INTERIM MANAGEMENT REPORT

Report on the First Nine Months of 2011

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

THE SHARE

The stock markets had exhibited a positive performance at the beginning of 2011, but as the year progressed, the accumulation of negative reports on the fiscal situation of certain euro zone countries triggered substantial volatility. Under the continued weight of heightened uncertainty, global stock prices fell further in the third quarter of 2011. The exceet share was not immune to this adverse environment. Since it was first listed on July 27, 2011, the share lost 14.4% of its value, closing at €8.60 on September 30, 2011. To date, two banks have issued buy recommendations for the exceet share: Berenberg, London, and Hauck & Aufhäuser, Hamburg.

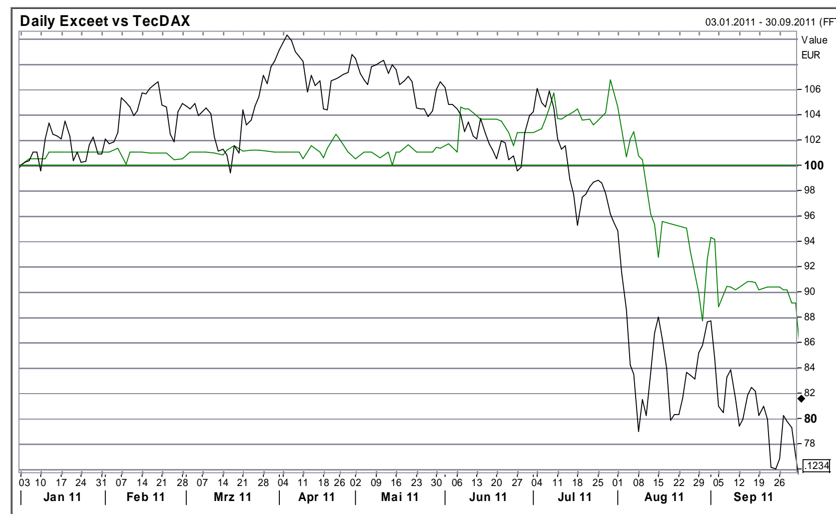
The exceet Group places the highest priority on maintaining a continuous, open and dependable dialog with the capital markets. The company continues to intensify and broaden its communication with all relevant players in the capital markets. The goal of the company's investor relations activities is to raise awareness for the business of exceet and its share as an attractive growth stock. Our main objective is to enhance the confidence of investors.

Key data on the exceet share:

ISIN	**LU0472835155**
WKN	**A0YF5P**
Stock exchange symbol	**EXC**
Share type	**No-par bearer shares**
Most important trading platform	**XETRA**
Stock exchange segment	**Prime Standard**
Initial listing	**July 27, 2011**
No. of outstanding Class A shares*	**20,073,695 (as of 09/30/2011)**

* Relevant for calculating market capitalization.

Share price development of exceet Group SE compared to TecDAX



exceet Group SE:green
TecDAX:black

INTERIM MANAGEMENT REPORT

SUMMARY OF BUSINESS DEVELOPMENTS

General economic conditions

After two years of positive global growth, the economic outlook varied widely from one country to another in the third quarter of 2011. Although the global economy is still growing on aggregate, there were growing signs in many industrialized nations that economic output expanded only slightly, or even contracted somewhat, in the third quarter of 2011. Business climate in Europe was increasingly clouded by the euro crisis emanating from the strained fiscal situation of some European countries. The U.S. economy is barely growing: Consumer spending has been weak and industrial production has stagnated. Japan continued to experience lower industrial production in the wake of the tsunami catastrophe. In recent months, China and India, above all, have continued their role as the main engines of the global economy. The economies of these countries continue to grow, albeit at a slower pace. Competitive, export-oriented countries such as Germany in particular benefited from the continued high level of demand for industrial products in these countries.

Sector developments

With a volume of €2.8 trillion, the global market for electrical and electronic products is the world's largest product market. The German market, which is worth more than €100 billion, is the biggest market in Europe and the fifth-biggest market in the world. In Germany €12 billion per year is spent on research and development in this sector. That is one fifth of total R&D spending in Germany. R&D expenditures are disproportionately high in the segments of industrial automation, electronic components and medical engineering. In that respect, those segments are considerably ahead of entertainment electronics. (Source: German Electrical and Electronics Manufacturers' Association, ZVEI)

In the last few years, enormous progress has been made in the medtech market, which is very important to exceet. Thanks to the improvements that have been made in the electronic equipment used by doctors, such as ultrasound devices and the development of new methods such as laser technology, diseases can be detected more quickly and reliably and treated more easily. This trend poses particular challenges for the development and production of complex and intelligent electronic solutions. According to the ZVEI, the medtech industry is one of the most innovative sectors in the world.

Another important market for exceet is ID management and security solutions. The demand for effective solutions to guarantee the protection of digital identity and online transactions has been rising steadily for years. The global market for civilian security technologies and services is estimated to be around €100 billion. According to expert estimates, this market will grow by up to 7% per year leading to annual revenues of about €31 billion by the year 2015. (Source: study published by VDI/VDE Innovation + Technik GmbH and the German Association for Security in Industry and Commerce, on behalf of the German Federal Ministry of Economics and Technology).
Data security is becoming increasingly important for governments, businesses and individuals. The exceet Group offers their customers effective solutions in the segment of ID management and systems, including mobile systems, platforms and services for the identification, authentication and encryption, as well as a broad range of applications and services for various specific customer groups.

OPERATING RESULTS

The exceet Group SE successfully maintained an impressive course of growth in the first nine months of 2011 (January 1 – September 30, 2011). At €128.91 million, consolidated revenues were 51.51% higher than the corresponding year-ago figure of €85.08 million. A significant portion of the revenue increase derived from organic growth of around 20.4%. The Group performed especially well in the medtech segment and in the industrial automation sector, in which important new orders were acquired.

At €50.87 million, the consolidated revenues generated in the third quarter of 2011 were 58.97% higher than the corresponding year-ago figure of €31.99 million (around +19.7% on an organic basis). The strongest growth rates were achieved in the segment of Electronic Components Modules & Systems (ECMS).

The order book reached €104 million, as a result of increased order intake in the medtech segment as well as in the market for security solutions.

At €33.81 million, the gross profit for the first nine months was 80.42% higher than the corresponding year-ago figure (9M/2010: €18.74 million). This improvement resulted primarily from the strong revenue growth. The gross profit margin rose from 22.03% in the year-ago period to 26.23% in the first nine months of 2011 due to the introduction of new, high margin products. .

The gross profit for the third quarter of 2011 amounted to €13.52 million (Q3/2010: €6.94 million, +94.95%).

The Group's EBITDA margin also continued to improve. As was the case in the first two quarters of the current financial year, the earnings before interest, taxes, depreciation and amortization (EBITDA) rose again in the third quarter. At €9.50 million, EBITDA was 88.57% higher than the corresponding figure of €5.04 million for the third quarter of last year. That corresponds to an EBITDA margin of 18.69% (Q3/2010: 15.75%). In total, EBITDA rose by 64.62% from €13.20 million in the year-ago period to €21.72 million in the first nine months of 2011. This was reflected in an EBITDA margin of 16.85% (9M/2010: 15.51%). Excluding the one-off cost recurring EBITDA margin would have reached 19.1%.

The Group generated a net financial result of €1.59 million in the first nine months of 2011 (9M/2010: €-1.05 million), mainly driven by a fair value adjustment of the financial liability resulting from Public Warrants (from €7 million to €5 million).

In the first nine months of 2011, the Group generated a profit of €13.13 million (9M/2010: €6.72million, +95.52%).The profit for the third quarter of 2011 amounted to €7.99 million (Q3/2010: €2.34 million, +241.14%).

