INTERIM MANAGEMENT REPORT

Report on the First Three Months of 2012

exceet Group SE
115 avenue Gaston Diderich
L-1420 Luxembourg
Grand Duchy of Luxembourg

MANAGEMENT REPORT

Results of operations

exceet Group SE has made a successful start into the 2012 financial year. Group sales rose by 29.3% and reached EUR 46.0 million compared to EUR 35.6 million for the same period in the previous year. While organic growth stood at around 3 percent, the bigger part of our total group sales growth was attributable to two acquisitions, Contec and AuthentiDate, contributing to the group´s performance since the second quarter of 2011.

Sectorwise, medical technology and industrial automation were the main contributors to this overall positive business development. Moreover, exceet was able to close a number of long-term contracts that will significantly add on sales in the upcoming years. One example, among others, was the signing of an extended contract with Siemens AG. The group will supply Siemens with optoelectronic sensors worth more than 40 million EUR over the next three years.

As of March 31, 2012, the order backlog in the Group amounted to EUR 103.1 million which is 67.4%, or EUR 41.5 million higher than in the previous year (Q1 2011: EUR 61.6 million).

In the reporting period EBITDA decreased slightly in absolute terms from EUR 5.6 million in Q1 2011 (EBITDA margin of 15.7%) to EUR 4.9 million in Q1 2012 (EBITDA margin of 10.7%). This partly reflects listing costs kicking in for the first time. Despite positive absolute profit contributions the acquisitions showed a short-term margin-dilutive impact. On a like-for-like basis the Group would have reached an EBITDA margin of 12.8%, still lower than a year ago, but exceet is convinced to improve the margins of the acquired companies to the group level within the next 12-15 months.

Furthermore the group is investing in future growth prospects in the medtech and industrial automation sectors. Driven by high actual order income, exceet is hiring skilled and specialized personnel. Additional investments have been taken into plant equipment to expand production capacity.

Regarding the overall result for the first quarter 2012 (loss of EUR 2.6 million compared to a profit of EUR 2.8 million in 2011), accounting requirements led to a fair value adjustment of EUR 4.0 million for the public warrants outstanding. exceet has to treat its public warrants as derivatives and financial liabilities at fair value. Due to the price appreciation of the public warrants by EUR 0.20 between December 31, 2011 and March 31, 2012 the company´s liability for warrants increased by EUR 4.0 million. Without this corresponding financial impact, the overall result would have shown a profit of EUR 1.4 million.

Basic earnings per share (EPS) at March 31, 2012, were calculated on a weighted average number of ordinary shares outstanding of 20,073,695 Class A shares and 14,210,526 Class B/C shares respectively. For the previous year, the notional weighted average numbers of ordinary shares outstanding were 3,069,736 Class A shares and 9,000,000 Class C shares respectively.

Earnings per share (basic/dilutive)

		unaudited **01.01. - 31.03.2012**	**unaudited** **01.01. - 31.03.2011**
(Loss)/Profit for the period (TEUR) attributable to equity holders of the Company	Class A shares	-1'533	2'717
	Class B/C shares	-1'086	90
	Total	*-2'619*	*2'807*
Weighted average number of ordinary shares outstanding	Class A shares	20'073'695	3'069'736
	Class B/C shares	14'210'526	9'000'000
	Total	*34'284'221*	*12'069'736*
Basic earnings per share (EUR/share)	**Class A shares**	**-0.08**	**0.89**
	Class B/C shares	**-0.08**	**0.01**

Segment reporting

exceet reports in three operational segments: Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and Embedded Security Solutions (ESS).
One of the important growth drivers for exceet is the ECMS segment, which also made a significant contribution to the increase in sales in the first quarter 2012. Sales in this segment increased by 36.9% to EUR 33.2 million compared to EUR 24.2 million in the same period of the previous year. EBITDA decreased by 6.7% from EUR 6.1 million in Q1 2011 to EUR 5.7 million.
In the IDMS segment sales amounted to EUR 12.1 million compared to EUR 11.4 million in the previous first quarter (6.3%). EBITDA decreased by 51.9% from EUR 1.2 million to EUR 0.6 million in the first quarter 2012. The ESS segment, which was initially consolidated the first time as an independent segment in the second quarter of 2011, achieved sales of EUR 0.8 million in the quarter under review, with an EBITDA of EUR -0.1 million.

Balance sheet positions

As of March 31, 2012 exceet Group's balance sheet revealed total assets of EUR 174.1 million, compared with EUR 171.1 million at year-end 2011. This rise was primarily the result of the acquisition transacted in the first quarter of the year.

Non-current assets amounting to EUR 83.1 million, compared to EUR 79.1million at the end of the previous year, including tangible assets of EUR 29.1 million (YE 2011: EUR 27.1 million) as well as intangible assets of EUR 53.7 million (YE 2011: EUR 51.7 million). The total goodwill position increased from EUR 31.9 million to EUR 32.5 million, related to the goodwill of the acquired company. In the first quarter 2012 as in the previous full year no impairment was recorded against goodwill. Current assets amount to EUR 91.0 million compared to EUR 91.9 million at year-end 2011. Inventories rose by EUR 1.8 million to EUR 32.9 million (YE 2011: EUR 31.1 million) due to stockbuilding during the quarter in review. Receivables increased from EUR 19.7 million to EUR 25.3 million as a result of the incorporation of the acquired company and as a result of increased net sales in the last quarters.

