

# MOBOTIX AG

## Interim Report

1 July 2010 to 30 September 2010

### Complete HiRes Video Solution

high-resolution, digital & cost-effective recording



The HiRes Video Company





# MOBOTIX best stock exchange newcomer in 2007

Kaiserslautern, 19 December 2007. 2007 has been a rather mixed year for stock exchange newcomers. Of the 29 stock exchange debuts with a stock issuing volume of more than 10 million euros, only six had share prices higher at the close of trading on 18 December than at the time of the IPO.

Top of the ranking is Mobotix AG of Kaiserslautern, whose share price rose from 10.50 to 12.50 Euro.

## Design experts honour MOBOTIX Hemispheric Camera in the red dot award product design 2009

In one of the most renowned and hardest international design competitions, the red dot design award, the Hemispheric Camera from the top-class design studio has just received the red dot award for product design 2009. The Hemispheric Camera stands out from the top-class design studio for its use of the design expertise and successful design details. The Hemispheric Camera is a high-resolution surveillance solution based on Mobotix cameras, the free MxControlCenter software and bidirectional VoIP communication. This has saved substantial costs while offering unmatched image quality and recorded video streams.

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## High-resolution 3.1 megapixel video system with hemispheric version, lip-synchronous sound and robust, fully proof housing

MOBOTIX, manufacturer of complete, high-resolution IP video systems, presents the new M24M hemispheric camera. This camera is a robust, fully proof housing, designed for outdoor use. It features a high-resolution 3.1 megapixel sensor, providing a wide field of view. The camera is equipped with lip-synchronous sound, allowing for clear audio recording. It also features a robust, fully proof housing, making it suitable for harsh environments. The camera is easy to install and maintain, and it provides a high level of security and surveillance.



## New Q24M impresses with double frame rate

The Q24M impresses with a double frame rate, a distortion-corrected 180° panorama view and integrated video storage. New York, USA, June 10, 2009. Mobotix AG, a manufacturer of complete high-resolution IP video systems, has introduced the new Q24M camera. The Q24M features a double frame rate, a distortion-corrected 180° panorama view, and integrated video storage. This makes it ideal for high-resolution surveillance applications. The camera is easy to install and maintain, and it provides a high level of security and surveillance.

## New MOBOTIX T24 Hemispheric IP Video Door Station



The new line of products with a hemispheric lens offers a solution that has never been available to the market until now. The new IP Video Door Station, the T24, captures the entire entrance area without any blind spots, from wall to wall, floor to ceiling. Traditional door cameras often only record visitors when they are standing directly in front of the lens. The fisheye lens displays the events in front of the lens as a 360° full image without any blind spots. Using the integrated image correction software, the image is corrected in the live view and sent to the remote video station. The image seen on the monitor is an impressive demonstration of the excellence in video surveillance technology. Mobotix IP video technology has been chosen because of its unmatched resolution, the low storage requirements and the reduced storage requirements compared to other systems.

## MOBOTIX Stocks trade well on Stock Market

Today, MOBOTIX AG stocks are publicly traded in the Entry Standard at Frankfurt Stock Exchange (Open Market) under the ticker symbol 80005218309. MOBOTIX AG, a leading manufacturer of digital, network-based video surveillance systems, has seen its stock price rise significantly. This is due to the company's strong performance and its commitment to innovation. The company's products are widely used in various industries, and its stock is highly sought after by investors. The company's stock is traded on the Frankfurt Stock Exchange, and its price has risen from 10.50 to 12.50 Euro.

## MOBOTIX Group continues successful business development

MOBOTIX Group achieved revenue growth of 15.3% to €37.5m in the first nine months of the fiscal year 2009/10. In particular the last quarter contributed to this result with a corporate growth of nearly 30% and an export ratio of more than 77%. Kaiserslautern, January 29, 2010. Mobotix AG, a technology leader and provider of digital high-resolution, network-based video security systems, has announced the financial results for the first nine months of the fiscal year 2009/10 ended March 31, 2010. In the first nine months of the fiscal year 2009/10, MOBOTIX Group revenue grew by 15.3% to €37.5 million (prior year: €32.5 million), in a further recovering market environment. Once again, the hemispheric product line Q24 was a growth driver. Stability continues to be at the top of the current growth of 51.1 per cent.

## IMS Research Study: MOBOTIX strengthens position as global market leader for digital megapixel cameras

MOBOTIX AG, a technology leader and provider of digital high-resolution, network-based video security systems, continues to strengthen its position as global market leader for digital megapixel cameras during the course of 2009, as appraised by the recent study „The World Market for CCTV & Video Surveillance Equipment – 2009 Edition“ released by the market research provider IMS Research. Alastair Hayfield, Research Manager, IMS Research commented: „Mobotix has continued to exhibit strong performance, despite the economic downturn. Globally, its share of the megapixel surveillance camera market is close to 40%. Mobotix software is being implemented with growing numbers of cameras and examination of the company's new location at the Autobahn A63 near Mainz. MOBOTIX is planning to expand its production facilities in the future.“

## MOBOTIX AG decides to expand production facilities

MOBOTIX AG has decided to expand its production facilities. The company is planning to build a new production facility in the future. This will allow the company to increase its production capacity and to serve its growing customer base. The new facility will be located in a strategic location, and it will be equipped with the latest technology. The company is committed to innovation and to providing high-quality products to its customers. The new facility will be a significant step forward for the company, and it will help to ensure its long-term success.

## Around the Globe

MOBOTIX AG has presented its IP network surveillance cameras at the GDSF, the Global Digital Surveillance Forum in Shanghai, at the end of August and at GITEX in Dubai, the third largest IT expo worldwide at the time. The company's products were well-received by the attendees, and the company is looking forward to expanding its global presence. The company's products are used in a wide range of applications, and they are highly reliable and secure. The company is committed to providing high-quality products and services to its customers, and it is looking forward to a bright future.



# ... Letter To The Shareholders



## Dear Shareholders,

In the first quarter of fiscal year 2010/11, MOBOTIX AG generated a 42% increase in revenue to €15.1 million. The revenue growth was particularly strong in the USA. In total, exports rose to 74%, and EBIT improved by more than 100% to €4.2 million compared to the prior-year period.

This growth results from the expansion of new sales regions and the demand for MOBOTIX' new hemispheric camera technology, which can monitor an entire room without any blind spots replacing multiple standard cameras with a single camera.


The migration to a new processor technology has been completed for the most part and is now being used in all single lens cameras. The dual cameras will be converted to the new technology in the current fiscal year. In addition to higher computing power, the new platform provides the advantage that all products, including the new door station, now

have an identical circuit board, which simplifies purchasing logistics, reduces production costs and increases product quality.

The in-house developed T24 IP Video Door Station will be ready for delivery in the very near future. This product enables MOBOTIX to use the existing hemispheric technology to enter the new, yet closely related market for access control and intercom systems. When the bell is rung, a connection to a standard VoIP phone or PC is established over the network. This means that the door station can be controlled and the door opened from anywhere in the world. The integration of iPhones and iPads plays an important role in this technology.

I am convinced that we will achieve strong growth in the current fiscal year as well and that shortly after its market launch, the new product segment will play an important part in our expansion. Our partners and customers are extremely interested. The new 6,000 m<sup>2</sup> large production hall currently under construction will be ready for occupancy in March 2011.

Thank you for your continued confidence!



Dr. Ralf Hinkel • CEO MOBOTIX AG

**Revenue Growth**  
**42.1%**

**Export Ratio**  
**74.2%**

## MOBOTIX Close Up ...

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# ... Or At A Glance

3 months (July 1 to September 30, 2010)	2010/11	2009/10	Delta %
<b>Financial performance</b>	€'000s	€'000s	
Total Output	16,400	11,442	+43.6
Revenue	15,064	10,599	+42.1
Thereof outside of Germany (in %)	74.2	63.3	
EBITDA	4,827	2,499	+93.1
EBITDA as % of total output	29.4	21.9	
EBIT	4,168	2,056	+102.7
EBIT as % of total output	25.4	18.0	
Profit before tax	4,053	1,960	+106.8
Return on revenue in % before tax	26.9	18.5	
Profit for the period	2,910	1,367	+112.9
Cash flow from operating activities	2,158	3,320	-35.0
<b>Financial position</b>	<b>Sept. 30, 2010</b>	<b>June 30, 2010</b>	
Equity	31,712	29,283	+8.3
Equity-to-assets ratio in %	59.3	62.4	
Total assets	53,525	46,936	+14.0
Non-current assets	21,013	19,598	+7.2
Current assets	32,512	27,339	+18.9
Thereof cash and cash equivalents	9,624	7,312	+31.6
<b>Employees</b>			
Number of employees (Reporting date)	268 <sup>(1)</sup>	250 <sup>(1)</sup>	+7.2
Revenue per employee	64.1 <sup>(2)</sup>	54.6 <sup>(3)</sup>	
EBIT per employee	17.7 <sup>(2)</sup>	10.6 <sup>(3)</sup>	
<b>Key figures per share (in €)</b>			
Earnings per share (EPS) <sup>(4)</sup>	0.66	0.31	+113.1
Dividend	1.01	1.00	+0.0
Cash flow as per DVFA/SG <sup>(4)</sup>	0.82	0.42	+95.2

1) Including trainees and temporary staff, 2 (prior year: 3) members of the Management Board; by headcount

2) Based on an average of 235 employees.

3) Based on an average of 194 employees

4) Based on an average of 4.419m (previous year 4.424m) shares.

**Total Output**  
**€ 16.4m (+43.6%)**

**Revenue**  
**€ 15.1m (+42.1%)**

# MOBOTIX Growth

Revenue In Fiscal Year (June 30)

€  
54m

0.8  
00/01 01/02 02/03 03/04 04/05 05/06 06/07 07/08 08/09 09/10

00\01 01\02 02\03 03\04 04\05 05\06 06\07 07\08 08\09 09\10  
0.8

## ... Company Profile

As a publicly traded company, MOBOTIX AG sees itself as a software company with an in-house hardware development for digital, high-resolution and network-based video-security solutions.

Whether it is embassies, airports, gas-stations, highways or private homes, MOBOTIX video systems are found world-wide with over one-hundred thousand units in operation on every continent. In addition to the actual IP video camera with megapixel resolution, MOBOTIX also produces interface components and video management software for operating entire security solutions. The system concept – a distinctive software solution and decentralized camera systems – significantly distinguishes MOBOTIX from its competitors with MOBOTIX first having made high-resolution, hemispheric systems cost-efficient. With over 250 employees, and a virtual 70% export share to date, MOBOTIX has attained a 8% global market share.