The calculation of basic earnings per share (EPS) at September 30, 2011 was based on the profit of €13.28 million (previous year: €6.97 million) and the weighted average number of ordinary shares outstanding of 6,848,394 class A shares and 10,157,895 class B/C shares respectively. For 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.

Earnings per share (basic/dilutive)		9M/2011	9M/2010	Q3/2011	Q3/2010
Class A shares		1.93	2.24	0.55	0.73
Class B/C shares		0.01	0.01	0.01	0.01

Segment report

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 our 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 the 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, exceet is 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.

As one of the main growth drivers of the exceet Group, the ECMS segment also made an important contribution to the Group's revenue growth in the first nine months of 2011. The revenues of the ECMS segment rose by 57.48% to €93.17 million, as compared to €59.16 million in the corresponding year-ago period. By reason of this positive revenue growth and the stable cost base, segment EBITDA rose by 83.92%, from €13.13 million in the year-ago period to €24.15 million in the first nine months of 2011.The IDMS segment generated revenues of €32.64 million, as compared to €25.92 million in the first nine months of 2010 (+25.91%). Reflecting much higher growth, the EBITDA of the IDMS segment rose by 49.21%, from €2.03 million in the year-ago period to €3.03 million in the first nine months of 2011. The ESS segment generated revenues of €3.10 million and EBITDA of €0.37 million in the first months of 2011 since it was consolidated as a separate segment for the first time in the second quarter of 2011.

CASH FLOWS AND FINANCIAL POSITION

The high level of non-recurring effects related to the initial public offering resulted in a charge of €2.92 million against earnings in the first nine months of 2011.

The cash outflow for investing activities in the amount of €6.34 million was related primarily to the acquisitions of Contec GmbH and AuthentiDate International AG in the first half of 2011.

Capital expenditures

Capital expenditures were focused mainly on production and equipment as well as the purchase of land in connection with the acquisition of Contec GmbH in Austria. Two thirds of total capital expenditures went to the ECMS segment. Capital expenditures representing 2.5% of revenues were invested in property, plant and equipment in the first nine months of 2011.

Balance sheet structure

At €177.63 million, total assets as of September 30, 2011 were €49.84 million higher than the corresponding figure as of December 31, 2010. This increase resulted mainly from the acquisitions effected in the intervening period.

As of September 30, 2011, the Group's equity amounted to €85.22 million (December 31, 2010: €55.97 million), representing an equity ratio of 47.69% (December 31, 2010: 43.80%).

The net debt declined from €17.6 million at the end of December 2010 to €1.1 million at the end of September 2011.

EMPLOYEES

Expressed as full-time equivalents, the exceet Group SE had a total of 911 employees as of September 30, 2011 (September 30, 2010: 586 employees), reflecting an increase of 325 employees or 55.46% over the corresponding figure at September 30, 2010. This increase resulted mainly from the companies acquired in 2011 (281 employees). As of the reporting date, 289 employees worked in Germany (9M/2010: 191), 177 in Austria (9M/2010: 66), 324 in Switzerland (9M/2010: 302), 83 in the Czech Republic (9M/2010: 0) and 29 in the Netherlands (9M/2010: 27).

REPORT ON OPPORTUNITIES AND RISKS

The exceet Group is exposed to a considerable number of risks and opportunities that are always associated with entrepreneurial activity. Risks can be defined as potential events that would cause the Group to fall considerably short of its planned goals. The occurrence of such events could sustainably impair the Group's business performance and therefore have an adverse effect on the Group's operating results, financial position and cash flows. Conversely, opportunities are defined as events that could have a positive influence on the future business performance of the Group.
The current situation of the global economy poses considerable risks. In particular, we are constantly monitoring the debt crisis of certain countries with a view to the general economic risks that could affect the markets that are relevant to the Group's business. Our systematic risk management program enables us to identify risks in a timely manner and immediately implement counter-measures. The Group is not exposed to risks that would endanger its continued operation as a going concern. We achieve permanent cost and efficiency improvements by conducting and constantly extending continuous improvement measures in all areas of the Group.

The exceet Group manages its liquidity and credit risks on a forward-looking basis. The Group's financing and liquidity are secured in the current financial year and in the next financial year. As of September 30, 2011, the Group disposed of cash and cash equivalents in the amount of €37.42 million.

FORECAST REPORT

Future economic conditions

In September, the Institute for the World Economy (IfW) lowered its forecast for the expansion of world gross domestic product (GDP) for 2011 from 4.4% to 3.8%. China is expected to contribute 9.0%, India 8.5% and Latin America 4.2% to global economic growth. Thus, the emerging-market countries will continue to support the stability of the global economy. The expectations for the German economy have dimmed. The economists of the IfW also lowered their GDP forecast for Germany from previously 3.6% to currently 2.8%. Nonetheless, the German economy will continue to serve as one of the main growth engines within the European Union. According to the IfW, European GDP growth excluding Germany will only be 1.4% in 2011. For 2012, the IfW expects global GDP growth to slow further to a rate of only 3.5% (June forecast: 4.1%).

Future development of the exceet Group

Despite slowing global economic growth, the exceet Group SE expects that its business will continue to exhibit a positive development. The goal is to generate further profitable growth in all segments. The strong growth shown in the last few quarters confirms the positive outlook for group-wide revenues in the full year 2011. In view of the well-filled order book, exceet anticipates continued strong growth in the current financial year. Based on the current status of information, exceet expects to generate revenues and earnings that are considerably higher than the respective prior-year figures.

ADDITIONAL INFORMATION

Financial Calendar

December 7-8, 2011	Capital Markets Conference, Munich
February 15, 2012	Publication of provisional unaudited sales figures for 2011

Publisher

exceet Group SE
114, avenue Gaston Diderich
L-1420 Luxembourg

Contact:
Fabian Rau
Vice President Investor Relations
E-mail: f.rau@exceet.ch
Tel: +41 (0)79 3125998

Interim condensed consolidated financial statements

September 30, 2011

exceet Group SE Société Européenne
115 avenue Gaston Diderich
L-1420 Luxembourg
www.exceet.ch

November 22, 2011

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Condensed consolidated balance sheet

Assets	unaudited September 30, 2011 TEUR	December 31, 2010 TEUR
Non-current assets		
Tangible assets	25'951	20'981
Intangible assets	52'262	47'183
Other financial investments	27	0
Other non-current receivables	267	279
Total non-current assets	**78'507**	**68'443**
Current assets		
Inventories	34'386	22'275
Trade receivables, net	23'561	16'324
Other current receivables	2'603	1'031
Current income tax receivable	353	274
Accrued income and prepaid expenses	802	539
Cash and cash equivalents	37'422	18'911
Total current assets	**99'127**	**59'354**
Total assets	**177'634**	**127'797**
Equity		
Share capital	599	14'063
Reserves	84'620	39'295
Equity attributable to owners of the parent	**85'219**	**53'358**
Non-controlling interests	**0**	**2'616**
Total equity	**85'219**	**55'974**
Liabilities		
Non-current liabilities		
Borrowings	33'337	18'761
Retirement benefit obligations	5'647	4'120
Deferred tax liabilities	7'572	6'519
Provisions for other liabilities and charges	613	404
Other non-current liabilities	1'770	501
Total non-current liabilities	**48'939**	**30'305**
Current liabilities		
Trade payables	9'521	9'131
Other current liabilities	7'227	5'462
Accrued expenses and deferred income	9'990	6'002
Current income tax liabilities	5'826	2'015
Borrowings	5'233	17'772
Other financial liabilities	5'000	0
Provisions for other liabilities and charges	679	1'136
Total current liabilities	**43'476**	**41'518**
Total liabilities	**92'415**	**71'823**
Total equity and liabilities	**177'634**	**127'797**