Cash and cash equivalents ended EUR 8.7 million lower at the end of the first quarter 2012 at EUR 31.5 million compared to year-end 2011 (EUR 40.1 million), but EUR 14.6 million higher then Q1 2011 (EUR 16.8 million). The main reason for this decrease is the acquisition of Inplastor GmbH in Austria (EUR 2.7 million) and the reduction of shareholder loans of EUR 1.2 million. Non-current liabilities increased by EUR 0.2 million from EUR 41.1 million as of December 31, 2011, to EUR 41.3 million as of the end of the first quarter 2012. Current liabilities amounted to EUR 48.8 million, compared to EUR 44.3 million as of December 31, 2011. The increase of EUR 4.5 million is mainly the result of the revaluation of the public warrants of EUR 4.0 million as per the end of the first quarter 2012. Total current and non-current borrowings were reduced in Q1 2012 by EUR 0.8 million from EUR 35.5 million to EUR 34.7 million.

As of March 31, 2012 equity for exceet Group SE amounted to EUR 84.0 million compared to EUR 85.6 million at December 31, 2011. When compared to the equity of exceet Group AG of EUR 57.1 million (before the reverse asset acquisition) in the first quarter 2011, equity shows an increase of EUR 26.9 million – EUR 17.0 million of which can be attributed to the effect of the reverse asset acquisition – impacted by the net profit the reported equity ratio decreased from 50.0 % as per year-end 2011 to 48.3% in the first quarter 2012.

The net cash based on IFRS reporting (excluding subordinated shareholder loans) of EUR 11.3 million as of December 31, 2011, fell by EUR 9.1 million, now representing a net cash of EUR 2.2 million as of March 31, 2012. This reduction was due to the cash outflow of EUR 8.8.

Financial situation

Operating cash flow amounted to an outflow of EUR -3.1 million in the first three months 2012, compared to an inflow value of EUR 1.1 million in the first quarter 2011.

The cash flow from investment activity of EUR -3.3 million (Q1 2011: EUR -2.1 million) was influenced primarily by the acquisition of Inplastor (EUR 2.7 million) and investments in tangible assets (TEUR 1.2 million).

The cash flow from financing activity reached a value of EUR –2.4 million, compared with EUR -0.6 million in the same quarter 2011. The cash flow was influenced by the repayment of a shareholder loan (TEUR 1.2 million) and repayments in finance leases (TEUR 1.7 million).

Capital expenditures

Capital expenditures (EUR 1.7 million or 3.8% of revenues) were focused mainly on production equipment.

Employees

As of March 31, 2012, the Group employed 955 employees, converted into full-time equivalents (YE 2012: 898 employees). This corresponds to an increase of 57 employees or 6.3 % compared to the previous year end. The increase in employees during the quarter under review resulted primarily from the acquisition of a new company and an increase of our workforce in our company in the Czech Republic. As of March 2012, 307 employees (YE 2011: 298) were employed in Germany, 192 (YE 2011: 173) in Austria, 310 (YE 2011: 308) in Switzerland, 122 (YE 2011: 92) in the Czech Republic and 24 (YE 2011: 27) in the Netherlands.

Opportunities and Risk Report

To the Company´s knowledge, there is no information which would result in changes to the main forecasts and other statements given in the last Group management report regarding the development of the Group for the financial year. The statements provided in Annual Report 2011 on the opportunities and risks of the business model remain unchanged.

Outlook

Despite the Q1 drop in the EBITDA margin, the management reiterates its aim of increasing sales by at least 20 percent this year and, at the same time, keeping the EBITDA margin stable versus 2011 for the entire year. The management is firmly committed to its medium-term goal of raising the EBITDA margin to 18 percent.
In the near future the management plans to take opportunity of new acquisitions in the ECMS segment. exceet is working constantly on cost optimization for manufacturing projects and improvements in procurement processes. Thus, the Group is actual streamlining its production facilities by merging production sites in the IDMS segment.

Luxembourg, May 15, 2012

exceet Group SE
The Board of Directors and the Management Board

Interim condensed consolidated financial statements

March 31, 2012

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May 15, 2012

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Condensed consolidated balance sheet

