

MOBOTIX AG

Annual Report

1 October 2011 to 30 September 2012

Complete HiRes Video Solutions
high-resolution, digital & cost-effective recording



The HiRes Video Company



design experts honor
MOBOTIX Hemispheric
Camera in the red dot award
product design 2009

one of the most
owned and hardest
international design
competitions, the red dot
award, the



reddot design award
honourable mention 2009

New MOBOTIX D14 DualDome Camera With 6.2 Megapixels

The new weatherproof and shock-resistant MOBOTIX D14 DualDome camera with 6.2 megapixels is a more powerful successor model of the D12 camera. With the two separately adjustable camera modules, each with 3.1 megapixels, the D14 offers a variety of ways to examine a scene since the

two modules can be combined to create one image. The D14 has a digital PTZ and no mechanical moving parts.



Donbass Arena (Ukraine) - Security In A UEFA Certified Stadium

The Donbass Arena in Ukraine was opened on August 29, 2009 with a sensational party which was attended by the Ukrainian president himself. This arena was the venue for the first Eastern European football stadium to fulfill the UEFA criteria for an elite venue.



and will host the 2012 European Championship.

The Only IP Video Door Station In The World Featuring Allround View Without Any Blind Spots And With Worldwide Connectivity



MOBOTIX released the T... IP Video Door Station on December 2011. In addition to the video door intercom, MOBOTIX also released the access module Security two-wire 2wire info n telephony sta

Impressive 6.2 Megapixels

MOBOTIX Launches S14 FlexMount - The World's First Flexible Double Hemispheric Camera



The S14 FlexMount, for from MOBOTIX, the world's first flexible double hemispheric camera, is now available. The camera, which is available in both mono (S14D) versions, features and offers a wide range of opportunities. For instance, it is equipped with two hemispherical microphones integrated into the main housing.

This makes it an ideal tool for process optimization or marketing purposes and can be used in small retail stores as well as in public buildings such as museums or airports in order to receive important information.



Heat Map: Track And Evaluate Movements

Which shelves in the shop are attracting the most customers? Which products at the exhibition booth hold the attention of the visitors? Which waiting areas in the mall are preferred on Monday and Tuesday?

MOBOTIX Expands Its Range Of Training Courses In All Aspects Of Complete IP Video Systems

Dates For New Software And Hardware Seminars Plus A Beginners Workshop Winnweiler/Langmeil, Germany, 3 March 2011. MOBOTIX, manufacturer of complete high-resolution IP video systems, extended its seminar program for 2011 to tailor different needs of the participants.



High-resolution 3.1 Megapixel video system hemispheric version asynchronous sound robust, fully weatherproof housing

MOBOTIX, manufacturer of complete, high-resolution IP video systems, presents the new M24M Allround camera. This successor to the very successful M22M has a new microprocessor and a modified system platform, which enables smooth video frame rates of up to 30 fps, even at a megapixel resolution.

How For New And Stu- Around the Glob

East, United States - MOBOTIX has presented its IP network at the GDSF, the Global Digital Security Forum in Shanghai, at the end of the year. While not a newcomer at the ISC New York, MOBOTIX' participation in the exposition also proved to be successful.

... Letter To The Shareholders



Dear Shareholders,

MOBOTIX AG ended the fiscal year 2011/12 successfully with a revenue of EUR 81.6 million, which means an increase of 11.5% compared to the prior year. The tense economic situation in Europe temporarily led to several project delays, particularly in the EMEA region, which is the strongest region in terms of revenue. This influenced the financial performance contrary to the original forecast. The continued very high profitability with an EBIT margin exceeding 23% demonstrates the Company's strength and flexibility to remain profitable even during an overall economic recessionary trend. The development in Germany and in the USA with a turnover increase by 22% and 23% respectively was particularly gratifying.

Intensive work on technological developments marked the year just ended. The focus was less on individual products and more on complete solutions. The main innovation of the year was the S14 FlexMount, the world's first double hemispheric camera. The camera heads, each equipped with a lens and an image sensor, are using a specially developed high-speed connection of up to two

meters from the camera so that they are a lot smaller than a complete camera. In an appropriate installation, the S14 dual version can see around the corner and overlook two adjacent rooms at the same time.

New products in the product segment "HomeAutomation" that will begin shipping in the next fiscal year, were also presented at the world's leading trade show SECURITY ESSEN and attracted great interest. These include new products such as the MxDisplay, a touch-screen equipped, multifunctional intercom for the MOBOTIX video systems, a new doorbell button module with up to five bell buttons and the MOBOTIX App.

Our technological developments will be noticeable in the next fiscal year with the launch of additional system solutions. In sales, one of several focal points will be the expansion of the partner program "Global Partner Network" to intensify customer loyalty. Based on the described strategic orientation of our technological innovations and the positive forecasts for the network camera market, I am convinced that MOBOTIX will see strong growth also in the next years.

Thank you for your trust.



Dr. Ralf Hinkel • CEO MOBOTIX AG

Revenue Growth
12%

Export Ratio
74%

MOBOTIX Close Up ...

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... Or At A Glance

Fiscal year

(October 1, 11 to September 30, 11, prior year.: July 1, 10 - June 30, 11)

	2011/12	2010/11	Delta%
Financial performance	EUR '000s	EUR '000s	
Total Output	84,006	76,745	+9.5
Revenue	81,620	73,191	+11.5
Thereof outside of Germany (in %)	74.2	76.5	
EBITDA	23,113	22,050	+4.8
EBITDA as % of total output	27.5	28.7	
EBIT	19,514	19,176	+1.8
EBIT as % of total output	23.2	25.0	
Profit before tax	19,033	18,713	+1.7
Return on revenue in % before tax	23.3	25.6	
Profit for the year	13,691	13,198	+3.7
Cash flow from operating activities	17,878	12,789	+39.8
Financial position	Sep 30, 2012	Sep 30, 2011	
Equity	45,066	39,006	+15.5
Equity-to-assets ratio in %	67.3	66.1	
Total assets	66,966	59,027	+13.5
Non-current assets	25,665	24,876	+3.2
Current assets	41,302	34,151	+20.9
Thereof cash and cash equivalents	11,648	6,994	+66.5
Employees			
Number of employees (Reporting date)	373 ⁽¹⁾	323 ⁽¹⁾	+15.5
Revenue per employee	272 ⁽²⁾	296 ⁽³⁾	
EBIT per employee	65 ⁽²⁾	78 ⁽³⁾	
Key figures per share (in EUR)			
Earnings per share (EPS)	1.04	1.00 ⁽⁶⁾	+3.8
Dividend	0.50 ⁽⁵⁾	0.50 ⁽⁶⁾	
Cash flow as per DVFA/SG ⁽⁴⁾	1.31	1.24	+5.5

1) Including trainees and temporary staff, 4 members of the Management Board; by headcount

2) Based on an average of 300 employees

3) Based on an average of 247 employees

4) Based on an average of 13.188 shares

5) Proposal

6) After share split

Total Output
€ 84.0m (+9.5%)

Revenue
€ 81.6m (+11.5%)

Highlights 2010/11 ...

- October 2011:** MOBOTIX earns first place in Germany's "Top 100 - Small and Medium-Sized Business Ranking 2011" and prevails against 1,600 companies particularly through dynamic growth and a consistent expansion strategy.
- November 2011:** MOBOTIX conducts a share split in the ratio 1:3 to further increase the attractiveness of the MOBOTIX share in particular for private investors.
- December 2011:** The IP Video Door Station T24 is available as complete version. In addition to the video door intercom, the RFID access module (Keypad), the Security Door Opener and the two-wire network module (Info Module Mx2wire+) are now available.
- February 2012:** Anniversary in Antarctica: Under the most extreme weather conditions, MOBOTIX cameras monitor the radio telescope of the German Antarctic Receiving Station O'Higgins to ensure proper continuous functioning of the radio telescope - now for ten years.
- March 2012:** With the D14D, MOBOTIX launches an update of the successful DualDome camera D14 on the market. This camera offers high image quality even in poor lighting conditions thanks to two camera modules mounted parallel to each other with two lenses and 6.2 megapixel dual sensor technology. The integrated vandalism sensor detects forced manipulation immediately.
- April 2012:** At Light+Building in Frankfurt, MOBOTIX present at their own stand the world's first S14 FlexMount in addition to the extensive product range including the most updated version of the dual dome camera D14, a prototype of the T24-Display with touchscreen as well as new accessories.
- May 2012:** The Management resolves to repurchase shares up to a price of EUR 24 within the share buyback program, which had been resolved on 15 July 2010 and had been extended on 5 October 2010.
- June 2012:** In Langmeil the production of the new S14 FlexMount has started. The first double hemispheric camera features miniature lens units and offers a wide range of flexible application scenario.
- July 2012:** MOBOTIX and the European Football Championship: At the Donbass Arena approximately 560 cameras provide security for around 50,000 spectators. MOBOTIX cameras are also used to help evaluate decisions during the Olympic Games 2012 in London.
- August 2012:** Count, measure, analyze: With MxAnalytics, MOBOTIX launches an efficient tool that can be used to receive important information for process optimization and marketing purposes.
- September 2012:** Successful participation in the trade show "security" in Essen: For the first time, MOBOTIX presents the dual camera M15 with a resolution of up to two times five megapixel. The market launch is scheduled for 2013.

IPO (Entry Standard)
October 10, 2007

Prime Standard since
March 31, 2008

... Company Profile

As a publicly traded company, MOBOTIX AG is a software Company with in-house hardware development for digital, high-resolution and network-based video security solutions. Whether in embassies, airports, gas-stations, highways or private homes, MOBOTIX video systems are now found world-wide with over one hundred thousand units in operation on every continent. In addition to the actual IP video cameras with megapixel resolution, MOBOTIX also produces interface components and video management software for operating complete security solutions. The system concept – a distinctive software solution and decentralized camera systems – significantly distinguishes MOBOTIX from its competitors with MOBOTIX first having made high-resolution, hemispheric systems cost-efficient. With over 350 employees, and an export share of over 74%, MOBOTIX has achieved an 6% global market share.

MOBOTIX has designed a decentralized system architecture that allows images to be analyzed in the camera, instead of a central PC. Thus, the cameras detect movements in the image independently, store them in a database and report the results via eMail or VoIP phone calls. This decentralized structure relieves the network, allows the integrated video management to make higher image rates possible and reduces the number of storage systems for recording high-resolution video sequences many times over.

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

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

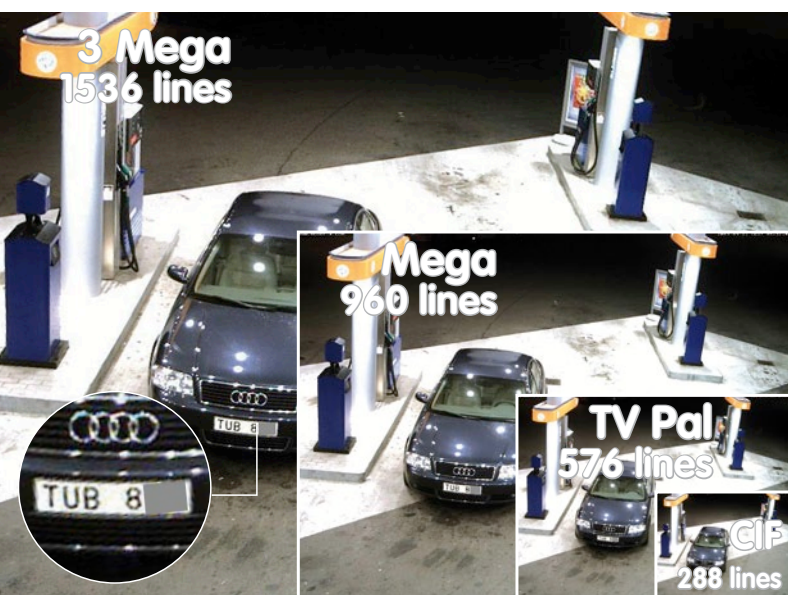
MOBOTIX uses hemispheric technology in its T24 IP video door station to achieve further growth in a new, closely related market for access control and door intercom units and to establish itself in the rapidly expanding home automation sector. When the doorbell rings, a connection is established with a VoIP phone or a standard computer via the network. This means that a homeowner can use the door station and open the door remotely from anywhere in the world. The integration of iPhone and iPad play an important role here.

HiRes Video Innovations

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

The MOBOTIX Concept

Was Somewhat Out Of Ordinary ...



HiRes Video Innovations And Technology Leader

The German Company MOBOTIX AG is known as the leading pioneer in network camera technology since its founding in 1999, and its decentralized concept has made high-resolution video systems cost efficient.

MOBOTIX has been producing megapixel cameras exclusively for many years now and is regarded as the global market leader for high-resolution video systems.

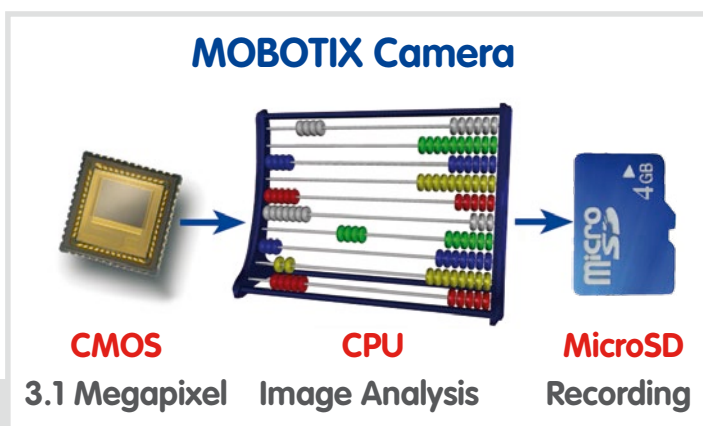
Why High-Resolution Systems?

The higher the resolution, the more accurate the detail in the image. With analog technology, a recorded image generally has no more than 0.1 megapixels (CIF). One single MOBOTIX camera with 3.1 megapixels records around 30

times more detail. As a result, larger image areas with up to 360° allround views are possible, thus reducing the number of cameras and therefore the costs. For example, four lanes of a gas station can be recorded with one MOBOTIX camera instead of four conventional cameras.

Disadvantages Of The Old Centralized Standard Solution

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



Network Video

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

... Is The Benchmark Today

The Decentralized MOBOTIX Concept

Unlike other systems, with the decentralized MOBOTIX concept, a high-speed computer and if necessary, digital long-term memory (MicroSD Card) is built into every camera, providing several days of recording time. The PC and the video control center now serve only for viewing and controlling the cameras (PTZ), not for analysis or recording. This makes it unnecessary to purchase expensive video management software, as the most important and computer-intensive functions are already integrated in the MOBOTIX cameras.

- **fewer storage devices**, because in the decentralized system, 10 times the standard number of cameras can simultaneously store high-resolution HDTV video with sound on one PC/server,
- **lower network bandwidth**, because everything is processed in the camera itself and the high-resolution images therefore do not have to be constantly transferred for analysis.

Robust And Low-Maintenance

MOBOTIX cameras have neither mechanical motors for lenses nor for movement. Without



The Benefits

MOBOTIX video solutions therefore require significantly:

- **fewer cameras** due to the more accurate detail of panoramic images with megapixel technology,

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

Software Included

With MOBOTIX, the software for controlling the camera and searching for events can be used at no charge. You can easily control the video system from any standard PC. This even works worldwide via a DSL Internet connection.

A Success Around The World ...

Ukrainian “Druzhba” Ice Hockey Stadium

The Druzhba Palace of Sports in Donetsk is home to the Ukrainian champion ice hockey team “HK Donbass Donetsk”, which is aiming to join the ranks of the Kontinental Hockey League (KHL), where it would play against hockey teams from Russia, Kazakhstan, Latvia and Belarus to play. The stadium was equipped with a video security solution from MOBOTIX during refurbishment work due to increasing popularity of the sport. A total of 74 cameras are up and running



in order to provide the highest possible security for the fans and players at all times. The main entrance is secured by D14 cameras, while Q24 cameras secure the entrances to the grandstands and the entrances

to the staff, team and VIP areas. M24 mono cameras are installed in the grandstands and all of the events in the corridors are monitored by D24M dome cameras. Security is guaranteed both inside and outside the arena, where M12D cameras keep watch over the parking lot. The rising visitor count has led to plans to expand the grandstands and build additional parking spaces, which means that more cameras from MOBOTIX will be used in the future.

School District In Canada

The Calgary Catholic School District (CCSD) in Alberta, Canada, employs video security solutions from MOBOTIX in order to prevent acts of violence and vandalism and to ensure the safety of more than 45,000 students. More than 200 cameras have been installed across multiple campuses. The incidence of graffiti and vandalism was reduced so much that within nine months the complete cost of the installation had paid for itself. There are also no additional costs for managing the cameras thanks to the use of MxControlCenter. The Q24 Hemispheric camera with a 360° allround view is used as an internal camera while the D12 and M12 cameras are used to keep a close eye on the outside areas of the schools. There are already plans to continue upgrading the security technology in the 104 schools in Calgary.



German Reference Projects

Commerzbank AG • Deutsche Bahn Station & Service AG • EON Wasserkraft • Fraport AG • Landessportbund Hesse • Le Méridien Parkhotel Frankfurt • MAN Logistics • Casino Mainz, Trier, Bad Ems GmbH & Co. KG • Gas Station Group Roth • University Hospital Frankfurt • World Cultural Heritage Site Völklinger Hütte • etc.

... Over 100,000 In Operation

Loading Management In Gießen, Germany

BIEBER + MARBURG, Hesse's largest steel trading company, uses MOBOTIX cameras to secure its halls, the outside area and the entrances to the office building. The video technology is not only needed to prevent theft and break-ins. Up to 50 heavy-duty trucks arrive and leave the premises every day and all processes related to the loading of approximately 500 to 600 metric tons of steel are carefully documented. Almost 50 network cameras are up and running and used to monitor emergency exits, among other things. When the company closes its gates on the weekend, an image is sent to the main office every time a door is unlocked. There are two additional cameras mounted on a crane in the warehouse at a height of 12 meters that secure the fully automated inventory control system and report disruptions.



International Reference Projects

Bahrain Defense Hospital (Bahrain) • Donbass Arena UEFA EURO 2012 Football Stadium (Ukraine) • Central Bank of Philippines • Orange Mobile (Romania) • Republic Polytechnic (Singapore) • Reykjavik Art Museum (Iceland) • Sderbank of Russia (Ukraine) • Tyger Valley Shopping Center (South Africa) • Vatican Apostolic Library (Vatican City) • etc.

Animal Observation In Alabama, U.S.

The Birmingham Zoo in Birmingham, Alabama, covers an area of 20 hectares and is home to 750 animals of 250 species, including many endangered ones, too. The M12, M24 and Q24 camera models cover the Trails of Africa exhibit, select point-of-sale stations and the safari cafeteria. The cameras are utilized to investigate



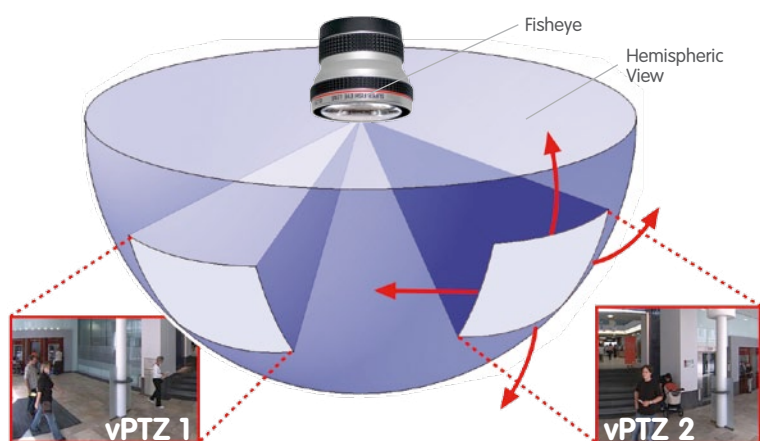
theft and locate lost children. The cameras will also collect critical information on animal behavior. The Birmingham Zoo is proposing unique ways elephant conservation with its new Trails of Africa exhibit, and it also serves as a science and ecology facility for primary schools. Zoo officials were able to experience the birth of a baby orangutan thanks to remote access provided by MxControlCenter. The Birmingham Zoo is the family attraction of choice in southeastern U.S. and is enjoying increasing popularity, which is why there are plans for more animals, exhibit areas and state-of-the-art technologies.

The MOBOTIX Technology

Low System Costs ...

The Hemispheric Camera

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



When ceiling-mounted, the image area of the hemispheric camera covers the entire room. The image in the hemisphere is convex, particularly near the image borders. These image sections are corrected

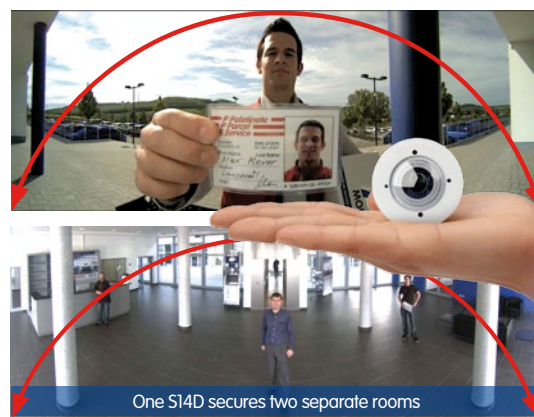


for the viewer by the integrated distortion correction

software, allowing a view of the scene from the usual perspective. The virtual PTZ feature allows you to enlarge or move image sections within the hemisphere, just like a PTZ camera yet, with MOBOTIX, this is achieved with no moving parts.

Double hemispheric camera S14D

The compact S14D FlexMount is a universally deployable, easy concealable video system with a highly detailed resolution of up to six megapixels. The fully weatherproof IP camera has two miniature sensor modules, which are each connected to the camera housing with a two-meter cable. Thanks to the hemispheric dual lens, two separate rooms can be secured simultaneously without any blind spots.



Technology Leader Of Network Cameras

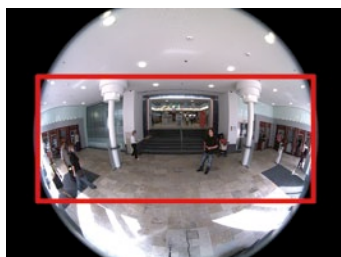
MOBOTIX ranks as the global market leader in high-resolution video systems. Each camera includes a high-speed processor and digital memory (SD Card) for long-term recording (decentralized MOBOTIX concept).

... Thanks To Hemispheric Panorama View

Less Cameras Thanks To Panoramic Views

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

The perspective of the hemispheric image can also be transformed into an ultra-wide angle panoramic view spanning 180° if



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

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

Keeping Objects In View At All Times

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



Everything Stored In The Recording

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



Lobby

Hemispheric 180° Panorama

Overview of room using a single camera without any blind spots

Elevator

Elevator

Q24 – The Perfect Overview

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

The MOBOTIX Storage Technology

The Superior MOBOTIX ...

MOBOTIX Storage Concept Without Bottlenecks

These days, video data is normally pre-processed and stored centrally on a PC or digital video recorder (DVR) using video management software. Video and audio streams from all installed cameras are directed to this

both of the network and of the recording device (PC, server). MOBOTIX cameras can of course also minimize the recording independent of the live video, and the sound channel is recorded even with video recordings of two frames per second.