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

Condensed consolidated income statement

	unaudited 01.01.-30.09.2011	unaudited 01.01.-30.09.2010	unaudited 01.07.-30.09.2011	unaudited 01.07.-30.09.2010
	TEUR	TEUR	TEUR	TEUR
Revenue	128'908	85'084	50'865	31'997
Cost of sales	-95'094	-66'341	-37'347	-25'062
Gross profit	**33'814**	**18'743**	**13'518**	**6'935**
Gross profit Margin	*26.2%*	*22.0%*	*26.6%*	*21.7%*
Distribution costs	-7'350	-5'677	-2'380	-1'911
Administrative expenses	-11'684	-5'044	-4'069	-1'827
Other operating income	1'024	961	261	384
Operating result (EBIT[1])	**15'804**	**8'983**	**7'330**	**3'581**
EBIT Margin	*12.3%*	*10.6%*	*14.4%*	*11.2%*
Financial income	5'614	747	4'750	378
Financial expense	-4'020	-1'799	-2'099	-817
Financial result, net	**1'594**	**-1'052**	**2'651**	**-439**
Profit before income tax	**17'398**	**7'931**	**9'981**	**3'142**
Income tax expense	-4'265	-1'214	-1'995	-801
Profit for the period	**13'133**	**6'717**	**7'986**	**2'341**
Profit Margin	*10.2%*	*7.9%*	*15.7%*	*7.3%*
Profit attributable to:				
Owners of the parent	**13'285**	**6'974**	**8'009**	**2'333**
Non-controlling interests	-152	-257	-23	8
Earnings per share (basic/dilutive)	EUR	EUR	EUR	EUR
Class A shares	1.93	2.24	0.55	0.73
Class B/C shares	0.01	0.01	0.01	0.01

Condensed consolidated statement of comprehensive income

	unaudited 01.01.-30.09.2011	unaudited 01.01.-30.09.2010	unaudited 01.07.-30.09.2011	unaudited 01.07.-30.09.2010
	TEUR	TEUR	TEUR	TEUR
Profit for the period	**13'133**	**6'717**	**7'986**	**2'341**
Other comprehensive income:				
Actuarial gains/(losses) and adjustments under IAS 19.58b	-1'658	-787	-1'149	826
Deferred tax effect on actuarial (gains)/losses	262	107	190	-127
Currency translation differences	141	3'845	-1'460	-92
Other comprehensive income for the period	**-1'255**	**3'165**	**-2'419**	**607**
Total comprehensive income for the period	**11'878**	**9'882**	**5'567**	**2'948**
Attributable to:				
Owners of the parent	**12'030**	**10'139**	**5'590**	**2'940**
Non-controlling interests	**-152**	**-257**	**-23**	**8**

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

[1] Earnings Before Interest and Taxes

Condensed consolidated statement of cash flows

	Note	unaudited 01.01.-30.09.2011	unaudited 01.01.-30.09.2010
		TEUR	TEUR
Profit before income tax		17'398	7'931
Amortization on intangible assets		2'274	1'379
Depreciation on tangible assets		3'643	2'833
(Gains)/losses on disposal of assets		-66	-9
Financial (income)/expense, net		-1'115	972
Other non-cash (income)/expenses		-422	474
Adjustments to retirement benefit obligation/prepaid cost		-261	-54
Operating results before changes in net working capital		21'451	13'526
Changes to net working capital			
Changes to inventories		-3'775	-4'442
Changes to receivables		-4'230	-3'003
Changes to accrued income and prepaid expenses		-34	-84
Changes to liabilities		-1'452	1'098
Changes to provisions for other liabilities and charges		0	12
Changes to accrued expenses and deferred income		1'556	1'996
Tax received		51	46
Tax paid		-1'276	-1'474
Interest received		22	13
Interest paid		-693	-292
Cashflows from operating activities		**11'620**	**7'396**
Reverse asset acquisition, net of cash acquired	15	131'062	0
Acquisition of subsidiaries, net of cash acquired	16	-6'344	0
Acquisition of tangible assets		-2'979	-1'716
Sale of tangible assets		88	9
Acquisition of intangible assets		-85	-105
Cashflows from investing activities		**121'742**	**-1'812**
Acquisition of non-controlling interests		-52	0
Distribution of profits to shareholder	15	-110'500	0
Repayments of borrowings		-1'163	-3'550
Repayments of other non-currents liabilities		-503	0
Repayment in finance lease		-2'014	-761
Cashflows from financing activities		**-114'232**	**-4'311**
Net changes in cash and cash equivalents		**19'130**	**1'273**
Cash and cash equivalents at the beginning of the period		**18'911**	**10'894**
Effect of exchange rate gains/ (losses)		-619	733
Cash and cash equivalents at the end of the period		**37'422**	**12'900**

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

Condensed consolidated statement of changes in equity

	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**	**12'081**	**8'495**	**53'360**	**2'614**	**55'974**
Profit for the period				13'285		13'285	-152	13'133
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-1'658		-1'658		-1'658
Deferred tax effect on actuarial (gain)/loss				262		262		262
Currency translation differences					141	141		141
Total other comprehensive income for the period	0	0	0	-1'396	141	-1'255	0	-1'255
Total comprehensive income for the period	**0**	**0**	**0**	**11'889**	**141**	**12'030**	**-152**	**11'878**
Acquisition of non-controlling interests								
Winter AG				14		14	-66	-52
exceet Card Group AG	2'807	9'705		-10'116		2'396	-2'396	0
Total acquisition of non-controlling interests	2'807	9'705	0	-10'102	0	2'410	-2'462	-52
Equity effect from reverse asset acquisition:								
As-if capital increase		179'219				179'219		179'219
Distribution of profits to shareholder		-110'500				-110'500		-110'500
Purchase of treasury shares			-51'300			-51'300		-51'300
Existing shares exceet Group SE	400	-400				0		0
Capital increase from issuance of Class B shares in exchange for Class B warrants (exceet Group SE)	15	-15				0		0
Capital increase from issuance of Class A shares (exceet Group SE)	47	-47				0		0
Capital increase from issuance of Class C shares (exceet Group SE)	137	-137				0		0
Reclassification Balance of exceet Group AG at January 1, 2011	-14'063	14'063				0		0
Reclassification capital increase acquisition of non controlling interests exceet Card Group in exceet Group AG	-2'807	2'807				0		0
Total equity effect from reverse asset acquisition	-16'271	84'990	-51'300	0	0	17'419	0	17'419
Balances at September 30, 2011 unaudited	**599**	**113'416**	**-51'300**	**13'868**	**8'636**	**85'219**	**0**	**85'219**

	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, 2010	**14'063**	**18'721**	**0**	**3'066**	**2'074**	**37'924**	**2'641**	**40'565**
Profit for the period				6'974		6'974	-257	6'717
Other comprehensive income:								
Actuarial gains/(losses) and adjustments under IAS 19.58b				-787		-787		-787
Deferred tax effect on actuarial (gain)/loss				107		107		107
Currency translation differences					3'845	3'845		3'845
Total other comprehensive income for the period	0	0	0	-680	3'845	3'165	0	3'165
Total comprehensive income for the period	**0**	**0**	**0**	**6'294**	**3'845**	**10'139**	**-257**	**9'882**
Balances at September 30, 2010 unaudited	**14'063**	**18'721**	**0**	**9'360**	**5'919**	**48'063**	**2'384**	**50'447**

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.

With registered office in St. Gallen, Switzerland, the exceet Group AG is a leading provider of complex and customized technology solutions and intelligent electronics.

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 9 October 2009 as Helikos SE and renamed to exceet Group SE at July 27, 2011. exceet Group SE has its registered offices at 115 avenue Gaston Diderich, L-1420 Luxembourg. exceet Group SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) on February 4, 2010.

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. In consequence of the acquisition of exceet Group AG on July 26, 2011 the basis of consolidation as at September 30, 2011 was enlarged by exceet Group AG and its controlled entities. All companies consolidated can be seen in the list of consolidated subsidiaries of the Group.