in TEUR	unaudited March 31, 2012	December 31, 2011
Assets		
Non-current assets		
Tangible assets	29'077	27'101
Intangible assets	53'739	51'746
Other financial investments	27	26
Other non-current receivables	266	265
Total non-current assets	**83'109**	**79'138**
Current assets		
Inventories	32'899	31'122
Trade receivables, net	22'785	17'916
Other current receivables	2'490	1'768
Current income tax receivable	181	220
Accrued income and prepaid expenses	1'167	755
Cash and cash equivalents	31'464	40'132
Total current assets	**90'986**	**91'913**
Total assets	**174'095**	**171'051**
Equity		
Share capital	528	528
Reserves	83'505	85'073
Equity attributable to owners of the parent	**84'033**	**85'601**
Non-controlling interests	**0**	**0**
Total equity	**84'033**	**85'601**
Liabilities		
Non-current liabilities		
Borrowings	25'703	25'718
Retirement benefit obligations	6'058	6'651
Deferred tax liabilities	7'178	6'674
Provisions for other liabilities and charges	755	556
Other non-current liabilities	1'593	1'535
Total non-current liabilities	**41'287**	**41'134**
Current liabilities		
Trade payables	11'989	10'838
Other current liabilities	4'650	5'308
Accrued expenses and deferred income	8'543	7'136
Current income tax liabilities	5'619	6'157
Borrowings	9'027	9'786
Other financial liabilities	7'000	3'000
Provisions for other liabilities and charges	1'947	2'091
Total current liabilities	**48'775**	**44'316**
Total liabilities	**90'062**	**85'450**
Total equity and liabilities	**174'095**	**171'051**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Condensed consolidated income statement

in TEUR	unaudited 01.01. - 31.03.2012	unaudited 01.01. - 31.03.2011
Revenue	46'032	35'609
Cost of sales	-36'564	-26'391
Gross profit	**9'468**	**9'218**
Gross profit Margin	*20.6%*	*25.9%*
Distribution costs	-3'251	-2'253
Administrative expenses	-3'650	-3'445
Other operating income	325	417
Operating result (EBIT[1])	**2'892**	**3'937**
EBIT Margin	*6.3%*	*11.1%*
Financial income	323	442
Financial expense	-4'955	-611
Financial result, net	**-4'632**	**-169**
(Loss) / Profit before income tax	**-1'740**	**3'768**
Income tax expense	-879	-1'014
(Loss) / Profit for the period	**-2'619**	**2'754**
(Loss) / Profit Margin	*-5.7%*	*7.7%*
(Loss) / Profit attributable to:		
Owners of the parent	**-2'619**	**2'807**
Non-controlling interests	0	-53
Earnings per share (basic/dilutive)	EUR	EUR
Class A shares	-0.08	2.95
Class B/C shares	-0.08	0.01

Condensed consolidated statement of comprehensive income

in TEUR	unaudited 01.01. - 31.03.2012	unaudited 01.01. - 31.03.2011
(Loss) / Profit for the period	**-2'619**	**2'754**
Other comprehensive income:		
Actuarial gains/(losses) and adjustments under IAS 19.58b	617	99
Deferred tax effect on actuarial (gains)/losses	-97	-14
Currency translation differences	531	-1'667
Other comprehensive income for the period	**1'051**	**-1'582**
Total comprehensive income for the period	**-1'568**	**1'172**
Attributable to:		
Owners of the parent	**-1'568**	**1'225**
Non-controlling interests	**0**	**-53**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Condensed consolidated statement of cash flows

in TEUR	unaudited 01.01.- 31.03.2012	unaudited 01.01.- 31.03.2011
(Loss) / Profit before income tax	-1'740	3'768
Adjustments for non-cash transactions		
Amortization on intangible assets	652	544
Depreciation on tangible assets	1'392	1'125
Gains on disposal of assets	-12	0
Financial (income)/expense, net	4'248	242
Other non-cash (income)/expenses	392	-73
Adjustments to retirement benefit obligation/prepaid cost	-46	-61
Operating results before changes in net working capital	4'886	5'545
Changes to net working capital		
Changes to inventories	-1'550	-2'709
Changes to receivables	-5'505	-2'139
Changes to accrued income and prepaid expenses	-382	-324
Changes to liabilities	144	-724
Changes to provisions for other liabilities and charges	-72	0
Changes to accrued expenses and deferred income	1'302	1'982
Tax received	93	0
Tax paid	-1'817	-356
Interest received	19	2
Interest paid	-196	-188
Cashflows from operating activities	**-3'078**	**1'089**
Acquisition of subsidiaries, net of cash acquired	-2'044	-1'474
Acquisition of tangible assets	-1'193	-571
Sale of tangible assets	25	0
Acquisition of intangible assets	-113	-12
Sale of intangible assets	0	0
Cashflows from investing activities	**-3'325**	**-2'057**
Acquisition of non-controlling interests	0	-52
Proceeds of borrowings	471	143
Repayments of borrowings	-1'449	-47
Repayments of other non-currents liabilities	-10	0
Proceeds in finance lease	294	0
Repayment in finance lease	-1'746	-706
Cashflows from financing activities	**-2'440**	**-662**
Net changes in cash and cash equivalents	**-8'843**	**-1'630**
Cash and cash equivalents at the beginning of the period	**40'132**	**18'911**
Effect of exchange rate gains/(losses)	175	-447
Cash and cash equivalents at the end of the period	**31'464**	**16'834**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

in TEUR	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
Balances at January 1, 2012	**528**	**65'485**	**-4'525**	**15'263**	**8'850**	**85'601**	**0**	**85'601**
(Loss) / Profit for the period				-2'619		-2'619	0	-2'619
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				617		617		617
Deferred tax effect on actuarial (gains)/losses				-97		-97		-97
Currency translation differences					531	531		531
Total other comprehensive income for the period	0	0	0	520	531	1'051	0	1'051
Total comprehensive income for the period	**0**	**0**	**0**	**-2'099**	**531**	**-1'568**	**0**	**-1'568**
Balances at March 31, 2012	**528**	**65'485**	**-4'525**	**13'164**	**9'381**	**84'033**	**0**	**84'033**