MOBOTIX has designed a decentralized system architecture that allows images to be analyzed in the camera, instead of a central PC. Thus, the cameras detect movements in the image independently, store them in a database, and report the results via eMail or VoIP phone calls. This decentralized structure relieves the network, allows the central video manage-

ment to make higher image rates possible and reduces the number of storage systems for recording high-resolution video sequences many times over.

The hemispheric camera technology developed at MOBOTIX permits the recording of an entire room from the ceiling or a wall – independent of the selected live image detail – using a single camera, so that other room areas can be viewed later during a search-analysis phase. Details of the hemispheric live image, resembling a fish-eye, are already transformed in the camera in such a way that the users believe they are using a panning camera.

The powerful innovative strength of MOBOTIX has enabled itself to be the first to introduce nearly all significant innovations in the IP camera sector market in the last ten years. For this reason, MOBOTIX is seen as the industry's technology leader. With growth rates at around 50%, MOBOTIX has continued to rapidly gain global market share since 1999.



MOBOTIX Headquarters, Langmeil, Germany

### HiRes Video Innovations

The German company MOBOTIX AG is known as the leading pioneer in network camera technology and its decentralized concept has made high-resolution video systems cost efficient.

# The MOBOTIX Concept

## Was Somewhat Out Of Ordinary ...

M12D-Secure: Outdoor Day&Night



### HiRes Video Innovations

The German company MOBOTIX AG is known as the leading pioneer in network camera technology since its founding in 1999, and its decentralized concept has made high-resolution video systems cost efficient. Whether in embassies, airports, railway stations, ports, gas stations, hotels or on highways - over hundred thousand MOBOTIX video systems have been in operation on every continent for years.

### Technology Leader Of Network Cameras

In a short time, MOBOTIX has gained the second place in Europe and the fourth place worldwide in terms of market share. MOBOTIX has been producing solely megapixel cameras for years and, in this area, ranks as global market leader in high-resolution video systems.

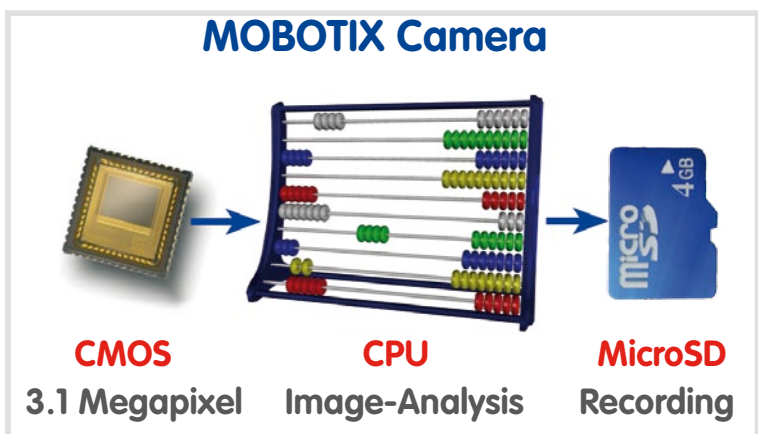
### Why High-Resolution Systems?

The higher the resolution, the more accurate the detail in the image. With the old analog technology, a live image has no more than 0.4 megapixels and a recorded image generally 0.1 megapixels (CIF). One MOBOTIX camera with 3.1 megapixels, on the contrary, records around 30 times more detail. As a result, larger image areas with up to 360°

allround views are possible, thus reducing the number of cameras needed and therefore the costs. For example, four lanes of a gas station can be recorded with one MOBOTIX camera instead of four conventional cameras.

### Disadvantages Of Old Centralized Solutions

Usually cameras only supply the images while the processing and recording is done later on a central PC using video management software. This traditional centralized structure has many limitations, since it requires a high network bandwidth and the PC processing power is not enough for several cameras. An HDTV MPEG4 film already puts considerable strain on a PC, how can it be expected to process dozens of high-resolution live cameras? Traditional centralized systems are therefore less suitable and unprofitable than high-resolution systems due to the high number of PCs needed.



### Network Video

MOBOTIX has redefined video. Whether on the Internet, in traffic management, building surveillance or banking environment, the MOBOTIX camera is connected to the network like a printer and live and recorded images can then be retrieved from any PC without installing any software.



# ... Is The Benchmark Today

## The Decentralized MOBOTIX Concept

Unlike with other systems, with the decentralized MOBOTIX concept a high-speed computer and, if requested, digital memory (MicroSD card) is built into every camera for long-term recording. The PC now serves purely for viewing, not for analysis or recording. As a result, MOBOTIX cameras can record in response to an event even without the PC being switched on and digitally store the videos with sound.

## The Benefits

MOBOTIX video solutions therefore require significantly:

- **fewer cameras** due to the more accurate detail of panoramic images with mega-pixel technology.
- **fewer PCs/DVRs**, because around 40 cameras can store high-resolution videos with sound efficiently on a single PC, or no PC at all when recording in the camera using digital memory (USB, MicroSD card).
- **lower network bandwidth**, because everything is processed in the camera itself and the high-resolution images

therefore do not have to be constantly transported for analysis.

## Robust And Low-Maintenance

MOBOTIX cameras have no mechanical motors for lenses or for movement. Without any moving parts, they are therefore so robust that maintenance is reduced to a minimum. The unique temperature range from -30 to +60 °C (-22 to +140 °F) is achieved without heating or fan at only 3 watts. Since no PC hard disk is required for recording, there are no parts that wear out in the entire video system.

## Software Included - For Life

There are no software and licensing costs with MOBOTIX, because the software is always supplied with the camera; for an unlimited number of cameras and users. The software package supplied with the camera also includes professional control room software, like that used in football stadiums for example. Updates are supplied free of charge on the website. The system price for a weatherproof camera including lens, query software and day-to-day recording on the MicroSD card is under € 1.000.



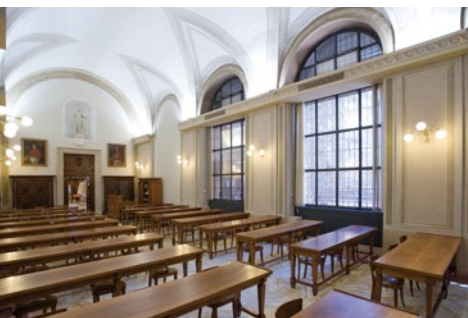
## Standardised Network Technology

The networking of cameras incl. power supply is encoded and occurs via a normal computer network and not via video cable. This has the advantage of connecting from anywhere in the world with glass, copper or even wireless access using affordable standard IT technology components.

## A Success Around The World ...

### The Vatican Apostolic Library

The Vatican Apostolic Library holdings are amongst the most precious in the world. The origins of today's collection date back to 1447. The library's inventory consists of more than two million books and manuscripts. To safeguard these unique documents from misappropriation, 78 MOBOTIX systems, including several hemispheric cameras were installed. To protect the priceless art and literary collections, the highest quality of standards were the utmost important



factor in selecting a video surveillance system; this meant that crystal-clear, high-resolution images of the events in the rooms of the library were just as essential as the absolute reliability and failure-resistant cameras used. An essential decision factor in favor of MOBOTIX was the possibility of guaranteeing the absolute safety of the folios, manuscripts, maps, etc. through the use of RFID technology. Should an attempt be made to remove one of the exhibit exemplars from the library without authorization – for example, the interaction between the RFID system and the MOBOTIX video security system would be immediately recognize the piece, and instantaneously trigger an alarm.

### Europe's largest tropical vacation place

Located at just about one hour's drive from Berlin by car, the Tropical Islands Resort – the world's largest, self-sustaining, indoor tropical paradise, has been created on a 66,000 square meter interior area. A total of 13 MOBOTIX cameras offer a nice overview of the "South Sea" and the tropical village. However, the main reason for the installation was not to convey a "vacation feeling", but instead to satisfy the government requirements of various agencies and fulfill corporate guidelines for the monitoring of "hot spots". The MOBOTIX cameras enable the security staff to view wherever it may be necessary to record images, for example, the merchandising area, and cash-offices. MOBOTIX technology also safeguards the delivery doors, the access to the outdoor areas, as well as the server rooms.



The simple number plate recognition by the cameras makes it easy to gather statistical data to determine the regions from which the guests arrive, for example.

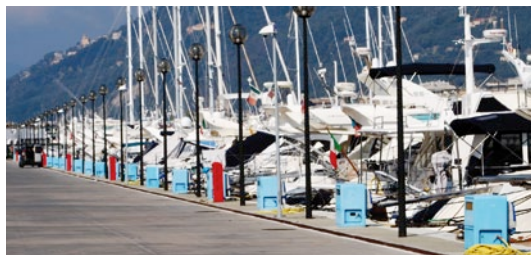
### German Reference Projects

Airbus S.A.S., Commerzbank AG, Daimler AG, Deutsche Bahn Station & Service AG, Fraport AG, EON Wasserkraft, Le Méridien Parkhotel Frankfurt, Lübecker Hafen-Gesellschaft mbH, MAN Logistics, Max Planck Institute for Chemical Ecology, Schenker GmbH, Skoda Auto Deutschland GmbH, etc.

# ... Over 100.000 In Operation

## The Harbor In Lavagna, Italy

The harbor in Lavagna is one of the largest in the entire Mediterranean. Its 1,600 berths make



it a destination for ships and yachts from all over the world. The requirement to integrate the harbor as part of the city while safeguarding the boats against theft and vandalism without limitations was not an easy task. However, 64 DualDome cameras, 3 Allround cameras and 12 hemispheric cameras from MOBOTIX provide an overview of the entire harbor area. In addition to image quality, the weather-resistant robust housings and the wide operating temperature range from -30 to +60 °C are the most important decision-making criteria in favor of the MOBOTIX solution. Personnel from the security staff and law enforcement authorities are the only ones permitted to have viewing access to the network cameras. The number of on-board thefts has been significantly reduced since the installation. Moreover, the video recording allowed four perpetrators to be identified and handed over to police authorities for unlawful appropriation.

## The Donbass Arena

The Donbass Arena is the first East European stadium built to meet UEFA regulations as an elite stadium, and has been selected as the main venue for the European Championships in 2012. Over 50,000 spectators can find seats at the immense arena. Not only are sport events well accommodated, but large venues, like concerts, have access to 53 fast-food outlets, 3 restaurants, 4 bars, a lounge bar, a Fan-Café, a fitness studio, the FC Schachtar Museum, and a merchandising shop. 528 MOBOTIX cameras

keep everything in sight, both inside, and outside the arena on its perimeter. No extra software was required while all the necessary applications were available via the camera, and the license-free, professional video-management system, MxControlCenter. "We selected MOBOTIX cameras for a number of convincing reasons – the picture quality, the zoom on trouble-makers, and detailed image captures that I could immediately send to the police for identification" explained Sergey Burgula, Head of Security at Donbass Arena. "Ultimately, we want our guests to feel safe and enjoy their stay. That's why we chose the most advanced security technology" said Olexandr Atamanenko, the Stadium Manager.