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 as laid in the subsequent events of the second quarter condensed consolidated financial statements of Helikos SE derived from a preliminary analysis of the transaction. The acquisition did not meet the definition of a business combination in accordance with IFRS 3 „Business Combinations". Instead, the acquisition has been treated as a group recapitalization, using the principles of reverse acquisition accounting in IFRS 3 „Business Combinations", since the substance of the transaction is that exceet Group AG has effectively been recapitalized. The condensed 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 interim 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 to the reverse asset acquisition is presented in note 14 and 15.

This condensed consolidated interim financial information is unaudited and was approved for issue by the Audit Committee of the Board of Directors on November 22, 2011.

2 Adoption of new and revised accounting standards

The following new standards or amendments to existing standards have been applied since the year end, which did not impact the Group's result and financial position:

IAS 24 – Related party disclosures
IAS 32 – Financial instruments: Presentation
IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interactions
IFRIC 19 – Extinguishing financial liabilities with equity instruments

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 IAS 12: Deferred Tax - Recovery of Underlying Assets	January 1, 2012
IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2013
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
IAS 27 (revised) - Separate financial statements	January 1, 2013
IAS 28 (revised) - Investments in associates and joint ventures	January 1, 2013
IAS 19 (revised) - Employee benefits	January 1, 2013
Amendments to IAS 1 - Presentation of items of other comprehensive income	January 1, 2013

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), 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 nine months ended September 30, 2011 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 for the 2010 financial year.

The following exchange rates were relevant to the interim financial report as per September 30, 2011:

	30.09.2011	Average 01.01.-30.09.2011	31.12.2010	30.09.2010	Average 01.01.-30.09.2010
1 CHF	0.82	0.81	0.80	0.75	0.71
1 USD	1.36	1.41	1.33	1.36	1.32

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:

- *Share based payments*
  Founders have subscribed Founding Warrants and Founding Shares that were exercisable / convertible into Public Shares depending on various conditions, including occurrence of an acquisition. The corresponding equity effect was recognized in equity at date of acquisition.

- *Reverse asset acquisition*
  Legal acquisition of exceet Group AG by exceet Group SE has been classified as a reverse asset acquisition with former exceet Group AG shareholders receiving de facto control of exceet Group SE. Because exceet Group SE does not meet the definition of a business in terms of IFRS 3 management concluded to account for the acquisition as a capital transaction of exceet Group AG (so called reverse asset acquisition) and is the equivalent to the issuance of shares by exceet Group AG in exchange for the net assets of exceet Group SE (as-if capital increase). The deemed cost of the shares issued is TEUR 179’219, which represents the fair value of shares that exceet Group AG would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of exceet Group AG acquiring 100% of the shares in exceet Group SE. The fair value of shares of exceet Group AG has been determined by reference to quoted market prices. Management is of the opinion, that the quoted market price as of July 26, 2011 (closing date) of exceet Group SE is not fully representative for the fair value of the shares of exceet Group AG, because of only very small trading volumes relative to the number of units of the shares outstanding as well as the fact, that the quoted market price represents the fair value of exceet Group SE (the SPAC) and is not necessarily identical with the fair value of the shares of exceet Group AG. As a result, management of exceet decided to make adjustments to the quoted market price (by using average market price over a certain representative period; fair value level 2, see note 4) including reliable evidence validating the fair value used. Other fair values used would have lead to different results.

- *Deferred tax*
  For exceet Group SE (former Helikos SE) and Helikos Acquisition GmbH & Co KG, Frankfurt am Main, Germany (“Helikos KG”) deferred tax assets have not been recognised, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

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, 2010. 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.

The consolidated financial statements include the financial statements of exceet Group SE as well as the subsidiaries over which exceet Group SE exercises control. A list of the significant companies which are consolidated is given in note 17.

3.1 Principles of consolidation

3.1.1 Investments in subsidiaries

Investments in subsidiaries are fully consolidated. These are entities over which exceet Group AG directly or indirectly exercises control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than 50% of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. For the consolidated entities, 100% of assets, liabilities, income and expenses are included.

Group companies acquired during the year are included in the consolidation from the date on which control over the company is transferred to the Group, and are excluded from the consolidation as of the date the Group ceases to have control over the company. Intercompany balances and transactions (including unrealized profit on intercompany inventories) are eliminated in full.

3.1.2 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition. See note 3.4.13 for the impairment of non-financial assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

3.2 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services. The operating business segments are based on management's internal reporting. The Group has three main business segments, representing different subsidiaries. The management board's decisions are based on the management reporting.

3.3 Currency translation

3.3.1 Reporting currency and functional currency

Items contained in the subsidiaries' financial statements are recognized in the currency of the primary economic environment in which the respective subsidiary operates ("Functional Currency"). Each entity within the Group determines its own Functional Currency. In principle, the Functional Currencies of the subsidiaries included in the consolidated financial statements are their respective local currencies.

The consolidated financial statements of the Group are prepared in EURO (EUR), the presentation currency of the exceet Group. The presentation currency of the exceet Group AG has been changed from CHF to EUR as per September 30, 2011.

3.3.2 Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction between the Functional Currency and the foreign currency. All resulting foreign exchange differences are recognized in the subsidiaries' income statement for a given period and are included in the consolidated net income.

In the financial statements of the Group companies, monetary items denominated in foreign currencies are translated into the Functional Currency at the exchange rate prevailing at the balance sheet date. Exchange rate differences are recorded in the income statement. Non-monetary assets and liabilities are translated at the historical rate.

3.3.3 Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a Functional Currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for balance sheet are translated at the closing rate at the balance sheet date;
- Income and expenses for income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.4 Accounting and valuation principles

3.4.1 Cash and cash equivalents

This item includes cash in hand and cash at banks, time deposits and other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. The cash flow statement summarizes the movements on cash and cash equivalents.

The investments in government bonds were designated as financial assets at fair value through profit or loss (fair value option) upon initial recognition. Determination of fair value is based on quoted market prices.

3.4.2 Trade receivables and other receivables

Trade receivables and other receivables are recorded at original invoice amount, which is considered to be at fair value, less provision made for impairment of these receivables. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

3.4.3 Inventories

Purchased raw materials, components and finished goods are valued at the lower of cost or net realizable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct la-

bor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.
To evaluate cost, the standard cost method is applied, which approximates historical cost determined on an average basis. Standard costs take into account normal levels of materials, supplies, labor, efficiency and capacity utilization. Standard costs are regularly reviewed and, if necessary, revised in the light of current conditions. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Manufactured finished goods and work-in-process are valued at the lower of production cost or net realizable value. Provisions are established for slow-moving, obsolete and phase-out inventory.

3.4.4 Tangible assets

Tangible assets (land, buildings, plant and equipment) are valued at purchase cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the expected useful lives of the individual assets or asset categories. Where an asset comprises several parts with different useful lives, each part of the asset is depreciated separately over its applicable useful life.

Land is not depreciated. The applicable useful lives are:

- buildings 30 – 50 years
- machinery & production facilities 5 – 10 years
- equipment 5 – 8 years
- vehicles 4 years
- IT hardware 3 years

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy for assets that are owned. If there is reasonable certainty that the Group will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Subsequent expenditure on an item of tangible assets is capitalized at cost only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditures for repair and maintenance which do not increase the estimated useful lives of the related assets are recognized as an expense in the period in which they are incurred.
The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other (losses)/gains – net in the income statement.

3.4.5 Leasing

Assets that are held under leases which effectively transfer to the Group the risks and rewards of ownership (finance leases) are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Minimum lease payments are the payments over the lease term that the Group is or can be required to make, excluding contingent rent, costs for services and taxes to be paid by exceet Group and reimbursed from the lessor, together with any amounts guaranteed by exceet Group or by a party related to exceet Group. Assets under financial leasing are depreciated over their estimated useful life. The corresponding financial obligations are classified as “current borrowings” or “non-current borrowings”, depending on whether they are payable within or after 12 months.