	Issued and paid-in share capital	Capital reserves	Treasury Shares	Retained earnings	Foreign Currency transl. diff.	Total owners of the parent	Non-controlling interests	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Balances at January 1, 2011	**14'063**	**18'721**	**0**	**12'092**	**8'484**	**53'360**	**2'614**	**55'974**
(Loss) / Profit for the period				2'807		2'807	-53	2'754
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				99		99		99
Deferred tax effect on actuarial (gains)/losses				-14		-14		-14
Currency translation differences					-1'667	-1'667		-1'667
Total other comprehensive income for the period	0	0	0	85	-1'667	-1'582	0	-1'582
Total comprehensive income for the period	**0**	**0**	**0**	**2'892**	**-1'667**	**1'225**	**-53**	**1'172**
Acquisition of non-controlling interests				14		14	-66	-52
Balances at March 31, 2011	**14'063**	**18'721**	**0**	**14'998**	**6'817**	**54'599**	**2'495**	**57'094**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Notes to the unaudited interim condensed consolidated financial statements

1 General information

exceet Group SE (the 'Company' or the 'Group') – collectively with its subsidiaries – is the successor company of a reverse asset acquisition of exceet Group SE (formerly named Helikos SE) and exceet Group AG with effect from July 26, 2011. The reverse asset acquisition was the result of a plan of arrangement whereby exceet Group AG was acquired by exceet Group SE with former exceet Group AG shareholders receiving de facto control of exceet Group SE and with the management and Board of Directors of exceet Group AG becoming the management and Board of Directors of exceet Group SE.

exceet Group SE is an integrated international embedded solutions technology group specialized in embedded intelligent electronics, card-based security technology and embedded security solutions. The product range extends from complex embedded electronic systems to smart cards and security solutions, all of which are tailor-made to meet specific requirements of customers and of specific sectors.
The exceet Group SE differentiates three operating segments: Electronic Components Modules & Systems (ECMS), ID Management & Systems (IDMS) and Embedded Security Solutions (ESS).

In the ECMS segment, the Group develops and produces complex, integrated electronic products, with a focus on miniaturization, cost optimization and a high degree of customization to suit the needs of customers. This segment offers a wide portfolio of innovative, integrated electronic solutions. The products and services of the ECMS segment are aimed primarily at customers in the sectors of medical and healthcare, industrial automation, security and avionics.
The IDMS segment is engaged in design, development and production of contact and contactless smart cards, multi-function cards, card-reading units and related services. Offering tailored, innovative solutions while meeting the highest quality and security standards, the company considers itself as one of the leading providers of comprehensive solutions for high-tech smart cards and the corresponding card-reading units in Europe. IDMS security solutions are used primarily in the sectors of financial services, security, public sector, transportation, and healthcare as well as retail.
The ESS segment combines the experience gathered in the ECMS and IDMS segments relative to the development of innovative solutions for embedded security systems in selected markets. The ESS segment focuses on security solutions for customers in the sectors of medical and healthcare, industrial automation, financial services, security, avionics and the public sector.

exceet Group SE operates in European countries as well as in the US and Asia-Pacific and consists of a total of 19 direct and indirect subsidiaries with 13 sites located in five European countries (the Republic of Austria ('Austria'), the Czech Republic, Germany, the Kingdom of the Netherlands (the 'Netherlands') and Switzerland), allowing the company to benefit from specific local advantages (e.g. customer proximity) and to apply a flexible production process necessary to fulfill the specific requirements of customers.

The Group's legal parent company is exceet Group SE, a company incorporated as a Société Européenne under the law of Luxembourg. exceet Group SE was incorporated on October 9, 2009 as Helikos SE and renamed exceet Group SE on July 27, 2011. exceet Group SE has its registered office at 115 avenue Gaston Diderich, L-1420 Luxembourg.

On July 26, 2011, exceet Group AG completed its reverse asset acquisition of exceet Group SE pursuant to the terms and conditions of the share purchase and acquisition agreement. Further to detailed analysis in respect to the terms and conditions of the transaction between Helikos SE and exceet Group AG, management has determined the transaction as a reverse asset acquisition rather than a business combination. The consolidated financial statements have been prepared as if exceet Group AG had acquired exceet Group SE and its controlled entities, not vice versa as represented by the legal position. Due to the reverse acquisition treatment, the prior period figures of the presented consolidated financial statements will not match with those of former Helikos SE because the numbers represent the financial consolidated statement of exceet Group AG. Further information on the reverse asset acquisition please refer to the annual accounts of exceet Group SE notes 5 and 17.

The Group includes all relevant companies in which exceet Group SE, directly or indirectly, has a majority of the voting rights and is able to determine the financial and business policies based on the so-called control concept. All companies consolidated can be seen in the list of consolidated subsidiaries of the Group (note 16).

This condensed consolidated interim financial information is unaudited and was approved for issue by the Board of Directors on May 15, 2012.