Standard system requires an extra PC including software for analysis and storage

central device. In this case, using high-resolution cameras often results in data jam. Above all, storage is inefficient, because if the PC has limited computing power, the high-resolution video with a high frame rate must be sent directly to a storage device before it can be processed.

If, like with MOBOTIX cameras, the camera adjusts the image format and the frame rate to the correct values for the specific application (at a gas station, two frames per second are enough for the recording), it relieves the load

No Storage Limit

The decentralized MOBOTIX concept enables the user to save around 10 times the number of cameras on a single storage device because the camera manages the recording itself (on a PC, server, NAS), thus reducing load on the device. For this reason, practically speaking, there is no memory limit for the entire system because theoretically, each camera is able to manage its own terabyte-sized storage device via the network. Another benefit of this concept is the use of affordable, reliable NAS drives that do not require any special software.

Choose Your Storage Location

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

... Storage Solution

SD Card Memory Reduces Storage Costs

MOBOTIX cameras are also able to store up to 64 GB of video in their integrated memory. Thanks to this high storage capacity and the option of recording only the sequences in which an event occurs, external storage devices such as hard drives are rarely required. This saves on storage devices and network infrastructure and reduces the maintenance cost of mechanical components such as hard drives or fans. The internal SD cards (flash memory) are digital and since they do not have mechanical components, they are maintenance-free.

Ideal For Difficult Network Conditions Or WLAN

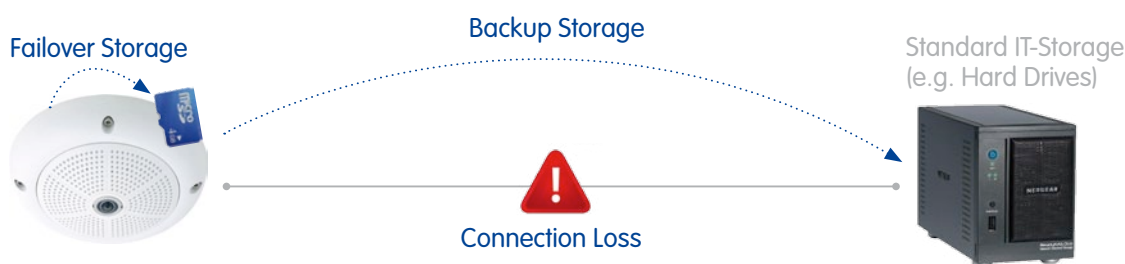
MOBOTIX cameras are ideal for difficult network conditions or WLAN connections because the internal flash storage bridges network failures or bandwidth fluctuations and synchronizes data when a connection is re-established with the external storage device.



The option of backing up the internal memory at preset times (for example, at night) reduces the load on the network and, in many cases, enables shared use of the existing network infrastructure.

A Single 64 GB SD Card Has Space For:

- 2 weeks of continuous recording from four gas station lanes
- 4 days of video in TV quality
- 200,000 clips of 10 s each in high-resolution
- 2 million images



MOBOTIX systems are decentralized and secure, even without a PC for storage

MOBOTIX Saves Only What Is Necessary

Only relevant image detail (fading out sky, ceiling etc.); only relevant events (e.g. movement in the image); long-term recording only with temporarily increased frame rate during event, but no storage limitations in the MOBOTIX system thanks to modern NAS storage technology.

MOBOTIX Shares ...

MOBOTIX Shares

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

Market Environment And Performance Of The MOBOTIX Share

The year 2012 has been marked by the euro crisis, accompanied by a volatile market environment. After a comparatively strong start to the year, an initial dip in the market was particularly observed during the second quarter, which was subsequently supposed to remedy itself. In July, the measures taken by central banks to ease monetary policies appeared to be stimulating share prices, until the rating agency Moody's reduced the growth forecast for Germany, the Netherlands and Luxembourg, and the rumors of the potential bankruptcy of Greece and of its withdrawal from the EU once again had a negative effect on share prices. Repeated speculations concerning additional measures on the part of the central banks, and the statement made by ECB President Mario Draghi to retain the euro at all costs, subsequently stimulated the stock market and renewed hope of finding a swift solution to the euro debt crisis. Only at the end of the third

quarter did the mood become somewhat darker once again, on the one hand as a result of doubts concerning Spain's capacity to act since it continued to decline inclusion in the EU bail-out package in spite of its debt problems, and on the other hand due to continuing weak economic data. With new recent record highs, the overall performance of the stock markets for the first nine months of the 2012 calendar year, with an increase in the DAX of 22.34%, in the TecDAX of 18.16% and in the MDAX of 23.38% in the current fiscal year, has turned out positive.

In spite of the extreme economic volatility during the past fiscal year, MOBOTIX's IPO in October 2007 was one of the few in recent years to have generated positive returns for its initial subscribers, and MOBOTIX shares have since proven exceptionally lucrative as an investment. As an example, initial subscribers realized capital gains of 200.8% (effective date of the IPO: October 10, 2007) while all of the relevant indexes posted substantial losses in value in the same period. The German benchmark index DAX, for instance, lost 9.6% in the same period, and the technology-focused TecDAX lost 19.6%. The German Entrepreneurial Index (GEX), on which MOBOTIX shares have been represented since June 23, 2008, also trended

Free Float
38.90%

... Most Successful IPO Of 2007

much slower since MOBOTIX AG's IPO, losing 59.0%. The GEX tracks owner-operated German companies within the Prime Standard segment of the Frankfurt Stock Exchange that have been listed for a maximum of ten years and are managed by their owners. To qualify as owner-operated, members of the management and supervisory boards or their families must hold between 25% and 75% of the voting shares. In the past fiscal year 2011/12. In the past fiscal year, MOBOTIX shares reached a high of EUR 26.89 on February, 24, 2012, and a low of EUR 12.25 on August 31, 2012. The closing price as of the balance sheet date September 30, 2012, was EUR 14.20. Accordingly, MOBOTIX shares lost 26.0% in value in the reporting period (including dividends).

Performance of the MOBOTIX share since IPO* and in the reporting period (12 months)

MOBOTIX share	200.8 %	-26.0 %
DAX	-9.6 %	31.2 %
TecDAX	-19.6 %	22.2 %
GEX	-59.0 %	-16.7 %

*Reporting Date 10/10/2007

Dividend

MOBOTIX AG pursues a growth-oriented dividend policy that corresponds to corporate growth and the respective business situation.

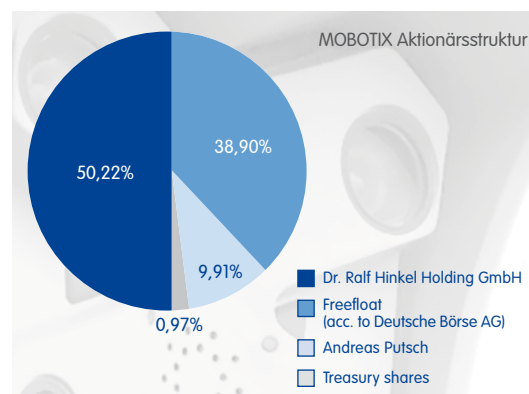
For the fiscal year 2011/12, the Management Board proposes a dividend of EUR 0.50 to the Annual General Meeting.

Share Split

The capital increase including a subsequent share split according to a ratio of 1:3 adopted in the Annual General Meeting on October 21, 2011 was fully implemented in November. The Management Board assumes that this measure will lead to an additional increase in trading volume and accordingly an increase in the share's

Shareholder Structure

At the end of the fiscal year 2011/12, MOBOTIX AG continues to have a very stable shareholder base that supports the long-term and sustained development of the Company. The shareholder structure of MOBOTIX AG is as follows:



Dividend Per Share 2011/12 (Proposal)

€ 0.50

The Success Of MOBOTIX

The Dr. Ralf Hinkel Holding GmbH holds 50.22% of the shares and Andreas Putsch holds 9.91%. A share buyback program was started in July 2010. As of September 30, 2012, MOBOTIX AG has acquired 128,134 treasury shares as part of the share buyback program. The free float as defined by the Deutsche Börse Group is 38.90%.

Investor Relations

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

In the past fiscal year, MOBOTIX AG increased its Investor Relations activities and presented itself to interested analysts and investors at various events such as German Equity Forum in Frankfurt as well as further roadshows in Paris, Vienna, London, Frankfurt, Zurich and New York.

On December 20, 2011, MOBOTIX Annual General Meeting was held at the Company's headquarters. With approximately 47 shareholders, 71.30% of the authorized capital was

represented. The constructive and interesting questions, and the extraordinarily high agreement of over 99% for all proposals on the agenda clearly reflected the shareholders confidence in the Company.

Analyst Coverage

In fiscal year 2011/12, the Berenberg Bank has taken up coverage of the MOBOTIX share. Besides the new bank mentioned, analysts of the DZ Bank, the Equinet AG, the Bank of America Merrill Lynch as well as Hauck & Aufhäuser and GBC AG also report on a regular basis on the shares.

Prices (Xetra) in fiscal year 2011/12 (12 months):

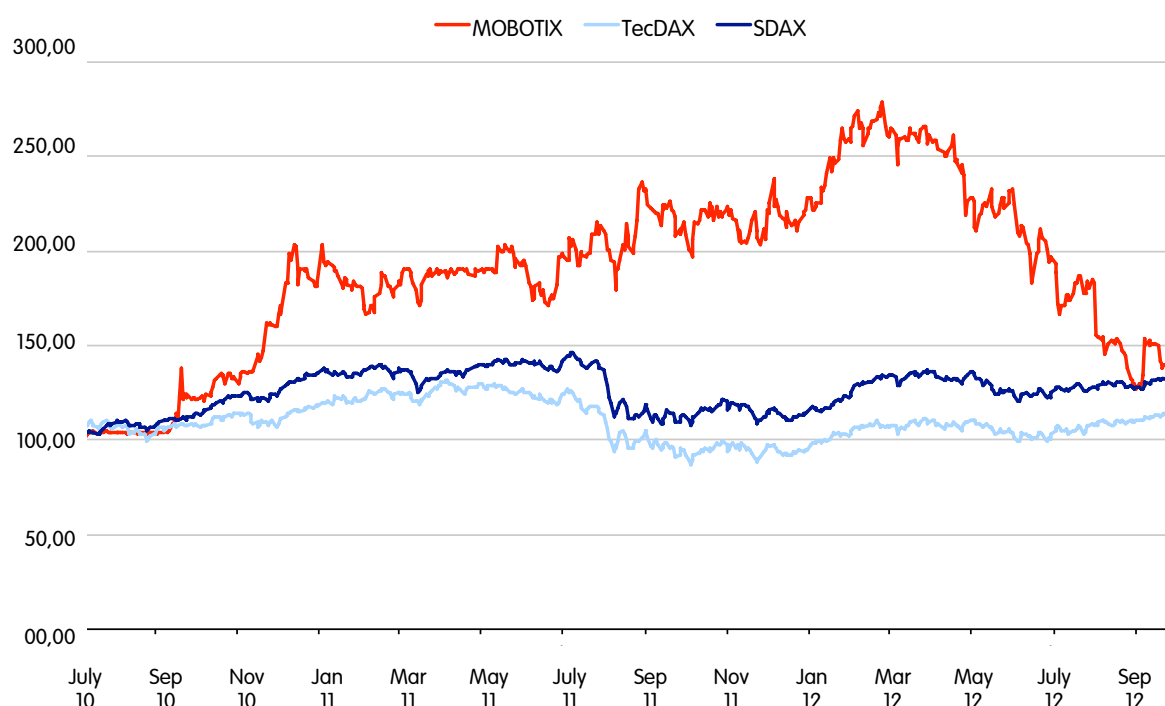
High (February 24, 2012)	26.89 EUR
Low (August 31, 2012)	12.25 EUR
Closing price*	14.20 EUR
Market capitalization*	188.5 Mio. EUR

*as of reporting date September 30, 2012



PRIME STANDARD

Solid **MOBOTIX** Shares ...



Key data of the MOBOTIX share

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

Market Capitalization
€ 188.5 m

Share Price Increase
€ 14.20 (+200.8%)

Report Of The Supervisory Board

Fiscal Year 2011/12 ...

Ladies And Gentlemen,

Dear Shareholders,

In spite of difficult macroeconomic developments, MOBOTIX AG continued its growth trend again in fiscal year 2011/12, while maintaining its high level of profitability. Further significant milestones were achieved in the development of new products and in opening up of international markets. Key achievements during the past fiscal year were the continued expansion of the Company's distribution network by introducing a new partner program, the continued expansion of the Company's business in the area of hemispheric cameras by introducing the world's first double-hemispheric camera (S14), the introduction of video analysis software as a standard feature in hemispheric cameras, and the continued expansion of the new Access Control & Communication business segment. In this context, the Supervisory Board was required to provide the Management Board with advice and assistance in the past fiscal year and to monitor and control them at all times with the greatest possible care in accordance with the tasks for which it is responsible as specified by law and the articles of incorporation. The Supervisory Board had a close and trusting working relationship with

the Management Board at all times. We were promptly and directly involved in all fundamental decisions.

Methods Of Advisory, Supervision And Control

The Management Board provided the Supervisory Board with regular, comprehensive information about the position of the Company at Supervisory Board meetings. This focused, in particular, on the Company's business performance and financial position, HR matters, existing and new capital investment projects and issues relating to corporate strategy. Outside the meetings, the Management Board also provided the Supervisory Board with regular reports concerning key financial performance indicators. When necessary, and after detailed examination and discussion, the Supervisory Board also gave its consent by telephone or by written resolution to measures proposed by the Management Board. The Supervisory Board was convinced that the Company was being properly managed during the entire short fiscal year. Transactions requiring consent were submitted in good time to enable sufficient information to be gathered to enable resolutions to be adopted at a later date. No conflicts of interest arose in the Supervisory Board in the fiscal year 2011/12.

Chairman Of The Supervisory Board, Dr. Thomas Hoch
CEO EVP Capital Management AG

... Another Milestone

The Management Board's reports during the year conveyed a good impression of the Company's business performance and corresponded with the image given by the financial statements for the fiscal year 2011/12. The Management Board also briefed the Chairman of the Supervisory Board about important developments and scheduled decisions at regular, face-to-face meetings between board meetings.

The Supervisory Board only made use of its option to inspect the Company's books and records or to instruct special experts to carry out specific tasks (section 111 (2) German Stock Corporation Act, AktG) when the Chairman of the Supervisory Board carried out an on-site risk-management review in Langmeil on October 9, 2012, which involved examining the internal control system, risk management procedures and random samples from related parts of the accounts. As a result it can be stated that MOBOTIX AG's internal risk control system and risk management procedures are well established. It has responded appropriately to the risks identified by instigating measures to avert them. To date, the Supervisory Board has not established any committees because they would not have helped to

make the Company more efficient due to its size and structure.

Key Advisory Activities Of The Supervisory Board

In fiscal year 2011/12, the Supervisory Board convened a total of seven times, both in person and via teleconference. If required, the Supervisory Board met in the absence of the Management Board, at least for part of its meetings. All members attended all of the meetings. The focus of the discussions was primarily on the continued implementation of the growth strategy, strategic planning, the position of the group and current revenue and earnings performance. The subject of the first meeting on October 21, 2011 was the renewal of the re-elected Supervisory Board following the Annual General Meeting held on the same day. Subsequent meetings during the first half of the fiscal year, on November 2, 2011 (two meetings), February 2, 2012 and February 21, 2012, focused on approving the annual budget for 2011/12, on the central strategic and operational goals for fiscal year 2011/12, the audit and preparation of the financial statements for the short fiscal year 2011, as well as the consolidated financial statements for the short fiscal year 2011.

Prof. Dr. Rainer Gerten
Hochschule Mannheim

Ulrich Putsch
Founder of Keiper Recaro

A Rapid Growth Rate ...

Throughout the year, and in particular in the meetings held during the second half of the fiscal year on April 20, 2012 and June 14, 2012, the Board focused on strategic initiatives, the continued development of the subsidiary in the U.S. and the introduction of a new partner program to strengthen distribution. The Board also discussed at length the development status of product innovations and the plans to introduce them. The Supervisory Board also considered the issue of funding and liquidity planning in view of the Company's future growth plans and the capital expenditure they will require. The development of the U.S. subsidiary was discussed on an ongoing basis, and measures were adopted concerning its continued development. Some examples of the other topics handled by the Supervisory Board include spatial planning, constant capacity expansion and the associated medium-term planning, as well as planning the corresponding staffing figures. One additional important topic of the Supervisory Board's advisory activities was also updating the Company's risk management system.

Audit of Separate And Consolidated Financial Statements For 2011/12

In accordance with the resolution adopted by the Annual General Meeting in December 2011,

KPMG AG Wirtschaftsprüfungsgesellschaft, Saarbrücken, has been engaged by the Supervisory Board to audit the annual financial statements and consolidated financial statements for fiscal year 2011/12. A declaration of independence has been obtained in advance from the auditing firm, which gave no grounds for complaint. One particular area of focus we have established for the 2011/12 audit is the topic 'receivables management and risks'.

The auditors have audited the annual financial statements and the management report of MOBOTIX AG prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements and group management report prepared in accordance with IFRS for the period ended September 30, 2012 and issued an unqualified opinion for each of them.

The Management Board's documents relating to the financial statements have been submitted to the Supervisory Board for review. The annual financial statements, the consolidated financial statements, the management reports for MOBOTIX AG and the Group, the Management Board's proposed appropriation of profit, and the auditors' report have been examined and discussed in detail by the Supervisory Board. The auditor took part in these deliberations, was

... Deserves Recognition

available to answer any questions and reported on key findings of the audit.

After completing its own audit, the Supervisory Board endorsed the auditors' findings and stated that they had no reservations. At its meeting on November 8, 2012, the Supervisory Board approved the annual financial statements and consolidated financial statements of MOBOTIX AG prepared by the Management Board. The annual financial statements were thus formally adopted in accordance with section 172 AktG.

Given the excellent results achieved in fiscal year 2011/12 and the Company's continued strong operative cash flow, the Supervisory Board supported the Management Board's proposal to pay a dividend 0.50 EUR per share and to retain the remaining profit for 2011/12 and submit a corresponding proposal to the Annual General Meeting for its appropriation.

Thanks To The MOBOTIX Team

The Supervisory Board would like to thank all employees and management for their hard work in 2011/12. The fact that MOBOTIX AG was able to generate a healthy profit despite introducing new products and making continued investments to develop new markets,

and to continue to grow despite uncertainty and restraint in many markets as a result of the European debt crisis, deserves our full recognition. We wish the management and employees of MOBOTIX AG every success with the challenges that we will share in the year ahead. It is our belief that our combined efforts and hard work have produced an excellent starting point from which to exploit our outstanding market position in high-resolution digital surveillance equipment in order to continue setting trends in the market and, using this key technology, to continue to successfully expand the business segment Access Control & Communications. We are confident that the team will continue to exploit these opportunities that will lead to a financial success.

Many thanks to the customers, partners and shareholders for placing their trust in MOBOTIX AG.

Winnweiler-Langmeil, November 8, 2012

On behalf of the Supervisory Board

Yours sincerely



Dr. Thomas Hoch

Responsible ...

Introduction

The Management Board and Supervisory Board of MOBOTIX AG are committed to ensuring that the Company is managed competently and responsibly. The guidelines laid down in the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK) constitute key parameters of our policy on corporate governance. Our actions are therefore guided by the standards of competent and responsible corporate management, and we ensure that our corporate governance policies are based on the principles of transparency and value creation.

Because the Company joined the regulated market (Prime Standard) of the Frankfurt Stock Exchange on March 31, 2008, the Management Board and Supervisory Board of MOBOTIX AG are obliged to issue an annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) in which they explain to what extent they have complied with, or intend to comply with, the recommendations made by the German Government Commission on the German Corporate Governance Code, which have been published by the German Federal Ministry of Justice in the official Section of the German Federal Gazette, and which recommendations they have not applied or do not intend to apply. The Management Board and Supervisory Board

of MOBOTIX AG therefore issued their annual Declaration of Compliance pursuant to Section 161 AktG on October 9, 2012; this declaration has also been published and made permanently available in the "Investors/Corporate Governance" Section of MOBOTIX AG's website. The remuneration report to be compiled pursuant to item 4.2.5 DCGK is included in the Consolidated Management Report.

Furthermore, the Management Board and Supervisory Board have compiled a corporate governance report pursuant to item 3.10.

Relations With Shareholders; Annual General Meeting

The shareholders exercise their voting rights at the Annual General Meeting. Voting takes place on the basis of one share, one vote. The Annual General Meeting elects the members of the Supervisory Board and votes on whether to formally approve the actions of the Management Board and Supervisory Board. It votes on the appropriation of the Company's profits, on capital transactions, on the approval of inter-company agreements, on the choice of auditor, on the remuneration paid to the Supervisory Board, and on amendments to the Company's Articles of Incorporation. The Company holds an Annual General Meeting, at which the Management Board and Supervisory Board report to

Dr. Ralf Hinkel
CEO

Lutz Coelen
CFO

... Management

shareholders on the previous financial year. The German Stock Corporation Act allows an extraordinary general meeting to be convened in exceptional cases.

In order to make it easier for shareholders to exercise their voting rights in accordance with the provisions of the Code, the Company offers shareholders that are either unable, or do not wish to exercise their voting rights in person, the option to have their vote cast at the Annual General Meeting by a proxy who votes in accordance with their instructions.

Management Board

The Management Board of MOBOTIX AG currently consists of four members (**Dr. Ralf Hinkel, Lutz Coelen, Dr. Magnus Ekerot, Dr. Oliver Gabel**).

The Management Board's main responsibility is principally to lead the company; this includes management of the MOBOTIX Group, the determination of the Company's strategy, and the implementation and monitoring of a

risk management system. The Management Board is obligated to act in the Company's best interests, and to ensure that the value of the Company grows over time. The Management Board consults the Supervisory Board on the Company's strategy and provides it with regular updates on the implementation of this strategy as part of a continuous dialog. All members of the Management Board are involved in the Company's day-to-day business and bear operational responsibility.

In accordance with the DCGK, the Company's Articles of Incorporation stipulate certain specified types of material transactions conducted by the Management Board within the Company to be approved by the Supervisory Board.

The members of the Management Board have signed comprehensive non-competition agreements with MOBOTIX AG that apply for the duration of their employment at the Company. They are obligated to act on behalf of the Company in the Company's best interests. As



Dr. Ralf Hinkel



Lutz Coelen



Dr. Magnus Ekerot



Dr. Oliver Gabel

Dr. Magnus Ekerot
CSO

Dr. Oliver Gabel
CTO

Management Board And ...

a result, when making decisions, no member of the Management Board may pursue personal interests or exploit business opportunities for his or her personal gain that are due to the Company; members will immediately disclose any conflicts of interest to the Supervisory Board, and notify the other members of the Management Board to this fact. All transactions (business dealings and operations alike) between the Company - on the one hand, and the Management Board members and/or related parties or related-party transactions - on the other, must comply to the standards applicable practices in the sector.

Furthermore, any secondary employment taken on by members of the Management Board - especially as members of the board or directorships to other companies - must first be approved by the Supervisory Board.

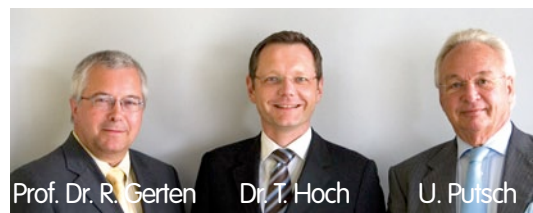
The Company took out a directors' and officers' (D&O) insurance policy for the Management Board and Supervisory Board. The insurance policy was taken out for the Management Board with the legally required minimum-deductible. For the Supervisory Board no deductible was taken out.