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Group’s benefit.

3.4.6 Intangible assets

Purchased intangible assets are measured initially at cost. Intangible assets are recognized when they are identifiable and controlled by the Group, when it is probable that future economic benefits to the Group can be expected from the asset and when cost can be measured reliably. With respect to intangible assets, it must first of all be determined whether they have finite or indefinite useful lives. Intangible assets with a finite useful life are amortized over their useful life and shall be tested for possible impairment whenever an indication exists that such intangible asset may be impaired. The amortization period and the amortization method are reviewed at the end of each financial year. Amortization of intangible assets with finite useful lives is recognized in the income statement under the expense category that corresponds to the intangible asset's function.

Purchased client base is amortized over a useful life of 15 years and purchased technology over a period of 5 years. Software is amortized over a useful life of 3 – 5 years, unless the software is part of a machine. In that case the useful life could depend on the machine or the technical equipment. For amortization the Group applies the straight-line method. Except for goodwill, the Group has no intangible asset with an indefinite useful life.

3.4.7 Business combinations and goodwill

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred the amount on non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

For business combinations under common control, the Group has chosen to apply the predecessor values method. The assets and liabilities of the acquiree are recorded using IFRS book values and the difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity has to be recorded as an adjustment to equity. No additional goodwill is created by the transaction.

3.4.8 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.4.9 Financial liabilities

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. The fair value is de-

termined by the rating of the warrants on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) at the reporting date.

Other financial liabilities such as trade and other payables as well as accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.4.10 Provisions

A provision is only recorded if the Company has a present (legal or constructive) obligation arising from a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If a provision could not be recorded because not all of the aforementioned criteria were fulfilled, the relevant obligation is then disclosed as a contingent liability.

Provisions are reviewed at each balance sheet date and adjusted to the currently available best estimate. If the resulting interest rate effect is material, the provision is discounted to the present value of the estimated cash outflows necessary to settle the obligation. For provisions that are discounted, the increase in the provisions that reflect the time lapsed is recorded as interest expense. Where it is expected that another party will partly or fully settle the obligation that has been provided for, the reimbursement will only be recognized once it is virtually certain that the Group will receive the reimbursement.

3.4.11 Income taxes/deferred income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.4.12 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns and discounts and after eliminating of sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

The revenue of the Group comprises largely revenues for the sale of goods. In addition, the Group generates some revenues from the sale of services.

Revenue from the sale of goods
Revenue from the sale of produced goods and prototypes is recorded as income at the time of delivery. Trade discounts and returns are deducted. exceet Group AG typically sells their products through purchase orders under contracts that include fixed or determinable prices and that generally do not include a right of return or similar provisions or other significant post-delivery obligations. Delivery does not occur until products have been shipped to the specified location and the risks of obsolescence and loss have been transferred to the customer.

Revenue from sale of services
Sales of services are recognized in the accounting period in which the services are rendered.

3.4.13 Impairment of non financial assets

exceet Group AG assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset or, where it is not possible to estimate the recoverable amount of an individual asset, a cash-generating unit is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment of financial assets is described under the section on financial instruments.

3.4.14 Related parties

A party is related to an entity if the party directly or indirectly controls, is controlled by, or is under common control of the entity, has an interest in the entity that gives it significant influence over the entity, has joint control over the entity or is an associate or a joint venture of the entity. In addition, members of key management personnel of the entity or close members of their family are also considered related parties as are post-employment benefit plans for the benefit of employees of the entity.

3.4.15 Employee benefits (IAS 19)/Retirement benefit obligations

The Group has defined benefit pension plans. A defined benefit plan is a pension plan which defines the pension obligation amount that the employee will receive at retirement age; the amount usually depends on one or more factors, such as age, period of service and salary.

Accounting and reporting of these plans are based on annual actuarial valuations. Defined benefit obligations and service costs are assessed using the projected unit credit method: the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees participating in these plans. The pension obligation is measured as the present value of the estimated future outflows using interest rates of high-quality corporate bonds which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses, resulting from changes in actuarial assumptions and differences between assumptions and actual experiences are recognized in the period in which they occur outside the income statement directly in the consolidated statement of comprehensive income.

3.4.16 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.4.17 Definition of non-Gaap measures

Earnings before interest and taxes (EBIT) are a subtotal which includes all operating income and expenses before addition/deduction of financial income and expenses and income taxes.

Earnings before depreciation, amortization and interest and taxes (EBITDA) is a subtotal which includes all operating income and expenses before addition/deduction of depreciation of fixed assets, amortization of intangibles, financial income and expenses and income taxes.

3.4.18 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

4 Financial assets

exceet Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and reclassifies them whenever their intention or ability changes. All purchases and sales are recognized on the trade date.

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet (note 3.4.2).

- Available-for-sale financial assets
  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The Company does not hold any financial assets of the category “held-to-maturity”.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed as translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss; translation differences on non-monetary securities are recognized in the consolidated statement of comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in the consolidated statement of comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in the consolidated statement of comprehensive income are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the Group’s right to receive payments is established.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a

significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 3.4.2.

The fair value hierarchy has the following levels:

a) Level 1: quoted prices in active markets for identical assets or liabilities
b) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).
c) Level 3: inputs for the asset or liability that are not based on observable market data.

5 Additional information to the cash flow statement

Cash flow on acquisition of investments	unaudited Cash flow 01.01.-30.09.2011 TEUR	Date of consolidation
Cash outflow on acquisition of exceet Austria GmbH	-9	March 1, 2011
Cash outflow on acquisition of The Art of Packaging s.r.o.	-780	December 31, 2010
Cash outflow on acquisition of AuthentiDate AG	-946	April 1, 2011
Cash outflow on acquisition of Contec GmbH	-4'609	May 1, 2011
Total	**-6'344**	

Transaction costs directly recognized in the income statement	01.01.-30.09.2011 TEUR
AuthentiDate AG	128
exceet Austria GmbH	4
Contec GmbH	170
The Art of Packaging s.r.o.	2
Winter AG	22
Total	**326**

The transaction costs are recognized in administrative expenses.

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

Regarding reverse asset acquisition of exceet Group SE (former Helikos SE) please refer to note 15.

6 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 nine months ended September 30, 2011 and a reconciliation of EBIT to 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	
	01.01.2011-30.09.2011	01.01.2010-30.09.2010	01.01.2011-30.09.2011	01.01.2010-30.09.2010	01.01.2011-30.09.2011	01.01.2010-30.09.2010	01.01.2011-30.09.2011	01.01.2010-30.09.2010	01.01.2011-30.09.2011	01.01.2010-30.09.2010	01.01.2011-30.09.2011	01.01.2010-30.09.2010
External revenue	93'171	59'163	32'638	25'921	3'099	0	0	0			128'908	85'084
Inter-segment revenue	0	2	566	1	0	0	335	233	-901	-236	0	0
Total revenue	**93'171**	**59'165**	**33'204**	**25'922**	**3'099**	**0**	**335**	**233**	**-901**	**-236**	**128'908**	**85'084**
Operating result (EBITDA)	**24'153**	**13'132**	**3'029**	**2'030**	**370**	**0**	**-5'831**	**-1'967**			**21'721**	**13'195**
EBITDA Margin	*25.9%*	*22.2%*	*9.1%*	*7.8%*	*11.9%*	*0.0%*					*16.9%*	*15.5%*
Depreciation and amortization	-4'107	-3'083	-1'549	-1'109	-233	0	-28	-20			-5'917	-4'212
Operating result (EBIT)	**20'046**	**10'049**	**1'480**	**921**	**137**	**0**	**-5'859**	**-1'987**			**15'804**	**8'983**
EBIT Margin	*21.5%*	*17.0%*	*4.5%*	*3.6%*	*4.4%*	*0.0%*					*12.3%*	*10.6%*
Financial income											5'614	747
Financial costs											-4'020	-1'799
Financial result – net											**1'594**	**-1'052**
Profit before income tax											**17'398**	**7'931**
Income tax expense											-4'265	-1'214
Profit for the period											**13'133**	**6'717**
Capital expenditure tangible assets	2'034	2'486	975	919	9	0	160	0			3'178	3'405
Capital expenditure intangible assets	37	0	42	41	3	0	0	11			82	52
Depreciation tangible assets	-2'268	-1'785	-1'361	-1'047	-8	0	-6	-1			-3'643	-2'833
Impairment tangible assets	0	0	0	0	0	0	0	0			0	0
Amortization intangible assets	-1'839	-1'298	-188	-62	-225	0	-22	-19			-2'274	-1'379
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
	30.09.2011	31.12.2010	30.09.2010	30.09.2011	31.12.2010	30.09.2010	30.09.2011	31.12.2010	30.09.2010	30.09.2011	31.12.2010	30.09.2010	30.09.2011	31.12.2010	30.09.2010
Non current Assets	54'472	45'911	43'312	22'114	22'476	18'397	1'726	0	0	195	56	60	78'507	68'443	61'769
Current Assets	63'628	39'733	38'114	14'019	16'422	12'617	1'474	0	0	20'006	3'199	1'190	99'127	59'354	51'921
Liabilities	42'908	26'649	25'176	14'901	17'773	11'715	1'842	0	0	32'764	27'401	26'352	92'415	71'823	63'243

