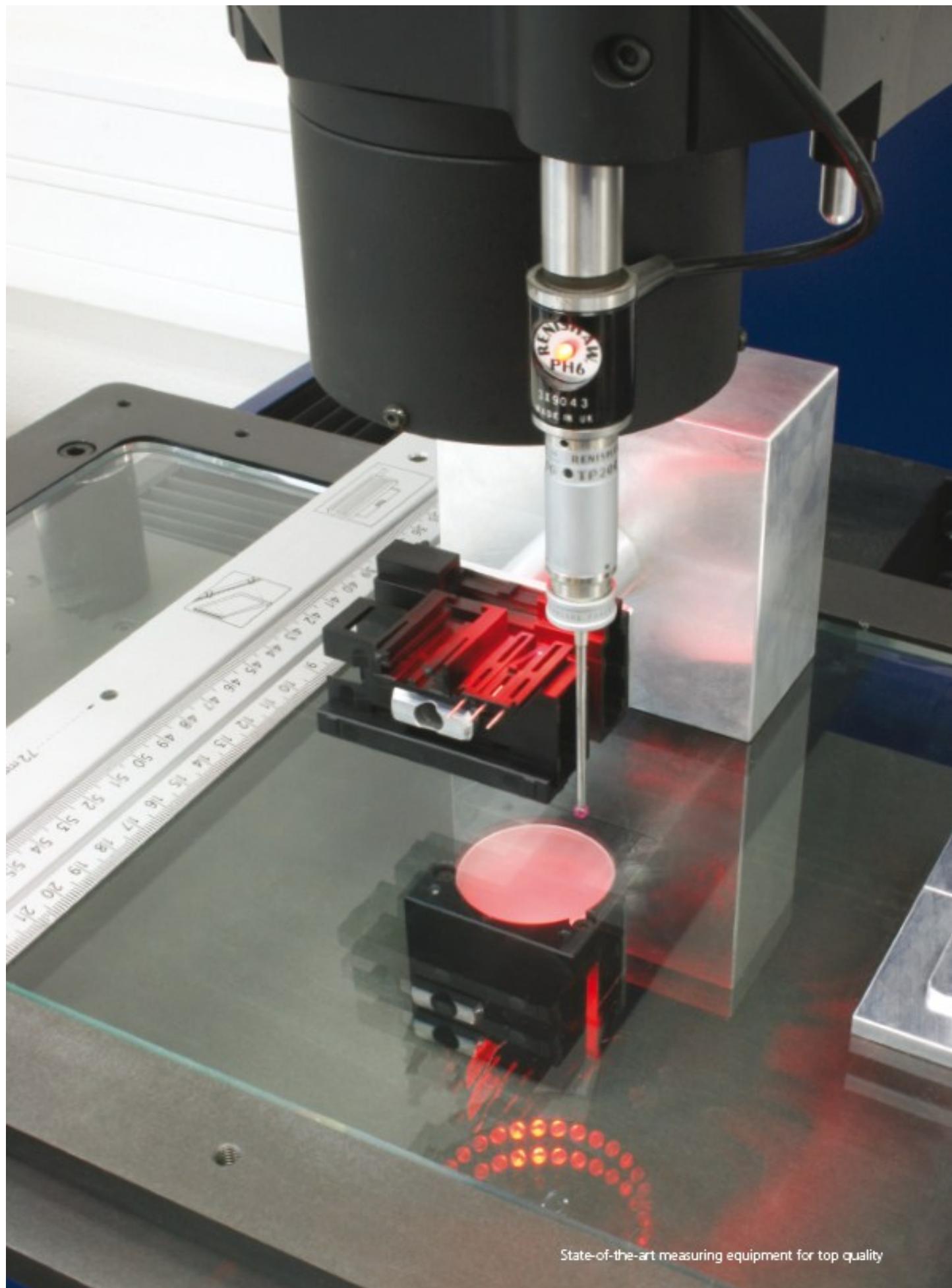
**The Board of Directors**

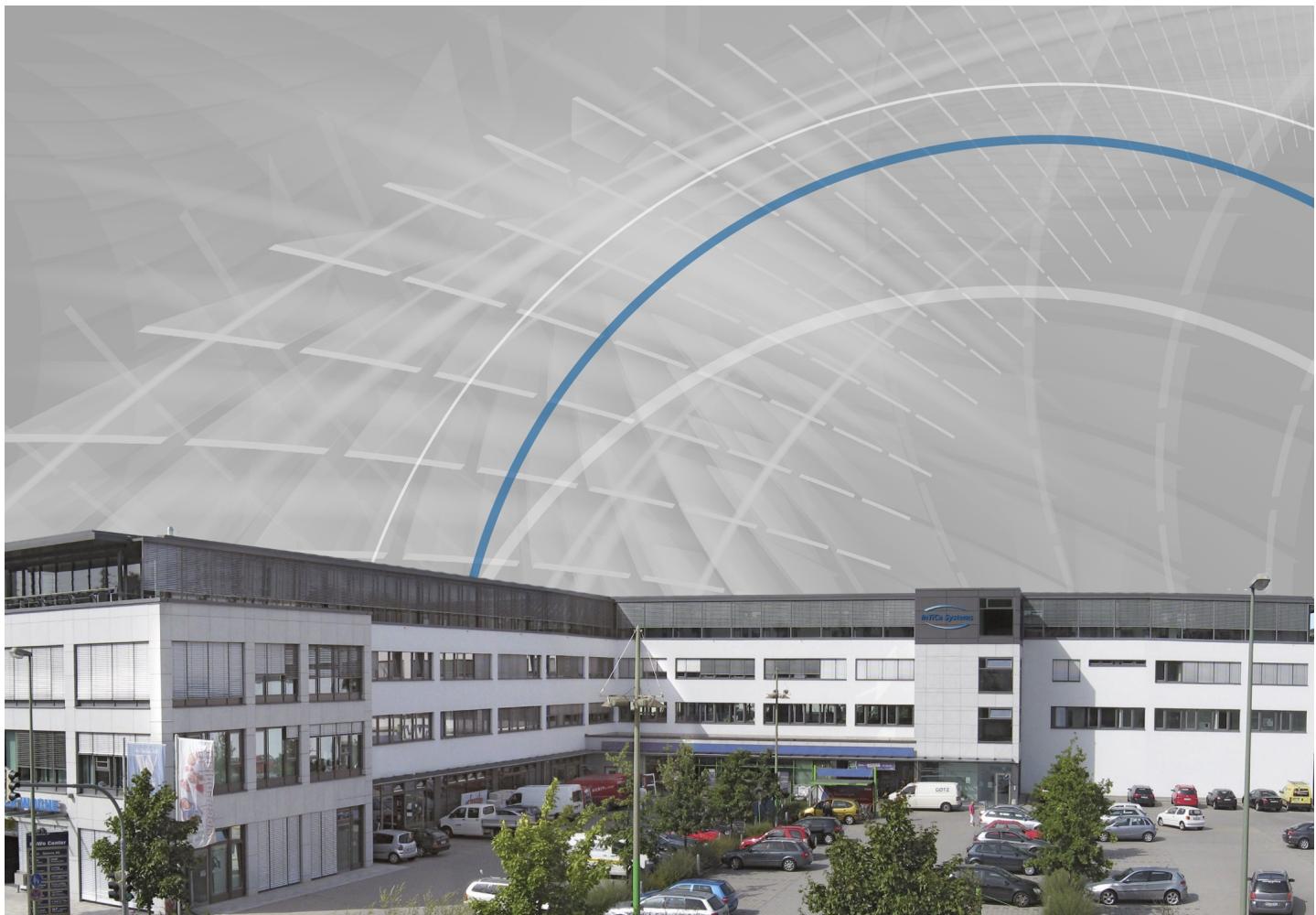


Walter Brückl  
Chairman of the  
Board of Directors



Günther Kneidinger  
Member of the  
Board of Directors





# Financial Calendar 2012

November 20, 2012

Publication of Interim Report for the first nine months 2012

December 5, 2012

MKK - Münchner Kapitalmarktkonferenz  
(Munich Capital Markets Conference)

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