

1/2012

Quarterly Financial Report



- ▶ Sales up more than 43 percent
- ▶ EBIT at an all-time high of EUR 1.2 million



*Dear shareholders, employees,
partners and friends of Softing AG,*

I am pleased to announce excellent figures for the first quarter of 2012. Recording sales growth of more than 43 percent, Softing has experienced the best first quarter in over 30 years of the Company's history.

We are very proud to have achieved these outstanding figures, particularly since they are such an impressive demonstration of how Softing's long success story is continuing at a high level. This continuity is not solely the product of a favorable economic environment, it is also a clear expression that Softing has pursued the right strategy in the past months and can now take full advantage of market opportunities.

Expressed in figures, we posted an operating profit of EUR 1.2 million and a net income of EUR 0.9 million in the first three months. This is the perfect start to the new year for Softing.

The Softing Group achieved significant improvements in all key financials. Incoming orders increased by more than 39 percent to EUR 13.8 million (previous year: EUR 10.0 million). Sales were up by more than 43 percent year on year, from EUR 8.7 million to EUR 12.5 million. Earnings per share were EUR 0.16 (previous year: EUR 0.12). Softing's orders on hand were also up 16 percent, amounting to a notable EUR 9.35 million (EUR 8.05 million as of December 31, 2011).

In the Automotive Electronics segment, agreements signed last year and the acquisition of samtec are already bearing fruit. Sales nearly doubled to EUR 6.2 million here and earnings rose to EUR 0.7 million. Integrating samtec into the Automotive segment is one of our primary tasks for the current year. Our expenditure this year will lead to significant cost reductions in the years to come.

Our participation in this year's "Hannover Messe" industrial trade fair in April once again was a great success. Numerous conversations and negotiations have confirmed that demand continues to grow for Softing's industrial automation products and services, with our new products enjoying particularly strong demand. The economic forecasts and growth opportunities in the automation and process industry, which remain positive, will further support this development.

This year's Annual General Meeting took place on May 9. All resolutions were passed with overwhelming majorities. This is a clear vote of confidence for Softing's management and recognition of the Company's successful course. It is a success in which Softing's shareholders will participate: The Annual General Meeting resolved to distribute EUR 0.27 per no-par share entitled to dividends, which represents a dividend yield of more than 5 percent.

The figures from the first months make us confident that we can reach our goals for 2012. We are currently assuming that sales will increase to more than EUR 45 million and EBIT will come in at around EUR 4.5 million.

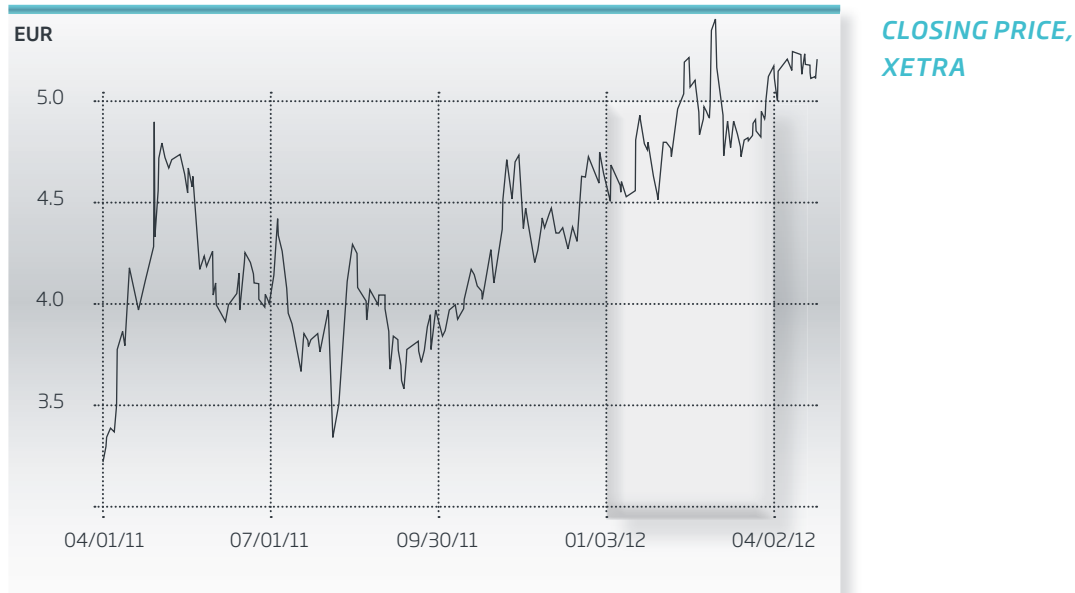
We hope that you, dear shareholders and friends of Softing, remain committed to the Company so that you continue to benefit from its development.

With warm regards,

A handwritten signature in black ink, appearing to read 'J.W. Trier', written in a cursive style.