7 Financial income

The position financial income mainly contains a gain of TEUR 2'000 out of the valuation of the warrants and currency translation gains.

8 Development Costs

The position "cost of sales" in the consolidated income statement includes development costs in the amount of TEUR 4'918 (prior period January 1, 2010 to September 30, 2010 - TEUR 3'984).

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

9 Dividends

The cash consideration of TEUR 110'500 paid by exceet Group SE (the accounting acquiree) has been accounted for as a distribution from the consolidated group to the acquirer's (exceet Group AG's) shareholders.

10 Equity

Share Capital of exceet SE

Share Capital of exceet SE has developed as follows:

	EUR
Balance at January 1, 2010	**144'000.00**
Capital increase from IPO (Public Shares)	304'000.00
Share capital restructuring	- 48'000.00
Balance at December 31, 2010	**400'000.00**
Capital increase from issuance of Class B shares	15'200.00
Capital increase from issuance of new Class A shares	46'659.99
Capital increase from issuance of new Class C shares	136'800.00
Balance at September 30, 2011	**598'659.99**

For further information to share capital please refer to equity table.

The share capital consists of 39'385'526 shares and can be divided into 25'175'000 Class A shares ("Public 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.

In the course of the acquisition of exceet Group AG, 5'101'305 Class A shares, which have been validly redeemed for a price of EUR 10.05625 per Class A share, have been transferred to the Company as treasury shares and were deducted from Equity according to IAS 32 (see "other reserves" in this note). Furthermore, 10'000'000 founder warrants have been redeemed for a price of EUR 1 per warrant and founders have subscribed 1'000'000 new Class B4 Shares for EUR 10 per share.

Additionally, the Company was obligated by the share purchase agreement to issue 3'069'736 new Class A shares and 9'000'000 Class C shares (3'000'000 Class C1, Class C1 and Class C3 shares each) and transfer them to the previous shareholders of exceet Group AG.

The Class B and Class C shares are redeemable shares in the sense of the Luxembourg Company Law and are split into six separate classes of shares, with rights identical to those of the Public Shares, except as described below:

Conversion into Public Shares
As a consequence of the consummation of the reverse asset acquisition, all Class B1 Shares automatically have been converted into Class A Shares of the Company at a ratio of one Class B1 Share for one Class A Share.

The remaining Class B and Class C shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Founding Share as follows:

- 2’105’263 Class B2 Shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 14.00.
- 2’105’263 Class B3 Shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 16.00.
- 1’000’000 Class B4 Shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 12.

- 3’000’000 Class C1 shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 12.00.
- 3’000’000 Class C2 shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 13.00.
- 3’000’000 Class C3 shares will be converted into Public Shares if the Daily VWAP (as defined hereafter) on any 20 out of any 30 consecutive Trading Days following consummation of a Business Combination is at least equal to EUR 15.00.

For this purpose, the “Daily VWAP” means, for any trading day, the per Public Share volume-weighted average price on Xetra as reported by Bloomberg for such trading day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Public Shares on such trading day determined by an internationally recognized investment bank selected by the Company).

In connection with the aforementioned conversion, the Board of Directors shall be given all powers to implement the conversion of Class B shares and Class C shares into Public Shares and to make any statement, cast votes, sign all minutes of meetings and other documents, appear in front of a Luxembourg notary to state the occurrence of the conversion and make relevant amendments to the Articles of Association, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfillment of such conversion.

Any Class B or Class 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 within six months of such date at a redemption price per Class B Shares and Class C Share corresponding to the accounting par value of such Class B Shares and Class C Shares (subject to availability of sufficient funds).

Dividend Rights
In the event that distributions are made after the date of consummation of the Acquisition, (i) each Founding Share and Public Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (EUR 0.01) per Share, and (ii) each Public Share shall be entitled to the same fraction of (and the Class B and the Class C shares shall be entitled to none of) any distribution in excess of one eurocent (EUR 0.01). In terms of calculation of earnings per share for the different share classes see below.

Voting Rights
All shares are entitled to one vote at any ordinary or extraordinary general meeting of shareholders. Any class B share and any class C share that is not converted to Public Shares on or prior to the fifth anniversary of the acquisition will no longer be convertible into Public Shares and will be redeemed within six months of that date at a redemption price per Class B Shares and Class C Share corresponding to the accounting par value of such Class B Shares and Class C Shares (subject to availability of sufficient

funds). The Founding Shareholders have agreed not to vote their Founding Shares after such fifth anniversary on any matter other than those requiring a class vote of the Founding Shares under the Articles of Association.

Transfer Restrictions
The shares are freely transferable, subject to the provisions of the law and these articles of association. All rights and obligations attached to any share are passed to any transferee thereof. Until (and including) the last day of a sixty-six (66) months period beginning with the date of consummation of a Business Combination,

- Class B Shares may be transferred only to existing holders of Class B Shares and their Affiliates (as defined hereafter)
- Class B Shares may be transferred only in the event of death of a B Shareholder, to the successors of such B Shareholder;
- Class C Shares may be transferred only to members of management of exceet Group AG and/or members of management of Affiliates of exceet Group AG,
- Class C Shares may be transferred as in-kind distributions to direct shareholders of those C Shareholders who held Class C Shares on the date of consummation of the Business Combination, but only after (and including) the last day of a twenty-four (24) month period beginning with the date of consummation of the Business Combination, or
- Class C Shares may be transferred in the event of death of a C Shareholder, to the successors of such C Shareholder.

"Affiliate" of, or person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified and (ii) the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of shares, by contract, or otherwise.

Listing
The Class B and Class C shares are not listed on a stock exchange.

Earnings per share

Earnings per shares 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.
For the present financial statements of Exceet SE the earnings per share are calculated according to the rules applicable for a reverse acquisition (see IFRS 3 *Business Combination* B25ff).

Profits represent those of exceet AG (legal subsidiary) for the periods presented plus profits of exceet SE (legal acquirer) from the date of the reverse asset acquisition.

IFRS 3 B26 required that the weighted average number of shares outstanding during the period the reverse asset acquisition took place is calculated as follows:
(i) from the beginning of the period to the acquisition date the number of shares used to calculate the EPS is based on the number of shares issued by the legal parent to acquire the legal subsidiary (exceet AG), and
(ii) for the period after the acquisition the actual number of shares issued by the legal parent (exceet SE) who comprises the original number of shares plus the shares issued as a result of the reverse asset acquisition shall be considered for calculating the EPS.