## International Reference Projects

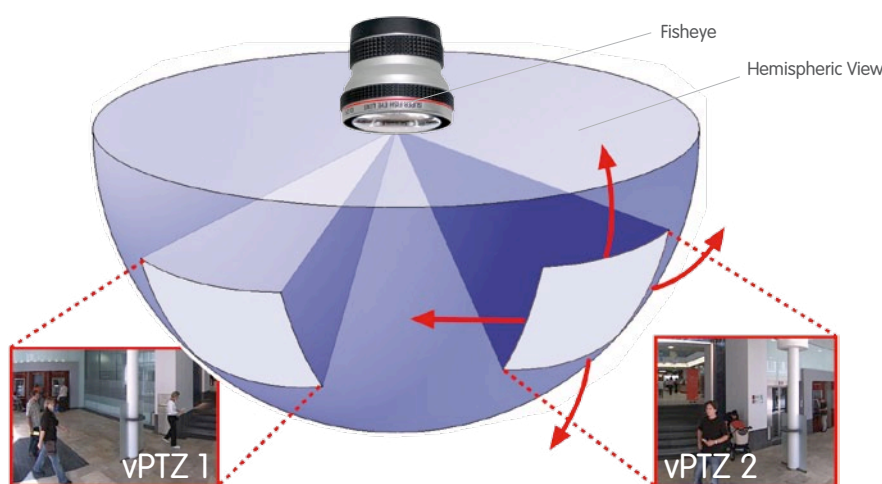
Abu Dhabi Airport (United Arab Emirates), Bahrain Defense Hospital (Bahrain), EURO 2012 Soccer Stadium (Ukraine), Hudson River Park (New York), Italian Financial Services Authority (Milano), Republic Polytechnic (Singapore), Orange Mobile (Romania), Vatican Apostolic Library (Vatican City), etc.



## Low System Costs ...

### The Hemispheric Camera

The primary components of the hemispheric camera include a fisheye lens, a high-resolution image sensor and image correction software that is integrated into the camera. Using an ultra-wide angle fisheye lens, the camera captures a 180° hemispheric image of the room and projects it onto a high-resolution image sensor.



When ceiling mounted, the image area of the hemispheric camera covers the entire room. The image in the hemisphere is convex, particularly near the image borders. These image sections are corrected for the viewer by the integrated distortion correction



software, allowing a view of the scene from the usual perspective.

The **virtual PTZ feature** allows you to enlarge or move image sections within the hemisphere, just like a PTZ camera yet, with MOBOTIX, this is achieved with no moving parts.

### Handle Several Image Sections At Once

One or more image sections can be corrected for perspective in the hemispheric view, allowing you to monitor and record several

different areas of a room **at the same time**, something that a mechanical PTZ camera is not capable of doing.

### Discreet And Low Maintenance

Hemispheric cameras are extremely discreet because they manage their task with only **one lens**, which is generally focused on the entire room and not a specific object. MOBOTIX hemispheric cameras are without mechanical moving parts and require low maintenance. In addition, they are silent when panning and focusing on a specific image area.

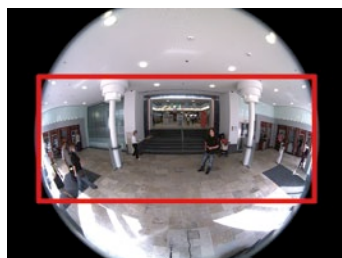
### Technology Leader Of Network Cameras

MOBOTIX ranks as the global market leader in high-resolution video systems. Each camera includes a high-speed processor and digital memory (SD Card) for long-term recording (decentralized MOBOTIX concept).

# ... Thanks To Hemispheric Panorama View

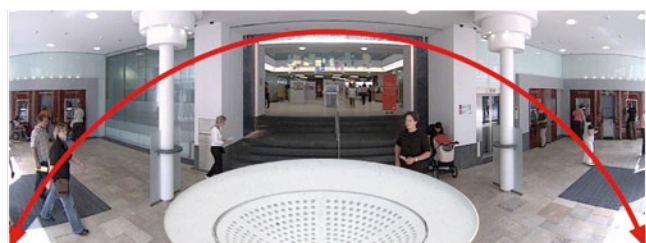
## Less Cameras Thanks To Panoramic Views

Original Q24M image: Wall mounted at a height of 2.3 m



the camera is mounted on a wall, providing a wall-to-wall view of the room without

any blind spots. It offers a substantially better view of the scene, compared to other cameras, it also results in the need for fewer cameras overall. When ceiling mounted, **one** camera can also capture an entire room by two opposite panoramic views.



Lobby

## Hemispheric 180° Panorama

Overview of room using a single camera without any blind spots

Elevator

Elevator

## Keeping Objects In View At All Times

Using solutions featuring several individual cameras, moving objects will normally jump from one viewing area of a camera to another. This often produces a confusing situation for the viewer because objects may disappear from sight for a moment or even appear twice if the viewing areas overlap. This is not the case with hemispheric panoramic cameras. Objects remain in view at all times and the viewer can always keep good track of objects in the scene.



## Everything Stored In The Recording

In contrast to a normal PTZ camera, which is always focused on one section of a room and only records that section, the virtual PTZ also allows you to pan to other areas at a later stage in the recording as the **entire room** can be recorded as a hemispheric image.

## Q24 – The Perfect Overview

The Q24 enables a hemispheric 360° panorama view using only a single lens. One single camera can monitor all four corners of a room. The fisheye effect, which is typical for this lens, can be digitally compensated in the live image.

# The MOBOTIX Storage Technology

## Superior Decentralized Solution ...



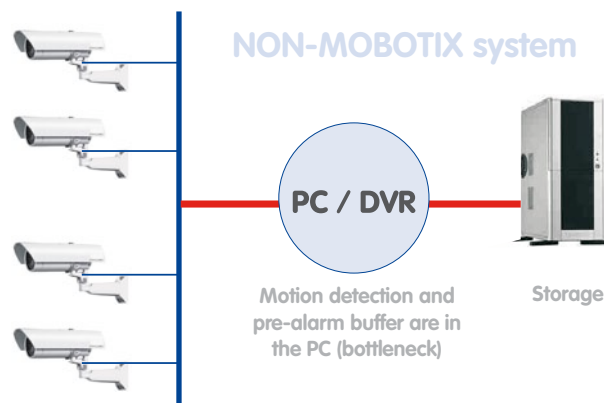
### The Market Demands Better Image Quality

When it comes to future-proof video surveillance systems, it is not a matter of analog or digital but whether it is high-resolution or not. It is important to note that HiRes video only with decentralized network camera technology can be implemented at much lower cost than any other type of video surveillance system.

### Central Storage As A Bottleneck

These days, video data is normally pre-processed and stored centrally on a PC with video management software or on a DVR. Video and audio streams from all installed cameras are directed to this central device. This system is comparable to a highway at rush hour: the more cameras there are, the faster a data jam on the PC or DVR occurs. This means that

despite HiRes cameras, the data is generally not stored in high-resolution format.



**Central PC is a bottleneck and a risk for the total system**

### MOBOTIX Stores HiRes Cost Efficiently

MOBOTIX solves the PC storage bottleneck problem using a unique and yet amazingly effective method - through the camera itself. High-resolution video with lip-synchronized sound is saved either remotely over the network or locally on flash memory devices (commercial MicroSD, SD or CF cards, USB memory).

### Choose Your Storage Location

Every single MOBOTIX camera can be configured to record internally or externally via the network. If necessary, a USB stick can be connected by cable directly to the camera, but on the other side of the wall, where it cannot be stolen.



# ... Reduces Storage Costs

Flash memory is a sophisticated form of semi-conductor memory without mechanical moving parts and represents the storage medium of the future thanks to its reliability, ease of use and low cost.



Software and storage integrated in the MOBOTIX camera

## MOBOTIX Stores Data In Flash Memory

- No PC / network is needed for operations and there is no network load
- USB flash media can be connected directly to the camera (instead of internal MicroSD/SD/CF card); no network is necessary
- Greater reliability (no hard disk drive)
- Ring buffer: Old images can be overwritten automatically or deleted after a specified time

## MOBOTIX Stores Data Reliably

MOBOTIX' own flash file system (MxFFS) prevents unauthorized persons from reading or transferring the internally stored data, even if the card is stolen.

## MOBOTIX Only Saves What Is Necessary

The MOBOTIX system includes three important additional options that allow more data to be stored for a longer time:

- Only the relevant image sections are stored instead of the entire image (for example, sky or ceiling is removed)
- Video recording only begins when relevant events take place (such as movement in the image)
- Temporarily increased frame rate during continuous recording of events

By connecting external memory over the network (NAS), the system can be expanded without limitations even while it is running.

## MOBOTIX data storage

- **inside the camera** - a 32 GB MicroSD card is enough to record all day long, making central data storage devices or PCs unnecessary
- **in USB memory** (connection via USB cable) data storage without mechanical moving parts or network load (greater protection against data theft)
- **a file server (NAS)** can store about 10 times more data from MOBOTIX HiRes cameras (than usual) since they use a memory organization structure internally



## 32 GB MicroSD Memory

Long-term recording directly in the camera; the 32 GB provide space for about 180,000 single images (4 days at 30 frames/min.) or 2000 one-minute video clips with sound. Old recordings can be overwritten automatically or deleted after a user-defined time.

## MOBOTIX Shares ...

### MOBOTIX Shares

MOBOTIX AG shares have been listed on the stock exchange since October 10, 2007 and on the Prime Standard segment of "Deutsche Börse AG" since March 31, 2008.

### Market Environment And Performance Of The MOBOTIX Share

The volatility on the capital markets continued in the third quarter 2010 as well. However, share markets in Europe and the USA moved sideways within a wide trading range. Due to strong exports and a good consumer demand the DAX was able to reach its 22 months high on August 6th with 6,386 points.

In September, after the positive news from the USA and China sentiments improved considerably. Thus, the US labour market showed an unexpected increase in new jobs. Though the economic indicators point to a slowdown in growth in China, certainly on a very high level.