Contrary to the recommendations made by the Code, the Company's articles of incorporation

do not impose an age limit on the members of the Management Board.

Supervisory Board

The Supervisory Board oversees the Management Board's leadership of the Company and provides Management with advice and support. The Supervisory Board is also responsible for amongst other things the appointment of members to the Management Board, the determination of remuneration paid to the Management Board, and the examination of the Company's annual financial statements. The Supervisory Board consists of three members (**Dr. Thomas Hoch**, **Prof. Dr. Rainer Gerten** and **Ulrich Putsch**). The Company is not subject to co-determination legislation.



The Company's Articles of Incorporation state that the Supervisory Board is allowed to form committees from its members. Yet, the Company currently deviates from the DCGK's recommendation for the Supervisory Board to form suitably qualified committees as well as an audit committee from amongst its members while the

... Supervisory Board Cooperation

Supervisory Board currently consists of only three members and, in the opinion of the Supervisory Board, it would be inappropriate at this point of time to form committees given the specific circumstances and the size of the Company - because all members of the Supervisory Board are expected to be engaged and occupied with all Company issues.

Furthermore, the Articles of Incorporation state that the Dr. Ralf Hinkel Holding GmbH - provided that it itself and/or a company, either controlled by it (Section 17 AktG), or under its management (Section 18 AktG) that in total holds more than 25% of the Company's shares - has the nontransferable right to appoint one individual as member of the Company's Supervisory Board. It can only exercise this right of appointment vis-à-vis the Company by issuing a personally signed declaration to both, the Management Board and the Chairman of the Supervisory Board that states the name of the person to be appointed to the Supervisory Board. The newly appointed member thus immediately replaces an already similarly appointed Supervisory Board member who therewith will step down from his/her post. If no new member is dispatched to the Supervisory Board at the time of the exertion of appointments, then the new appointee will first join the Supervisory Board

when the previously selected member resigns from his/her post, or is relieved of office during the Annual General Meeting, or whose term of office as a member has expired. The term of appointment of the current Supervisory Board members ends at the end of the Annual General Meeting that votes on whether to formally approve their actions for the fourth financial year after the beginning of their term of appointment.

The work performed by the Supervisory Board is coordinated by its Chairman. The relevant responsibilities and procedures - including the powers vested in the Supervisory Board Chairman are laid down in the Articles of Incorporation. Rules governing conflicts of interest and efficiency checks are laid down in the Supervisory Board's rules of procedure.

In accordance with the Corporate Governance Code, the aim when appointing the Supervisory Board is to ensure a balanced representation in terms of experience, knowledge, age and gender. In the opinion of the Company's Management Board and Supervisory Board, this goal has been achieved, also when taking into account the size of the board.

The members of the Supervisory Board are independent of the Management Board and maintain no business relations with the Company that

Shareholding ...

might influence their independent judgment. There have been and continue to be no consultancy agreements or other contracts for work and services between Supervisory Board members and the Company. If, in exceptional cases, a member of the Supervisory Board performs a function for the Company other than that of Supervisory Board member, this must be approved by the Supervisory Board. The Supervisory Board's report to the Annual General Meeting provides information on any conflicts of interest that have arisen during the financial year concerned.

Contrary to the recommendations made by the DCGK, the Company's Articles of Incorporation do not impose an age limit on the members of the Supervisory Board.

Cooperation Between Management Board And Supervisory Board

The Management Board and Supervisory Board of MOBOTIX AG work continuously and very closely with each other in the interests of a

sound and responsible corporate governance policy. They regularly consult each other on a timely basis in those areas recommended by the Code as well as in other respects. The Management Board uses an established procedure to report to the Supervisory Board on the Company's general situation, including its risk position.

Members of the Management Board usually attend the regular meetings of the Supervisory Board, which are held at least once every quarter. In certain cases, however, the Supervisory Board meets alone, as suggested by the Code. Extraordinary meetings and teleconferences are also held if required.

Directors' Dealings

During the period from October 1, 2011 to September 30, 2012, the following reportable purchases or sales of shares were effected by the members of the Management Board or Supervisory Board.

Name	Function	Date of transaction	Type of transaction	Stock exchange	Number of shares	€ Price	€ Total volume
Prof. Dr. Gerten	Supervisory Board	*	Purchase	Xetra	2,400**	19.77	47,440
Dr. Ralf Hinkel ***	CEO	May 3, 2012	Purchase	Xetra	10,000	20.90	208,997

* 4 partial transactions on November 14, 15 and 16, 2011

** Number of shares after share split

*** Indirectly via Dr. Ralf Hinkel Holding GmbH

Founder's Share
50.22%

Management Board's
Share **50.59%**

... And Remuneration Report

Shareholdings

The following members of the Management Board and Supervisory Board held more than 3% of the shares issued by the Company (as of September 30, 2012):

Management Board	Number of shares	(%)
Dr. Ralf Hinkel*	6,654,402	50.22

*Held indirectly via the Dr. Ralf Hinkel Holding GmbH

Furthermore, on the Management Board, Lutz Coelen held 48,600 shares (0.37%), and Dr. Oliver Gabel held 630 shares, 0.005%). In total, the Management Board held 6,703,632 shares and thus 50.59% of the shares in MOBOTIX AG.

On the Supervisory Board, Dr. Thomas Hoch held 3,000 shares in the Company (0.02%), and Dr. Rainer Gerten held 62,400 shares (0.47%). In total, the Supervisory Board thus held 0.49% of the shares in MOBOTIX AG as of September 30, 2012. Both executive bodies therefore held 6,769,236 shares, or 51.08% of the share capital, as of September 30, 2012.

Disclosures

MOBOTIX AG attaches considerable importance to the timely and transparent disclosure of information to its relevant target groups.

MOBOTIX AG regularly informs shareholders, financial analysts, shareholder associations, the media and interested members of the public about the Company's situation and material changes in its business. MOBOTIX AG notifies all shareholders and interested members of the public of all new facts at the same time that they are made available to financial analysts and institutional investors. MOBOTIX uses the Internet as well as other communication channels to ensure that it provides timely information.

An overview of all material information published during the financial year concerned can be found on our website at www.mobotix.com.

- **Ad-hoc Announcements:** The Company complies with the legal requirements by publishing insider information directly affecting the Company itself without delay, including outside its regular reporting cycle. Ad-hoc disclosures published by MOBOTIX AG are made available to shareholders on the Company's website at "Investors/News/Ad-Hoc-Announcements".
- **Disclosure Of Voting Rights:** We also publish in a Europe-wide information system and on our website the fact that someone's

Supervisory Board's Share 0.49%

Accounting ...

shareholding in the Company has reached, exceeded or fallen below 3%, 5%, 10%, 15%, 25%, 30%, 50% or 75% of the Company's voting rights by buying or selling shares or in some other way as soon as we have been notified of such changes pursuant to Section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

- **Directors' Dealings:** Dealings in securities by members of the Management Board or Supervisory Board of MOBOTIX AG or by certain executives who have regular access to insider information and are authorized to make key operational decisions (as well as by related parties as defined by the German Securities Trading Act) must be disclosed by these persons pursuant to Section 15a WpHG. As soon as the Company is notified of such dealings, they are published in a Europe-wide information system and on the Company's website.
- **Financial Calendar:** Our financial calendar, which is shown in our annual and quarterly reports and is permanently available on our website, provides our shareholders and the capital markets with advance notification of the dates of material publications (such as our annual and interim reports and the Annual General Meeting).

Accounting And Auditing

MOBOTIX AG prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Its annual and quarterly reports inform shareholders and other interested parties about the Company's general situation. All reports are simultaneously made available to all interested parties on our website.

The Company has agreed with its auditors that the Chairman of the Supervisory Board should be notified without delay of any grounds for exclusion or partiality arising during the audit unless they are immediately resolved.

Furthermore, the auditors must notify the Supervisory Board without delay of all findings and incidents of which they become aware in the course of the audit that are of significance for the remit of the Supervisory Board. The auditors must also notify the Supervisory Board or note accordingly in the audit report if, when conducting the audit, they become aware of facts that are incompatible with the Declaration of Compliance issued by the Management Board and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act.

... And Declaration Of Compliance

Explanation Of The Deviations From The Recommendations Of The German Corporate Governance Code

Please refer to the explanations included in the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act for information on the deviations from the recommendations of the German Corporate Governance Code.

Joint Declaration Of Compliance By The Management Board And Supervisory Board On The German Corporate Governance Code

Section 161 of the German Stock Corporation Act (AktG) requires the Management Board and Supervisory Board to issue an annual declaration stating that the Company has complied with, or intends to comply with, the recommendations made by the German Government Commission on the German Corporate Governance Code (hereinafter referred to as DCGK), which have been published by the German Federal Ministry of Justice in the official section of the electronic version of the German Federal Gazette, and also stating which recommendations it has not applied or does not intend to apply. The

following declaration refers to the Code version dated May 26, 2010 for the period from October 1, 2011 until May 14, 2012 and published in the German Federal Gazette on July 2, 2010 and to the Code version dated May 15, 2012 for the period from May 15, 2012 until September 30, 2012 and published in the German Federal Gazette on June 15, 2012.

The Management Board and Supervisory Board of MOBOTIX AG hereby declare that the Company has complied with the recommendations made by the German Government Commission on the German Corporate Governance Code, with the following exceptions:

1. If the company takes out a D&O (directors' and officers' liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation of the Management Board member must be agreed upon. A similar deductible shall be agreed upon for the Supervisory Board. (Item 3.8 para. 2 and 3 of the German Corporate Governance Code).

In accordance with the legal provisions, the Company will comply with this recommendation with respect to the Management Board from

Declaration Of Compliance ...

the beginning of the fiscal year as of July 1, 2009. However, no deductible has been agreed for the D&O insurance cover for the Supervisory Board, as it is not required by law. We believe that the agreement of a deductible for D&O insurance policies in the event of claims for damages does not encourage responsible behavior on the part of the members of the Supervisory Board. Moreover, the directors' legal responsibility for criminal acts involving gross negligence or breach of trust is not affected by the terms and conditions of any D&O insurance policy.

2. By-laws shall govern the work of the Management Board, in particular the allocation of duties among individual Management Board members, matters reserved for the Management Board as a whole, and the required majority for Management Board resolutions (unanimity or resolution by majority vote) (Item 4.2.1 para. 1 sentence 2 of the German Corporate Governance Code).

The Company does not comply with the recommendation. Although there is some form of allocation of duties between the Management Board, based on the relevant plan, there are, at the moment, no by-laws for the Management Board since the Company's articles

of incorporation contain very comprehensive rules governing the work of the Management Board (including a catalogue of measures taken by the Management Board that require the consent of the Supervisory Board), and it has not yet been deemed necessary to introduce such by-laws. However, to comply with the recommendations of the Code, we intend to introduce corresponding by-laws in the near future.

3. The Supervisory Board must ensure that the variable compensation elements are in general based on a multi-year assessment. Both positive and negative developments shall be taken into account when determining variable compensation components (Item 4.2.3 para. 2 sentence 3 and 4 of the German Corporate Governance Code).

Item 4.2.3 para. 2 of the German Corporate Governance Code reflects the legal situation since the Act on the Appropriateness of Management Board Compensation of July 31, 2009 went into effect. Accordingly, the Supervisory Board must ensure that the variable compensation elements are, in general, based on a multi-year assessment, and recommends in the fourth sentence that both positive and negative developments

shall be taken into account when determining variable compensation components. As of the date of issue to this Declaration of Compliance, the existing employment contracts of the Management Board members Dr. Ralf Hinkel and Lutz Coelen neither prescribe a multi-year assessment nor (later) consideration of positive and negative developments for variable compensation components already granted. The present deviation from the Code is due to new legal precedents for the provisioning of variable compensation components, where only future changes to existing contracts of the variable Management Board compensation are relevant, and not previously existing contracts of the Management Board. Of course, the Supervisory Board complied with the latest legal requirements for the determination of variable compensation components with the appointment of the new Management Board members Dr. Magnus Ekerot and Dr. Oliver Gabel on January 1, 2011.

4. An age limit for members of the Management Board shall be specified (Item 5.1.2. para. 2 sentence 3 of the German Corporate Governance Code).

The Company does not comply with the recommendation. The Management Board and the

Supervisory Board believe that a general age limit would unnecessarily restrict the search for suitably qualified and experienced candidates for the Management Board. Age is not a suitable criterion for excluding such candidates.

5. The Chairman of the Supervisory Board shall also chair the committees that handle contracts with members of the Management Board and prepare the Supervisory Board meetings (Item 5.2. para. 2 sentence 1 of the Corporate Governance Code).

The Company does not comply with the recommendation. Because the Supervisory Board of MOBOTIX AG consists of only three members, the Supervisory Board believes that the formation of suitably qualified committees would currently be inappropriate given the specific circumstances and the size of the Company.

6. Depending on the specifics of the enterprise and the number of its members, the Supervisory Board shall form committees with sufficient expertise. They serve to increase the efficiency of the Supervisory Board's work and the handling of complex issues. The respective committee chairmen report regularly

Declaration Of Compliance ...

to the Supervisory Board on the work of the committees (Item 5.3.1 of the German Corporate Governance Code).

The Company does not comply with the recommendation. Because the Supervisory Board of MOBOTIX AG consists of only three members, the Supervisory Board believes that the formation of suitably qualified committees would currently be inappropriate given the specific circumstances and the size of the Company because all members of the Supervisory Board are supposed to deal with all issues.

7. The Supervisory Board shall set up an Audit Committee which, in particular, handles the monitoring of the accounting process, the effectiveness of the internal control system and the internal audit system, the audit of the Annual Financial Statements, here in particular the independence of the auditor, the services rendered additionally by the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement, and - unless another committee is entrusted therewith - compliance. The chairman of the Audit Committee shall have specialist knowledge and experience in the application of

accounting principles and internal control processes. He shall be independent and not be a former member of the Management Board of the company whose appointment ended less than two years ago. (Item 5.3.2 German Corporate Governance Code)

The Company does not comply with the recommendation. Because the Supervisory Board of MOBOTIX AG consists of only three members, the Supervisory Board believes that the formation of suitably qualified committees would currently be inappropriate given the specific circumstances and the size of the Company because all members of the Supervisory Board are supposed to deal with all issues.

8. The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting (Item 5.3.3 of the German Corporate Governance Code).

The Company does not comply with the recommendation. Because the Supervisory Board of MOBOTIX AG consists of only three members, the formation of suitably qualified committees

would currently be inappropriate given the specific circumstances and the size of the Company.

9. The Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit to be specified for the members of the Supervisory Board and diversity. (Item 5.4.1 para. 2 German Corporate Governance Code)

The Company does not comply with this recommendation with respect to the age limit. As with the issue of an age limit for members of the Management Board, we believe the most important criteria for Supervisory Board candidates to be qualifications and experience. Moreover, an age limit would, in our opinion, inappropriately restrict the Annual General Meeting's right to appoint the members of the Supervisory Board.

MOBOTIX AG

Winnweiler-Langmeil, October 9, 2012

On behalf of the Management Board

A handwritten signature in blue ink, appearing to read 'Ralf Hinkel'.

Dr. Ralf Hinkel
(Chief Executive Officer)

On behalf of the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Thomas Hoch'.

Dr. Thomas Hoch
(Chairman of the Supervisory Board)

Consolidated Management Report

Positive Business Development ...

Business And Market

Technology And Products

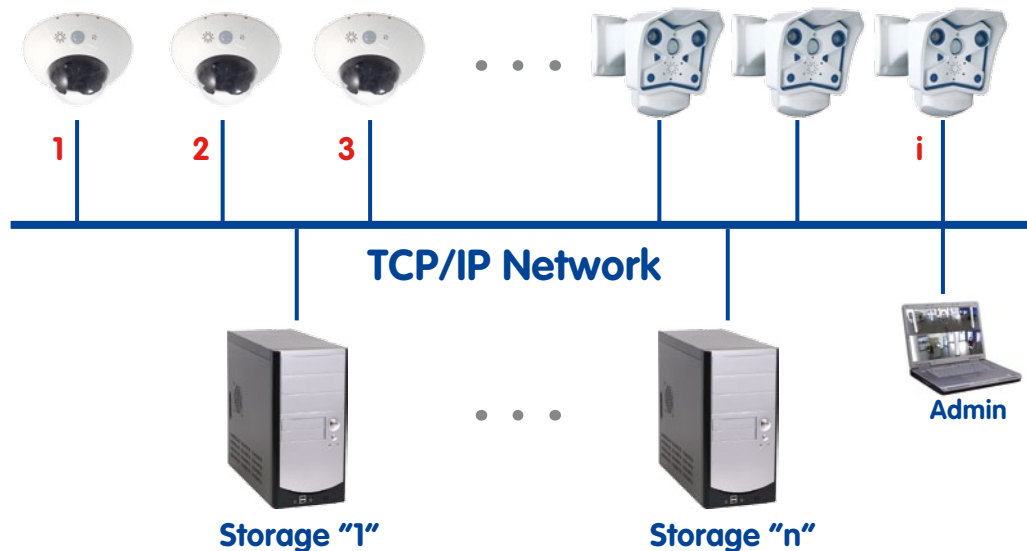
MOBOTIX AG is a software Company with its own hardware development in the area of digital, high-resolution and network-based video security solutions. The Company focuses on the development of user-friendly, complete system solutions from a single provider.

The Company's product portfolio includes the product lines **M12** (DualNight Camera), **M24** (Allround Camera), **D14** (DualDome Camera), **D24** (MonoDome Camera), **V12** (Vandalism Camera), **Q24** (Hemispheric 360° Camera), **T24** (IP-based Door Station), as well as the product line **S14** (FlexMount as a mono and



MOBOTIX DualNight M12M

dual camera), available since June 2012. The hemispheric door station T24 was also supplemented to include additional extension modules during the past fiscal year. In addition to its network cameras and door station, MOBOTIX also offers the MxControlCenter, a complete video management solution as a primary control center software package that



World's No. 1 In Megapixel

... And Business Condition

is able to integrate cameras from other manufacturers and to accommodate an unlimited number of cameras. MxEasy, on the other hand, is the optimal video software solution for applications in the small office and home security segments, accommodating up to 16 MOBOTIX cameras. The software portfolio will also soon be expanded to include an iPhone/iPad App. These MOBOTIX video management solutions are offered free of charge. In addition, various accessories are available in the Company's product range.

A key focus of fiscal year 2011/12 has been the continued development of products in the new Access Control & Communication product range. Various extension modules for the door station T24, such as the MxDisplay (a video intercom equipped with touch-screen technology), or the waterproof bell button module T24 BellRFID, should appear on the market in the coming months.

With the S14 product line, the world's first dual hemispheric camera was introduced on the market at the end of the fiscal year. The dual version of MOBOTIX's new product line features two miniature sensor modules with an integrated microphone, which are each connected

to the camera housing by two meter cables. This way, two separate spaces – next to or on top of each other – can be monitored simultaneously using just one camera. This product line also uses new P3 processor technology.

With MxAnalytics, MOBOTIX has developed a new video analysis tool during the fiscal year under review, with the help of which important information can be obtained for process optimization and marketing purposes. MxAnalytics is currently available in the Q24, and there are plans to integrate this tool into all other MOBOTIX mono cameras in the future.

Group Organization And Control

The MOBOTIX Group consists of MOBOTIX AG, Winnweiler-Langmeil and, MOBOTIX CORP, New York as well as MOBOTIX LIMITED, Nottingham, and MOBOTIX do Brasil, São Paulo. The two latter companies have not been operating yet.

New products are manufactured and developed exclusively at the Winnweiler-Langmeil locations. Winnweiler-Langmeil controls global sales.

MOBOTIX CORP, a subsidiary of MOBOTIX AG, is a pure distribution Company for the U.S. market. MOBOTIX CORP is managed by

Positive Business Development ...

Dr. Magnus Ekerot (CEO) and Mr. Lutz Coelen (CFO). The MOBOTIX Group uses a number of operational key indicators to measure the Group's strategic growth and profitability objectives. These include sales figures for the individual sales regions and product groups as well as profitability indicators for the Company as a whole. The Company's performance is monitored and controlled through regular monitoring of trends in the individual sales regions. Other financial figures are also analyzed and evaluated. EBIT and EBITDA are the primary control parameters for the profitability of the MOBOTIX Group. These financial indicators are presented to the Management Board on a monthly basis as part of the internal reporting process, so that any necessary changes can be initiated promptly.

Sales

In Germany, the products are currently sold via MOBOTIX-certified **Secure Partners, IT-retailers, electrical wholesalers** or **directly**, e.g. via the Company's webshop, to commercial and private customers. Most of MOBOTIX' international sales are made via distributors and their qualified systems integrators and resellers. The distributors are supported in this process

by a number of locally-based Business Development Managers, who are employed directly by MOBOTIX AG.

MOBOTIX camera systems are in use at more than 100,000 locations worldwide thanks to their extensive features. In addition to numerous public and private security projects in Germany, MOBOTIX AG also succeeded in acquiring a large number of international reference projects during the fiscal year 2011/12.

Examples of these are a project to provide surveillance in tourist areas in the Italian province of Genoa, to secure the Turkish state railway, to monitor the sanitation infrastructure in the Asian region, and to provide surveillance at a shopping center in South Africa and at the Australian Department of Defence. MOBOTIX cameras have also been used at current sporting events, such as securing the Donbass Arena in the Ukraine for the European Soccer Championship, and verifying rowing and canoeing events at the Olympic Games in London.

In the USA, the Company sells its products through its own sales subsidiary, MOBOTIX CORP. MOBOTIX' growth is primarily

... And Business Condition

occurring in the export markets with the export share at 74.2% in the past fiscal year.

Market And Competition

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

In a study conducted by the market research firm IMS Research in June 2012, the authors presume that global sales in the market for network cameras will grow by an annual average of approximately 27.0% from 2011 to 2016. The growth potential is estimated to be comparatively high in all global market segments (Americas, Asia, EMEA) and is not limited to a few regional markets.

The competitive market is comparatively homogeneous worldwide – approximately 80% of the large major competitors are very similar in all

global market segment.

In the short term, we expect the market to be slightly weaker but essentially positive and stable with steady growth at a comparatively high level. In some market segments – and in particular in Europe at present – the effects of the debt crisis are being seen, which could temporarily lead to lower growth rates in some local markets. It is important to note here that for the medium term, the market for video monitoring systems is disconnected from negative economic developments and is tending to show more positive development.

Positive Business Development ...

Results Of Operations, Net Assets And Financial Position

In the past, the fiscal year of MOBOTIX AG encompassed the period from July 1 of one year to June 30 of the following year. Pursuant to the resolution of the Annual General Meeting of MOBOTIX AG of October 28, 2010, the fiscal year of MOBOTIX AG was changed, effective October 1, 2011, and from that date now begins on October 1 of one year and ends on September 30 of the following year. A short fiscal year (SFY) was formed for the period from July 1, 2011 to September 30, 2011. The reporting period encompasses a period of twelve months, whereas the short fiscal year 2011 (as the previous fiscal year) encompasses a period of three months. Due to the different time frames of the reporting and comparison periods, fiscal year 2011/12 is compared with the last complete fiscal year (July 1, 2010 to June 30, 2011). The short fiscal year is also presented below as the previous fiscal year.