Due to different rights to receive dividends (see note 10 Equity), exceet group SE has two classes of ordinary shares. Disclosure of EPS amounts is required for both classes of ordinary shares.

a) Basic
The calculation of basic earnings per share (EPS) at 30 September 2011 was based on the profit of TEUR 13’285 (previous year: TEUR 6’974) and the weighted average number of ordinary shares outstanding of 6’848’394 class A shares and 10’157’895 class B/C shares respectively. For 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.

b) Diluted
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, as described under note 10 Equity, 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 then would impact the earnings per share. 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 earning per share.

Other Reserves

	TEUR
Balance at January 1, 2010	**23'861**
Total comprehensive income for the period	15'436
Balance at December 31, 2010	**39'297**
Total comprehensive income for the period	12'030
Acquisition of non-controlling interests	-397
As-if capital increase	179'219
Distribution of profits to shareholder	-110'500
Purchase of treasury shares	-51'300
Reclassification share capital of exceet Group SE	16'271
Balance at September 30, 2011	**84'620**

As the consolidated financial statements represent a continuation of the financial statements of exceet Group AG the equity recognised in the consolidated financial statements if those of exceet Group AG (the accounting acquirer). Although equity in total comprises exceet Group AG´s equity after the "as-if-capital-increase" (former capital plus value of reverse asset acquisition), the legal capital has to show the legal parent's (exceet Group SE) share capital. This is required, because from a legal perspective the share capital of a listed entity reflects the shareholder's par value. As a result, TEUR 16'271 has been reallocated from share capital to reserves in order to reflect the legal parent's share capital of TEUR 599.

In the course of the acquisition 5'101'305 Class A shares have been validly redeemed for a price of EUR 10.05625 per Class A share and are transferred to the Company. The book value of those treasury shares of EUR 51'299'998.41 was deducted from equity according to IAS 32.33.

For further details in terms of the reverse asset acquisition (as-if capital increase and distribution to shareholders) we refer to note 15.

For further details to acquisition of non-controlling interests we refer to note 16.1.

11 Current Financial Liability

The current financial liability contains a financial liability resulting from Fair Value measurement of the public warrants of TEUR 5'000.

Public Warrants
exceet Group 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 TEUR 200'000.

With consummation of the acquisition 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; (amounts to an amount of 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) (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 the date of the consummation of the reverse asset acquisition the financial liability resulting from Public Warrants amounted to TEUR 7’000 (please refer to opening balances of financial liabilities as shown within note 16). As at September 30, 2011 the rating of one Public Warrant on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) was at EUR 0.25, hence a fair value adjustment of TEUR 2’000 was recorded at September 30, 2011.

12 Significant events and transactions

As per September 30, 2011, the Group recognized TEUR 2’917 driven by the IPO and SPAC/Helikos activities in administrative expenses in the income statement.

13 Financial risk management

Until September 30, 2011, 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 September 30, 2011, 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.

In October 2009, the Founding Shareholders (Wendel Group, Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau) acquired an aggregate of 9’473’684 Founding Shares at a price of EUR 0.0152 per Founding Share or an aggregate purchase price of TEUR 144. Subsequently and after successful completion of the IPO, the amount of founding shares has been reduced in order to cap the maximum ownership of founding shareholders to 24% via Share Capital decrease by the means of a reimbursement in cash at the nominal acquisition value. Immediately prior to the IPO closing date, the Founding Shareholders purchased 10’000’000 Founding Warrants at a purchase price of EUR 1.00 per Founding Warrant (aggregate price of TEUR 10’000). Wendel Group subscribed for TEUR 8’800 and each of Prof. Dr. Dr. h.c. Hermann Simon and Mr. Roland Lienau subscribed for TEUR 600. The terms and conditions of the Founding Shares and Warrants are described in note (10). With consummation of the acquisition the 10’000’000 founder warrants have been redeemed for a price of EUR 1 per warrant and founders have subscribed 1’000’000 new Class B4 Shares for EUR 10 per share. Furthermore the Class B1 Shares automatically have been converted into Class A Shares. As at 30 September 2011 5’210’526 class B shares are outstanding.

On 21 July, 2011, Greenock S.à r.l., Oranje-Nassau Participaties B.V., Ulrich Reutner, Robert Wolny, Eiflia Holding GmbH, Roland Lienau and Jan Trommershausen concluded on a shareholders’ agreement, committing themselves on a common long term proceeding regarding the management of exceet Group SE according to article 9(a) of the Luxemburg law of transparency. The parties of this shareholders’ agreement are controlling 71.34% of the total voting rights since July 29, 2011.

One shareholder loan of TEUR 4'350 (with additional interest and any other amounts accrued) granted to exceet Card Group AG was repaid in full with consummation of the acquisition immediately before transaction. All other shareholder loans remain unchanged since year-end (interest charge for the period 2011 - TEUR 183 (2010: TEUR 307)). In addition, the Group had legal charges in the first six months of 2011 of TEUR 215 (2010: TEUR 174). For the acquisition of The Art of Packaging s.r.o. at December 31, 2010, TEUR 780 has been paid to members of Management Board of exceet Group AG (note 5) by the end of the third quarter of 2011.

15 Group recapitalization

On June 7, 2011, as subsequently amended on July 19 and on July 21, 2011, exceet Group SE (previously named Helikos SE), and previous shareholder of exceet Group AG signed a share purchase and acquisition agreement in connection with the acquisition of exceet Group AG in consideration for

- the payment of TEUR 110'500 in cash,
- the transfer of 3'069'736 new Class A shares and
- 9'000'000 new Class C shares of Helikos SE.

exceet Group SE is a publicly listed company having no operating business prior to the closing of the acquisition. The entity comprises mainly cash positions which were collected from investors with the objective of investing in an operating non – listed company. Therefore, exceet Group SE does not meet the definition of a business in terms of IFRS 3.

The transaction is deemed to be a capital transaction of exceet Group AG and is the equivalent to the issuance of shares by exceet Group AG in exchange for the net assets of exceet Group SE (as-if capital increase). The deemed new shares are virtually allocated to exceet Group SE's pre-deal shareholders in relation to the economically acquired significant holding interest in exceet Group AG.

Basically the reverse asset acquisition is accounted for similarly to accounting for a reverse acquisition of a business combination under IFRS 3. However, in the absence of a business combination recognition of goodwill and intangible assets does not apply. To the extent that there is a difference between the fair value of net assets of exceet Group SE before the acquisition and the fair value of the equity instruments held by its former owners after the acquisition, there will be a listing fee that is expensed on the date of the reverse acquisition.

Fair value of exceet Group AG has been determined by reference to quoted market prices according to IAS 39.48A. The fair value represents the pre-closing value of 100% of the equity instruments held by exceet Group AG's shareholders. Post-closing it represents the equity interest in exceet Group SE held by the former shareholders given the "as-if capital increase".

The deemed cost of the shares issued is TEUR 179'219. This represents the fair value of shares that exceet Group AG would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of exceet Group AG acquiring 100% of the shares in exceet Group SE.

Fair Value of net assets of exceet Group SE:

	Fair Value
	TEUR
Cash and cash equivalents	131'062
Financial assets	51'300
Short-term financial assets	4'554
Other receivables	83
Accrued income and deferred expenses	32
Trade payables	-186
Other liabilities	-16
Accrued expenses and deferred income	-752
Short-term financial liabilities	-7'000
Tax liabilities	-280
Net assets acquired	**178'797**

Cash and cash equivalents in subsidiary acquired	131'062
Distribution of profits to shareholder	-110'500
Cash inflow on group recapitalization after distribution	**20'562**

Since the carrying amount of exceet Group SE’s net assets sums up to TEUR 178’797 the remaining difference of TEUR 422 is considered as listing fee in profit and loss.