The MOBOTIX share has proven to be an extremely lucrative investment since its IPO in October 2007. Measured by the performance of the issuing price, it has been one of the most successful IPO's of the last years, providing one of the highest increases in share value for the initial investors. An initial investor

(IPO date 10/10/2007) realized an increased value of 137.1%. In contrast, all relevant indices posted considerable losses during the same period. The DAX, for example, lost 22.0% of its value as well as the technology-oriented TecDAX, which lost 22.4% during the same period. The German Entrepreneurial Index (GEX), on which the MOBOTIX shares have been listed since June 23, 2008, also showed significantly poorer performance since MOBOTIX AG's IPO, and lost 26.8%. The GEX tracks owner-managed German companies within the Prime Standard segment of the Frankfurt Stock Exchange – companies listed on Prime Standard segment may be listed for a maximum of ten years and must be managed by their owners. To qualify as owner-managed, members of the Management and Supervisory Boards, or their families must hold between 25% and 75% of the voting shares. Despite the global economic uncertainty, the MOBOTIX share outperformed the German DAX index as well as other German indices in the first quarter of fiscal year 2010/11. The MOBOTIX share reached its high of €40.01 on September 20, 2010, while its low of €28.50 was reached on July 07, 2010. The closing price on the reporting date of September 30, 2010 was €35,25.

Free Float  
**33.21%**

# ... Most Successful IPO Of 2007

Accordingly, the MOBOTIX share won 22.5% of its value (including dividend) in the period under review.

Performance of the MOBOTIX share since IPO\* and in the year under review (3 months)

MOBOTIX share	137.1%	22.5%
DAX	-22.0%	4.4%
TecDAX	-22.4%	6.4%
GEX	-26.8%	9.7%

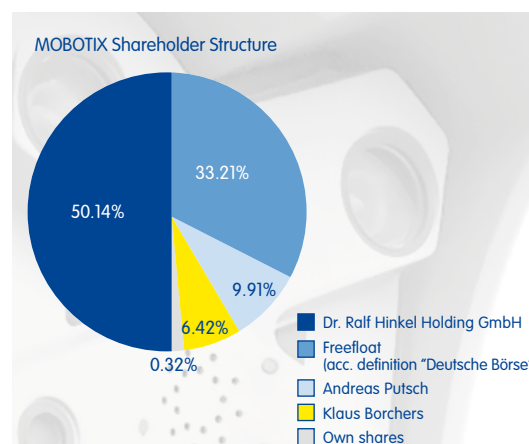
\*Reporting Date 10.10.2007

## Dividend

MOBOTIX AG pursues a growth-oriented dividend policy that corresponds to corporate growth and the respective business situation. For fiscal year 2009/10, the Management Board distributed a dividend of approximately €1.00 per share (previous year €1.00).

## Shareholder Structure

At the end of the first quarter of fiscal year 2010/11, MOBOTIX AG continues to have a very stable shareholder base that supports the long-term and sustained development of the Company. The shareholder structure of MOBOTIX AG is as follows:



The Dr. Ralf Hinkel Holding GmbH holds 50.14% of the shares, Andreas Putsch holds 9.91% and Klaus Borchers 6.42%. A share buyback program was started in July 2010. As of September 30, 2010 MOBOTIX AG has acquired 14,092 own shares as part of the share buyback program. The free float as defined by the Deutsche Börse Group is 33.21%.

**Dividend per share 2009/10**  
**approx. € 1.00**



# The Success Of MOBOTIX

## Investor Relations

Since MOBOTIX AG's IPO, the Management Board has regularly engaged in dialogue with investors, analysts and financial journalists. Special emphasis is placed on the continuous flow of information. The company fulfills the follow-up obligations of the Prime Standard segment of the Deutsche Börse Group.

Also in the current fiscal year 2010/11, MOBOTIX AG will present itself to interested analysts and investors at e.g. the German Equity Forum of the Deutsche Börse Group in November 2010 in Frankfurt.

On October 28, 2010, MOBOTIX' annual general meeting was held at the company's headquarter. With approximately 145 shareholders, 76.60% of the authorized capital was represented. The constructive and interesting questions as well as the very high agreement of over 99.66% for all proposals on the agenda clearly reflected the shareholders confidence in the company.

## Analyst Coverage

Since the fiscal year 2008/09, Hauck & Aufhäuser and GBC have now taken up coverage of MOBOTIX AG, in addition to the DZ Bank and the Equinet AG. Accordingly, market tracking and evaluation of the company is now assessed by four analysts continuously.

### Prices (Xetra) in fiscal year 2010/11:

High (September 20, 2010)	40.01€
Low (July 07, 2010)	28.50€
Closing price*	35.25€
Market capitalization*	155.94€
*as of reporting date September 30, 2010	



# ... Solid **MOBOTIX** Shares



## Key data of the MOBOTIX share

WKN	521830
ISIN	DE0005218309
Ticker symbol	MBQ
Bloomberg	MBQ:GR
Reuters Instrument Code	MBQGn.DE
Stock exchange segment	Regulated Market (Prime Standard)
Prime segment	Technology
Industry Group	Electronic Components & Hardware
Stock exchange	Frankfurt
Share capital	4,423,814 EUR
No. of shares outstanding	4,423,814
Indexes	GEX, CDAX, Technology All Share, Prime All Share
Analyst Coverage	DZ Bank, Equinet AG, Hauck & Aufhäuser and GBC

**Market Capitalisation**  
**€ 155.94m**

**Share Price Increase**  
**€ 35.25 (+137.1%)**

## Positive Business Development ...

### Business And Market

#### Technology And Products

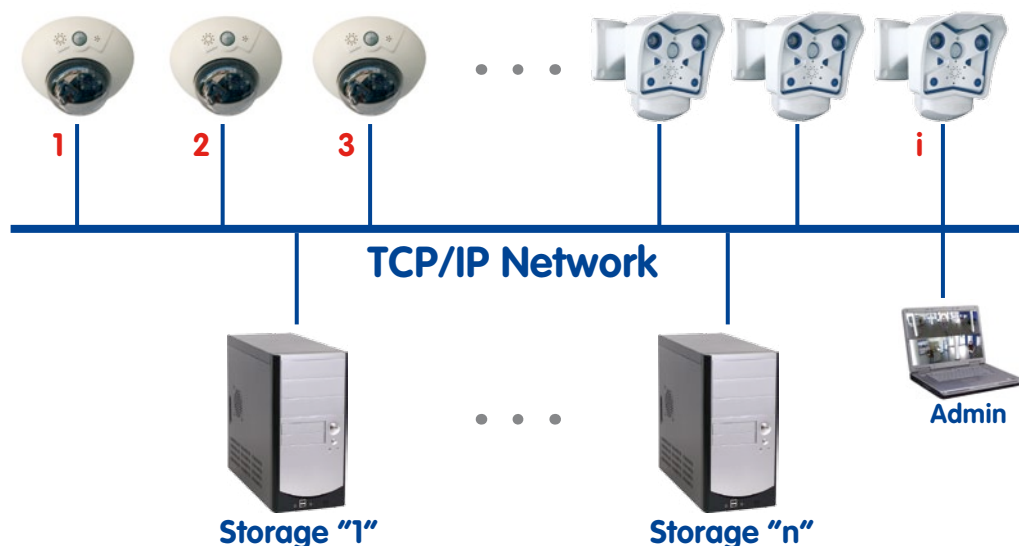
MOBOTIX AG sees itself as a software company with its own hardware development in the area of digital, high-resolution and network-based video security solutions. The company focuses on the development of user-friendly, complete system solutions from a single provider.

The Company's product portfolio includes the product lines **M12** (DualNight Camera), **M24** (Allround Camera), **D12** (DualDome Camera), **D24** (MonoDome Camera), **V12** (Vandalism Camera) and **Q24** (Hemispheric 360° Camera). The introduction of the first hemispheric camera with a 360° panorama view represented the



MOBOTIX DualNight M12M

most successful product launch in the history of MOBOTIX. In addition to its network cameras, MOBOTIX also offers the MxControlCenter, a complete video management solution as a primary control center software package that is able to integrate cameras from other manufacturers, as well as MxEasy – a video software solution for the consumer and semi-profes-



## World's No. 1 In Megapixel



## ... And Business Condition

sional segment. The MOBOTIX video management solutions are offered free of charge. In addition, various accessories are available in the Company's product range. During the past fiscal year, the first products were introduced in the new access control and communication product range. These included in particular the **T24** door station with various accessories.

A significant development focus during the past fiscal year was the conversion of the product line to the new P3 processor technology to double the camera's computing power. The switch to the new processor technology was made in order to use one single circuit board in four separate camera lines (mono camera lines). During the current calendar year, plans include converting the dual camera lines D12 and M12 to the same circuit board. Once the cameras are converted to the new circuit boards, they will be offered on the market as the **D14** and **M14** camera series, respectively. This systematic implementation of the platform strategy will provide additional substantial savings potential for the years to come.



## Positive Business Development ...

### Market And Competition

MOBOTIX operates in the video security systems market. This market is generally referred to as the CCTV market. Today's market for video security systems includes both analog video security systems and network camera systems, as well as video management software and accessories. Combinations of analog and network camera systems are known as hybrid systems. The relevant market segment for MOBOTIX in this respect is network cameras.

The market research firm IMS Research expects the global sales in the network cameras market to grow by an annual average of approximately 27.0% from 2009 to 2014 from their latest study published in July 2010.

In short-term, the market environment is also developing positively – as in many other industrial and service branches. The effects of the financial and economic crisis are noticeably diminishing and in many countries the first signs of a recovery are already recognizable, having a positive effect on project business.

The extent to which the recovery will last is still unclear, and subject to great uncertainty. One can observe that the anticipated growth rates in the network camera segment continue to be strong in the short term in comparison to other branches.

**EBITDA**  
**€ 4.8m (29.4%)**

**EBIT**  
**€ 4.2m (25.4%)**

Hemispheric IP Video Door Station in silver. Additional colors (white, dark gray and amber) are available





## Results Of Operations, Net Assets ...

### Results Of Operations, Net Assets and Financial Position

#### Results Of Operations

Corporate development during the first three months of the current fiscal year has been characterized by a distinct market recovery. During the first quarter of 2010/11, the MOBOTIX Group was once again able to reconnect with the sales and earnings development experienced before the financial crisis began. Investments in new staff and distribution activities during the 2009/10 fiscal year have already had a noticeable impact. Both the growth in revenue (42.1%, previous year: 2.8%) and the EBIT margin (25.4%, previous year: 18.0%) have increased noticeably in comparison to the same period of the previous fiscal year.