Results Of Operations

At 11.5% growth compared to fiscal year 2010/11, revenue growth during fiscal year 2011/12 was particularly affected by the debt crisis in Europe. The slow macroeconomic growth that has been seen over the last few quarters in nearly all European countries has now intensified, and a continued recessionary trend appears very probable in the short to medium term. Even the most recent political and economic interventions in the European and global markets are only having short half-lives and counter-acting growing uncertainty in the markets to a limited extent. As in the previous fiscal year, the share of sales in Europe was over 60%. Against this background, revenue developed in line with the expectations of the Management Board. Coupled with comparatively lower growth, continued high profitability with an EBIT margin of over 23% reflects the focus of Management Board's strategy on qualitative growth.

EBITDA
€ 23.1m (27.5%)

EBIT
€ 19.5m (23.2%)

... And Financial Position

In the year under review, the MOBOTIX Group achieved revenue of EUR 81.6 million (2010/11: EUR 73.2 million; SFY: EUR 15.2 million) and profit before tax of EUR 19.0 million (2010/11: EUR 18.7 million; SFY: EUR 2.5 million).

Revenues from the sale of dome cameras grew from EUR 34.5 million in fiscal year 2010/11 to EUR 39.4 million (+14.3%; SFY: EUR 6.5 million), while revenues from fixed cameras increased in comparison to fiscal year 2010/11 by 9.0% to EUR 38.3 million (2010/11: EUR 35.1 million; SFY: EUR 7.8 million). The export ratio during the fiscal year was 74.2%, after 76.5% in fiscal year 2010/11 (SFY 68.1%). Sales revenues in Germany increased from EUR 17.2 million in fiscal year 2010/11 to EUR 21.0 million (+22.3%; SFY: EUR 4.8 million), while the rest of Europe (excluding Germany) accounted for EUR 28.8 million (2010/11: EUR 29.9 million; SFY: EUR 5.3 million). Revenue in the rest of the world rose from EUR 26.1 million in fiscal year 2010/11 to EUR 31.8 million (SFY: EUR 5.0 million), corresponding to growth of 21.8%. The prices of products were neither increased nor lowered. Accordingly, sales growth is based purely on quantitative effects.

Total operating performance (sales revenue, increase/decrease in finished goods and work in progress and other own work capitalized) was EUR 84.0 million in fiscal year 2011/12 (2010/11: EUR 76.7 million; SFY: EUR 16.7 million).

At 26.1%, the material usage ratio (ratio of cost of materials to total operating performance) decreased slightly in comparison to fiscal year 2010/11 (2010/11: 26.8%; SFY: 33.1%). In this connection, the positive effects of economies of scale and implementing the platform strategy exceeded the negative effects arising in particular from adjustments made to products and the distribution mix.

The personnel usage ratio (staff costs to total output) increased from 25.1% in fiscal year 2010/11 to 26.7% in the year under review (SFY: 25.6%) with a further build-up of the workforce. New hires were made in particular in sales, production and development. In comparison to fiscal year 2010/11, staff costs rose by EUR 3.1 million. The EUR 0.7 million increase in write-downs to EUR 3.6 million in comparison to fiscal year 2010/11 (SFY: EUR 1.0 million) is primarily the result of investments made in property, plant and equipment in prior years.

Revenue Share (Germany)
25.8%

Export Share
74.2%

Positive Business Development ...

Other operating expenses (EUR 17.2 million; 2010/11: EUR 15.4 million; SFY: EUR 3.6 million) increased primarily due to the increase in advertising and marketing expenses (+ EUR 1.4 million), revenue-dependent distribution expenses (+ EUR 0.2 million) such as shipping and packaging costs, vehicle costs (+ EUR 0.3 million), as well as occupancy, operating and office equipment expenses. At EUR 6.9 million, advertising and marketing expenses represented the largest item among other operating expenses.

EBITDA (27.5% of total output; earnings before interest, tax, depreciation and amortization) came to EUR 23.1 million (2010/11: EUR 22.0 million; SFY: EUR 3.6 million). EBIT (23.2% of total output; earnings before interest and tax) amounted to EUR 19.5 million (2010/11: EUR 19.2 million; SFY: EUR 2.6 million). Fiscal year 2011/12 ended with net income for the year of EUR 13.7 million (2010/11: EUR 13.2 million; SFY: EUR 1.8 million) (return on sales: 16.8%).

The subsidiary MOBOTIX CORP reported net income for the period of USD 1.0 million (2010/11: net loss of USD 0.8 million; SFY: net loss of USD 0.1 million), following a revenue increase of

23.4% in comparison to fiscal year 2010/11. This figure includes currency translation gains of USD 0.2 million (2010/11: currency translation losses of USD 0.4 million; SFY: currency translation gains of EUR 0.3 million).

Net Assets

Development costs of EUR 0.9 million were capitalized in the year under review. Property, plant and equipment grew by EUR 0.7 million (+3.0%) to EUR 23.2 million. Investments in property, plant and equipment in the amount of EUR 3.4 million were accompanied by depreciation in the amount of EUR 2.6 million. The investments primarily related to subsequent acquisition costs for the construction of a new production hall at the Langmeil site, as well as investments in technical systems and operating and office equipment. Investments in technical systems consist largely of investments in injection molding tools and IT equipment. In September 2010, a public grant was approved in the amount of EUR 1.1 million for construction of the new production hall. The approved grant was fully paid out in fiscal year 2011/12.

Due to the targeted measures to reduce inventories inventories decreased slightly by EUR 0.2

... And Financial Position

million (-1.1%) to EUR 14.8 million in spite of the increase in business volume.

Due to the higher business volume in September 2012 in comparison to September 2011, trade receivables increased to EUR 9.8 million, an increase of EUR 3.7 million compared to the balance sheet date as of September 30, 2011.

Other assets amounted to EUR 4.5 million (September 30, 2011: EUR 5.5 million) and comprised gold reserves at a carrying amount of EUR 3.6 million, tax refunds of EUR 0.5 million and advance payments of EUR 0.2 million.

Cash and cash equivalents increased by EUR 4.7 million to EUR 11.6 million (September 30, 2011: EUR 7.0 million).

On the equity and liabilities side, equity rose by EUR 6.1 million to EUR 45.1 million in spite of the dividends that were distributed, as a result of the net income for the year. The equity-to-assets ratio rose slightly from 66.1% to 67.3% due to the increase of EUR 7.9 million (13.5%) in total assets. As a result of acquiring treasury shares, EUR 1.0 million were deducted from equity 0in the year under review. The number of treasury shares increased from September 30, 2011 by 58,087 shares to 128,134 shares.

Taking into account income taxes for fiscal year 2011/12, tax provisions increased by EUR 2.2 million to EUR 4.5 million. The decrease in liabilities to banks resulted from scheduled loan repayments in the amount of EUR 1.2 million. At EUR 3.6 million, trade payables are nearly unchanged from September 30, 2011 (September 30, 2011: EUR 3.7 million).

Other liabilities increased by EUR 0.8 million to EUR 3.3 million in comparison with September 30, 2011, due to an increase in personnel liabilities.

Based on the developments described above, the total assets of the MOBOTIX Group increased by EUR 7.9 million (13.5%) to EUR 67.0 million as of September 30, 2012 compared to September 30, 2011.

Solid Financial Position ...

Financial Position

Cash flows from operating activities of the MOBOTIX Group amounted to EUR 17.9 million in fiscal year 2011/12 (2010/11: EUR 12.8 million; SFY: EUR -0.9 million). At EUR 4.1 million, cash outflows for investing activities (2010/11: EUR 7.5 million; SFY: EUR 1.2 million) were primarily due to investments made in property, plant and equipment. Including the subsidies granted in the amount of EUR 0.1 million, cash paid for capital expenditure on property, plant and equipment amounted to EUR 3.4 million. The negative cash flow from financing activities of EUR 9.1 million (2010/11: EUR -5.1 million; SFY: EUR +1.7 million) resulted in particular from distributing dividends in the amount of EUR 6.6 million. In addition, EUR 1.0 million was spent on the acquisition of treasury shares, and EUR 1.2 million for the scheduled repayment of loans.

The various cash flows generated during the reporting period resulted in cash and cash equivalents of EUR 11.6 million as of September 30, 2012. The Company's solvency was guaranteed at all times during fiscal year 2011/12. Due to the Company's creditworthiness, a number of financing options are available.

Non-current liabilities decreased by EUR 1.0 million to EUR 9.1 million compared to September 30, 2011. Non-current liabilities as a share of the total assets of the MOBOTIX Group decreased from 17.2% to 13.7%. As of the reporting date, current liabilities represented 19.1% of total assets, compared to 16.7% as of September 30, 2011.

Taking into account current global economic developments, and in particular in light of increased market uncertainty in connection with the European debt crisis, the development of the Group's net assets, financial position and results of operations during the fiscal year under review reflects the expectations of the Management Board for the business development in this period.

Cash Flow From Operating Activities
€ 17.9m (+39.8%)

MOBOTIX Growth

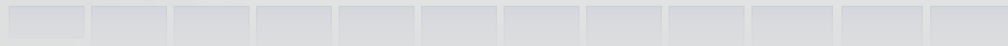
Revenue In Fiscal Year (September 30)

€
82m

0,8

00/01 01/02 02/03 03/04 04/05 05/06 06/07 07/08 08/09 09/10 10/11 11/12

00\01 01\02 02\03 03\04 04\05 05\06 06\07 07\08 08\09 09\10 10\11 11\12



Research And Development ...

Research And Development

Development activities were also further expanded during fiscal year 2011/12. As of September 30, 2012, the MOBOTIX Group had 86 employees (by headcount) in its Development department. As in previous years, the primary development focus was on the creation of new hardware and software products, as well as further optimization of product functionality.

Expenditure for research and development totaled EUR 8.1 million (2010/11: EUR 6.6 million; SFY EUR 1.7 million). Most development activity is carried out in-house. Development activities are outsourced on a small scale only in the area of tool design and PC board layout.

One focus in the fiscal year 2011/12 has been the development of accessories for the IP-based door station T24, the development of video analysis software, and the development of the new camera line S14, which was introduced onto the market at the end of June.

We also laid the foundation for additional product development innovations, which are expected to be launched on the market in the following fiscal year.

Employees

60 employees were hired during fiscal year 2011/12. Until September 30, 2012, the MOBOTIX Group had 336 employees, compared to 292 employees (excluding trainees and temporary staff and including members of the Management Board; by headcount) at the beginning of the fiscal year. Fiscal year 2012/13 will see additional staff increases, particularly in marketing, sales and development.

Number Of Employees

373 (Incl. Members of the Management Board, trainees and temporary staff)

... Employees

Directors' Dealings

During the period from October 1, 2011 to September 30, 2012, the following reportable purchases or sales of shares were effected by members of the Management Board or Supervisory Board.

received from other group companies. The main criteria used to assess the appropriateness of this remuneration are the responsibilities of the respective Management Board member, his or her personal performance and the performance of the complete Management

Name	Function	Date of transaction	Type of transaction	Stock exchange	Number of shares	€ Price	€ Total volume
Prof. Dr. Gerten	Supervisory Board	*	Purchase	Xetra	2,400**	19.77	47,440
Dr. Ralf Hinkel ***	CEO	May 3, 2012	Purchase	Xetra	10,000	20.90	208,997

* 4 partial transactions on November 14, 15 and 16, 2011

** Number of shares after share split

*** Indirectly via Dr. Ralf Hinkel Holding GmbH

Remuneration Report

The Remuneration Report summarizes the principles applied for determining the remuneration of the Management Board of MOBOTIX AG, and explains both, the amount and the structure of the remuneration, paid to the Management Board. In addition, the Remuneration Report describes the principles applicable to, and the amount of, the remuneration of the Supervisory Board.

Board as well as the Company's financial position, its performance and its future prospects given its competitive environment.

The total remuneration paid to the members of the Management Board of MOBOTIX AG comprises monetary compensation and further entitlements that are listed below. Otherwise, there were no pension entitlements or entitlements in particular in the event of employment being terminated or any third-party payments or benefits that were either promised for work performed on the Management Board or were granted during the financial year.

Management Board

The remuneration paid to the members of the Management Board of MOBOTIX AG is set at an appropriate level by the Supervisory Board on the basis of an assessment of their performance, taking account of any remuneration

Remuneration Report ...

The remuneration paid to the Management Board is reviewed on a regular basis and was last adjusted by a Supervisory Board resolution from July 11, 2012 regarding a reduction of the remuneration paid to Dr. Hinkel in favor of Dr. Oliver Gabel.

This remuneration comprises fixed and variable components. The variable remuneration consists of a bonus of no more than 4% of the Company's net income for the year as defined by Section 275 of the German Commercial Code (HGB).

At present the Company does not offer monetary remuneration components of a speculative nature that provide long-term incentives, such as stock option plans, as recommended by the German Corporate Governance Code (DCGK). It is being considered whether to adapt this in the future.

In addition, the members of the Management Board are given a luxury-class car commensurate with their position, which they may use for business and private travel. Furthermore, the Company has taken out accident insurance cover for occupational and day-to-day accidents as well as death for each member of the Management Board for the duration

of their employment with the Company. The Company has also provided the members of the Management Board with D&O Insurance. A minimum deductible was introduced during the current fiscal year in accordance with statutory regulations.

The Company has signed non-compete agreements with the members of the Management Board which apply for a period of one year after their employment contracts have expired. While this non-compete agreement is still in force, the Company is obliged to pay the respective Management Board member compensation amounting to 50% of the final remuneration paid under the terms of his or her employment contract.

The Company has agreed with one member of the Management Board that in case of an early termination of employment, the missing extension of contract by a further term or in case of change in control, he will be paid a one-time payment amounting to one annual remuneration.

Based on the resolution of the Annual General Meeting on October 6, 2008, we elect not to disclose the individual remuneration and other benefits granted to or received by the members

... Management & Supervisory

of the Management Board in the single-entity and consolidated financial statements for the financial years 2008/09 until 2012/13, but not after October 6, 2013.

The table below shows the remuneration paid to the members of the Management Board in the 2011/12 financial year:

EUR' 000s	Fixed*	Variable	Total
Management Board	949	1.241	2.190

* Including benefits in kind

The remuneration of the members of the Management Board amounted to EUR 2,190 thousand in fiscal 2011/12 (2010/11: EUR 1,723 thousand). Due to their appointment to the Board on January 1, 2011, members Dr. Ekerot and Dr. Gabel were remunerated on a prorated basis only during fiscal 2010/11.

Supervisory Board

Each member of the Supervisory Board receives a fixed annual remuneration of €10,000 for his or her work, pursuant to Section 11 in the Articles of Incorporation. The chairman of the Supervisory Board receives twice this amount.

Additionally, each member of the Supervisory Board receives variable remuneration for his work amounting to EUR 75.00 per EUR 0.01 of

the profit for the year as shown in the consolidated financial statements, divided by the number of shares outstanding, based on a share capital of EUR 13,271,442.00 divided into 13,271,442 no-par bearer shares, each representing EUR 1.00 of share capital. The Chairman of the Supervisory Board receives twice this amount.

The Company has also taken out Directors' and Officers' (D&O) Liability Insurance for the members of the Supervisory Board at its own expense.

The table below shows the remuneration paid to the members of the Supervisory Board in the 2011/12 financial year:

	Fixed EUR '000s	Variable EUR '000s	Total EUR '000s
Supervisory Board			
Dr. Thomas Hoch	20.0	15.4**	35.4
Prof. Dr. Rainer Gerten	10.0	7.7*	17.7
Ulrich Putsch	10.0	7.7*	17.7
Total	40.0	30.9	70.9

* EUR 75,00 per EUR 0.01 of the profit for the year as shown in the consolidated financial statements, divided by the number of shares 13.271.442

** receives twice this amount*

Significant Events After The End Of The Fiscal Year

No additional events of any significance occurred after the end of the fiscal year 2011/12.

Information Pursuant To ...

Information Of The Management Board Pursuant To Section 289 (4) And 315 (4) Of The German Commercial Code

In response to the German Takeover Directive Implementation Act, Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB) require publicly traded companies to provide takeover-relevant information on their capital structure, shareholders' rights and restrictions, shareholding ratios and governing bodies.

MOBOTIX AG states the following with regard to the required information:

- 1.** The subscribed capital of MOBOTIX AG amounts to EUR 13,271,442 and is divided into 13,271,442 no-par bearer shares, each representing EUR 1.00 of shares capital. Each share entitles the bearer to one vote. As far as the Management Board of the Company is aware, there are no restrictions relating to the voting rights of the shares.
- 2.** There are no restrictions on voting rights or transfer of shares.
- 3.** Dr. Ralf Hinkel, CEO of MOBOTIX AG, indirectly holds 50.22% of the subscribed capital via Dr. Ralf Hinkel Holding GmbH, Winnweiler, Germany.

4. As long as Dr. Ralf Hinkel Holding GmbH itself and/or a Company controlled by it (Section 17 AktG) or under its direction (Section 18 AktG) holds a total of more than 25% of the Company's shares, it shall have the nontransferable right to appoint one member to the Supervisory Board of the Company.

5. The Management Board is not aware of employees holding an investment in the Company's capital who do not directly exercise their control rights.

6. The regulations on the appointment and dismissal of Management Board members and amendments to the Articles of Incorporation are based upon the Stock Corporation Act and the Articles of Incorporation of MOBOTIX AG, which are published on the website in the Corporate Governance section.

Under Article 5 of MOBOTIX AG's Articles of Incorporation, the Management Board must comprise a minimum of two and a maximum of four persons. The exact number of Management Board members is determined by the Supervisory Board.

The resolutions of the Annual General Meeting are adopted by a simple majority of the votes

... Section 315 (4) HGB

cast unless a larger majority is required by law or these articles of incorporation. Where the German Stock Corporation Act requires that a majority of the share capital represented at the Annual General Meeting must be cast in order to adopt a resolution, a simple majority of the share capital represented shall suffice as long as that is legally permissible.

Pursuant to Section 15 (1) of the Articles of Incorporation, an amendment to the Articles of Incorporation requires a simple majority of the votes cast unless a larger majority is required by the law or these articles of incorporation. Where the German Stock Corporation Act requires that a majority of the share capital represented at the Annual General Meeting must be cast in order to adopt a resolution, a simple majority of the share capital represented shall suffice as long as that is legally permissible. Pursuant to Section 15 (2) of MOBOTIX AG's Articles of Incorporation, the adoption of a resolution is permissible only, if in addition to the majority requirement pursuant to Section 15 (1) of the Articles of Incorporation, capital with voting rights present in the meeting of shareholders represents at least 60% of the share capital. If

a proposed resolution for amendment of the Articles of Incorporation is not voted upon due to a lack of such presence, then the obligation for presence will not apply in a second meeting of shareholders.

7.1 The Management Board is authorized, subject to the consent of the Supervisory Board, to increase the subscribed capital of the Company by way of an issue of up to 1,272,544 new no-par-value ordinary bearer shares for cash and/or non-cash contribution on one or more occasions in the period January 1, 2008 to November 30, 2011, subject to an overall total increase of EUR 1,272,544 (authorized capital). Existing shareholders must be given preemptive rights, which can be granted to the shareholders in the form of indirect preemptive rights (Section 186 (5) AktG). However, the Management Board is authorized, subject to the consent of the Supervisory Board, to disapply the preemptive rights of existing shareholders,

(I) if the capital increase is made in return for cash contributions, and the proportional amount of share capital assigned to the new shares issued under exclusion of the subscription right pursuant to Section 186 (3) Sentence

Information Pursuant To ...

4 AktG does not exceed a total of 10% of the share capital, either at the time that this authorization takes effect or at the time that it is exercised, and the issue price of the new shares is not materially lower, within the meaning of Sections 203 (1) and (2), 186 (3) Sentence 4 AktG, than the stock exchange price of the shares of the same class and features already being traded on the stock exchange at the time the issue price is finally determined. Shares to be counted against this maximum limit are those which were issued or are to be issued for the servicing of warrant-linked or convertible bonds or participation rights with conversion or option rights, so long as these bonds were issued in corresponding application of Section 186 (3) Sentence 4 AktG under exclusion of the subscription right. Furthermore, the Company's own shares to be counted against the maximum limit of 10% of the share capital are those that will be sold during the term of the subscribed capital under exclusion of the subscription right of shareholders pursuant to Sections 71 (1) No. 8 Sentence 5, 186 (3) Sentence 4 AktG;

(II) in the case of capital increases in return for contributions in kind, particularly the acquisition of companies, portions of companies, and shareholdings in companies;

(III) in order to issue employee shares to employees and pensioners of the Company and its affiliated companies;

(IV) for fractional amounts.

The Management Board is authorized, with the consent of the Supervisory Board, to stipulate additional details for the performance of the capital increase.

7.2 (I) The Management Board is also authorized, subject to maintaining the principle of equal treatment (Section 53a AktG), to acquire treasury shares up to a total of 10% of the Company's existing capital stock in the period up to September 30, 2014. This authorization may be exercised in one transaction or in partial amounts on one or more occasions. The purchase of treasury shares may be carried out by other companies in the group or by third parties acting for the account of the Company or the group companies.

(II) At the discretion of the Management Board, treasury shares may be purchased (i) on a stock exchange or (ii) by way of a public purchase offer addressed to all shareholders or a public solicitation of offers for sale from shareholders.

(III) The Management Board is authorized, subject to maintaining the principle of equal

... Section 315 (4) HGB

treatment (Section 53a AktG), to resell on a stock exchange treasury shares acquired under the above mentioned authorization or to offer such shares for subscription by shareholders on the basis of an offer addressed to all shareholders, subject to the preservation of preemptive rights. Trading with treasury shares is not permitted.

The Management Board is also authorized to use treasury shares acquired under the above mentioned authorization:

(a) subject to the consent of the Supervisory Board, to offer or transfer shares in the Company to third parties as consideration as part of business combinations or as part of the acquisition of companies, parts of companies, equity investments or other assets,

(b) subject to the consent of the Supervisory Board, to sell shares in the Company other than on a stock exchange or by means of an offer to all shareholders if these shares are sold for cash at a price that, at the time of the sale, is not significantly lower than the market price of the Company's shares of the same type and with the same rights determined in the opening auction on the trading day concerned; in this case, the number of shares to be sold must not exceed a total of 10% of the Company's registered capital stock at the time the shares are sold; this upper limit of 10% of the capital stock is subject to the deduction of the pro-rata amount of capital stock attributable to those shares in the Company that are issued during the term of this authorization as part of a capital increase with the disapplication of preemptive rights pursuant to section 186 (3) sentence 4 AktG or issued to service options or convertible bonds, or profit-sharing rights with conversion rights or options, provided that these debt instruments are issued during the term of this authorization with the disapplication of preemptive rights in application of Section 186 (3) Sentence 4 AktG mutatis mutandis,

Information Pursuant To ...

(c) to grant shares to employees of the company, members of the management, or to other employees of entities affiliated with the Company within the meaning of Section 15 AktG if these persons are entitled to receive the shares on the basis of stock options granted to them under any future stock option programs,

(d) to grant employee shares to persons holding an employment contract with the Company or with an entity affiliated with the Company within the meaning of Article 15 AktG,

(e) to recall shares in connection with a simultaneous reduction in subscribed capital without the recall or its implementation requiring the approval of a further resolution at an Annual General Meeting; the Management Board may alternatively specify that there be no reduction in capital stock, but instead that the proportion of the remaining shares to capital stock be increased pursuant to Section 8 (3) AktG. In this case, the Management Board is authorized to adjust the number of shares stated in the articles of incorporation.