2 Adoption of new and revised accounting standards

No new standards or amendments to existing standards have been applied since the year end except for:

- IAS 12 (Amendments)"Deferred tax: recovery of underlying Assets"
- IFRS 1 (Amendment) " Severe hyperinflation and removal of fixed dates for first-time adopters"
- IFRS 7 (Amendments) "Disclosure –transfers of Financial Assets".

However, these amendments have no impact on exceet Group SE. Therefore the same accounting and valuation principles have been applied to these financial statements as to those that are described on pages 75 to 81 of the 2011 annual report of exceet Group SE.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following table shows the new standards and the amendments to existing standards which will be applicable.

New Standards or amendments to existing standards	Effective date when a standard has to apply
Amendments to IFRS 7 - Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013
IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2015
IFRS 10 - Consolidated financial statements	January 1, 2013
IFRS 11 - Joint arrangements	January 1, 2013
IFRS 12 - Disclosure of interests in other entities	January 1, 2013
IFRS 13 - Fair value measurement'	January 1, 2013
Amendments to IAS 1 - Presentation of items of other comprehensive income	July 1, 2012
Amendments to IAS 19 - Employee benefits	January 1, 2013
Amendments to IAS 27 - Separate financial statements	January 1, 2013
Amendments to IAS 28 - Investments in associates and joint ventures	January 1, 2013
Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities	January 1, 2014

The Group is currently in process to analyze the potential impacts of the new standards and the amendments to the existing standards. As soon as this process has been completed, the Group will make the decision if the changes will be early adopted.

3 Basis of the consolidated financial statements

The consolidated financial statements of the Group are based on the financial statements of the individual Group companies prepared in accordance with uniform accounting policies. In accordance with International Financial Reporting Standards (IFRS) adopted by the EU, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) the condensed consolidated interim financial statements have been prepared on a going concern basis under the historical cost convention except for the revaluation of certain financial assets at market value and for financial liabilities at fair value through profit or loss which are measured at fair value (relates to accounting for public warrants).

Statement of compliance
These consolidated condensed interim financial statements for the three months ended March 31, 2012 were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as they are to be applied in the EU. In accordance with IAS 34, the interim condensed consolidated financial statements do not contain all the information that is to be disclosed in the consolidated financial statements at the end of the financial year. Consequently, these interim condensed consolidated financial statements are to be read in conjunction with the consolidated financial statements of exceet Group SE for the 2011 financial year.

The following exchange rates were relevant to the interim financial report as per March 31, 2012:

	31.03.2012	Average 01.01.-31.03.2012	31.12.2011	31.03.2011	Average 01.01.-31.03.2011
1 CHF	0.83	0.83	0.82	0.77	0.78
1 USD	0.75	0.76	0.77	0.70	0.73

Consolidated statement of comprehensive income
The consolidated interim statement of comprehensive income was prepared based on accruals basis. Consolidated statement of comprehensive income has been presented by using “cost of sales” method.

Use of Estimates and judgements
The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2011. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities and contingent assets and liabilities at the date of the financial statements as well as revenue and expenses reported for the financial year. Actual results could differ from these estimates.

Seasonality
Revenues and costs are not influenced by seasonal effects, but are mainly impacted by the economic environment in the markets the Group is operating in.

4 Additional information to the cash flow statement

Cash flow on acquisition of investments in TEUR	unaudited Cash flow 01.01.- 31.03.2012	unaudited Cash flow 01.01.- 31.03.2011	Date of consolidation
Cash outflow on acquisition of Inplastor GmbH	-1'944		January 27, 2012
Cash outflow on acquisition of exceet Austria GmbH		-9	March 1, 2011
Cash outflow on acquisition of The Art of Packaging s.r.o.	-100	-370	December 31, 2010
Cash outflow on acquisition of AuthentiDate AG		-1'095	April 1, 2011
Total	**-2'044**	**-1'474**	

The cash outflow on acquisition of The Art of Packaging s.r.o. is related to the acquisition in 2010, with delayed payment into 2011 and 2012.

The acquisition of tangible assets is mainly related to the purchase of production facilities and machinery.

5 Segment information

The Group has three main business segments, Electronic Components Modules & Systems (‘ECMS’), ID Management & Systems (‘IDMS’) an Electronic Security Solutions (‘ESS’), representing different subsidiaries. The segment information is presented on the same basis as for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the Management Board. In addition, the Group has a forth segment ‘Corporate and others’ for reporting purposes which only includes the investment companies. Companies of exceet Group SE (former Helikos SE), which have been subject of reverse asset acquisition, have been assigned to the segment ‘Corporate and others’.