As the consolidation is prepared on the basis of exceet Group AG’s financial statements, the consolidated financial statements are presented as a continuation of exceet Group AG’s financial statements added by the reverse asset acquisition. Although equity in total comprises exceet Group AG’s equity after the “as-if-capital-increase” (former capital plus value of reverse asset acquisition), the legal capital has to show exceet Group SE´s subscribed capital. From a legal perspective the subscribed capital of a listed entity reflects the shareholder’s par value.

The cash consideration of TEUR 110’500 paid by exceet Group SE (the accounting acquiree) has been accounted for as a distribution from the consolidated group to the acquirer’s (exceet Group AG’s) shareholders.

16 Scope of consolidation

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

The results of the final valuation and purchase price allocation are still outstanding. The fair values assigned to the identifiable assets acquired and liabilities assumed are therefore still subject to changes.

The account receivables and other receivables are valued at fair value; there are no uncollectible receivables.

16.1 Acquisition of non-controlling interests

exceet Card Group AG
On July 15, 2011, the general shareholders’ meeting of exceet Group AG resolved to increase the share capital of exceet Group AG by TEUR 2’807 to TEUR 16’870 (in Swiss Francs: CHF 3’241’040 to CHF 25’528’040) against contribution in kind of 1’800’500 registered shares in exceet Card Group AG by Ulrich

Reutner, Robert Wolny and Jan Trommershausen. By way of a contribution agreement of the same date, Mr. Reutner, Mr. Wolny and Mr. Trommershausen transferred their 1’800’500 shares in exceet Card Group AG to exceet Group AG against subscription of 3’241’040 new shares at a nominal value of CHF 1 each at a price of CHF 4.53 per share. The agio (from the difference of nominal value to price) of TEUR 9’705 was booked as an increase in capital reserves. The difference between the non-controlling interests of TEUR 2’396 and the increase in share capital and capital reserves is shown as a decrease in retained earnings of TEUR 10’116 (see condensed consolidated statement of changes in equity).The share capital increase was entered into the commercial register on July 25, 2011.

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.

16.2 Acquisition of subsidiaries

Helikos AG
Helikos AG was incorporated at May 27, 2011 and is a 100% subsidiary of exceet Group SE.

Contec Steuerungstechnik & Automation Gesellschaft m.b.H.
On May 4, 2011, the Group (exceet Austria GmbH 99.01%, exceet Group AG 0.99%) acquired all of the issued shares in Contec Steuerungstechnik & Automation Gesellschaft m.b.H.

Contec Steuerungstechnik & Automation Gesellschaft m.b.H. contributed revenue of TEUR 10’687 and a net gain of TEUR 242 to the Group for the period of May 1, 2011 to September 30, 2011. The financial information (revenue and net income) for the period from January 1, 2011 to September 30, 2011 is currently in process for preparation but not yet available.

Details of net assets acquired and goodwill are as follows:

Purchase consideration at May 1, 2011	TEUR
Purchase consideration settled in cash until September 30, 2011	4'722
Contingent consideration	2'468
Total purchase consideration	**7'189**
Fair value of net assets acquired	-6'397
Goodwill	**792**

The contingent consideration arrangement requires the Group to pay over the next 2 years (2012 -2013) up to TEUR 3’000 (undiscounted amount) depending on defined results. The management expected an earn out payment of TEUR 2’500 (discounted amount TEUR 2’468) based on best estimate.

The goodwill is attributable mainly to expected synergies, labor force and the favorable sales growth opportunities. The goodwill is not tax deductable.

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

	Fair Value
	TEUR
Cash and cash equivalents	136
Tangible assets	4'769
Software and other intangible assets	206
Customer Base	3'590
Other financial assets	27
Inventory	7'440
Trade receivables (including allowance)	1'972
Other receivables	804
Accrued income and deferred expenses	152
Trade payables	-2'244
Other liabilities	-1'394
Accrued expenses and deferred income	-508
Provisions	-116
Long-term financial liabilities	-7'763
Deferred tax, net	-674
Net assets acquired	**6'397**

	Fair Value
Purchase consideration settled in cash until September 30, 2011	-4'745
Cash and cash equivalents in subsidiary acquired	136
Cash outflow on acquisition	**-4'609**

Purchase consideration at May 1, 2011	TEUR
Purchase consideration settled in cash until September 30, 2011	0
Contingent consideration	2'468
Total purchase consideration	**2'467**
Fair value of net assets acquired	-6'397
Goodwill	**-3'930**

AuthentiDate AG
On April 1, 2011, the Group acquired all of the issued shares in AuthentiDate AG, Düsseldorf, for a cash consideration of TEUR 1’031 (TUSD 1’530).

AuthentiDate AG contributed revenue of TEUR 3’099 and a net profit of TEUR 311 to the Group for the period of April 1, 2011 to September 30, 2011. The financial information (revenue and net income) for the period from January 1, 2011 to September 30, 2011 is currently in process for preparation but not yet available.

Details of net assets acquired and goodwill are as follows:

Purchase consideration at April 1, 2011	TEUR
Purchase consideration settled in cash until September 30, 2011	1'031
Total purchase consideration	**1'031**
Fair value of net assets acquired	-651
Goodwill	**380**

The goodwill is mainly attributable to expected synergies and labor force. The goodwill is not tax deductable.

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

	Fair Value
	TEUR
Cash and cash equivalents	85
Tangible assets	41
Software and other intangible assets	26
Customer Base	1'500
Inventory	6
Trade receivables (including allowance)	455
Other receivables	360
Accrued income and deferred expenses	43
Trade payables	-106
Other liabilities	-517
Accrued expenses and deferred income	-1'059
Provisions	-5
Loan from shareholder	-70
Deferred tax, net	-108
Net assets acquired	**651**
Purchase consideration settled in cash until September 30, 2011	-1'031
Cash and cash equivalents in subsidiary acquired	85
Cash outflow on acquisition	**-946**

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. In June the Group made a capital contribution into exceet Austria.

17 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
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%
- 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	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%
Helikos Managment GmbH	2011	Investments in subsidiaries	GER	EUR	25'000	100%	100%
Helikos Acquisition GmbH & Co KG	2011	Investments in subsidiaries	GER	EUR	500	100%	100%

[1] Year of acquisition refers to exceets' Group AG point of view

[2] CardFactory 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 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 16, February 2011

[7] exceet Austria GmbH holds 99.01% of the share capital of the share capital of Contec GmbH and 0.09% of share capital of Contec GmbH

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

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

18 Contingencies

There have been no material changes in contingent liabilities since December 31, 2010.

19 Events occurring after the reporting period

On November 21, 2011 the extraordinary general meeting of the Company's shareholders approved all of the proposals of the board of directors of exceet Group SE resolved in an extraordinary board meeting on October 14, 2011 which were:

(i) The exchange of 5'101'305 unlisted class A shares issued on July 26, 2011 by the Company to shareholders against 5'101'305 listed class A shares held in treasury by the Company since July 21, 2011, and
(ii) the cancellation of a total of 4'651'305 class A shares held in treasury by the Company subsequent to the implementation of the share exchange under (i) and a corresponding decrease of the registered share capital of the Company by EUR 70'669.83 from the current amount of EUR 598'659.99 to EUR 527'960.16, divided into 34'734'221 voting shares of the classes A, B and C. The shares to be cancelled are unlisted class A shares, which had been issued in connection with the business combination with exceet Group AG on July 26, 2011.

In addition, the board of directors resolved upon key points of a management stock option program, pursuant to which up to 450'000 options for the acquisition of class A shares can be granted to select current and future executives of the Company and its affiliated enterprises. The board will propose to the general shareholders' meeting to use the 450'000 class A shares held in treasury by the Company after the cancellation of shares as described in the preceding paragraph for purposes of the program. Details of the management stock option program shall be presented after its finalization in the extraordinary general shareholders' meeting on November 21, 2011.