(IV) The Supervisory Board is authorized to use the treasury shares acquired under the above mentioned authorization:

(a) to grant shares to the members of the Company's Management Board if the members of the Management Board are entitled to receive the shares on the basis of stock options granted to them under any future stock option programs,

(b) to grant shares to the members of the Company's Management Board as share-based payments subject to the same terms and conditions afforded to employees under character (d) of item (III). The Supervisory Board is responsible for specifying the details of share-based payment for the Management Board.

(V) The preemptive rights of existing shareholders to the treasury shares are disappplied insofar as these shares are used in accordance with the above mentioned authorizations in (a) to (d) of item (III) and in item (IV). In addition, subject to the consent of the Supervisory Board, the Management Board may disapply preemptive rights for fractional amounts when treasury shares are sold as part of an offer to the Company's shareholders.

8. No agreements within the meaning of Section 289 (4) No. 8 and 9 and Section 315 (4) No. 8 and 9 HGB exist.

... Section 315 (4) HGB

Related Party Disclosures

The loan granted to Dr. Hinkel in the amount of EUR 230 thousand was repaid in March 2012.

The loan bore interest at a rate of 3.5% per annum.

No other significant transactions with related parties occurred during the period under review.



MOBOTIX AG new Headquarters

Internal control system ...

Opportunities And Risks Of Future Development And Outlook

Internal Control System

MOBOTIX possesses an extensive process control system. The aim of the control system is to detect potential deficiencies on various process levels, to trigger corresponding countermeasures and to safeguard and continuously improve the effectiveness of identifying and analyzing risks by regularly reviewing methods. The tasks of the control system are performed by members of management and employees located centrally in the organization department, who assume the sub-tasks of an internal audit.



The internal control system is a significant part of the Group's risk management. In addition to defined preventative and monitoring control mechanisms such as system-

atic and manual voting processes, the basis of the internal control system is predefined approval processes, the separation of functions, and compliance with guidelines. The four-eyes principle plays a central role in this process. By consistently applying risk management principles and instructions, the majority of risks are already avoided or their effects are at least diminished.

Significant regulatory components are contained in the regulations on data protection, IFRS accounting and the Corporate Governance principles for listed entities. Topics such as risk management and guidelines for the drafting of contracts are also taken into account. Significant contracts with financial or legal features and procedures with extraordinary technical risks are carefully reviewed. Requests to approve such transactions are coordinated by the manager responsible, who coordinates the evaluation and decision process and, if necessary, prepares the respective documentation required as a basis for the final approval of the Management Board.

The aim of the internal control and risk management system with regard to the Group

accounting process is to ensure that accounting takes place in a uniform manner and in accordance with legal requirements, generally accepted accounting principles and International Financial Reporting Standards (IFRS), and Group guidelines, ultimately providing the recipients of the consolidated financial statements with truthful and reliable information.

Portions of MOBOTIX AG's financial accounting are outsourced to an external service provider. That service provider is monitored by the accounting department of MOBOTIX AG. The division of duties between the external service provider and the accounting department is clearly defined. In addition to its control function, the accounting department of MOBOTIX AG also performs all material closing entries in coordination with the CFO. The IFRS consolidated financial statements are also prepared exclusively by the accounting department of MOBOTIX AG. Uniform accounting procedures are safeguarded in particular by accounting guidelines applicable throughout the Group, compliance with which is monitored by the accounting department of MOBOTIX AG. MOBOTIX CORP prepares its financial statements on its own IT system, which is subject

to clearly defined access regulations. Compliance with Group accounting guidelines and the orderly and timely performance of MOBOTIX CORP's accounting-related processes and systems is ensured by the accounting department of MOBOTIX AG or directly by the CFO of MOBOTIX AG.

Awareness of risks and the controls described above provide reasonable assurance that the consolidated financial statements are prepared in accordance with regulations and guidelines.

Compliance with guidelines is also monitored by the employees of the central organization department. The employees of this department report directly to the Management Board. They are available to provide advice to different department managers, enabling them to monitor the functionality of the internal control system as well.

A significant part of such monitoring is the proper compliance and implementation of guidelines. Recommendations categorized by importance and possible adaptation requirements are reported directly to the heads of the units being reviewed as well as to the Management Board.

Risk Management ...

Current issues are taken up and investigated promptly in ad-hoc audits. If necessary, such audits can result in immediate process changes with the aim of continuously improving process quality. Follow-up audits are then carried out, in which the implementation of the process changes is reviewed. Any discrepancies are reported immediately to the Management Board.

At least once annually, the Supervisory Board reviews the effectiveness of the internal control and risk management systems.

Risk Management

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

to three years. For strategic opportunities and risks, a correspondingly longer forecasting horizon is used.

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

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

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

Material Risks

Market Risk

MOBOTIX products are in use today in a large number of professional applications due to the products compact design and high temperature resistance, such as the public security market (railway stations, airports, urban secu-

... And Material Risks

rity, prisons, harbors, highways) and the mobile security market segment (police, railways, buses, goods transportation, logistics). The Management Board expects the Company to continue growing strongly in the coming fiscal years as it **introduces new product families**. Product innovations will continue to play a central role in this growth.

External market studies confirm the expectation of high growth rates over the coming years in the area of digital IP video monitoring systems despite short-term negative events like the financial and economic crisis. Accordingly, the **market environment** can continue to be considered very attractive.

In the Company's view, the **competitive situation** has not changed to its disadvantage in recent months. It remains to be seen, however, to what extent the traditional providers of analog security systems will join the technological shift to digital systems, or whether they will withdraw from the market. MOBOTIX already has a market presence as a system provider offering not only a complete range of hardware and accessories, but also video software for control centers. MOBOTIX is differentiating itself from its competitors by acting as a onestop shop for

complete projects while at the same time putting pressure on pure-play software providers by offering its own control center software free of charge, thereby reducing the overall project cost for customers.

In principle, the Management Board deems the **procurement market** risks to be within the customary range for the industry. Fluctuations in the market can generally lead to changes in the availability of components. The Company is controlling the threat of long supply times by increasing inventory management on components and finished goods. Although there are not currently any procurement bottlenecks affecting product availability, they cannot be ruled out in principle.

A short-term failure of critical suppliers (e.g. for processors), which could lead to significant disruptions in production, is still considered unlikely.

Political, Legal ...

Financial Risks

Thanks to the Company's comfortable liquidity position and excellent credit standing, the Company currently has no material **financial risks**. **Currency risks** exist primarily in connection with operations in the USA. The positive cash flow from the business in the USA covers MOBOTIX AG's purchasing requirements in the dollar zone. In addition, due to the euro crisis the Company has foreign currency holdings in Swiss francs that can be shifted onto the market at short notice. There is no material **risk of changes in interest rates** at the present time. Existing third-party financing was acquired at fixed interest rates. **Bad debt risks** are limited through an efficient credit management system, including dunning and collection, with very restrictive terms of payment.

Political, Legal And Social Risks

Public perception of video monitoring has continued to develop in a very positive direction overall. The presence of video monitoring increases public perception of security and it is therefore finding increased public acceptance. There have been a growing number of political initiatives aimed at improving the quality of monitoring systems in public areas.

A first example was the **French video law** of October 1, 2006. If standards continue to change in favor of high-resolution systems in the public security area, then MOBOTIX can also benefit from this thanks to its position as an important manufacturer of such systems.

The Management Board therefore presumes that the Company's regulatory environment will have a significantly positive effect on its further growth.

The number of patent lawsuits has increased significantly in the video security industry as well in recent quarters. A patent action filed by a small U.S. company is currently pending against MOBOTIX CORP. The Management Board is acting under the assumption that the patents of the plaintiff have not been violated or that they are invalid. It cannot be ruled out, however, that MOBOTIX will be involved in additional patent infringement proceedings, which could have a significant financial impact on the Company.

... And Other Risks

Operational Performance Risks And Other Risks

In recent years, the MOBOTIX Group has seen significantly **faster growth** than the overall market with growth rates of up to 50%. The high growth momentum has resulted in an ongoing need for organizational adaptation. The Company counters the entailing fundamental risks with an ongoing adaptation of human resources, control systems and infrastructure.

Production and sale of technical products are always associated with **warranty risks**. These risks are reflected in appropriate provisions on the statement of financial position. The Company has also purchased product liability insurance to protect against possible losses and risks.

Due to sustained growth, additional construction projects are anticipated in the coming periods. Should the situation arise, initial planning activities for further construction phases in order to use the existing land at short notice if needed, are still expected to occur in fiscal year 2012/13.

Developing new market segments, for instance tapping the market for door stations, is associated with risk by nature. One challenge entails, for example, correctly identifying and taking sufficiently into consideration product design, due to the lack of a reference product (the systems available in the market are largely “non-digital” systems that do not allow global access to the system). These types of risks are taken into account by, for instance, using existing technology platforms, which allow for relatively cost-efficient product development. In addition to establishing further distribution channels, such as electronics wholesalers, it is also necessary to create global support structures. MOBOTIX AG began using new technologies to develop new distribution channels early on.

The Management Board presumes that along with the planned corporate growth, operating results will also continue to increase in line with current profitability. In this regard, the significant market potential in the US market, as well as other growth-related losses of **MOBOTIX CORP** commensurate with business development must be taken into account.

Consolidated Management Report

Opportunities, Risks ...

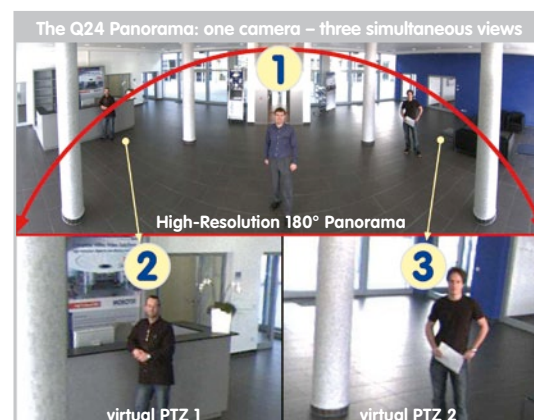
It is currently not yet possible to conclusively estimate how lasting the negative impact of the current debt crisis in Europe and the resulting upheavals in the capital markets will be on sales and earnings growth. If these developments were to result in a more widespread global recession, they would naturally have a significant impact on the market environment that is relevant to MOBOTIX. It should be pointed out that especially in some European markets the effects are already being seen in the form of delays in realizing projects and a decline in demand.

The Company sees no risks at the present time or in the future that would endanger the Company's continued existence or would have a material influence on its development. Technological innovation and further expansion of the distribution network are extremely important for the Group's sustained success.

Opportunities And Outlook

With forecasts of high growth rates in the medium to long term, the positive market trend has created a foundation for the Company's successful development. In addition to a rising awareness of security issues, market

growth will be driven by the **switch from analog to digital technology**. If this change should happen sooner than expected, additional opportunities could be presented for the MOBOTIX Group. Factors that could lead to an acceleration include **political initiatives** such as the French video law that would improve the quality of security systems in the public sector.



The Management Board assumes that **technological market drivers** such as increasing image resolution in video systems and more complex security installations will favor the advantages of the **decentralized technology approach**. This has become particularly evident through the introduction of hemispheric technology (Q24). Although various companies offer hemispheric cameras, the

... And Outlook

generally centralized system architecture of our competitors results in their cameras being of poorer quality and/or less efficient. This would strengthen the MOBOTIX Group's competitive position and put pressure on the competition.

Just as with a sustained macroeconomic downturn, an accelerated macroeconomic recovery can, from experience, of course also lead to supply bottlenecks on the procurement market and cause production bottlenecks. Such risks are counteracted in particular by increased warehousing of critical components and finished products.

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

MOBOTIX is currently represented by partners throughout the world. A key factor for unleashing future growth potential involves pursuing a **targeted expansion of the partner network**. The successful expansion of the sales network holds the key to significant growth opportunities. The outstanding global market position – particularly in the niche markets of high-resolution network cameras – provides the

conditions for ongoing and thriving growth. In the course of introducing the T24 digital video door station, we are currently focusing on the targeted worldwide expansion of our distribution channels to include wholesalers of electrical products.

In terms of regions, the Management Board sees **key growth areas** for the coming months in North America, South America and Asia.

The introduction of the hemispheric camera technology on the market was most successful. The fact that the technology has established itself on the market as a new type of camera and that the Company's key competitors are still unable to offer any products or any products of comparable quality is an indication of MOBOTIX AG's innovative strength. The introduction of the S14 camera line as well – a completely new type of camera that has never existed on the market before in that format – is an expression of MOBOTIX AG's innovative power. Moreover, MOBOTIX plans to use additional product innovations in the area of video surveillance systems in the coming months to reinforce its competitive position.

Opportunities, Risks ...

Considerable future potential is seen for the new Access Control & Communication product segment, particularly the T24 digital door station. This new IP-based technology is far ahead of today's systems and also allows door communication, video monitoring, alarm systems, access control and home control systems all to be operated in an integrated manner from a single source such as an iPhone or iPad. Another significant innovation has been created by also allowing efficient access via mobile telephone networks with lower data bandwidths. Accordingly, MOBOTIX is striving to be a technological leader in this market segment.

The new S14 camera line with miniature built-in modules was introduced on the market at the end of June 2012, and promises to gain new market shares in the area of discrete monitoring. The S14 also makes a camera system available on the transport market that is specially optimized to the mobile sector, thereby expanding the areas of application for MOBOTIX camera systems.

Continuing high levels of uncertainty and recessionary developments are to be expected in the short term as a result of the debt and financial crisis, particularly in Europe.

The entry into the new product segment Access Control & Communication and the associated lack of experience as to the speed of global market penetration on the one hand, and increasing uncertainty in connection with the 'euro crisis' on the other hand, make it difficult to predict the outlook for the coming fiscal year 2012/13 as well as the following year.

Taking into account the conditions mentioned, we anticipate revenue growth of approximately 5% for fiscal year 2012/13, with an EBIT margin of approximately 20%.

For the subsequent fiscal year (2013/14), we expect continued strong growth in revenue and EBIT due to the ongoing optimization of our distribution structure, the availability of additional components in the Access Control & Communication product range, the new S14 camera line, as well as other planned innovations.

... And Outlook

The above forward-looking statements are of a purely predictive nature. The actual results may thus deviate substantially from these expectations.



Information Pursuant To ...

Corporate Governance Statement

Pursuant to Article 289a HGB, MOBOTIX AG must issue a corporate governance statement.

The statement must contain the statement pursuant to Article 161 AktG, relevant information concerning corporate governance practices that are employed in addition to the legal requirements, a description of the function of the Management Board and Supervisory Board, and the composition and function of their committees.

Declaration Pursuant to Section 161 of the German Stock Corporation Act (AktG) (Section 289a [2] No. 1 HGB)

The Declaration of Compliance with the German Corporate Governance Code can be found on our website (in German only) at http://www.mobotix.com/ger_DE/Investors/Corporate-Governance/Entsprechenserklärung

Corporate Governance Practices (Section 289a [2] No. 2 HGB)

We do not implement any corporate governance practices beyond those required by law.

Description of the Function of the Management Board and the Supervisory Board (Section 289a [2] No. 3 HGB)

a) Function of the Management Board

The Management Board executes the Company's transactions, whereby all Management Board members share joint responsibility. The Management Board defines the Company's business goals, its basic strategic focus, corporate policy and the Company's organizational structure. Decisions are made in the form of resolutions. The Management Board reports regularly to the Supervisory Board in writing and verbally, particularly on the performance of the Company, significant transactions and the earnings and liquidity situation. In the last quarter of each fiscal year, the Management Board submits an investment and finance plan for the new fiscal year to the Supervisory Board. The Supervisory Board remains in regular contact with the members of the Management Board outside of the Supervisory Board meetings as well, and is informed of all relevant transactions. All measures requiring the consent of the Supervisory Board are presented to the Supervisory Board in due time along with a detailed description of their future impact.

... Section 289a HGB

b) Function of the Supervisory Board

The Supervisory Board supervises and advises the Management Board on the conduct of business. The Supervisory Board holds regular meetings at which it consults on the performance and the situation of the Company with the help of comprehensive reports from the Management Board. The Supervisory Board is directly involved at an early stage in all decisions of fundamental significance for the Company. The Supervisory Board has approved the annual financial statements pursuant to Section 172 of the Stock Corporation Act based on the auditor's report. Supervisory Board resolutions are adopted by simple majority of the members participating in the resolution. In the event of a tie, the vote is decided by the Chairman of the Supervisory Board.

c) Composition and Function of Committees

In the opinion of the Management Board and the Supervisory Board, it would not be expedient to form specialist committees at present in light of the specific circumstances and the size of the Company.

Winnweiler-Langmeil, November 2, 2012

The Management Board



Dr. Ralf Hinkel • CEO MOBOTIX AG



Lutz Coelen • CFO MOBOTIX AG



Dr. Magnus Ekerot • CSO MOBOTIX AG



Dr. Oliver Gabel • CTO MOBOTIX AG



T24



MxDisplay



M12



D14



MOBOTIX

Consolidated Financial Statements

Income Statement ...

EUR '000s	see notes	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Revenue	(1)	81,620	15,176	73,191
Increase in finished goods and work in progress	(2)	1,264	1,358	2,122
Other own work capitalized	(3)	1,122	152	1,432
Total output		84,006	16,686	76,745
Cost of materials	(4)	-21,947	-5,520	-20,542
Gross profit		62,059	11,166	56,203
Staff costs	(5)	-22,401	-4,264	-19,275
Depreciation and amortization	(6)	-3,600	-983	-2,874
Other operating income	(7)	619	345	471
Other operating expenses	(8)	-17,163	-3,623	-15,350
Operating profit		19,514	2,641	19,176
Other interest and similar income	(9)	33	13	67
Interest expense and similar charges	(9)	-514	-120	-530
Profit before tax		19,033	2,533	18,713
Income taxes	(10)	-5,342	-766	-5,515
Profit for the year		13,691	1,767	13,198
Profit attributable to shareholders of MOBOTIX AG		13,691	1,767	13,198
Earnings per share (diluted/basic) in EUR	(11)	1.04	0.13	1.00

Consolidated Statement of Comprehensive Income (Loss)	Oct. 1, 2011- Sep. 30, 2012	July 1, 2011- Sep. 30, 2011	July 1, 2010- June 30, 2011
Profit for the year	13,691	1,767	13,198
Difference resulting from currency translation	-10	-21	-19
Accumulated other comprehensive income (after tax)	-10	-21	-19
Total comprehensive income for the short fiscal year	13,681	1,746	13,179
Profit attributable to shareholders of MOBOTIX AG	13,681	1,746	13,179

Profit For The Year
€ 13.7m (+3.7%)

Earnings Per Share
€ 1.04

... Statement of Financial Position

EUR '000s	see notes	Sep. 30, 2012	Sep. 30, 2011
Intangible assets	(12)	2,233	2,141
Property, plant and equipment	(12)	23,158	22,481
Prepaid expenses and deferred charges	(17)	56	74
Deferred tax assets	(10)	218	179
Non-current assets		25,665	24,876
Inventories	(13)	14,810	14,967
Trade receivables	(14)	9,834	6,136
Other assets	(15)	4,543	5,520
Cash and cash equivalents	(16)	11,648	6,994
Prepaid expenses and deferred charges	(17)	466	533
Current assets		41,302	34,151
TOTAL ASSETS		66,966	59,027
Subscribed capital		13,271	4,424
Statutory reserve		77	4,424
Capital reserve		818	9,665
Treasury shares		-1,798	-778
Accumulated other comprehensive income		26	36
Profit or loss carried forward		18,981	23,892
Profit for the year		13,691	1,767
Equity	(18)	45,066	39,006
Liabilities to banks	(21)	8,468	9,457
Deferred tax liabilities	(10)	670	722
Non-current liabilities		9,138	10,179
Tax provisions	(19)	4,478	2,314
Other provisions	(20)	245	253
Liabilities to banks	(21)	1,164	1,164
Trade payables	(22)	3,602	3,681
Other liabilities	(23)	3,272	2,429
Current liabilities		12,762	9,842
TOTAL EQUITY AND LIABILITIES		66,966	59,027

Total Assets
€ 67.0m (+13.5%)

Consolidated Financial Statements

Statement Of Cash Flows ...

EUR '000s	see notes	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Profit before tax for the year		19,033	2,533	18,713
+ Net interest income or expense	(9)	480	108	463
+ Depreciation and amortization of property, plant and equipment, and intangible assets	(6)	3,600	983	2,874
+ Interest received		32	9	67
-/+ Decrease/Increase in other provisions	(20)	-8	15	62
+ Loss on disposal of non-current assets		1	9	0
+ Other non-cash expenses		18	5	18
Operating profit before changes in working capital		23,156	3,661	22,197
-/+ Increase/Decrease in inventories, trade receivables and other assets not attributable to investing or financing activities		-2,841	1,441	-9,223
+/- Increase/Decrease trade payables and other liabilities not attributable to investing or financing activities		832	-1,580	2,292
Cash flow from operating activities before tax		21,147	3,523	15,266
- Income tax paid		-3,269	-4,420	-2,477
Cash flow from operating activities		17,878	-897	12,789
- Cash paid for purchases of property, plant and equipment		-3,411	-1,351	-7,584
- Cash paid for purchases of intangible assets		-1,057	-150	-1,367
+ Cash received from subsidies	(12)	107	274	930
+ Proceeds from sales of current available-for-sale financial assets		230	0	476
+ Cash received from disposals of property, plant and equipment		27	8	0
Cash flow from investing activities		-4,104	-1,218	-7,545
- Dividends paid	(18)	-6,601	0	-4,424
- Purchase of treasury shares		-1,020	0	-778
- Cash paid for the redemption of loans		-1,164	-265	-2,927
+ Cash received from borrowings		0	2,000	3,360
- Interest paid		-339	-42	-366
Cash flow from financing activities		-9,124	1,693	-5,134
Net change in cash and cash equivalents		4,650	-422	110
Effect of exchange rate and other changes on cash and cash equivalents		3	6	-13
Cash and cash equivalents at the beginning of the reporting period		6,994	7,409	7,312
Cash and cash equivalents at the end of the reporting period	(16)	11,648	6,994	7,409

Material non-cash transactions: No material non-cash transactions occurred in the current fiscal year.

**Operating Cashflow
Before Tax**
€ 17.9m (+39.8%)

Profit Before Tax
€ 19.0m (+1.7%)

... Changes In Equity

EUR '000s	see notes	Subscribed capital	Statutory. reserve	Capital reserves	Treasury shares	Accumulated other comprehensive income	Profit or loss carried forward	Result for the year	Total
Balance as of July 1, 2011		4,424		9,665	-778	57	23,892	0	37,260
Currency translation						-21			-21
Profit for the year								1,767	1,767
Balance as of Sep. 30, 2011		4,424		9,665	-778	36	23,892	1,767	39,006
Balance as of Oct. 1, 2011		4,424		9,665	-778	36	25,659	0	39,006
Dividend payment							-6,601		-6,601
Capital increase from reserve		8,847		-8,847					0
Purchase of treasury shares					-1,020				-1,020
Currency translation						-10			-10
Profit for the year								13,691	13,691
Allocation to statutory reserve			77				-77		0
Balance as of Sep. 30, 2012		13,271	77	818	-1,798	26	18,981	13,691	45,066

Equity
€ 45.1m

Equity-To-Assets Ratio
67.3%

Notes ...