The segment information for the three months ended March 31, 2012 and a reconciliation of EBIT to (loss) / profit for the period are provided as follows:

Income statement/capital expenditure by segment

in TEUR	ECMS		IDMS		ESS		Corporate and others		Inter-segment elimination		Group consolidated	
	unaudited		unaudited		unaudited		unaudited		unaudited		unaudited	
	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011	01.01.2012 - 31.03.2012	01.01.2011 - 31.03.2011
External revenue	33'161	24'228	12'102	11'381	769	0	0	0			46'032	35'609
Inter-segment revenue	0	0	4	4	0	0	101	17	-105	-21	0	0
Total revenue	**33'161**	**24'228**	**12'106**	**11'385**	**769**	**0**	**101**	**17**	**-105**	**-21**	**46'032**	**35'609**
Operating result (EBITDA)	**5'695**	**6'107**	**558**	**1'161**	**-103**	**0**	**-1'214**	**-1'662**			**4'936**	**5'606**
EBITDA Margin	*17.2%*	*25.2%*	*4.6%*	*10.2%*	*-13.4%*	*0.0%*					*10.7%*	*15.7%*
Depreciation and amortization	-1'295	-1'154	-674	-508	-58	0	-17	-7			-2'044	-1'669
Operating result (EBIT)	**4'400**	**4'953**	**-116**	**653**	**-161**	**0**	**-1'231**	**-1'669**			**2'892**	**3'937**
EBIT Margin	*13.3%*	*20.4%*	*-1.0%*	*5.7%*	*-20.9%*	*0.0%*					*6.3%*	*11.1%*
Financial income											323	442
Financial expense											-4'955	-611
Financial result – net											**-4'632**	**-169**
(Loss) / Profit before income tax											**-1'740**	**3'768**
Income tax expense											-879	-1'014
(Loss) / Profit for the period											**-2'619**	**2'754**
Capital expenditure tangible assets	743	302	980	89	11	0	1	0			1'735	391
Capital expenditure intangible assets	109	7	2	4	2	0	0	0			113	11
Depreciation tangible assets	-783	-680	-589	-445	-10	0	-10	0			-1'392	-1'125
Impairment tangible assets	0	0	0	0	0	0	0	0			0	0
Amortization intangible assets	-512	-474	-85	-63	-48	0	-7	-7			-652	-544
Impairment of goodwill	0	0	0	0	0	0	0	0			0	0

Assets/liabilities by segment

in TEUR	ECMS			IDMS			ESS			Corporate and others			Group consolidated		
	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited	unaudited		unaudited
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.12.2011	31.03.2011
Non current Assets	55'358	54'791	43'375	25'843	22'405	22'181	1'698	1'745	0	210	197	51	83'109	79'138	65'607
Current Assets	66'266	61'824	42'353	15'477	13'720	14'673	1'045	877	0	8'198	15'492	5'576	90'986	91'913	62'602
Liabilities	41'229	41'124	28'105	17'538	15'841	15'446	1'429	1'227	0	29'866	27'258	27'562	90'062	85'450	71'113

6 Financial expense

The position financial expense mainly contains a loss of TEUR 4'000 out of the valuation of the warrants and currency translation losses. (note 11)

7 Development costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of TEUR 1'920 (prior period January 1, 2011 to March 31, 2011 - TEUR 1'529; prior year January 1, 2011 to December 31, 2011 – TEUR 6'800).

Development costs are mainly related to the development projects for customers and products, process development and optimizations for the production.

8 Equity

The share capital consists of 34'734'221 shares and can be divided into 20'523'695 Class A shares ("public shares"), thereof 20'073'695 class A shares listed on the stock exchange and 450'000 unlisted own class A shares held by the company (treasury shares) 5'210'526 Class B shares (founding shares) and 9'000'000 Class C shares (earn-out shares) with a par value of EUR 0.0152 each.

There were no changes to the Share Capital of exceet Group SE since the last reporting date of December 31, 2011.

For further information regarding the transactions before December 31, 2011 – please refer to the annual report of exceet Group SE 2011 – Note 17 on pages 112 -117.

9 Earnings per share

Earnings per shares (EPS) are calculated by dividing the profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Due to different rights to receive dividends exceet Group SE has two classes of ordinary shares. Disclosure of EPS amounts is required for both classes of ordinary shares.

a) <u>Basic</u>

The calculation of basic EPS at March 31, 2012, is based on the (loss) / profit attributable to the owners of the parent of TEUR -2'619 (Q1 2011: TEUR 2'807) and the weighted average number of ordinary shares outstanding of 20'073'695 Class A shares and 14'210'526 Class B/C shares respectively. For the same period in the previous year the notional weighted average numbers of ordinary shares outstanding are 3,069,736 Class A shares and 9,000,000 Class C shares respectively.

		unaudited	**unaudited**
		01.01. - 31.03.2012	**01.01. - 31.03.2011**
(Loss)/Profit for the period (TEUR) attributable to equity holders of the Company	Class A shares	-1'533	2'717
	Class B/C shares	-1'086	90
	Total	*-2'619*	*2'807*
Weighted average number of ordinary shares outstanding	Class A shares	20'073'695	3'069'736
	Class B/C shares	14'210'526	9'000'000
	Total	*34'284'221*	*12'069'736*
Basic earnings per share (EUR/share)	**Class A shares**	**-0.08**	**0.89**
	Class B/C shares	**-0.08**	**0.01**

b) Diluted

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. The Group has 20,000,000 outstanding public warrants. The warrants are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants. Additionally, Class B and C shares that are not converted to public shares on or prior to the fifth anniversary of the consummation of the reverse asset acquisition will no longer be convertible into public shares and will be redeemed. A redemption would reduce the numbers of ordinary shares outstanding, which would then impact the EPS. In the period presented it would lead to higher earnings per share for the other class of shares and consequently has not been considered as dilutive.