Dr. Wolfgang Trier
(Chief Executive Officer)

Stock Price - Directors' Holdings - Financial Calendar



DIRECTORS' HOLDINGS AS OF MARCH 31, 2012

Boards	Shares		Options	
	Mar. 31, 2012 Number	Dec. 31, 2011 Number	Mar. 31, 2012 Number	Dec. 31, 2011 Number
Supervisory Board				
Dr. Horst Schiessl (chairman), Attorney at Law, Munich	-	-	-	-
Michael Wilhelm (deputy chairman), CPA/tax advisor, Munich	-	-	-	-
Dr. Klaus Fuchs (member of the Supervisory Board), graduate computer scientist / graduate engineer, Helfant, from February 03, 2011	225,000	225,000	-	-
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	20,328	20,328	-	-
Maximilian Prinz zu Hohenlohe- Waldenburg, Pfaffenhofen	-	-	-	-

FINANCIAL CALENDAR

May 09, 2012	Annual General Meeting in Munich
May 15, 2012	Quarterly Report 1/2012
August 14, 2012	Quarterly Report 2/2012
November 15, 2012	Quarterly Report 3/2012

Group Management Report

for the 1/2012 Quarterly Financial Report

Economic environment

Experts expect the German economy to be robust in 2012 and generate growth clearly in excess of 1 percent. Industry and the automotive sector in particular will benefit from the good state of the economy. Softing therefore anticipates a further increase in incoming orders, sales and earnings both in Automotive Electronics and Industrial Automation for the full 2012 financial year.

Earnings

Sales in the Automotive Electronics division in the first three months of 2012 rose by 94.5 % to EUR 6.2 million (previous year: EUR 3.2 million). Industrial Automation recorded a sales increase of 14.3 % to EUR 6.3 million (previous year: EUR 5.5 million). The strong increase in sales in Automotive Electronics is due in part to samtec automotive software & electronics GmbH, which was acquired in fall 2011. The sales of the Softing Group thus rose by more than 43.8 % to EUR 12.5 million in the first quarter of 2012 (previous year: EUR 8.7 million). EBIT in the reporting period came in at EUR 1.2 million (previous year: EUR 0.9 million). As of March 31, 2012, orders on hand in the Group totaled EUR 9.35 million (December 31, 2011: EUR 8.05 million).

Assets, Liabilities and Cash Flows

The equity of the Softing Group rose by EUR 0.8 million to EUR 18.0 million in the first three months of 2012 (December 31, 2011: EUR 17.2 million). Cash and cash equivalents in the first quarter of 2012 increased by EUR 3.2 million to EUR 10.5 million, compared to EUR 7.3 million as of December 31, 2011.

Research and Product Development

In the first three months of 2012, Softing capitalized a total of EUR 0.7 million (previous year: EUR 0.5 million) for the development of new products and the enhancement of existing ones. Other significant amounts were expensed.

Employees

As of March 31, 2012, the Softing Group had 291 employees (previous year: 236). During the reporting period, no stock options were issued to employees.

Opportunities for the Company's Future Development

As of the reporting date of March 31, 2012, the Company's risk structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2011. Material changes are also not expected for the remaining nine months of 2012. For more information, please refer to our Group Management Report in the 2011 Annual Report, page 4 et seq.

Outlook

Softing expects sales to increase to more than EUR 45 million through organic growth and EBIT to come in at more than EUR 4 million in the 2012 financial year. Sales are forecast to rise to roughly the same extent in both the Automotive Electronics and the Industrial Automation segments.

Events after the Reporting Date

There were no events of special importance after the reporting date of March 31, 2012.

Consolidated Balance Sheet

According to IFRS as of March 31, 2012, unaudited

Assets	Quarterly report 03/31/2012 EUR	Financial statements 12/31/2011 EUR
Cash and cash equivalents	10,543,127	7,300,619
Marketable securities	1,240,625	1,241,780
Trade accounts receivable	6,197,196	8,294,759
Inventories	4,000,767	3,642,318
Prepaid expenses and other current assets	879,918	1,006,093
Total current assets	22,861,633	21,485,569
Property, plant and equipment	1,162,092	1,125,473
Intangible assets	4,383,297	4,296,683
Goodwill	2,438,952	2,438,952
Borrowings	875,000	875,000
Deferred taxes	496,346	730,034
Total non-current assets	9,355,687	9,466,142
Total assets	32,217,320	30,951,711
Liabilities and equity	Quarterly report 03/31/2012 EUR	Financial statements 12/31/2011 EUR
Other borrowings	1,614,226	1,655,577
Trade accounts payable	2,587,792	2,668,814
Liabilities from customer-specific construction contracts	294,775	187,180
Provisions	281,009	281,009
Tax provisions	432,953	430,953
Deferred income and other current liabilities	6,621,132	6,210,015
Total current liabilities	11,831,887	11,433,548
Deferred tax liabilities	1,209,206	1,189,592
Employee benefits	1,058,480	1,021,967
Other financial liabilities	107,695	107,695
Total non-current liabilities	2,375,381	2,319,254
Issued capital	5,637,198	5,637,198
Capital reserves	1,683,820	1,683,820
Treasury shares	-771,735	-771,735
Minority interest	-8,165	10,115
Accumulated profit (incl. retained earnings)	11,468,934	10,639,511
Total equity	18,010,052	17,198,909
Total liabilities and equity	32,217,320	30,951,711