Notes To The Annual Consolidated Financial Statements For The fiscal year Ending On September 30, 2012

1. General Information

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

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

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

On October 10, 2007, MOBOTIX AG made an initial public offering with shares listed on the Entry Standard of the Frankfurt Stock Exchange (Deutsche Börse AG). Since March 31, 2008, the shares of MOBOTIX AG have been listed in the Prime Standard of the Frankfurt Stock Exchange (of "Deutsche Börse AG").

MOBOTIX AG maintains one subsidiary in the USA, one associate in the UK and one in Brazil.

The Management Board and the Supervisory Board have issued a Declaration of Compliance to the German Corporate Governance Code, as prescribed by Section 161 of the German Stock Corporation Act (Aktiengesetz, AktG), and have made this declaration available to the public on a permanent basis (in German only) on the Company's website under www.mobotix.com.

In the past, the fiscal year of MOBOTIX AG encompassed the period from July 1 of one year to June 30 of the following year.

Pursuant to the resolution of the Annual General Meeting of MOBOTIX AG of October 28, 2010, the fiscal year of MOBOTIX AG was changed effective October 1, 2011, and from this date will begin on October 1 of one year and end on September 30 of the following year.

A short fiscal year (SFY) was formed for the period from July 1, 2011 to September 30, 2011. The 2011/12 fiscal year encompassed a period of twelve months, whereas the SFY 2011 encompassed a period of three months. Due to the different time frames of the reporting and comparison periods, the amounts shown are not completely comparable. The most

recent complete fiscal year 2010/11 has been presented as additional information to facilitate understanding. The figures presented in the 'additional information' column are to be read in connection with the consolidated financial statements of MOBOTIX AG as of June 30, 2011.

The consolidated financial statements are prepared in euro (EUR). Unless otherwise indicated, all amounts are stated in EUR thousand (EUR '000s). The translation of EUR into EUR thousand may give rise to rounding differences of plus or minus one unit (Euro or percent).

2. Basis Of Presentation

The consolidated financial statements of MOBOTIX AG have been prepared pursuant to Section 315a of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations of the International Accounting Standards Board (IASB), as mandated by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards.

All individual financial statements of the companies included in the consolidated financial statements have been prepared in accordance with applicable local law and have been adjusted to the IFRS as mandatory in the EU as well as to the accounting policies of the MOBOTIX Group. To this end, the financial statements prepared according to country-specific regulations are adjusted to the uniform accounting policies used throughout the Group if they do not comply with IFRS as mandatory in the EU. The same accounting policies as in the consolidated financial statements for the short fiscal year 2011 were applied.

The income statement has been prepared according to the nature of expense method.

The Management of MOBOTIX AG authorized the consolidated financial statements for issue on November 2, 2012.

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3. Accounting Standards Applied

The following new standards and amendments to standards and interpretations have been taken into consideration:

- IFRS 7 Amendments – Financial Instruments: Disclosures – Transfers of Financial Assets (mandatory for fiscal years beginning on or after July 1, 2011)

The first-time application of these standards and interpretations did not have a material impact on the presentation of the results of operations, net assets and financial position of the MOBOTIX Group.

The following new or amended standards, which have already been adopted by the European Union but whose application is not yet mandatory, were not applied early:

- IAS 19 Amendments – Employee Benefits (mandatory for fiscal years beginning on or after January 1, 2013)
- IAS 1 Amendments – Presentation of Items of Other Comprehensive Income (mandatory for fiscal years beginning on or after July 1, 2012)

We do not anticipate that the first-time application of these standards and interpretations will have any material impact on the presentation of the results of operations, net assets and financial position.

4. Accounting Principles

Scope Of Consolidation

In the year 2003, the subsidiary MOBOTIX CORP, New York, USA (formerly MOBOTIX LLC, Columbia, South Carolina) was founded in order to penetrate the U.S. market. MOBOTIX CORP was fully included in the consolidated financial statements of MOBOTIX AG as of the opening balance sheet date. MOBOTIX DO Brasil SERVICOS EM SISTEMAS DE SEGURANCA Ltda. was founded on September 4, 2012 in São Paulo, Brazil as a service company for Brazil. MOBOTIX Ltd., Nottingham, UK, and MOBOTIX DO BRASIL Ltda., São Paulo, Brazil, have not been included in the consolidated financial statements as they are not material to the consolidated financial statements of MOBOTIX AG. MOBOTIX Ltd. and MOBOTIX DO BRASIL Ltda. are currently not operating.

Principles Of Consolidation

The financial statements of the companies included in the consolidated financial statements of MOBOTIX AG were prepared in accordance with uniform accounting policies in accordance with IFRS as of the balance sheet date of September 30, 2012.

MOBOTIX CORP was included in the consolidated financial statements as of July 1, 2005, i.e. the date of the opening balance sheet, in accordance with IFRS 1. Accordingly, the subsidiary's equity as of the date of the opening balance sheet was offset against the carrying amount of the equity investment at the parent company.

Intra-group receivables and liabilities as well as any income and expenses from intra-group transactions are offset. Intra-group transactions

are based both on market prices and also on arm's length transfer prices. Intra-group profits between the consolidated companies are also eliminated as part of the consolidation process. Deferred taxes are documented for consolidation adjustments recognized in income in accordance with IAS 12.

Currency Translation

Foreign currency transactions included in the separate financial statements, which were prepared in local currencies, are translated using the exchange rates applicable at the transaction date. Assets and liabilities denominated in foreign currencies are translated into the local currency at the closing rate, with any resulting gains or losses recognized in income.

The translation of financial statements prepared in a foreign currency is based on

Company	Registered office	Shareholding		Equity as of		
		Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012*	Sep. 30, 2011*	
MOBOTIX CORP	New York, USA	100.0%	100.0%	-450	-361	T-USD
MOBOTIX Ltd.	Nottingham, GB	100.0%	100.0%	1	1	GBP
MOBOTIX DO Brasil Ltda.	São Paulo, BR	100.0%	–	0	–	BRL

* Equity pursuant to local law

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the functional currency concept in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates." The relevant functional currencies of the foreign companies are identical with the respective local currency. All items on the statement of financial position, except equity, are translated at the middle rate on the balance sheet date, while expense and income items are translated at average rates. Equity is translated at historical rates. Any resulting translation differences are recognized directly in equity. Foreign exchange differences arising in comparison to the prior year are also recognized directly in equity.

The currency translation differences of the material currencies of the MOBOTIX Group developed as follows:

Accounting Policies

Revenue

Revenue is generally recognized upon the delivery of goods to the customer, or when the goods are picked up by the courier. Revenue from the delivery of goods is recognized once the significant risks and rewards of ownership of the relevant goods have been transferred to the customer. Thereof, the Company retains neither the rights of control nor effective disposition over the goods sold. The amount of proceeds can be reliably determined and an inflow of economic benefits from the purchase is sufficiently probable. Revenue from services (primarily training) is only generated at a very limited amount in the MOBOTIX Group. It is recognized when the services are rendered.

Currency translation		Average rates			Closing rates	
1 EUR =	ISO-Code	2011/12	SFY 2011	2010/11	Sep. 30, 2012	Sep. 30, 2011
US-Dollar	USD	1,30	1,41	1,36	1,29	1,35

Other Own Work Capitalized

This item mainly includes own development work capitalized as intangible assets. Own development work exclusively relates to staff costs.

Earnings Per Share

Earnings per share are determined in accordance with IAS 33 "Earnings per Share." Basic earnings per share are calculated by dividing the Group's profit for the year by the average number of shares. There is no dilutive effect at MOBOTIX AG. The prior year's figures were adjusted accordingly to the share split.

Intangible Assets

Intangible assets acquired for a consideration are capitalized in accordance with IAS 38 "Intangible Assets" if it is probable that the use of the asset results in a future economic benefit, and the cost of the asset can be reliably measured. The purchased intangible assets have without exemption a limited useful life. They are evaluated as acquisition costs and depreciated as a scheduled write-down. Financing costs that can be directly attributed

to acquisition or production of a qualifying asset are capitalized as part of the purchase or production costs. The financing costs for qualifying assets that have been capitalized before July 1, 2009 are not capitalized as part of the purchase or production costs. Intangible assets are generally amortized using the straight-line method in accordance with their useful economic lives. Received investment grants are stated as an abatement of acquisition costs so long that these subsidies can be directly allocated to line items of intangible assets.

Amortization is primarily based on the following useful lives:

Useful life	Years
Industrial property rights	3 to 5
IT software (operating and other systems)	3

In accordance with IAS 38 "Intangible Assets," research costs may not be capitalized. Development costs may only be capitalized if certain, clearly defined criteria are met. Accordingly, development costs must be capitalized when

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it is probable that development activities will result in a future inflow of cash, the amount of which will not only cover the costs of production but also the corresponding development costs. In addition, the development project or the product or process to be developed must fulfill all further criteria as defined in IAS 38. Since July 1, 2007, MOBOTIX AG has fulfilled these criteria for some of its development projects. Accordingly, the Company capitalizes development costs for product development in the area of camera housings, door stations, accessories, and software at cost if the relevant expenses can be clearly allocated and it is certain that the products will be technically feasible and can be successfully marketed. The capitalized development costs comprise all costs directly attributable to the development process. Capitalized development costs are amortized over the expected product life-cycle of generally three years from the production start date.

Property, Plant And Equipment

All items of property, plant and equipment (except land and assets under construction) are subject to wear and tear and are measured at cost less depreciation. The cost includes purchase prices, transaction costs as well as subsequent expenditures less any purchase price deductions granted. The costs of production are determined on the basis of directly attributable individual unit costs as well as applicable proportionate overheads. Financing costs that can be directly attributed to the acquisition, construction or conversion of a qualifying asset are capitalized as part of cost. For qualifying assets that were capitalized before July 1, 2009, financing costs are not capitalized as part of cost.

Investment grants received are recognized as reductions of cost if such grants can be directly allocated to individual items of property, plant and equipment.

Items of property, plant and equipment are generally depreciated using the straight-line method in accordance with their useful economic lives. Depreciable assets of property, plant and equipment are depreciated individually if they have different useful lives.

Depreciation is based on the following useful lives:

Useful life	Years
Buildings, fixtures, outside facilities	10 to 33
Technical systems	10 to 20
Furniture	10
Electronic laboratory appliances	3 to 10
Injection molding tools	3 to 5
Testing equipment	3 to 7
IT equipment	3 to 5

A shorter useful life applies if the asset can only be used for a shorter period of time for legal reasons. Expenses for repairs and maintenance are recognized as an expense when incurred.

Impairment Of Property, Plant And Equipment And Intangible Assets

The carrying amounts of intangible assets that invariably have a limited useful life, and those of property, plant and equipment – are reviewed for impairment in accordance with IAS 36 “Impairment of Assets” – provided that there are indicators of impairment. Development costs capitalized are tested for impairment annually up to the start of production. An impairment loss is recognized when the recoverable amount of the asset – which is the higher of its fair value less costs to sell and its value in use – is lower than its carrying amount. If the reasons for the recognition of an earlier impairment loss no longer exist, then the impairment loss is reversed and the carrying amount increased up to amortized cost.

Government Grants

Government grants are recognized only when there is reasonable assurance that the Group complies with the conditions attached to them and the grants have been authorized. Subsidies received from the government for the purchase of tangible and intangible assets result in a reduction of cost. Grants for

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development costs are recognized as income insofar as the corresponding development projects are not capitalized.

Leases

All of the MOBOTIX Group's current rental and lease agreements are **operating leases**. A lease is classified as an operating lease when the lessor retains substantially all the risks and rewards incidental to ownership of the leased assets. The leases refer mainly to the lease agreement for the production and administrative building in Kaiserslautern, the lease for office space in New York, USA, and lease agreements for operating and office equipment as well as for the vehicle fleet.

Deferred Taxes

In accordance with IAS 12 "Income Taxes," deferred taxes are recognized for all temporary differences between the tax base and the carrying amounts in the financial statements. Deferred tax assets based on claims for tax reductions resulting from the anticipated use of loss carryforwards in subsequent years are currently not recognized due to the uncertainty with regard to the realization of the tax advantages. Deferred tax assets and

liabilities are not discounted and are reported in the consolidated financial statements in accordance with IAS 12.74.

Inventories

Inventories are measured at cost – with the costs of the purchase of raw materials and supplies being determined using average prices, and taking into account the net realizable value as of the balance sheet date. Work in progress and finished goods are measured at cost of conversion, also taking into account the net realizable value as of the balance sheet date. Costs of conversion include directly allocable individual unit costs and production overheads, assuming normal capacity utilization. Inventories are not qualifying assets, as no substantial period of time is necessary for their acquisition or conversion, so that no capitalization of financing costs is possible. The net realizable value represents the estimated selling price less the estimated costs necessary to make the sale. Write-downs are recognized for inventory risks in an appropriate and sufficient amount.

Financial Assets And Liabilities

A financial instrument is any contract that simultaneously gives rise to a financial asset of one Company and a financial liability or equity instrument of another company.

Financial assets include in particular cash and cash equivalents, trade receivables as well as other loans extended and receivables.

Receivables and other assets are recognized at their nominal amount or at amortized cost. Identifiable individual risks are provided for by appropriate valuation allowances. In accordance with IAS 39 "Financial Instruments: Recognition and Measurement," the Group regularly assesses whether there is objective evidence that a financial asset or group of financial assets may be impaired. Any impairment loss resulting from an impairment test is recognized in "Other operating expenses."

Cash and cash equivalents include cash accounts and short-term deposits at banks with a remaining term to maturity of not more than three months at the time of addition. They are measured at face value. Foreign currency balances are measured at the middle

rate prevailing on the balance sheet date. Ratable interest income generated from cash equivalents is recognized in income.

Financial liabilities such as trade payables or liabilities to banks are regularly associated with a claim to receive compensation in cash or other financial assets. Financial assets and financial liabilities are generally reported on a gross basis. They are only offset when there is currently a legally enforceable right to offset and there is an intention to settle on a net basis. Financial assets are measured initially at fair value.

Financial liabilities are measured initially at fair value. Financial liabilities are subsequently measured at amortized cost using the "effective interest method." The MOBOTIX Group does not have any liabilities held for trading.

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Treasury Shares

Treasury shares are accounted for as a deduction from equity. The treasury shares of the MOBOTIX Group are measured at cost.

Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions are recognized in the statement of financial position for legal or constructive obligations as a result of past events when the outflow of resources required to settle the obligation is probable, and can be reliably estimated. The carrying amount of provisions is based on best estimates. Provisions are only recognized for legal or constructive obligations towards third parties and discounted where necessary.

Liabilities

Liabilities, including financial liabilities, are generally measured at amortized cost.

Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires the use of assumptions made by the management that have an influence on the measurement of assets and liabilities, the disclosure

of contingent assets and liabilities as of the balance sheet date, and the reported income and expenses during the fiscal year. These estimates may differ from the actual development. The preparation of the current consolidated financial statements was subject in particular to the estimates with regard to the capitalization of intangible assets (in particular development costs), the useful lives of intangible assets (in particular for development costs) and property, plant and equipment, as well as the measurement of other provisions and the realizability of existing tax loss carryforwards. Further estimates were made for the calculation of valuation allowances on trade receivables as well as for the measurement of inventories. Actual values may vary in specific cases from the assumptions and estimates made. Changes in assumptions or estimates are recognized in profit or loss once new information becomes available.

Statement Of Cash Flows

The statement of cash flow shows the changes that have occurred in the balance of the Group's cash and cash equivalents during the reporting periods in the form of cash inflows and cash outflows. In accordance with IAS 7

"Statement of Cash Flow," a distinction is made between cash flows from operational, and investment activities, and finance activities. Cash and cash equivalents include balances, with banks and cash on hand. Cash and cash equivalents are not subject to any restrictions.

5. Notes To The Income Statement

(1) Revenue

Please see the segment information in Section 7 for a breakdown of revenue by region and product.

(2) Increase/Decrease In Finished Goods And Work In Progress

Changes in inventories comprise increases and decreases in the amount of finished goods and work in progress.

(3) Other Own Work Capitalized

Other own work capitalized reported in fiscal year 2011/12 comprises in particular development costs capitalized in the amount of EUR 945 thousand (2010/11: EUR 1,257 thousand; SFY: EUR 34 thousand). This item also includes internally generated testing equipment and product racks.

(4) Cost Of Materials

	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
EUR '000s			
Cost of raw materials, supply and merchandise	21,653	5,475	20,387
Cost of purchased services	294	45	155
Total	21,947	5,520	20,542

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

(5) Staff Costs

	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
EUR '000s			
Wages and salaries	18,714	3,505	16,023
Other	943	189	980
Wages and salaries	19,657	3,694	17,003
Social security contributions	2,507	524	2,059
Pension expenses	50	13	35
Other	187	33	178
Social benefits and pension expenses	2,744	570	2,272
Total	22,401	4,264	19,275

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In fiscal year 2011/12, the employer's contributions to social security included expenses for a defined contribution plan (Deutsche Rentenversicherung) in the amount of EUR 1,193 thousand (2010/11: EUR 988 thousand; SFY: EUR 250 thousand), of which EUR 7 thousand (2010/11: EUR 7 thousand; SFY: EUR 2 thousand) referred to related parties.

In fiscal year 2011/12, the Company employed 296 persons (2010/11: 247; SFY: 271) on average (excluding Management Board members, trainees and temporary staff).

The following groups of employees were employed by the Company in the short fiscal year under review:

Group of employees	Fiscal Year 2011/12	Short Fiscal Year 2011	Additional information 2010/11
Full-time employees	280	257	234
Part-time employees	16	14	13

(6) Depreciation, Amortization And Impairment

in TEUR	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Amortization of intangible assets	965	235	758
Depreciation of property, plant and equipment	2,635	748	2,116
Total	3,600	983	2,874

Amortization of capitalized development costs amounted to EUR 865 thousand (2010/11: EUR 655 thousand; SFY: EUR 213 thousand) in fiscal year 2011/12. We refer to note (12) for an overview of amortization, depreciation and impairment.

(7) Other Operating Income

EUR '000s	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Income from employees	266	55	160
Income from exchange differences	266	262	117
Income from claims for damages	0	0	96
Other	87	28	98
Total	619	345	471

Income from employees results from amounts reimbursed by employees for their private use of Company cars.

Cost Of Materials
€ 21.9m (+26.1%)

Staff Costs
€ 22.4m (+26.7%)

(8) Other Operating Expenses

EUR '000s	Fiscal Year	Short Fiscal Year	Additional information
	Oct. 1, 2011- Sep. 30, 2012	July 1, 2011- Sep. 30, 2011	July 1, 2010- June 30, 2011
Advertising and marketing expenses	6,871	1,278	5,501
Shipping costs	2,451	471	2,212
Travel & entertainment expenses	1,649	444	1,608
Other administrative costs	1,339	321	1,464
Occupancy, operating and office equipment	1,336	302	1,165
Vehicle expenses	914	166	644
Expenses for temporary staff	774	232	759
Legal & consulting fees, expenses for trade mark rights as well as being public costs	559	113	556
Expenses from exchange differences	200	48	500
Other	1,070	248	942
Total	17,163	3,623	15,350

(9) Net Interest Income Or Expense

Interest and similar income primarily includes interest income from demand deposits and short-term time deposits at banks as well as income from a granted loan.

EUR '000s	Fiscal Year	Short Fiscal Year	Additional information
	Oct. 1, 2011- Sep. 30, 2012	July 1, 2011- Sep. 30, 2011	July 1, 2010- June 30, 2011
Interest on borrowings	-513	-118	-519
Other	-1	-2	-11
Interest expenses	-514	-120	-530
Interest income from banks	29	11	53
Other interest income	4	1	14
Interest income	33	12	67
Total	-481	-108	-463

Interest expenses arose primarily for the loans taken out for the production and administrative building at the Winnweiler-Langmeil location. Interest on loans and other interest items are allocated to the categories of 'financial liabilities measured at amortized cost' or 'loans and receivables' under financial assets and financial liabilities.

(10) Income Taxes

The income taxes on revenue and earnings in Germany and the USA are stated as current, deferred or paid. MOBOTIX AG is liable for municipal trade tax of 12.4% on its income from the business. The corporate tax rate comes to 15% plus a solidarity surcharge of 5.5% on the corporate tax. The Group's tax rate decreased

Number Of Employees

373

(Incl. Members of the Management Board, trainees and temporary staff)

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from 29.5% in fiscal year 2010/11 to 28.1% (SFY: 30.2%). The tax loss carryforward still existing in the U.S. as of September 30, 2011 in the translated amount of EUR 666 thousand was fully utilized in fiscal year 2011/12.

The following table shows the reconciliation of the income taxes derived from profit before tax to income taxes reported in the financial statements:

EUR '000s	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Profit before tax	19,033	2,533	18,713
Income taxes derived from profit before tax	5,377	716	5,291
Loss carryforwards not capitalized	-156	21	165
U.S. tax rate difference	80	0	0
Other non deductible expenses	35	17	38
Taxes from previous years	0	13	-13
Adjustments from tax rate changes	0	0	-6
Other	6	-1	40
Reported income taxes	5,342	766	5,515

Income taxes can be broken down as follows:

EUR '000s	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Current taxes	5,433	848	5,359
Deferred taxes	-91	-95	169
Taxes from previous years	0	13	-13
Total	5,342	766	5,515

In accordance with IAS 12 "Income Taxes," deferred taxes were recognized on temporary differences between the IFRS statement of financial position and the tax base.

The amount reported on deferred tax assets and liabilities according to items of the statement of financial position as of September 30, 2012 are as follows:

EUR '000s	Deferred tax assets		Deferred tax liabilities	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Development costs	0	0	644	618
Property, plant and equipment	7	9	16	26
Inventories	218	179	40	65
Trade receivables	0	0	9	13
Liabilities to banks	91	65	56	71
Provisions	0	0	3	3
Total deferred taxes on temporary differences	316	253	768	796
Offset	-98	-74	-98	-74
Amount reported on the the statement of financial position	218	179	670	722

(11) Earnings Per Share

Earnings per share are calculated by dividing the profit for the year attributable to shareholders of MOBOTIX AG by the weighted number of shares outstanding.

EUR '000s	Fiscal Year	Short Fiscal Year	Additional information
	2011/12	2011	2010/11
Profit attributable to shareholders of MOBOTIX AG (in EUR '000s)	13,691	1,767	13,198
Number of shares outstanding as of July 1 (in thousand)	13,201	13,201	13,272
Number of shares outstanding as of September 30 (prior year: June) (in thousand)	13,143	13,201	13,201
Weighted average of shares (in thousand)	13,188	13,201	13,215
Basic / diluted earnings per share (in EUR)	1.04	0.13	1.00

Dilutive effects on earnings at MOBOTIX AG do not exist.

As of September 30, 2012, MOBOTIX AG had acquired 128,134 treasury shares as part of the share buyback program that began in July 2010. 58,087 treasury shares were acquired during fiscal year 2011/12.

Profit For The Year
€ 13.7m (+3.7%)

Earnings Per Share
€ 1.04

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6. Notes To The Statement Of Financial Position

(12) Intangible Assets And Property, Plant And Equipment

The following table shows the changes of the individual items of non-current assets based on total cost.