As a result, the basic earnings per share equal the dilutive EPS.

10 Dividends

No dividends were paid during the three months ended March 31, 2012.

11 Other Financial Liability

The current financial liability contains a financial liability resulting from fair value measurement of the Public Warrants of TEUR 7,000.

Public Warrants
exceet Group SE completed its initial public offering of 20,000,000 units consisting each of one share and one warrant, both traded on the Frankfurt Stock Exchange, at an initial price of EUR 10.00 raising hence a total of TEUR 200,000.

With consummation of the acquisition on July 26, 2011, the terms and conditions of the Class A warrant were amended, notably;

(i) to provide for the payment in cash of EUR 0.625 per Class A warrant upon consummation of the business combination; (amount to TEUR 12,500 for all public warrants);
(ii) to amend the exercise formula for the Class A warrants to provide that the number of Class A shares received upon exercise of each Class A warrant is reduced by 50 %;
(iii) to increase the warrant exercise price per Class A share from EUR 9 per Class A share to EUR 12 per Class A share;
(iv) to increase the redemption trigger from EUR 14 to EUR 17; and
(v) to extend the term of the Class A warrants from five years from the date of Helikos SE’s IPO to five years from the consummation of the business combination.

Public warrants are treated as derivatives under IAS 32 as they will be settled net in shares (not in cash). Therefore they are classified as financial liabilities at fair value through profit or loss.

As at December 31, 2011, the rating of one public warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.15, hence a fair value of TEUR 3,000 was recorded at December 31, 2011.

As at March 31, 2012 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.35, hence a fair value adjustment of TEUR 4’000 was recorded at March 31, 2012.

12 Significant events and transactions

In January 2012, the Company announced the implementation of a management stock option program, for details please refer to the annual report of exceet Group SE 2011 – Note 37 on page 153.

13 Financial risk management

Until March 31, 2012, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

Until March 31, 2012, there were no reclassifications of financial assets.

14 Ultimate controlling parties and Related-party transactions

The Company has no ultimate controlling party.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

One shareholder loan of TEUR 1'050 (with additional interest and any other amounts accrued) granted to exceet Group AG was repaid in full by January 30, 2012. All other shareholder loans remain unchanged since year-end (interest charge for the period in 2012 - TEUR 32 (Q1 2011: TEUR 54)). In addition, the Group had legal charges in the first three months of 2012 of TEUR 66 (Q1 2011: TEUR 26). For the acquisition of The Art of Packaging s.r.o. at December 31, 2010, TEUR 100 has been paid to members of Management Board of exceet Group SE by the end of the first quarter of 2012.

15 Scope of consolidation

exceet Austria GmbH
On March 1, 2011, the Group acquired exceet Austria GmbH, an inactive holding company, which has been purchased for TEUR 40. At the date of acquisition, the acquired asset contains only cash positions.

Winter AG
On February 16, 2011, the Group acquired additional 4.88% of the issued share capital of Winter AG and increased its interest in the subsidiary to 100%. The purchase of additional subsidiary shares once control is obtained by the parent entity is accounted for as an equity transaction and no gain or loss was recorded. The purchase price was TEUR 52.

Inplastor GmbH
On January 23, 2012, the Group acquired by way of a share purchase agreement all of the shares of Inplastor graphische Produkte GmbH (Inplastor GmbH), an Austrian full-line provider of card-based Loyalty- and ID -Security-Solutions. The rationale for the acquisition was to strengthen exceet Group SE's market leader position in the card-based Loyalty- and ID-Security-Solution market in the DACH-Region (Germany, Austria and Switzerland). The aggregate consideration amounts to TEUR 2,700, which consists of TEUR 2,200, a contingent consideration of TEUR 300 payable with the submission of the final Financial Statements as of December 31, 2011 of Inplastor GmbH, and EUR 200 thousand payable one year after the effective date of the acquisition provided that exceet Group SE does not submit a warranty claim. The contingent consideration was paid into an escrow account.

Inplastor GmbH was acquired through an intermediate Austrian holding company. Transaction costs of TEUR 12 have been recognized in administrative expenses.

Inplastor GmbH contributed revenue of TEUR 1'573 and a net profit of TEUR 53 to the Group for the period of January 23, 2012 to March 31, 2012. If the acquisition had occurred on January 1, 2012 Inplastor GmbH would have contributed revenue of TEUR 1'930 and a net loss of TEUR 35 to the Group.

The initial accounting for the acquisitions in the current financial year is provisional.