During the first three months of the 2010/11 reporting period, MOBOTIX Group revenue grew by 42.1% to €15.1 million (previous year €10.6 million), and pretax earnings increased by 106.8% to €4.1 million. Total output (sales revenue, increase in finished goods and work in progress, and other own work capitalized) rose during the first quarter of 2010/11 by €5.0 million to €16.4 million.

EBITDA (29.4% of total output; earnings before interest, taxes, depreciation, and amortization)

came to €4.8 million (previous year: €2.5 million). EBIT (25.4% of total output; earnings before interest and taxes) amounted to €4.2 million (previous year: €2.1 million). Net income for the period (return on sales 19.3%) climbed by 112.9% to €2.9 million (previous year: €1.4 million).

A large part of revenue growth continued to be achieved through increased sales of dome cameras, which rose by 64.0% from €4.4 million to €7.2 million. Sales revenues for fixed cameras grew by 27.1% to €7.1 million. The growth driver was once again the export business. The export ratio amounted to 74.2% during the first quarter, compared to 63.3% for the same period of the previous year. In Germany, revenue of €3.9 million remained virtually unchanged for the same period compared to the previous year. In the rest of Europe (excluding Germany), revenue climbed 41.2% to €6.2 million. For the rest of the world, revenue rose from €2.3 million to €5.0 million, representing a 113.6% growth. The material usage ratio (cost of materials in relation to total operating performance) of 29.3% increased in comparison to the first quarter of the 2009/10 fiscal year, as well as the 2009/10 fiscal year due to the build-up of the inventory of work in progress.

**Revenue Germany**  
**€ 3.9m**

## ... And Financial Position

Despite of a €0.7 million increase in staff costs, the personnel usage ratio (staff costs to total output) decreased from 27.3% to 23.7%. New hires were carried out in particular in the development and sales divisions.

Other operating expenses (€3.1 million; previous year: €2.7 million) increased by 13.0% in particular due to higher distribution expenses dependent on sales and increased promotional and marketing costs.

The subsidiary MOBOTIX CORP reported a revenue increase of 90.2% (previous year: 13.2%), leading to net income for the period of \$39 thousand (previous year: \$-112 thousand). This includes currency translation losses of \$222 thousand (previous year: \$-44 thousand).

### Net Assets

Development costs of €0.2 million were capitalized during the first quarter of 2010/11. Property, plant and equipment grew by €1.3 million (+7.6%) to €19.0 million – with new investments in property, plant and equipment totaling €2.3 million. The investments primarily involved the construction of new production facilities at the Langmeil site (€2.0 million), as well as investments in technical systems. In September 2010, government subsidies were granted for the construction of the new production facilities in the amount of €1.1 million. The subsidy grants have been proportionately offset against the acquisition costs for the new construction during the period under review. The investments in technical systems mostly consist of investments in injection molding tools as well as IT equipment. Inventories grew by €2.6 million, or 34.9%, to €10.2 million due to switching the production lines to a new processor technology, the expansion of the product range to include the T24 product line, the increased stock on hand due to possible delivery bottlenecks, and the increased business activity.

**Revenue Rest Of Europe**  
**€ 6.2m (+41.2%)**

**Revenue Rest Of World**  
**€ 5.0m (+113.6%)**

## Results Of Operations, Net Assets ...

Trade receivables decreased by €0.7 million to €5.8 million in comparison to June 30, 2010, due to lower revenues in September 2010 than June 2010.

Other assets of €6.3 million (June 30, 2010: €5.5 million) comprise gold reserves with a carrying amount of €3.6 million, input tax claims of €0.7 million, and as yet unpaid subsidy entitlements of €0.5 million.

The increase in cash and cash equivalents due to the positive cash flow from operating activities and an influx of funds from financing activities rose by €2.3 million (31.6%) to €9.6 million.

On the liabilities side, equity rose by €2.4 million as a result of the positive net income for the period. The equity-to-assets ratio decreased slightly from 62.4% to 59.3% due to the €6.6 million, or 14.0%, increase in total assets. Due to the acquisition of treasury shares, equity decreased by €445 thousand. Tax provisions increased by €0.7 million to €3.7 million, as a result of current tax liabilities. The increase in liabilities to banks is the result of taking out two loans for a total of €3.5 million to finance the construction of the new production facilities. Trade payables increased by €0.5 million to €3.8 million due to the increase in business volume.

Other liabilities fell by €0.2 million to €1.9 million in comparison to June 30, 2010, mainly due to a decrease in personnel liabilities. Based on the development described above, the total assets of the MOBOTIX Group grew by €6.6 million (+14.0%) to €53.5 million as of September 30, 2010 in comparison to June 30, 2010.

### Financial Position

Cash flow from the operating activities of the MOBOTIX Group was €2.2 million during the first three months of the 2010/11 fiscal year, compared to €3.3 million in the prior-year period. The decrease in comparison to the same quarter of the previous year can primarily be explained by the build-up of inventory by €2.6 million. Due to investments in the new production facilities, cash outflows for investments is, at €2.4 million, €1.3 million higher than the comparison period of the prior year. Cash paid for capital expenditure on property, plant and equipment amounted to €2.3 million. Positive cash flow from financing activities of €2.6 million is primarily the result of taking out two loans to finance the construction of the new production facilities. In addition, €445 thousand was used to acquire treasury shares. During the comparison period of the prior year, the negative cash flow from

**Cash Flow From Operating Activities**  
**€ 2.2m (-35.0%)**



## ... And Financial Position

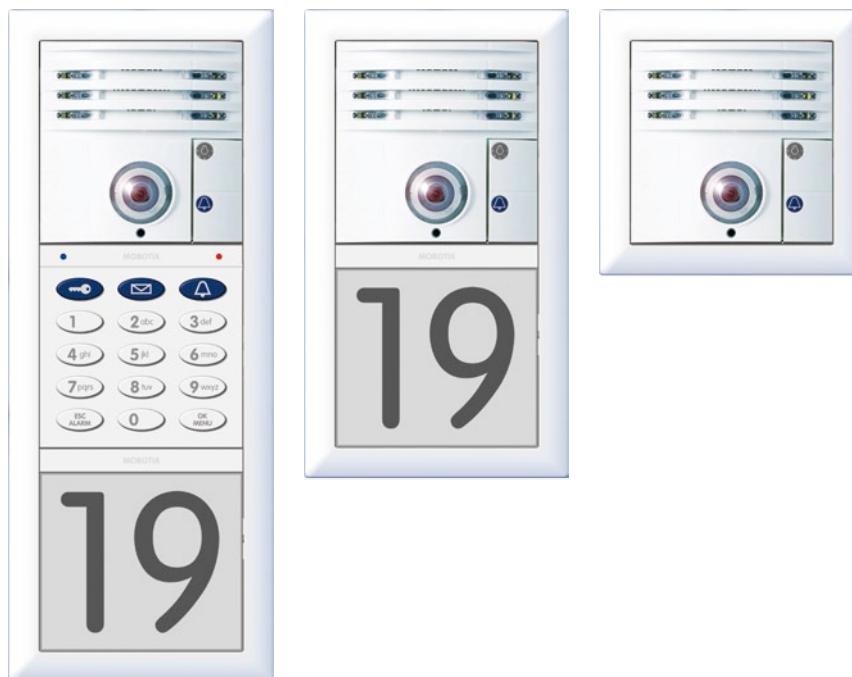
financing activities amounted to €3.5 million due to the payment of dividends for the 2008/09 fiscal year.

The various cash flows generated during the reporting period resulted in cash and cash equivalents of €9.6 million as of September 30, 2010. The Company's solvency was guaranteed at all times during the reporting period. Due to the Company's creditworthiness, a number of financing options are available.

Non-current liabilities increased by €2.7 million to €9.2 million compared to June 30, 2010. Non-current liabilities as a share of total assets increased from 13.8% to 17.2%. Current liabilities as of the reporting date correspond to 23.5% of total assets, compared to 23.8% as of June 30, 2010.

The very positive development of the Group's net assets, financial position and results of operations fully reflects the expectations of the Management Board.

MOBOTIX IP Video Door Station T24



## Research And Development ...

### Research And Development

Development activities also expanded further during the first three months of the 2010/11 fiscal year. As of September 30, 2010, the MOBOTIX Group had 68 employees (by headcount) in its Development department. As in previous years, the primary development focus was the creation of new hardware and software products as well as the further optimization of product functionality.

An additional area of focus was the development of the IP-based T24 door station, as well as additional accessories for the new access control and communication product range.

Outsourcing of development activities only occurs on a very small scale, and only in the area of tool design and PC board layout.

### Employees

During the past three months, 18 new employees were hired. As of September 30, 2010, the MOBOTIX Group has 246 employees, compared to 233 employees (excluding trainees and temporary staff, and including 2 (previous year: 3) members of the Management Board; by headcount) at the beginning of the fiscal year. The remainder of fiscal year 2010/11 will see additional staff increases, particularly in marketing, sales and development.

### Changes in the Management Board

The Supervisory Board of MOBOTIX AG decided on September 19, 2010 (subject to the agreement of the annual general meeting to enlarge the Management Board) to appoint two additional members to the Management Board as of January 1, 2011, and to redistribute the portfolios of its members accordingly.

Q24M 180° panorama function



## Number Of Employees

**268** (Head count incl. management board, trainees and temps)

# ... Employees

Lutz Coelen, who also managed the sales portfolio on interim basis, will continue as Chief Financial Officer (CFO). Dr. Magnus Ekerot has been appointed as the new Chief Sales Officer (CSO). Long-time assistant to the Chairman of the Management Board and Director of Advanced Technology Development, Dr.-Ing. Oliver Gabel has been appointed as the new Chief Technology Officer (CTO), and is responsible for the Production & Development divisions.

## Directors' Dealings

During the period from July 1, 2010 to September 30, 2010, no reportable purchases or sales of shares were effected by members of the Management Board or Supervisory Board.