EUR '000s	Balance as of Oct. 1, 2011	Additions	Disposals	Reclassifi- cations	Exchange differences	Balance as of Sep. 30, 2012
Acquisition and production costs						
Intangible assets						
Development costs	3,342	945	0	0	0	4,287
Software and industrial property rights	951	111	0	0	2	1,064
Total intangible assets	4,294	1,056	0	0	2	5,351
Land and buildings including buildings on thirdparty land	17,193	1,133	0	25	0	18,351
Machinery	7,741	941	0	27	0	8,710
Other plant and equipment	5,650	909	151	0	8	6,415
Advance payments and construction in progress	814	421	0	-52	0	1,181
Total property, plant and equipment	31,398	3,404	151	0	8	34,657
Accumulated depreciation, amortization and impairment						
Development costs	1,305	865	0	0	0	2,171
Software and industrial property rights	847	100	0	0	0	948
Total intangible assets	2,152	965	0	0	0	3,118
Land and buildings including buildings on thirdparty land	1,415	580	0	0	0	1,995
Machinery	4,604	1,075	0	0	0	5,678
Other plant and equipment	2,794	980	57	0	5	3,722
Advance payments and construction in progress	104	0	0	0	0	104
Total property, plant and equipment	8,917	2,635	57	0	4	11,499
Net carrying amounts						
Development costs	2,037					2,116
Software and industrial property rights	104					117
Total intangible assets	2,141					2,233
Land and buildings including buildings on thirdparty land	15,778					16,356
Machinery	3,137					3,032
Other plant and equipment	2,856					2,693
Advance payments and construction in progress	710					1,077
Total property, plant and equipment	22,481					23,158

EUR '000s	Balance as of July 1, 2011	Additions	Disposals	Reclassifi- cations	Exchange differences	Balance as of Sep. 30, 2011
Acquisition and production costs						
Intangible assets						
Development costs	3,308	34	0	0	0	3,342
Software and industrial property rights	944	7	0	0	0	951
Total intangible assets	4,252	42	0	0	0	4,294
Land and buildings including buildings on thirdparty land	13,013	642	13	3,551	0	17,193
Machinery	7,328	83	0	330	0	7,741
Other plant and equipment	4,691	358	4	596	10	5,650
Advance payments and construction in progress	5,213	78	0	-4,477	0	814
Total property, plant and equipment	30,243	1,161	17	0	10	31,398
Accumulated depreciation, amortization and impairment						
Development costs	1,092	213	0	0	0	1,305
Software and industrial property rights	825	22	0	0	0	847
Total intangible assets	1,918	235	0	0	0	2,152
Land and buildings including buildings on thirdparty land	1,286	129	0	0	0	1,415
Machinery	4,322	282	0	0	0	4,604
Other plant and equipment	2,452	337	0	0	5	2,794
Advance payments and construction in progress	104	0	0	0	0	104
Total property, plant and equipment	8,162	748	0	0	5	8,917
Net carrying amounts						
Development costs	2,216					2,037
Software and industrial property rights	119					104
Total intangible assets	2,335					2,141
Land and buildings including buildings on thirdparty land	11,727					15,778
Machinery	3,004					3,137
Other plant and equipment	2,241					2,856
Advance payments and construction in progress	5,108					710
Total property, plant and equipment	22,080					22,481

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Additional Information	Balance as of July 1, 2010	Additions	Disposals	Reclassifi- cations	Exchange differences	Balance as of June 30, 2011
EUR '000s						
Acquisition and production costs						
Intangible assets						
Development costs	2,051	1,257	0	0	0	3,308
Software and industrial property rights	835	110	0	0	-1	944
Total intangible assets	2,885	1,367	0	0	-1	4,252
Land and buildings including buildings on thirdparty land	12,962	35	0	16	0	13,013
Machinery	5,490	865	0	971	0	7,328
Other plant and equipment	4,044	627	0	36	-16	4,691
Advance payments and construction in progress	1,213	5,023	0	-1,023	0	5,213
Total property, plant and equipment	23,709	6,550	0	0	-16	30,243
Accumulated depreciation, amortization and impairment						
Development costs	437	655	0	0	0	1,092
Software and industrial property rights	721	104	0	0	0	825
Total intangible assets	1,159	759	0	0	0	1,918
Land and buildings including buildings on thirdparty land	848	438	0	0	0	1,286
Machinery	3,405	917	0	0	0	4,322
Other plant and equipment	1,702	761	0	0	-11	2,452
Advance payments and construction in progress	104	0	0	0	0	104
Total property, plant and equipment	6,059	2,116	0	0	-11	8,162
Net carrying amounts						
Development costs	1,614					2,216
Software and industrial property rights	112					119
Total intangible assets	1,727					2,335
Land and buildings including buildings on thirdparty land	12,113					11,727
Machinery	2,088					3,004
Other plant and equipment	2,342					2,241
Advance payments and construction in progress	1,109					5,108
Total property, plant and equipment	17,650					22,080

Intangible Assets

In fiscal year 2011/12, expenses for research and development amounted to EUR 8,090 thousand (2010/11: EUR 6,635 thousand; SFY: EUR 1,674 thousand), of which development costs in the amount of EUR 945 thousand (2010/11: EUR 1,257 thousand; SFY: EUR 34 thousand) were capitalized for camera housings, electronics and software projects. The capitalized development costs comprise all costs directly attributable to the development process. In fiscal year 2011/12, amortization expenses amounted to EUR 865 thousand (2010/11: EUR 655 thousand; SFY: EUR 213 thousand). Development projects are amortized on a straight-line basis over a period of three years.

Property, Plant And Equipment

The item "Land and buildings including buildings on third-party land" relates primarily to the production and administrative buildings at the Company's location in Winnweiler-Langmeil.

The German Federal Ministry of Economics, Transport, Agriculture and Viniculture Rhineland-Palatinate approved an investment grant of EUR 1,067 thousand for MOBOTIX AG pursuant to a grant notice dated August 31, 2010. The grant was deducted from non-

current assets pursuant to IAS 20.27. The remaining amount of the grant still outstanding was paid out in the amount of EUR 107 thousand in fiscal year 2011/12.

The item "Machinery" mainly includes capitalized costs for tools. The tools are physically located at the Company's suppliers. In addition, the item comprises in particular IT equipment, electronic laboratory appliances, testing equipment and production facilities.

The item "Operating and office equipment" primarily consists of fittings for trade fairs, furniture and fixtures as well as operating equipment and production facilities.

Work in progress primarily relates to advance payments on tool costs.

(13) Inventories

Inventories are composed of the following:

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Raw materials and supplies	6,453	7,872
Work in progress	4,514	3,847
Finished goods	3,843	3,248
Total	14,810	14,967

The inventories of raw materials and supplies consist of products that were purchased from

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other companies and integrated into the Company's own products or further processed otherwise, i.e. in particular printed circuit boards, housings, and sensors.

Work in progress relates to the inventory of pre-fabricated components and cameras in production as of the balance sheet date.

Finished goods mainly relate to finished cameras and accessories.

In fiscal year 2011/12, the Company recognized write-downs to the lower net realizable value. The carrying amount of inventories shown at net realizable value amounted to EUR 265 thousand (September 30, 2011: EUR 0 thousand). Write-downs to net realizable value amounted to EUR 862 thousand (September 30, 2011: EUR 1,015 thousand), of which EUR 553 thousand (September 30, 2011: EUR 556 thousand) related to raw materials and supplies, EUR 106 thousand (September 30, 2011: EUR 207 thousand) to work in progress, and EUR 203 thousand (September 30, 2011: EUR 252 thousand) to finished goods.

(14) Trade Receivables

The inherent default risk associated with trade receivables is monitored and limited by the Management Board based on clearly defined requirements. Impairment losses that are based on the individual default risk existed in the amount of EUR 95 thousand (September 30, 2011: EUR 175 thousand).

As in the previous years, all trade receivables had terms of less than one year. The market values of trade receivables largely correspond to their carrying amounts.

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Trade receivables, gross	9,929	6,311
Specific valuation allowances	-95	-175
Total	9,834	6,136

The balance of the specific valuation allowances changed as follows in fiscal year 2011/12, short fiscal year 2011, and fiscal year 2010/11:

EUR '000s	Specific valuation allowances
Balance as of July 1, 2010	260
Exchange differences	-6
Reversals	-22
Utilization	-94
Additions	48
Balance as of June 30, 2011 / July 1, 2011	187
Exchange differences	3
Reversals	-14
Balance as of Sep. 30, 2011 / Oct. 1, 2011	175
Exchange differences	2
Reversals	-29
Utilization	-100
Additions	47
Balance as of Sep. 30, 2012	95

As of September 30, 2012, the maturity structure of trade receivables and receivables from associates was as follows (all amounts in EUR thousand):

Trade receivables / receivables from associates

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Carrying amount	9,834	6,136
neither impaired nor past due	8,118	4,846
not impaired, past due in the following time bands		
< 31 days	1,443	854
31-90 days	266	422
91-180 days	0	0
> 181 days	0	0
Receivables subject to impairment (gross)	102	189

With respect to trade receivables that are neither impaired nor past due as well as those that are not impaired but past due, there are no indications to suggest that the debtors will not be able to meet their payment obligations. Specific valuation allowances are recognized after a detailed analysis of our customers' creditworthiness on a case-by-case basis.

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(15) Other Assets

Other assets are composed of the following:

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Gold reserve	3,583	3,602
Receivables from pre-tax	543	638
Prepayments made	187	447
Loans granted	0	230
Claims for damages	0	155
Receivables from employees	8	110
Investment grants	0	102
Rent deposits	108	102
Other items	114	134
Total	4,543	5,520

As in previous years, all other assets had terms of less than one year. With the exception of the gold reserve, the market value of the other assets largely corresponds to their carrying amount. The gold reserve's market value as of the balance sheet date amounts to EUR 5,354 thousand (prior year: EUR 5,267 thousand).

(16) Cash And Cash Equivalents

Cash includes cash on hand, checks, balances with banks and term deposits with a maturity of up to three months.

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Cash on hand/checks	1,050	50
Bank balances	10,598	6,944
Total	11,648	6,994

(17) Prepaid Expenses And Deferred Charges

Prepaid expenses and deferred charges and deferred charges primarily include accrued expenses for prepaid rent and special lease payments.

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Trade fair costs	201	204
Vacation pay	120	108
Prepaid rent for production building Kaiserslautern	72	92
Other	129	203
Total	522	607

The prepaid rent for the production building in Kaiserslautern is reported on an accrual basis and is divided into a long-term and a short-term portion.

(18) Equity

Subscribed capital corresponds to the share capital of MOBOTIX AG as of the relevant balance sheet date.

As of the balance sheet date, the Company had paid out 13,271,442 common shares (September 30, 2011: 13,271,442 taking into account the share split). The no-par value shares have a proportional interest in the share capital of EUR 1.00 per share. The share capital is fully paid up.

By resolution of the Annual General Meeting held on October 21, 2011, the Company's share capital was increased by EUR 8,847,628.00 from EUR 4,423,814.00 to EUR 13,271,442.00 pursuant to the provisions of the German Stock Corporation Act concerning capital increases from reserves (Sections 207 et seq. AktG), by converting an amount of EUR 8,847,628.00 from the capital reserve into share capital. Pursuant to Section 207 (2) (2) AktG, the capital increase was effected without issuing new shares in such a way that the share capital (as explained above) was increased, and as a result, the proportional amount of the share capital attributable to the individual shares increased to EUR 3.00 per share.

The total share capital of the Company, which was increased in this manner, in the amount of EUR 13,271,442.00 divided into 4,423,814 bearer shares, was redivided according to a ratio of 1:3 (stock split) and is now divided into 13,271,442 bearer shares. After the stock split, one bearer share with a proportional amount of the Company's share capital of EUR 3.00 was replaced by three bearer shares with a proportional amount of the share capital of EUR 1.00 attributed to each share.

The Annual General Meeting of MOBOTIX AG, Winnweiler-Langmeil, held on October 21, 2011 resolved to pay out a dividend in the amount of EUR 1.50 per share for fiscal year 2010/11. This corresponds to a dividend of EUR 6,601 thousand. The treasury shares held by the Company do not carry dividend rights. The dividend was paid out on October 24, 2011.

By resolution of the Annual General Meeting held on September 30, 2009, the Management Board was authorized to acquire treasury shares of the Company until September 30, 2014. The shares to be acquired based on this authorization combined with the other shares of the Company, which the Company

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has already acquired or still possesses, may not exceed more than 10% of the Company's share capital at the time of the resolution or its exercise, accordingly 1,327,143 shares (number after stock split).

On July 15, 2010, the Management Board of MOBOTIX AG resolved to make use of the authorization granted by the Annual General Meeting of September 30, 2009 to purchase up to 45,000 treasury shares (number after stock split) pursuant to Section 71 (1) (8) AktG. The share buyback program began on July 19, 2010.

The Management Board of MOBOTIX AG further resolved on October 5, 2010 to modify the terms of the current share buyback program to enable the purchase of up to 150,000 shares (number after stock split).

On May 4, 2012, the Management Board of MOBOTIX AG resolved to resume the repurchase of shares up to a price of EUR 24 as part of the share buyback program that was decided upon on July 15, 2010 and expanded on October 5, 2010.

The acquisition can be implemented as a purchase on the stock exchange, or through a public purchase offer to all shareholders. If the number of tendered shares in a public purchase offer exceeds the total number of shares envisaged for acquisition by the Company, the acquisition can be implemented under exclusion of the tender rights of the shareholders on a pro-rata basis related to the number of shares tendered, in order to simplify the purchase process.

This simplification – likewise under exclusion of the tender rights to the shareholders – also allows the possibility to accept small numbers of tendered shares up to 300 per shareholder on a preferential basis.

Furthermore, the Management Board is authorized, with the consent of the Supervisory Board, to use the treasury shares purchased in accordance with the authorization also for purposes for which the subscription right of the shareholders is ruled out.

As of September 30, 2012, the Company had purchased 128,134 shares. The treasury shares reduced equity in the amount of their cost.

The number of shares outstanding changed as follows in the fiscal year 2011/12, short fiscal year 2011 and in fiscal year 2010/11:

Number of shares	Number of shares outstanding
Balance as of July 1, 2010	13,271
Treasury shares purchased	-70
Balance as of June 30, 2011/July 1, 2011	13,201
Treasury shares purchased	0
Balance as of Sep. 30, 2011/Oct. 1, 2011	13,201
Treasury shares purchased	-58
Balance as of Sep. 30, 2012	13,143

The **capital reserve** consists of share premiums of various capital increases.

Accumulated other comprehensive income includes the differences from currency translation recognized directly in equity.

The profit or loss carried forward comprises the accrued, retained profits. EUR 77 thousand was transferred to the legal reserve in fiscal year 2011/12.

Capital Management

Capital management at the MOBOTIX Group focuses on long-term capital appreciation for the benefit of shareholders, employees, and customers. The main objective of this approach is to generate high profitability and high growth

rates. Capital management also focuses on the participation of shareholders in the successful development of the Company by using an appropriate dividend policy.

MOBOTIX AG is not subject to statutory capital requirements.

The goal of MOBOTIX AG capital management is to maintain an appropriate long-term equity base. The equity-to-assets ratio is seen as an important indicator for investors, analysts, banks and rating agencies. The established growth targets should be achieved while preserving sound financing structures and an appropriate dividend policy. On the other hand, the rating figures should be further improved in the long term. The capital management instruments include active borrowing management.

As part of internal risk management, the equity-to-assets ratio, the interest coverage ratio, the dynamic debt/equity gearing ratio and business liquidity are monitored monthly. Additional indicators are calculated quarterly. If specific targets are not met, appropriate countermeasures are taken early. During fiscal year 2011/12, the figures were consistently met; as of September 30, 2012, the equity-to-assets ratio was 67.3% (prior year: 66.1%).

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The procedures with regard to capital management were not changed during the fiscal year.

(19) Tax Provisions

The tax provisions of EUR 4,478 thousand (September 30, 2011: EUR 2,314 thousand) include provisions for municipal trade tax, corporation tax, and the solidarity surcharge for 2011 and 2012.

Provisions for warranties are recognized for warranty obligations specified by law in connection with the Company's products. Recognition of provisions for warranties is based on historical experience. We expect utilization of the provisions for warranties to occur within the next two years according to the legal warranty obligations.

(20) Other Provisions

EUR '000s	Balance as of Oct. 1, 2011	Utilization	Additions	Balance as of Sep. 30, 2012
Warranties	184	120	150	214
Other	69	69	31	31
Other provisions	253	189	181	245

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized for legal and constructive obligations as a result of past events when the outflow of resources required to settle the obligation is probable and can be reliably estimated.

(21) Financial Liabilities

The liabilities to banks have the following terms to maturity:

EUR '000s	Balance as of Sep. 30, 2012	Up to 1 year	1 to 5 years	More than 5 years
Loan from Deutsche Bank	5.115	800	3.200	1.115
Loan from Commerzbank	3.850	320	2.030	1.500
Loan from Sparkasse Donnersberg	667	44	178	445
Total	9.632	1.164	5.408	3.060

EUR '000s	Balance as of Sep. 30, 2011	Up to 1 year	1 to 5 years	More than 5 years
Loan from Deutsche Bank	5.843	800	3.200	1.843
Loan from Commerzbank	4.067	320	1.280	2.467
Loan from Sparkasse Donnersberg	711	44	178	489
Total	10.621	1.164	4.658	4.799

The loan from Sparkasse Donnersberg in the original amount of EUR 845 thousand has a term of 20 years and was intended to be used for the purchase of land for the new Company site. The loan bears interest at the rate of 5.5% per annum.

The loans from Investitions- und Strukturbank (ISB) Rheinland-Pfalz GmbH in the original amount of EUR 2,000 thousand and from KfW Bankengruppe (KfW) in the original amount of EUR 2,500 thousand, both of which were extended by Deutsche Bank, have a term of ten years each and are intended to be used to finance the construction of the new production building. The loans are promotional loans and bear effective interest rates of 4.19% (ISB) and 4.55% (KfW), respectively. In order to determine the fair value of the loans, we used a reference interest rate of 5.5% for discounting purposes. The promotional contributions included in the loans in the amount of EUR 258 thousand were offset against property, plant and equipment.

The innovation loans from KfW Bankengruppe (KfW) originally totaling EUR 3,000 thousand and broken down into a debt capital tranche of EUR 1,200 thousand and an equity tranche of EUR 1,800 thousand, which were issued by Commerzbank, have terms of 10 years each and are intended to be used to finance development costs. The loans are subsidized and bear effective interest rates of 2.35% and 3.25% respectively. The loans were discounted

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using a reference interest rate of 3.6% and 5.6% respectively for the purpose of calculating fair value. Of the subsidized amount of EUR 430 thousand included in the loans, EUR 56 thousand was offset against capitalized development costs and EUR 374 thousand was recognized in profit and loss in fiscal year 2008/09.

MOBOTIX AG took out two KfW Bankengruppe (KfW) loans issued by Deutsche Bank and Commerzbank in the total amount of EUR 3,500 thousand in fiscal year 2010/11 for the purpose of financing the new production hall at the Winnweiler-Langmeil location. The loans have terms of 10 years and are subsidized. The loans were discounted using a reference interest rate of 3.7% and 4% respectively for the purpose of calculating fair value. The subsidized amount of EUR 165 thousand included in the loans was offset against property, plant and equipment. However, the discounts of 4% in each case caused an inflow of cash in the amount of EUR 3,360 thousand.

The innovation loan from KfW Bankengruppe (KfW) originally totaling EUR 2,000 thousand, which was issued by Deutsche Bank, has a term of 10 years and is used to finance devel-

opment costs. The loan is subsidized and bears an interest rate of 2.85%. The loan was discounted using a reference interest rate of 3.9% for the purpose of calculating fair value. The subsidized amount of EUR 108 thousand included in the loan was offset against development costs capitalized in the short fiscal year.

Except for a loan from Commerzbank (subordinated tranche), the bank loans are secured by way of registered land charges amounting to EUR 10,000 thousand on the production and administrative building in Winnweiler-Langmeil, Germany. The carrying amount of the collateral property amounted to EUR 16,606 thousand as of the balance sheet date.

The fair value of liabilities to banks essentially corresponds to the carrying amount. Fair value was determined using the current capital market interest rate while considering the time-to-maturity structure and the relevant credit margin (step 2 of the fair value hierarchy according to IFRS 7).

The following table shows the contractually agreed (undiscounted) interest and principal payments of nonderivative financial liabilities, which fall due by September 30 of each subsequent period:

	Carrying amount Sep. 30, 2012	Cash flows							
		2013		2014-2016		2017-2021		2022 ff.	
EUR '000s		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Non-current liabilities to banks	8,468	264	0	676	3,643	351	5,227	48	268
Current liabilities to banks	1,164	34	1,164						
Trade payables	3,602		3,602						
Other non-interest-bearing liabilities	2,983		2,983						

	Carrying amount Sep. 30, 2011								
		2012		2013-2015		2016-2020		2021 ff.	
EUR '000s		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Non-current liabilities to banks	9,457	299	0	794	3,493	528	6,297	68	513
Current liabilities to banks	1,164	34	1,164						
Trade payables	3,681		3,681						
Other non-interest-bearing liabilities	2,131		2,131						

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The following table shows the classification of individual assets and liabilities to measurement categories in accordance with IAS 39 and to classes in accordance with IFRS 7:

	Measurement category in accordance with IAS 39	Carrying amount as of Sep. 30, 2012	Class in accordance with IFRS 7
Asset			
Cash and cash equivalents	n.a.	11.648	Cash
Trade receivables	LaR	9.834	Trade receivables
Other financial assets			
Loans to shareholders	LaR	417	Other financial assets and liabilities
Miscellaneous financial assets	LaR		Other financial assets and liabilities
Liabilities		8.468	
Non-current liabilities to banks	FLAC	1.164	Liabilities to banks
Current liabilities to banks	FLAC	3.602	Liabilities to banks
Trade payables	FLAC		Trade payables
Other financial liabilities			
Liabilities from wages and salaries	FLAC	2.301	Other financial assets and liabilities
Miscellaneous other financial liabilities	FLAC	682	Other financial assets and liabilities

LaR: loans and receivables

FLAC: financial liabilities measured at amortized cost

	Measurement category in accordance with IAS 39	Carrying amount as of Sep. 30, 2011	Class in accordance with IFRS 7
Asset			
Cash and cash equivalents	n.a.	6.994	Cash
Trade receivables	LaR	6.136	Trade receivables
Other financial assets			
Loans to shareholders	LaR	230	Other financial assets and liabilities
Miscellaneous financial assets	LaR	1.050	Other financial assets and liabilities
Liabilities			
Non-current liabilities to banks	FLAC	9.457	Liabilities to banks
Current liabilities to banks	FLAC	1.164	Liabilities to banks
Trade payables	FLAC	3.681	Trade payables
Other financial liabilities			
Liabilities from wages and salaries	FLAC	1.707	Other financial assets and liabilities
Miscellaneous other financial liabilities	FLAC	425	Other financial assets and liabilities

LaR: loans and receivables

FLAC: financial liabilities measured at amortized cost

The carrying amounts of cash, trade receivables, trade payables as well as other financial assets and liabilities mainly correspond to their fair value. The maximum exposure to credit risk corresponds to the carrying amounts. The products are sold under reservation of title. In case of non-payment, the Company has an

enforceable claim to the products. There are no further securities.

The measurement of trade receivables and other assets led to a net loss of EUR 52 thousand (2010/11: net loss of EUR 27 thousand; SFY: net profit of EUR 14 thousand) in the 'loans and receivables' category.

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Management Of Financial Risks

The MOBOTIX Group is subject to various financial risks as a result of its business model. The control and limitation of these risks is ensured through risk management, which pursues a central currency and liquidity management approach. The main financial decisions are directly made by the Management Board.