Details of net assets acquired and goodwill are as follows:

Purchase consideration at January 27, 2012	TEUR
Purchase consideration	2'200
Contingent consideration	500
Total purchase consideration	**2'700**
Fair value of net assets acquired	-2'277
Goodwill	**423**

The assets and liabilities arising from the acquisition are as follows:

	Fair Value
	TEUR
Cash and cash equivalents	756
Tangible assets	489
Software and other intangible assets	71
Customer base and technology	1'765
Inventory	299
Trade receivables	172
Other receivables	20
Accrued income and deferred expenses	29
Trade payables	-291
Other liabilities	-211
Accrued expenses and deferred income	-72
Provisions	-189
Other long-term liabilities	-52
Deferred tax, net	-509
Net assets acquired	**2'277**

	TEUR
Consideration settled in cash until January 27, 2012	-2'700
Cash and cash equivalents in subsidiary acquired	756
Cash outflow on acquisition	**-1'944**

16 List of consolidated subsidiaries of exceet Group SE

Company	Year of acquisition[1]	Activity	Land	Share Capital		Share in the capital	Share of the votes
exceet Group SE	2011	Investments in subsidiaries	LUX	EUR	527'960	100%	100%
- Helikos AG	2011	Investments in subsidiaries	SUI	CHF	100'000	100%	100%
- exceet Group AG	2006	Investments in subsidiaries	SUI	CHF	25'528'040	100%	100%
- ECR AG	2006	Manufacturing of electronic components for industrial and med-tech application	SUI	CHF	500'000	100%	100%
- GS Swiss PCB AG	2006	Manufacturing of flexible, semi-flexible and HDI printed circuit boards	SUI	CHF	1'350'000	100%	100%
- Mikrap AG	2008	Development and distribution of software and hardware for instrumentation and control technology	SUI	CHF	1'000'000	100%	100%
- AEMtec GmbH	2008	Manufacturing of multi-chip modules	GER	EUR	2'250'000	100%	100%
- Winter AG[6]	2010	Production of smart cards and card personalization	GER	EUR	5'292'000	100%	100%
- exceet Austria GmbH[7]	2011	Investments in subsidiaries	AUT	EUR	35'000	100%	100%
- Contec Steuerungstechnik & Automation Gesellschaft m.b.H.	2011	Manufacturing of electronic components for industrial and med-tech application	AUT	EUR	36'000	100%	100%
- Inplastor Graphische Produkte Gesellschaft m.b.H.	2012	Manufacturing of plastic card for Loyality, Events and ID -Security- Solutions	AUT	EUR	50'000	100%	100%
- AuthentiDate International AG	2011	Digital signatures and trust center	GER	EUR	1'000'000	100%	100%
- AuthentiDate Deutschland GmbH[8]	2011	Digital signatures and trust center	GER	EUR	25'000	100%	100%
- exceet Card Group AG[9]	2009	Investments in subsidiaries	GER	EUR	5'915'500	100%	100%
- VisionCard Kunststoffkarten-produktions GmbH[2]	2009	Manufacturing of plastic card for Loyality, Access, Events and Transportation	AUT	EUR	35'000	100%	100%
- idVation GmbH[3]	2009	Customizing Solutions for RFID area and Logical Access	GER	EUR	25'000	100%	100%
- The Art of Packaging s.r.o.[4]	2010	Production of prelaminates for RFID card components, packaging services	CZE	CZK	1'500'000	100%	100%
- PPC Card Systems GmbH[2]	2009	Manufacturing of bank- and credit cards w/o chips for Banking, Loyality, Medical & Transportation	GER	EUR	1'023'584	100%	100%
- PPC Card Systems B.V.[5]	2009	Personalization and mailing of all types of cards	NED	EUR	226'900	100%	100%
- NovaCard Informationssysteme GmbH[2]	2009	Development and marketing of contact and contactless smart cards	GER	EUR	1'022'584	100%	100%

1 Year of acquisition refers to exceet Group AG point of view

2 exceet Card Group AG holds 100% of the share capital of these subsidiaries

3 VisionCard Kunststoffkartenproduktions GmbH holds 100% of the share capital of idVation GmbH

4 VisionCard Kunststoffkartenproduktions GmbH holds 98.67% of the share capital of TAoP s.r.o.
idVation GmbH holds 1.33% of the share capital of TAoP s.r.o.

5 PPC Card Systems GmbH holds 100% of the share capital of PPC Card Systems B.V.

6 4.88% of the share in the capital and in the votes were held by the public and purchased by exceet Group AG on February 16, 2011

7 exceet Austria GmbH holds 99.01% of the share capital of Contec GmbH and exceet Group AG 0.99% of the share capital of Contec GmbH

8 AuthentiDate International AG holds 100% of the share capital of AuthentiDate Deutschland GmbH

9 exceet Card Group AG holds 100% of the share capital of NovaCard Systems Inc., USA, which is an inactive company and therefore not consolidated.

17 Contingencies

There have been no material changes in contingent liabilities since December 31, 2011.

18 Events occurring after the reporting period

No events after the reporting period.

FINANCIAL CALENDAR

May 31, 2012
Annual General Meeting, Luxembourg (12 p.m.)

July 20, 2012
Announcement of the preliminary unaudited sales figures 6m/Q2/2012

August 10, 2012
Publication of the semi-annual group financial statements 6m/Q2/2012

October 22, 2012
Announcement of the preliminary unaudited sales figures 9m/Q3/2012

November 12 – 14, 2012
German Equity Forum 2012, Frankfurt

November 20, 2012
Publication of the consolidated financial statements 9m/Q3/2012