## Significant Events After The First Three Months

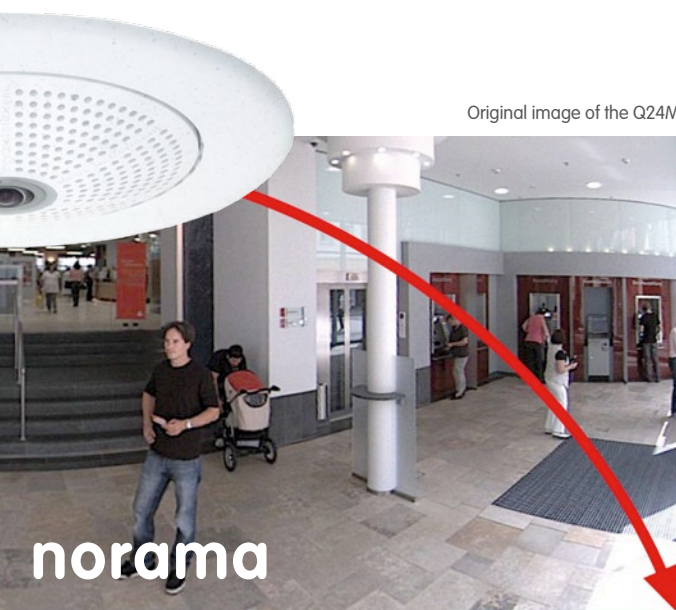
The Management Board of MOBOTIX AG decided on October 5, 2010 to change the conditions of its ongoing share buy-back program. Taking into account the treasury shares it has already acquired, a total of up to 50,000 shares may now be acquired, corresponding to 1.13% of the Company's share capital.

All other conditions of the share buy-back program remain unchanged.

No additional events of significance occurred after the end of the first quarter of 2010/11.

## Related Party Disclosures

During the period under review, no changes of any significance occurred with regard to transactions with related parties in comparison with fiscal year 2009/10.



Original image of the Q24M

**norama**

Thereof In Development  
**68**

## Riskmanagement ...

### Opportunities And Risks Of Future Development And Outlook

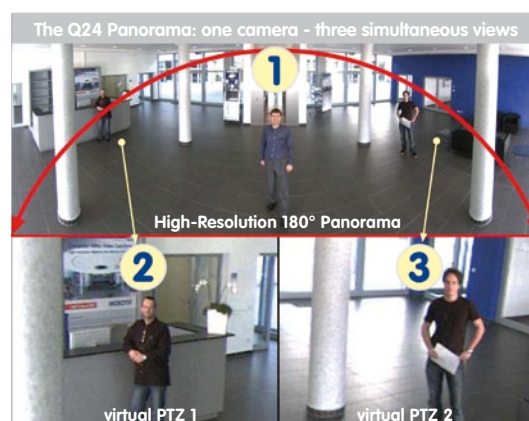
#### Risk Management

The MOBOTIX Group has implemented an adequate risk management system to ensure that risks are detected and mitigated at an early stage. The Group's risk management system is intended to identify, monitor, and control any risks that occur. In addition to risks that could jeopardize the Company's continued existence as a going concern, the system also records activities, events, and developments that could significantly affect the future performance of the Company's business. As part of risk management, operational opportunities and risks are identified and managed over a period of one to three years. For strategic opportunities and risks, a correspondingly longer forecasting horizon is used.

Precautions are taken against typical business risks that could have a material influence on the Group's results of operations, net assets or financial position.

Based upon the information currently available, the MOBOTIX Group is not at present faced with any significant specific risks that, in and of themselves, would be likely to jeopardize the continued existence of the MOBOTIX Group.

The Company continues to refine its internal structures in line with its growth and to adapt them to the scale of its business. The Company plans additional measures to strengthen and improve quality management, the internal control system and risk management.





# ... And Material Risks

## Material Risks

For information concerning individual material risks, please refer to the statements made in the 2009/10 annual report.

Original image by a MOBOTIX camera (library)



Risks resulting from the procurement market are estimated by the Management Board as being within the customary range for the industry. The strained situation observed on the procurement market in the past several months continues, and the associated longer delivery times are still being taken into account through increased inventory control of components and finished goods.

During the past nine months a noticeable recovery has been recognized in the macro-economic environment following the financial crisis. The extent to which short- to medium-term setbacks should be expected due to the crisis (e.g. a potential double dip), or whether a lasting recovery of the global markets will continue, still cannot be evaluated conclusively.

During the period under review, the risk situation described in the annual report of MOBOTIX AG for the 2009/10 fiscal year, as well as our risk management system of MOBOTIX AG, have not changed significantly. The occurrence of risks that could jeopardize the Company's continued existence is not anticipated.

## Opportunities, Risks ...

### Opportunities And Outlook

The **positive market environment** with its continued forecasts of high growth rates will form the basis for the Company's successful development. Market growth will be driven by the **transition from analog to digital technology**. If this change should happen sooner than expected, additional opportunities could be presented for the MOBOTIX Group. Factors that could lead to an acceleration include **political initiatives** such as the French video law that would improve the quality of security systems in the public sector.

The Management Board assumes that **technological market drivers** such as increasing image resolution in video systems and more complex security installations will favor the **advantages of the decentralized technology approach**. This has become particularly evident through the introduction of hemispheric

technology (Q24). This would strengthen the MOBOTIX Group's competitive position and put pressure on the competition.

An accelerated macroeconomic recovery from experience, of course, can also lead to supply-side bottlenecks on the procurement market, and cause production bottlenecks. Such risks are counteracted in particular by increased warehousing of critical components and finished products.

The Management Board is confident that through the **increased publicity** new opportunities will arise to acquire new employees, sales partners, and customers.

MOBOTIX is currently represented by partners throughout the world. A key factor for unleashing future growth potential involves pursuing a **targeted expansion of the partner network**. The successful expansion of the sales

MOBOTIX AG new headquarter



## ... And Outlook

network holds the key to significant growth opportunities. The outstanding global market position – particularly in the niche markets of high-resolution network cameras – provides the conditions for ongoing and thriving growth.

Regional **areas of key growth** in the upcoming months include particularly North America, South America and Asia.

The market introduction of the hemispheric camera has been so far very successful with extremely positive feedback from distributors. The fact that the Company's main competitors cannot offer any comparable products shows MOBOTIX AG's **innovative strength** and enables the company to occupy a unique position in this product segment over the medium term. Moreover, MOBOTIX plans to take advantage of additional **product innovations** in the coming months to reinforce its competitive position and create a foundation for developing new market segments.

During the first half of the new fiscal year, MOBOTIX will introduce the new T24 IP Video Door Station. The entry into a new product segment (access-control and communication) makes a predication for the whole of fiscal year 2010/11 difficult. Overall, the Management

Board anticipates furthermore sales growth of 30% for the 2010/11 fiscal year, of which approximately 23% of the growth will apply to the video surveillance segment. In terms of profitability, an EBIT margin of 18% is viewed as realistic. Due to the high level of interest in the new product segment, the Management Board anticipates continued high growth in sales and EBIT for the following year.

Winnweiler-Langmeil, October 22, 2010

The Management Board



Dr. Ralf Hinkel



Lutz Coelen







**MOBOTIX**.com

## Income Statement ...

EUR '000s	see notes	July 1, 2010- Sept. 30, 2010	July 1, 2009- Sept. 30, 2009
<b>Revenue</b>	(1)	<b>15,064</b>	<b>10,599</b>
Increase/Decrease in finished goods and work in progress		1,086	650
Other own work capitalized	(2)	250	174
<b>Total output</b>		<b>16,400</b>	<b>11,422</b>
Cost of materials	(3)	-4,800	-3,182
<b>Gross profit</b>		<b>11,600</b>	<b>8,241</b>
Staff costs	(4)	-3,885	-3,123
Depreciation and amortization		-659	-443
Other operating income		174	93
Other operating expenses	(5)	-3,062	-2,711
<b>Operating profit</b>		<b>4,168</b>	<b>2,056</b>
Other interest and similar income		18	35
Interest expense and similar charges		-133	-132
<b>Profit before tax</b>		<b>4,053</b>	<b>1,960</b>
Income taxes	(6)	-1,143	-593
<b>Profit for the period</b>		<b>2,910</b>	<b>1,367</b>
<b>Profit attributable to shareholders of MOBOTIX AG</b>		<b>2,910</b>	<b>1,367</b>
<b>Earnings per share (diluted/basic)</b>		<b>0.66</b>	<b>0.31</b>

Consolidated Statement of Comprehensive Income (Loss)	July 1, 2010- Sept. 30, 2010	July 1, 2009- Sept. 30, 2009
<b>Profit for the period</b>	<b>2,910</b>	<b>1,367</b>
Difference resulting from currency translation	-37	1
<b>Accumulated other comprehensive income (after tax)</b>	<b>-37</b>	<b>1</b>
<b>Total comprehensive income of the period</b>	<b>2,873</b>	<b>1,368</b>
<b>Profit attributable to shareholders of MOBOTIX AG</b>	<b>2,873</b>	<b>1,368</b>

**Profit For The Period**  
**€ 2.9m (+112.9%)**

**Earnings Per Share**  
**€ 0.66**

# ... Statement Of Financial Positions

EUR '000s	see notes	Sept. 30, 2010	June 30, 2010
Intangible assets	(7)	1,799	1,727
Property, plant and equipment	(8)	18,983	17,650
Deferred tax assets		138	123
Prepaid expenses		92	97
<b>Non-current assets</b>		<b>21,013</b>	<b>19,598</b>
Inventories	(9)	10,225	7,579
Trade receivables		5,811	6,542
Other assets		6,263	5,526
Cash and cash equivalents		9,624	7,312
Prepaid expenses		589	379
<b>Current assets</b>		<b>32,512</b>	<b>27,339</b>
<b>ASSETS</b>		<b>53,525</b>	<b>46,936</b>
Subscribed capital		4,424	4,424
Capital reserves		9,665	9,665
Purchase of own shares		-445	0
Accumulated other comprehensive income		40	76
Profit or loss carried forward		15,118	6,757
Profit for the period		2,910	8,361
<b>Equity</b>	(10)	<b>31,712</b>	<b>29,283</b>
Liabilities to banks	(13)	8,559	5,906
Deferred tax liabilities		655	591
<b>Non-current liabilities</b>		<b>9,214</b>	<b>6,497</b>
Tax provisions	(11)	3,736	3,005
Other provisions	(12)	175	176
Liabilities to banks	(13)	2,964	2,614
Trade payables		3,803	3,245
Other liabilities	(14)	1,922	2,115
<b>Current liabilities</b>		<b>12,599</b>	<b>11,156</b>
<b>EQUITY AND LIABILITIES</b>		<b>53,525</b>	<b>46,936</b>