Financial risks mainly consist of liquidity risks, currency risks, gold price risks, interest rate risks, and default risks.

Liquidity management is based on short-term rolling liquidity forecasts as well as on medium and long-term integrated planning of results of operations, net assets, and financial position. In view of the large liquidity position and the high creditworthiness of the Group, there are currently no material liquidity risks. Excess liquidity is invested in risk-free, fixed-income financial instruments, especially overnight deposits. Financings directly connected with the financing of the new location are collateralized through land charges. There is no further collateral provided for existing financial liabilities.

Invoices are denominated in EUR, with the exception of product sales in the U.S. This means that the currency risk is directly borne by the customers of MOBOTIX AG and does not lead to exchange losses at MOBOTIX AG. Accordingly, currency risks exist primarily in connection with the U.S. operations. Currency risks are hedged, in some cases due to in essence closed positions, where values or cash flows from receivables from MOBOTIX CORP and from the purchase of goods in the U.S. dollar zone match in terms of timing and amount. However, the positive cash flow from U.S. operations currently exceeds the purchase requirements of MOBOTIX AG in the U.S. dollar zone as a result of the positive business trend in the U.S. We have not yet decided to use derivatives for reasons of volume.

The interest rate risk to which MOBOTIX AG is exposed is currently insignificant. Existing third-party financing was acquired at fixed interest rates. The weighted average nominal interest rate of the loans is 3.1% (September 30, 2011: 3.1%).

The default risk of non-derivative financial instruments is managed through an active receivables management, including dunning and collection processes. Credit terms are granted according to uniform guidelines applicable throughout the Group on a very restrictive basis, taking into account appropriate assessments of the relevant customers' creditworthiness. New customers in foreign countries are generally required to make advance payments for their first orders.

(22) Trade Payables

As in the previous years, trade payables had terms of less than one year.

The market values of trade payables largely correspond to their carrying amounts.

(23) Other Liabilities

As in previous years, other liabilities have terms of less than one year. The market value of other liabilities largely corresponds to their carrying amount.

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Bonuses and commissions	1,616	1,075
Liabilities from wages and salaries	685	632
Customer bonuses	327	44
Liabilities from wage and church tax	218	212
Debtors with credit balances	175	158
Remuneration of the Supervisory Board	71	85
Liabilities for social security	12	33
Other	168	190
Total	3,272	2,429

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7. Other Disclosures

Contingencies

As in the previous year, there were no contingencies in the short fiscal year under review.

Other Financial Obligations

In addition to the financial obligations relating to ordinary activities, the MOBOTIX Group had other financial obligations in the amount of EUR 2,357 thousand (September 30, 2011: EUR 3,240 thousand including liabilities amounting to EUR 940 thousand from a general contractor agreement). They relate to obligations arising from rental and lease agreements.

Rental and lease agreements have terms of up to six years and are partly subject to renewal options. The main portion (EUR 1,264 thousand; September 30, 2011: EUR 1,485 thousand) of the other financial obligations results from the lease in relation to the production building at Luxemburger Strasse 6 in Kaiserslautern and the rental agreement for the New York office. The minimum term of the lease agreement expires on May 1, 2016 and the rental agreement for the New York office expires on January 31, 2018. The vehicle leases include mileage-

based contingent rents.

Within the framework of the rental and lease agreements, payments in the amount of EUR 1,142 thousand (2010/11: EUR 991 thousand; SFY: EUR 267 thousand) were recognized as an expense during fiscal year 2011/12. Contingent rents did not have to be paid during the fiscal year under review. The leasing payments shown for vehicles also comprise payments for components of the agreement that are not part of the leasing relationship.

The sum of future minimum lease payments from non-cancelable rental agreements and operating leases by maturity is as follows:

EUR '000s	Sep. 30, 2012	Sep. 30, 2011
Maturity		
up to 1 year	907	681
from 1 year to 5 years	1.450	1.398
more than 5 years	0	221
Total	2.357	2.300

Contingencies

The contractual relationship with the general contractor for the production and administration building in Winnweiler-Langmeil (Construction Phase I) was terminated early by MOBOTIX AG prior to completion. The general contractor has submitted his final invoice in the amount of EUR 2,262 thousand (net). MOBOTIX disputes this invoice, as it has counterclaims from contractual penalties, defects and deficiencies in at least the same amount. Proceedings are currently pending in the court of first instance. This situation was taken into account in the financial statements in accordance with the Management Board's risk assessment by recognizing an item of property, plant and equipment under assets and the corresponding liability under equity and liabilities. Consequently, no cash outflow arose from the unrecognized final payment.

A patent action filed by a small U.S. company is currently pending against MOBOTIX CORP. The Management Board is acting under the assumption that the patents of the plaintiff have not been violated or that they are invalid.

Auditor's Fees

In the fiscal year 2011/12, the following expenses were incurred for the auditors of MOBOTIX AG, KPMG AG Wirtschaftsprüfungsgesellschaft, in accordance with Section 314 (1) No. 9 of HGB (German Commercial Code):

EUR '000s	Fiscal Year 2011/12	Short Fiscal Year 2011	Additional information 2010/11
Audit of financial statement			
From provisions	58	30	52
Other audit services			
Invoiced	26	0	26
Total	84	30	78

Related Party Disclosures

In accordance with IAS 24 "Related party disclosures", relations with persons or companies that control MOBOTIX AG or are subject to control by MOBOTIX AG have to be disclosed unless such parties are already included in the consolidated financial statements as a consolidated company. Control is deemed to exist when a shareholder holds more than one half of the voting power of MOBOTIX AG or has the power to direct, by statute or agreement, the financial and operating policies of the management of MOBOTIX AG or its subsidiaries.

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Disclosure is also required, in accordance with IAS 24 "Related party disclosures," of transactions with associates as well as transactions with persons who exercise significant influence over MOBOTIX AG or its subsidiaries in making financial and operating decisions, including close family members or intermediate companies. Significant influence over the financial and operating policies of MOBOTIX AG may result from a shareholding in MOBOTIX AG of 20% or more, or from the membership in the Management Board or Supervisory Board of MOBOTIX AG or in the executive boards of one of its subsidiaries.

The loan to Dr. Ralf Hinkel in the amount of EUR 230 thousand was repaid in March 2012. The loan was due at maturity, could be redeemed at any time in any amount, and bore an interest rate of 3.5% per annum.

MOBOTIX AG has not entered into any further material transactions with persons or companies that exercise a significant influence over the Company in making financial and operating decisions, including their close family members.

All related party transactions, without exception, can be allocated to the Company's ordinary activities.

Shareholdings Of Members Of Executive Bodies

	Number of shares Sep. 30, 2012	Share in subscribed capital in %
Management Board		
Dr. Ralf Hinkel (CEO)*	6.654.402	50,22
Lutz Coelen (CFO)	48.600	0,37
Dr. Oliver Gabel (CTO)	630	0,00
Supervisory Board		
Dr. Thomas Hoch (Chairman)	3.000	0,02
Prof. Dr. Rainer Gerten	62.400	0,47
Ulrich Putsch	0	0

*The shares are held indirectly via the Dr. Ralf Hinkel Holding GmbH, Winnweiler-Langmeil.

Ulrich Putsch is a family member related to the shareholder Andreas Putsch, who holds 9.91% of the share capital of MOBOTIX AG.

Remuneration Of The Members Of The Supervisory Board

Each member of the Supervisory Board receives fixed annual remuneration of EUR 10 thousand for his or her work. In addition, each member of the Supervisory Board receives variable remuneration for his activities amounting to EUR 75.00 per EUR 0.01 of the profit for the year as shown in the consolidated financial statements, divided by the number of shares outstanding, based on share capital of EUR 13,271,442.00 divided into 13,271,442 no-par bearer shares, each representing EUR 1.00 of share capital. The Chairman of the Supervisory Board receives twice the amount of the variable remuneration. For fiscal year 2011/12, the Supervisory Board will receive fixed remuneration of EUR 40 thousand (2010/11: EUR 40 thousand; SFY: EUR 10 thousand) and variable remuneration of EUR 31 thousand (2010/11: EUR 29 thousand; SFY: EUR 4 thousand).

Furthermore, a D&O insurance policy was taken out for the members of the Supervisory Board at the Company's expense.

Remuneration Of The Members Of The Management Board

The remuneration of the members of the Management Board amounted to EUR 2,190 thousand (2010/11: EUR 1,723 thousand; SFY: EUR 413 thousand). and consists entirely of short-term benefits to members of the Management Board.

Pursuant to the shareholders' resolution of October 6, 2008, no individualized disclosure of the remuneration and other promised or received benefits of the members of the Management Board will be made in the annual financial statements and the consolidated financial statements for fiscal years 2008/09 through 2012/13 but no longer than until October 6, 2013.

The bonus for one fiscal year will be paid only in the following fiscal year upon the approval of the financial statements for the past fiscal year. The bonus for fiscal year 2011/12 is expected to amount to EUR 1,177 thousand. Bonuses paid for fiscal year 2010/11 amounted to EUR 964 thousand (SFY: EUR 197 thousand).

In the case of disability due to ill health or accident, the remuneration of the members of the Management Board will continue to be paid for a period of six months unless the employment contract ends earlier.

Notes ...

In addition, the members of the Management Board are given a luxury-class car commensurate with their position, which they may use for business and private travel. The Management Board members shall pay taxes incurred for the non-cash benefits from the private use of the Company car. The Company car has to be returned to the Company upon the end of the relevant employment contract.

In addition, the Company has taken out accident insurance policies for each member of the Management Board for the period of the employment contracts to cover occupational and private accidents. The amount covered for Mr. Coelen, Dr. Magnus Ekerot and Dr. Oliver Gabel is EUR 250,000 and the amount covered for Dr. Hinkel is EUR 2.5 million. The sum payable upon death amounts to EUR 500,000 for Mr. Coelen, Dr. Ekerot and Dr. Gabel and EUR 2.5 million for Dr. Hinkel. Either the relevant member of the Management Board or the legal heirs are entitled to the insurance benefits. The Company has also provided the members of the Management Board with Directors' and Officers' (D&O) insurance. Any wage taxes payable for the insurance premiums are paid by the relevant members of the Management Board.

Corporate Governance Code

The Declaration of Compliance as required by section 161 of the Stock Corporation Act was issued by the Management Board and the Supervisory Board for most recently on October 9, 2012 for the previous 12-month period. A summary of the Company's corporate governance practices can be found in the annual report and on the website (www.mobotix.com). The Declaration of Compliance has been made permanently available on the Company's website (in German only).

Notes To The Statement Of Cash Flows

The statement of cash flows was prepared in accordance with IAS 7 "Statement of Cash Flows". The cash flows from operating activities, investing activities, and financing activities are stated separately. The cash flows from investing activities and financing activities are determined on the basis of payments, while the cash flows from operating activities are derived using the indirect method.

Cash and cash equivalents include balances with banks and cash on hand. Cash and cash equivalents are not subject to any restrictions.

Segment Information For The Period From October 1, 2011 To September 30, 2012

Revenue by product line is broken down as follows:

Revenue in EUR '000s	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Fixed Cams	38,304	7,845	35,141
Dome Cams	39,433	6,551	34,495
Other	3,883	780	3,555
Total	81,620	15,176	73,191

Revenue by region is broken down as follows:

Revenue in EUR '000s	Fiscal Year Oct. 1, 2011- Sep. 30, 2012	Short Fiscal Year July 1, 2011- Sep. 30, 2011	Additional information July 1, 2010- June 30, 2011
Germany	21,047	4,840	17,208
Rest of Europe	28,760	5,315	29,859
Other	31,813	5,020	26,124
Total	81,620	15,176	73,191

No definable business segments exist within MOBOTIX AG, the operating results of which are regularly reviewed by the Management Board with regard to decisions concerning the allocation of resources to those business segments or the measurement of their profitability. Due to internal structures and its size,

resource allocation management within the MOBOTIX Group takes place based on sales revenues, primarily according to regions, but also according to product lines. Profitability ratios or earnings statements are only prepared on the level of the entire company. Thus, no separate financial information is calculated for definable business segments. In this respect, no reportable segments exist in terms of IFRS 8.

However, sales revenues are shown below according to product lines and geographical regions, in order to provide better insight into the sales activities of the Group.

The Company's product categories are broken down as detailed below:

Fixed Cams

The fixed cams category includes the M12, M24, V12 and T24 models.

The M12 is usually equipped with two image sensors and a passive infrared sensor. This camera series also comes with a microphone and a speaker for audio communication. If there is no DSL connection, the M12 can be easily connected to the Internet via its integrated ISDN connection that can be used to

Notes ...

transmit data over the Internet and to forward voice messages and alarm alerts to telephones, for example. IP telephony based on the VoIP SIP standard is also available directly from the camera. Various camera modules can be used so that a Wide-Angle lens can be combined with a Telephoto lens. The M12 Day/Night model is equipped with a light-sensitive black-and-white sensor for use at night and a color sensor that provides sharp color images in daylight. Switching between lenses is purely electronic without mechanical parts.

The M24 is the mono version of the M12, which features all the functionality of the M12, except for the passive infrared sensor and ISDN connection. Audio communication is available via the integrated microphone and speaker. All telephony functionality is based on the VoIP SIP standard.



MOBOTIX DualNight M12

The V12 vandalism-protected camera has been

specially designed for use in locations with a high risk of vandalism, such as prisons. It is encased in a housing made from 3mm-thick stainless steel. It is also protected by a 6mm-thick cover and is triangular in shape so that it can be mounted in the corner of a room and fixed in place using heavy-duty dowels. To illuminate the room when it is dark the V12 is equipped with integrated, remote-controlled IR lighting with 20 infrared LEDs.

The T24 is an IP video door station based on the international video telephony standard VoIP/SIP and H.264. The camera is based on the same technology platform as the Q24 product line. In addition to the hemispheric all-round view of the entire doorstep area, the T24 enables global video and voice access to the door station. The individual management of access authorization uses PIN code or RFID transponder with the ability to leave and retrieve voice messages, as well as recording either permanently or event-driven (including sound) on built-in memory.

Dome Cams

The dome cams category includes the D14, D24, Q24 and S14 models.

The D14 is a dome camera that features two manually adjustable modules. Unlike the M12, the D14 camera modules can be individually positioned in any direction when mounted. This makes it possible, for example, to position a Wide-Angle lens in one direction and a Telephoto lens in another direction. Each Super-Wide-Angle lens covers a 90° horizontal viewing angle. When both are used in each camera module, the camera can monitor an area with a 180° Panorama view. The integrated software in the camera enables the two generated images to be shown either separately, or combined in a single image.

MOBOTIX DualDome D14D



The D24 is a dome camera that features a manually adjustable module and offers all the software functionality of the other camera series. Although it is not equipped with an infrared sensor, microphone or speaker, these can be externally retrofitted. In locations with a high risk of vandalism, the robust D24 models can be given extra protection in the form of the optional Vandalism Set, which includes a 3mm-thick polycarbonate dome and an additional stainless steel cover.



MOBOTIX Hemispheric Q24M

The Q24 model is an ultra-compact IP-Dome camera that features a 360° Allround view. The camera line allows a hemispherical allround view for complete room coverage, digital, continuous zooming and panning as well as event-driven, complete-room recording directly in the camera. In addition, the camera features all the software functionality of the other camera series. The speaker and microphone

Notes ...

are integrated into the camera. The range of accessories includes, for example, a vandalism housing and an in-ceiling set.

The S14 (FlexMount in mono and dual versions) is the world's first double hemispheric camera. In the dual version, the product line features two miniature sensor modules with an integrated microphone, which are each connected to the camera housing by two meter cables. This way, two separate spaces – next to or on top of each other – can be monitored simultaneously using just one camera. The camera stands out due to the fact that different housing types are available for the remote sensors that are suitable to a wide variety of applications, allowing entirely discrete room monitoring.

Miscellaneous

MOBOTIX offers the appropriate accessories for all camera series to enable the cameras to be properly mounted and to protect their cables and leads. Various installation kits for mounting cameras on surfaces and walls or integrating them into suspended ceilings are supplied for each model. Housing technology accessories, and accessories for building alarm and security solutions are also offered. MOBOTIX AG also generates a small amount of revenue from training seminars.

Internal reports are submitted to the Management Board. Only revenue is reported for each product category and region.

No single customer generates more than 10% of total revenue.



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Executive Bodies

Management Board Of MOBOTIX AG

Dr. Ralf Hinkel, Graduate in Computer Sciences, Höringen (CEO)

Lutz Coelen, Graduate in Business Administration, Herrsching am Ammersee (CFO)

Dr. Magnus Ekerot, Master of Science Inter. Econ., Heidelberg (CSO)

Dr. Oliver Gabel, Graduate in Engineering, Reichenbach-Steegen (CTO)

Members Of The Supervisory Board Of MOBOTIX AG

Dr. Thomas Hoch, Graduate in Business Informatics, Executive, Dreieich-Buchschlag (Chairman of the Supervisory Board)

Ulrich Putsch, Graduate Engineer, Independent Gentleman, Rockenhausen

Prof. Dr. Rainer Gerten, Graduate in Computer Sciences, Professor, Neuhofen

In the fiscal year 2011/12, the members of the Supervisory Board were additionally represented in the following supervisory boards and advisory boards:

Dr. Thomas Hoch

Sysgo AG, Mainz (Member of the Supervisory Board)

Ice Age Ice AG, Maintal (Chairman of the Supervisory Board)

iTAC Software AG, Montabaur (Member of the Supervisory Board)

Toplink GmbH, Darmstadt (Chairman of the Advisory Council)

W Travel AG, Wald, Switzerland (Chairman of the Management Board since November 2011)

Ulrich Putsch

BRAIN Biotechnology Research and Information Network AG, Zwingenberg (Chairman of the Supervisory Board until June 2012)

Igr AG, Rockenhausen (Chairman of the Supervisory Board)

... And Responsibility Statement

Significant Events After The Balance Sheet

Date

No additional events of any significance occurred after the end of the fiscal year 2011/12.

Winnweiler-Langmeil, November 2, 2012


The Management Board



Dr. Ralf Hinkel • CEO MOBOTIX AG



Lutz Coelen • CFO MOBOTIX AG



Dr. Magnus Ekerot • CSO MOBOTIX AG



Dr. Oliver Gabel • CTO MOBOTIX AG

Responsibility Statement

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

Winnweiler-Langmeil, November 2, 2012

The Management Board



Dr. Ralf Hinkel • CEO MOBOTIX AG



Lutz Coelen • CFO MOBOTIX AG



Dr. Magnus Ekerot • CSO MOBOTIX AG



Dr. Oliver Gabel • CTO MOBOTIX AG

Notes ...

Independent Auditors' Report (Consolidated Financial Statements)

We have audited the consolidated financial statements prepared by MOBOTIX AG – comprising a consolidated statement of financial position, a consolidated income statement, a statement of comprehensive income, a consolidated statement of cash flows, a statement of changes in equity and the notes, together with the group management report for the business year from October 1, 2011 to September 30, 2012.

The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § [Article] 317 HGB [Handelsgesetzbuch "German Commercial Code"] and German generally

accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall

... And Responsibility Statement

presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Saarbrücken, November 2, 2012

KPMG AG Wirtschaftsprüfungsgesellschaft

Geis-Sändig

Palm

Auditor

Auditor

Technical Glossary ...

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

Financial Glossary ...

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

Disclaimer ...

Disclaimer

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

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

... Financial Calendar And Contact

Financial Calendar 2011/12

Annual General Meeting of the Shareholders	December 20th, 2012
Announcement of the Three-Month Report 2012/13	February 13th, 2013
Announcement of the Half-Year Report 2012/13	May 15th, 2013
Announcement of the Nine-Month Report 2012/13	August 22nd, 2013

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CFO

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MOBOTIX AG

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design experts honor
MOBOTIX Hemispheric
Camera in the red dot award
product design 2009

one of the most
owned and hardest
international design
competitions, the red dot
award, the



reddot design award
honourable mention 2009

New MOBOTIX D14 DualDome Camera With 6.2 Megapixels

The new weatherproof and shock-resistant MOBOTIX D14 DualDome camera with 6.2 megapixels is a more powerful successor model of the D12 camera. With the two separately adjustable camera modules, each with 3.1 megapixels, the D14 offers a variety of ways to examine a scene since the

two modules can be combined to create one image. The D14 has a digital PTZ and no mechanical moving parts.



Donbass Arena (Ukraine) - Security In A UEFA Certified Stadium

The Donbass Arena in Ukraine was opened on August 29, 2009 with a sensational party which was attended by the Ukrainian president himself. This arena was the venue for the first Eastern European football stadium to fulfill the UEFA criteria for an elite venue.



and will host the 2012 European Championship.

The Only IP Video Door Station In The World Featuring Allround View Without Any Blind Spots And With Worldwide Connectivity



MOBOTIX released the T... IP Video Door Station on December 2011. In addition to the video door intercom, MOBOTIX also released the access module Security two-wire 2wire info n telephony station.

MOBOTIX Launches S14 FlexMount - The World's First Flexible Double Hemispheric Camera



The S14 FlexMount, for from MOBOTIX, the world's first flexible double hemispheric camera, is now available. The camera, which is available in both mono (S14D) versions, features and offers a wide range of opportunities. For instance, it is equipped with two hemispherical integrated microphones in the main housing.

High-resolution 3.1 megapixel video system hemispheric version asynchronous sound robust, fully weatherproof housing

MOBOTIX, manufacturer of complete, high-resolution IP video systems, presents the new M24M Allround camera. This successor to the very successful M22M has a new microprocessor and a modified system platform, which enables smooth video frame rates of up to 30 fps, even at a megapixel resolution.



This makes it an ideal tool for process optimization or marketing purposes and can be used in small retail stores as well as in public buildings such as museums or airports in order to receive important information. The MOBOTIX Q24M-Sec hemispheric camera, which can capture an entire room without blind spots, has now even more to offer with the new integrated MxAnalytics video analysis tool. MxAnalytics is an efficient tool for process optimization or marketing purposes and can be used in small retail stores as well as in public buildings such as museums or airports in order to receive important information.

MOBOTIX Expands Its Range Of Training Courses In All Aspects Of Complete IP Video Systems

Dates For New Software And Hardware Seminars Plus A Beginners Workshop Winnweiler/Langmeil, Germany, 3 March 2011. MOBOTIX, manufacturer of complete high-resolution IP video systems, extended its seminar program for 2011 tailored to the different needs of the participants.



Count, Measure, Analyze: New Video Analysis Tools For Retail Stores And Beyond

Heat Map: Track And Evaluate Movements

Which shelves in the shop are attracting the most customers? Which products at the exhibition booth hold the attention of the visitors? Which waiting areas in the mall are preferred on Monday and 12 p.m.?

one-day Planning & Installation (VPI) workshop for beginners. Attendees learn about the largest exhibitions around the world simultaneously. For the first time, MOBOTIX has presented its IP network at the GDSF, the Global Digital Security Forum in Shanghai, at the end of the year and at GITEX in Dubai, the third largest exhibition worldwide at the beginning of the year. While not a newcomer at the ISC New York, MOBOTIX' participation in the exposition also proved to be successful.



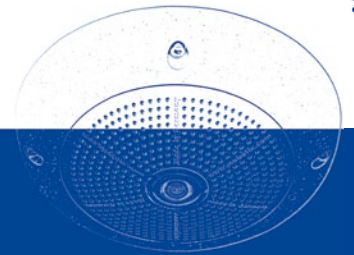
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Security-Vision-Systems



... the HiRes Video Company



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