**Total Assets**  
**€ 53.5m (+14.0%)**

## Statement Of Cash Flows...

EUR '000s	July 1, 2010- Sept. 30, 2010	July 1, 2009- Sept. 30, 2009
<b>Profit before tax for the year</b>	<b>4,053</b>	<b>1,960</b>
+ Net interest income or expense	115	96
+ Depreciation and amortization of property, plant and equipment, and intangible assets	659	443
+ Interest received	10	16
- Decrease in other provisions	-1	-6
+ Other non-cash expenses	5	5
<b>Operating profit before changes in working capital</b>	<b>4,840</b>	<b>2,513</b>
-/+ Increase/Decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-2,678	523
+ Increase trade payables and other liabilities not attributable to investing or financing activities	359	1,393
<b>Cash flow from operating activities before tax</b>	<b>2,521</b>	<b>4,428</b>
- Income tax paid	-363	-1,109
<b>Cash flow from operating activities</b>	<b>2,158</b>	<b>3,320</b>
- Cash paid for purchases of property, plant and equipment	-2,323	-944
- Cash paid for purchases of intangible assets	-264	-180
+ Cash received from subsidies	155	33
<b>Cash flow from investing activities</b>	<b>-2,432</b>	<b>-1,091</b>
- Dividends paid	0	-3,257
- Purchase of own shares	-445	0
- Cash paid for the redemption of loans	-227	-177
+ Cash received from borrowings	3,360	0
- Interest paid	-93	-75
<b>Cash flow from financing activities</b>	<b>2,595</b>	<b>-3,510</b>
<b>Net change in cash and cash equivalents</b>	<b>2,320</b>	<b>-1,281</b>
Effect of exchange rate and other changes on cash and cash equivalents	-9	-1
Cash and cash equivalents at the beginning of the reporting period	7,312	10,142
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>9,624</b>	<b>8,860</b>

**Operating Cashflow**  
**€ 2.2m (-35.0%)**

**Profit Before Tax**  
**€ 4.1m (+106.8%)**



# ... Changes In Equity

EUR '000s	Subscribed capital	Capital reserves	Own shares	Accumulated other comprehensive income	Profit or loss carried forward	Result for the period	Total
<b>Balance as of July 1, 2009</b>	<b>4,424</b>	<b>9,665</b>	<b>0</b>	<b>37</b>	<b>11,180</b>	<b>0</b>	<b>25,306</b>
Dividend payment					-4,424		-4,424
Currency translation				1			40
Profit for the period						1,367	1,367
<b>Balance as of June 30, 2009</b>	<b>4,424</b>	<b>9,665</b>	<b>0</b>	<b>38</b>	<b>6,756</b>	<b>1,367</b>	<b>22,250</b>
Currency translation				39			39
Profit for the year						6,994	6,994
<b>Balance as of June 30, 2010</b>	<b>4,424</b>	<b>9,665</b>	<b>0</b>	<b>76</b>	<b>6,756</b>	<b>8,361</b>	<b>29,283</b>
<b>Balance as of July 1, 2010</b>	<b>4,424</b>	<b>9,665</b>	<b>0</b>	<b>76</b>	<b>15,118</b>	<b>0</b>	<b>29,283</b>
Dividend payment					0		0
Purchase of own shares			-445				-445
Currency translation				-37			-37
Profit for the period						2,910	2,910
<b>Balance as of Sept. 30, 2010</b>	<b>4,424</b>	<b>9,665</b>	<b>-445</b>	<b>40</b>	<b>15,118</b>	<b>2,910</b>	<b>31,712</b>

For a more detailed explanation concerning changes in equity, please refer to section (10) of the Notes to the Condensed Consolidated Financial Statements.

**Equity**  
**€ 31.7m**

**Equity-To-Assets Ratio**  
**59.3%**

## Condensed Notes ...

### Condensed Notes Of September 30, 2010

#### 1. General Information

MOBOTIX AG was established on June 21, 1999. Since September 30, 2009, the Company's registered office has been in Winnweiler-Langmeil (Kaiserstraße, 67722 Winnweiler-Langmeil).

MOBOTIX AG is a European technology leader and system provider in the production of high-resolution digital, network-based video security systems, video management software and systems accessories. The core technology of MOBOTIX AG is its proprietary, internally manufactured, fully digital network cameras.

MOBOTIX products are sold worldwide primarily via distributors, qualified systems integrators and specialist retailers.

The Company's fiscal year begins on July 1 and ends on June 30 of the following year.

#### 2. Basis Of Presentation

The condensed interim consolidated financial statements of MOBOTIX AG as of September 30, 2010 have been prepared taking into account all International Financial Reporting Standards (IFRS), International

Accounting Standards (IAS) and Interpretations of the International Financial Reporting Interpretation Committee or Standing Interpretations Committee (IFRIC/SIC) recognized by the European Union and valid for the fiscal year 2010/11.

In the condensed interim consolidated financial statements as of September 30, 2010, which have been prepared based on IAS 34 "Interim Financial Reporting", the same basic accounting and valuation principles were used as in the consolidated financial statements for the fiscal year 2009/10.

During the first quarter of 2010/11, MOBOTIX AG acquired treasury shares for the first time commensurate with the authorization of the annual general meeting held on September 30, 2009. In accordance with IAS 32.33, these treasury shares are to be deducted from equity.

The present condensed interim consolidated financial statements were subject to an audit review conducted by KPMG AG, Wirtschaftsprüfungsgesellschaft. Furthermore, this interim report is consistent with German Accounting Standard No. 16 (DRS 16) "Interim reporting", as published by the German Accounting Standards Committee (DRSC).

For additional information concerning the accounting and valuation principles applied to individual items, please refer to the Consolidated Financial Statements of MOBOTIX AG as of June 30, 2010.

Unless otherwise indicated, all information provided in the Abbreviated Interim Consolidated Financial Statements is presented in thousands of Euro (EUR '000s). Rounding differences of one unit (EUR '000s, %) may result from the conversion from € to EUR '000s.

#### **Basis Of Consolidation**

The scope of consolidation of MOBOTIX AG as of September 30, 2010 has neither changed significantly in comparison to the Consolidated Financial Statements as of June 30, 2010, nor in comparison to the same period of the previous year. In the Consolidated Financial Statements of MOBOTIX AG, MOBOTIX CORP has been consolidated retroactively to the time it was established in 2003. Due to its no longer significant influence, MOBOTIX AG Schweiz has not been consolidated in the course of at-equity accounting since December 31, 2009.

### **3. Notes To The Income Statement**

#### **(1) Revenue**

A breakdown of revenue by region and product line is presented as part of the segment information.

#### **(2) Other Own Work Capitalized**

Other own work capitalized in the first three months of 2010/11 comprises development costs capitalized in the amount of €250 thousand (previous year: €168 thousand).

#### **(3) Cost Of Materials**

<b>EUR '000s</b>	<b>July 1, 10- Sept. 30, 10</b>	<b>July 1, 09- Sept. 30, 09</b>
Cost of raw materials, supply and merchandise	4,776	3,090
Cost of purchased services	24	92
<b>Total</b>	<b>4,800</b>	<b>3,182</b>

Cost of materials comprises any materials used for the production of cameras. This item also comprises to a small extent expenses for purchased services, which include expenses for outsourced manufacturing activities.

## Condensed Notes ...

### (4) Staff Costs

EUR '000s	July 1, 10- Sept. 30, 10	July 1, 09- Sept. 30, 09
Wages and salaries	3,409	2,747
Social security	476	376
<b>Total</b>	<b>3,885</b>	<b>3,123</b>

The reason for the increased staff costs is primarily due to the increases in the number of staff. During the first three months of 2010/11, the average headcount in full-time equivalents totaled 235 (previous year: 194) employees (excluding trainees and temporary staff, and including 2 (previous year: 3) directors). As of the reporting date, 246 (previous year: 205) staff members were employed by the Company (excluding trainees and temporary staff, and including 2 (previous year: 3) directors – in terms of headcount).

### (5) Other Operating Expenses

Other operating expenses comprise all expenses that cannot be attributed to other items. In particular, the item comprises marketing expenses, trade fair expenses, expenses for packaging and shipping, legal and advisory costs, as well as occupancy costs and office equipment.

The increase in comparison to the same period during the previous fiscal year of €351

thousand or 13.0% to €3,062 thousand can mainly be attributed to higher distribution costs (transportation, packaging and travel costs), as well as to higher operating expenses due to an increase in business volume.

### (6) Income Taxes

Income taxes can be broken down as follows:

EUR '000s	July 1, 10- Sept. 30, 10	July 1, 09- Sept. 30, 09
Current taxes	1,093	577
Deferred taxes	50	16
<b>Total</b>	<b>1,143</b>	<b>593</b>

As of September 30, 2010, the tax load ratio amounts to 28.2% (previous year: 30.2%).

## 4. Notes To The Statement Of Financial Positions

### (7) Intangible Assets

During the first three months of 2010/11, development costs for camera housings, electronics and software projects were capitalized at cost in the amount of €250 thousand (previous year: €168 thousand). The development costs capitalized as of September 30, 2010 of €2,301 thousand (June 30, 2010: €2,051 thousand) comprise all costs directly attributable to the development process. Cumulative amortization and depreciation as of September 30, 2010 amount to €602 thousand



(June 30, 2010: €437 thousand). After completion, development projects are written down uniformly on a straight-line basis over three years.

#### (8) Property, Plant And Equipment

Additions to property, plant and equipment primarily concern the construction of new production facilities at the Company's location in Langmeil. Due to the reduced construction time, they do not equate to a "qualifying" asset according to IAS 23. Correspondingly, the associated financing costs have not been capitalized.

The Ministry of Economy, Transport, Agriculture and Viniculture for the German State of Rhineland-Palatinate allotted MOBOTIX AG an investment grant of €1,067 thousand in accordance with an approval letter dated August 31, 2010. Commensurate with the progress of construction, a deferred asset from subsidies was capitalized as of September 30, 2010 in the amount of €356 thousand for outstanding subsidies for the new construction of the production facilities. The subsidies were deducted from fixed assets in accordance with IAS 20.27.

#### (9) Inventories

Inventories are composed of the following:

EUR '000s	Sept. 30, 10	June 30, 10
Raw materials and supplies	5,524	3,964
Work in progress	2,466	1,405
Finished goods	2,235	2,210
<b>Total</b>	<b>10,225</b>	<b>7,579</b>

The increase in inventories is due to the introduction of new products, the increase in business volume and the targeted stocking of the Company's warehouse in connection with the procurement market being narrow for several months, particularly for electronic components.

#### (10) Equity

The development of equity is presented in the statement of changes in equity.

During the period under review, the weighted number of shares outstanding amounted to 4,418,571 (previous year: 4,423,814).

By resolution of the annual general meeting held on September 30, 2009, the Management Board is authorized to acquire treasury shares of the Company until September 30, 2014. The shares to be acquired based on this authorization combined with the other shares of the Company, which the Company

## Condensed Notes ...

has already acquired or still possesses, may not exceed more than 10% of the Company's share capital at the time of the resolution or its exercise – accordingly 442,381 shares.

On July 15, 2010, the Management Board of MOBOTIX AG decided to make use of the authorization of the annual general meeting of September 30, 2009 to acquire treasury shares in accordance with section 71 (1) (8) of the German Stock Corporation Act (AktG) to an extent of up to 15,000 shares. The buy-back program was started on July 19, 2010. As of September 30, 2010, the Company has already acquired 14,092 shares.

Furthermore, the Management Board of MOBOTIX AG decided on October 5, 2010 to change the conditions of the ongoing buy-back program in such a way so that up to 50,000 shares can be acquired.

### **(11) Tax Provisions**

The tax provisions of €3,736 thousand (June 30, 2010: €3,005 thousand) include provisions for trade tax, corporation tax and the solidarity surcharge for the tax assessment periods 2009, 2010 and 2011.

### **(12) Other Provisions**

The other provisions primarily include provisions for warranties and client bonuses.

### **(13) Liabilities To Banks**

In order to finance its new production facilities at its Langmeil site, MOBOTIX AG took out two loans for a total of €3,500 thousand during the first quarter of the 2010/11 fiscal year. The loans have a term of 10 years and are state-aided. In order to calculate the fair value of the loans, they have been discounted by 3.7% and 4.0%. The promotional contributions included in the loans in the amount of €165 thousand have been offset against property, plant and equipment.

During the first three months of the 2010/11 fiscal year, loans in the amount of €227 thousand were paid off as scheduled.

### **(14) Other Liabilities**

The other liabilities have a remaining life of less than one year. They primarily include liabilities from the personnel department.

## 5. Other Disclosures

### Material transactions and legal relationships with related parties

There were no significant changes to transactions with related parties during the period under review in comparison to the 2009/10 fiscal year.

### Segment Information For The Three-Month Period From July 1, 2010 To September 30, 2010

Within the MOBOTIX AG no definable business segments exist whose operating results are routinely reviewed by the Management Board with respect to decisions regarding allocation of resources to those business segments, or the measurement of their profitability. Due to the internal structures and size of the corporation, management and allocation of resources for the MOBOTIX Group is conducted based on sales revenues – primarily by geographic regions, followed then by product lines. Profitability ratios – particularly earnings statements, are prepared only on the level of the entire corporation. Thus, no separate financial information is calculated for definable business segments. In this respect, no reportable segments exist in terms of IFRS 8.

Revenue by product line is broken down as follows:

EUR' 000s	July 1, 10- Sept. 30, 10	July 1, 09- Sept. 30, 09
Fixed Cams	7,139	5,615
Dome Cams	7,206	4,394
Other	719	590
<b>Total</b>	<b>15,064</b>	<b>10,599</b>

Revenue by region is broken down as follows:

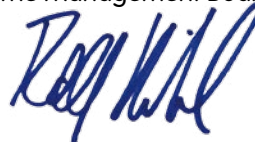
EUR' 000s	July 1, 10- Sept. 30, 10	July 1, 09- Sept. 30, 09
Germany	3,893	3,892
Rest of Europe	6,153	4,359
Other	5,018	2,348
<b>Total</b>	<b>15,064</b>	<b>10,599</b>

The Company's product lines have not changed significantly in comparison to June 30, 2010.

No single customer generates more than 10% of the MOBOTIX Group's revenue.

Winnweiler-Langmeil, October 22, 2010

The Management Board



Dr. Ralf Hinkel • CEO MOBOTIX AG



Lutz Coelen • CFO/CSO MOBOTIX AG

## Responsibility Statement ...

### Responsibility Statement

To the best of our knowledge, we hereby affirm that, pursuant to the generally accepted accounting principles for interim reporting, the consolidated financial statements give a true and fair view of the net assets, financial position and the results of operations of the Group, that the Interim Report presents the development of the Group's business, including its performance and situation, in such a way that it is a true and fair reflection, and that it describes the major risks and opportunities inherent in the development of the Group during the remaining financial year.

Winnweiler-Langmeil, October 22, 2010

The Management Board



Dr. Ralf Hinkel • CEO MOBOTIX AG



Lutz Coelen • CFO/CSO MOBOTIX AG



Hemispheric Q24M with in ceiling set



## Independent Auditors' ...

### Review Report

To MOBOTIX AG, Winnweiler-Langmeil

We have reviewed the Condensed Interim Consolidated Financial Statements of the MOBOTIX AG, Winnweiler-Langmeil - comprising a statement of financial positions, an income statement, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and condensed notes - together with the Interim Group Management Report of the MOBOTIX AG, Winnweiler-Langmeil, for the period from July 1 to 30 September 2010 that are part of the quarterly financial report according to § 37 x Abs. 3 WpHG („Wertpapierhandelsgesetz“: „German Securities Trading Act“). The preparation of the Condensed Interim Consolidated Financial Statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the Interim Group Management Report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the Condensed Interim Consolidated Financial Statements and on the Interim Group Management Report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

# ... Review Report

Based on our review, no matters have come to our attention that cause us to presume that the Condensed Interim Consolidated Financial Statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Saarbrücken, October 22, 2010

KPMG AG

Wirtschaftsprüfungsgesellschaft

Geis-Sändig

Palm

Auditor

Auditor

## Technical Glossary ...

CCD	Image sensor Charged Coupled Device; a light sensitive hardware component
CIF	Common Intermediate Format, an image compression format
CMOS image sensor	Complementary Metal Oxide Semiconductor - a light sensitive hardware component
CPU	Central Processing Unit
DVR	Digital Video Recorder
Fixdome	Camera without any mechanical moving parts, inside a dome housing
HDTV	High Definition TV
HiRes	High Resolution
IP network	Data network based on Internet protocols
IP standard	Standardized network protocol
JPEG format	A lossy image data format which reduces the file size by compressing the same or similar image content.
LAN	Local Area Network; local network
Control center computer	The computer at a central control center that enables the information supplied by the camera to be handled
Megapixel	Image size of more than 1 million pixels
MPEG format	Video format for creating data steams for streaming images, defined by the Motion Picture Experts Group
SD Card	SD Memory Card (short for Secure Digital Memory Card) is a digital memory device that works according to the principle of flash memory, such as a USB card
TCP/IP protocol	Transmission Control Protocol/Internet Protocol
Video server	Central storage unit for video images or video streams
VoIP	Voice over IP; standard for voice transmission via IP networks



# Financial Glossary ...

EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA margin	EBITDA divided by total output multiplied by 100 (the higher the percentage, the higher the financial performance)
EBIT	Earnings before interest and taxes
EBIT margin	EBIT divided by total output multiplied by 100 (the higher the percentage, the higher the financial performance)
Total output	Revenue plus/minus changes in inventories plus other own work capitalized
Gross profit	Total output less cost of materials
Dividend yield	Dividend divided by share price multiplied by 100
Equity-to-assets ratio	Equity as reported on the balance sheet divided by total assets multiplied by 100 (the higher the figure, the lower the debt-to-equity ratio)
Free float	Shares of a public listed company that are freely available to the investing public
Market capitalization	Number of shares multiplied by share price

## Disclaimer ...

### Disclaimer

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This financial report contains MOBOTIX AG statements and information which relate to future periods. Such future-oriented statements may be recognised from wording such as plan, expect, intend, endeavour, will, estimate, assume, aim at or similar such terms. Statements of this kind have been made on the basis of current circumstances and current expectations and may differ considerably from the actual development both to positive and negative effect. The following factors, amongst others, may give rise to uncertainties: changes to the overall economic situation both nationally and internationally, changes to the underlying political situation, the introduction of new products or technologies by other companies, changes to investment activities in the customer markets important to MOBOTIX AG, changes to exchange rates and interest rates, integration of acquired companies along with other factors. MOBOTIX AG does not accept any obligation over and above existing legal obligations to correct or update future-oriented statements.

**This is an English translation of the German original. Only the German version is binding. The financial reports from MOBOTIX AG are available as pdf files on the homepage ([www.mobotix.com](http://www.mobotix.com)).**

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# ... Financial Calendar And Contact

## Financial Calendar 2010/11

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German Equity Forum Fall 2010	November 22, 2010
6 Months Report 2010/11	February 16, 2011
9 Months Report 2010/11	May 16, 2011
Annual General Meeting Business Year 2010/11	February 2012
Annual General Meeting Shortened Business Year 1. 7. 2011 - 30. 9. 2011	February 2012

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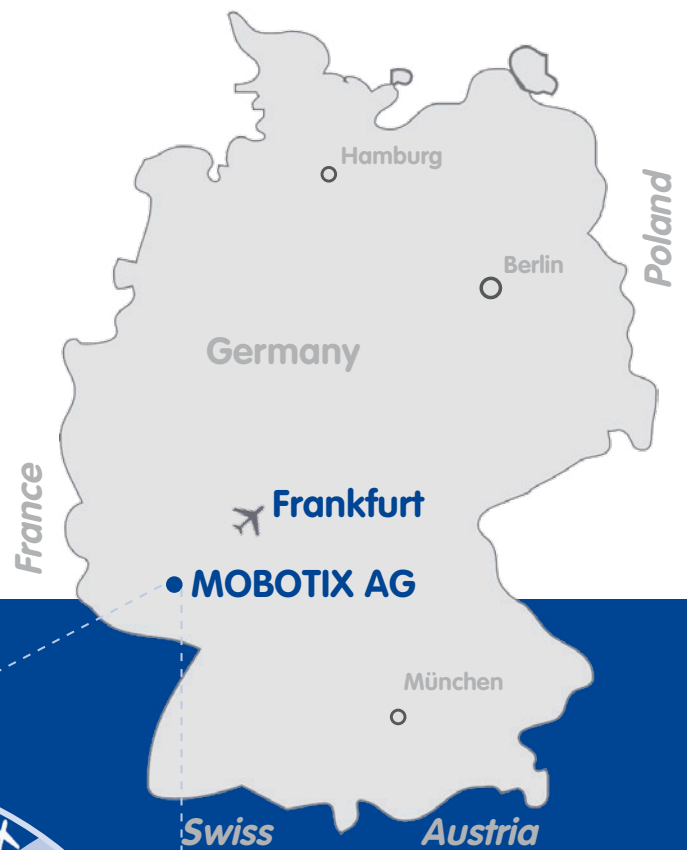
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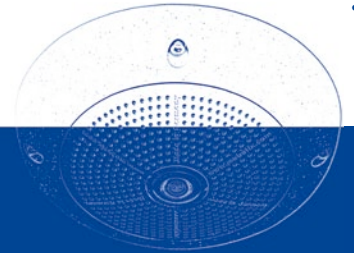


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Security-Vision-Systems



... the HiRes Video Company

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