Consolidated Income Statement

According to IFRS as of March 31, 2012, unaudited

	Quarterly report I/2012 01/01/2012 - 03/31/2012 EUR	Quarterly report I/2011 01/01/2011 - 03/31/2011 EUR
Revenue	12,530,195	8,714,812
Other operating income	225,622	3,285
Other own work capitalized	696,052	509,216
Cost of purchased materials / services	-3,481,362	-2,174,316
Staff costs	-6,205,568	-4,026,517
Depreciation and amortization	-790,325	-829,725
Other operating expenses	-1,771,648	-1,257,108
Operating profit / loss	1,202,966	939,647
Interest income and expenses	-48,591	422
Result before income taxes	1,154,375	940,069
Income taxes	-310,288	-281,556
Other taxes	-	-
Result before minority interest	844,087	658,513
Minority interest	18,280	4,579
Net income	862,367	663,092
Earnings per share (basic)	0.16	0.12
Earnings per share (diluted)	0.16	0.12
Average number of shares outstanding (basic)	5,329,596	5,329,596
Average number of shares outstanding (diluted)	5,329,596	5,329,596

Consolidated Cash Flow Statement

According to IFRS as of March 31, 2012, unaudited

	Quarterly report I/2012 01/01/2012 - 03/31/2012 EUR (in thsds)	Quarterly report I/2011 01/01/2011 - 03/31/2011 EUR (in thsds)
Cash flow from operating activities		
Net income/loss	844	659
Exchange differences recognized in equity	-15	-8
+ Depreciation/amortization	790	830
+ Increase in provisions	55	91
+/- Change in net working capital	2,481	549
= Net cash provided by operating activities	4,155	2,121
Cash flow from investing activities		
- Payments made for investments in self-produced intangible assets	-724	-541
- Payments made for investments in other intangible assets and in property, plant and equipment	-189	-113
= Net cash used in investing activities	-913	-654
Cash flow from financing activities		
= Net cash provided by financing activities	0	0
- Decrease in cash and cash equivalents	3,242	1,467
+ Cash and cash equivalents at beginning of period	7,301	6,140
= Cash and cash equivalents at end of period ▶	10,543	7,607

Changes in Shareholders' Equity

01/01/2012 - 03/31/2012							
EUR (in thsds)	Issued capital	Capital reserves	Retained earnings	Accumulated profits	Treasury shares	Minority shares	Total
Balance as of December 31, 2011	5,637	1,684	2,968	7,672	-772	10	17,199
Available-for-sale financial assets				-18			-18
Measurement of financial instruments							
Currency translation			-15				-15
Minority interest						-18	-18
Net income 2012			862				862
Balance as of March 31, 2012	5,637	1,684	3,815	7,654	-772	-8	18,010

01/01/2011 - 03/31/2011							
EUR (in thsds)	Issued capital	Capital reserves	Retained earnings	Accumulated profits	Treasury shares	Minority shares	Total
Balance as of December 31, 2010	5,637	1,684	644	7,680	-772	90	14,963
Measurement of financial instruments			-139				-139
Currency translation			-8				-8
Minority interest						-71	-71
Net income 2011			663				663
Balance as of March 31, 2011	5,637	1,684	1,160	7,680	-772	19	15,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q1/2012

This Quarterly Financial Report was prepared using the same accounting policies as in financial year 2011.

Segment Reporting

As of March 31, 2012

	Quarterly report I/2012 01/01/2012 - 03/31/2012 EUR (in thsds)	Quarterly report I/2011 01/01/2011 - 03/31/2011 EUR (in thsds)
Automotive Electronics		
Revenue	6,227	3,201
Segment result (EBIT)	644	416
Depreciation/amortization	211	242
Segment assets	10,508	8,228
Segment liabilities	4,580	3,019
Capital expenditure (not including long-term investments)	395	217
Industrial Automation		
Revenue	6,303	5,514
Segment result (EBIT)	539	641
Depreciation/amortization	568	565
Segment assets	10,458	9,469
Segment liabilities	4,771	4,080
Capital expenditure (not including long-term investments)	493	389
Not distributed		
Revenue	-	-
Segment result (EBIT)	-	-117
Depreciation/amortization	11	23
Segment assets	11,251	8,425
Segment liabilities	4,856	3,615
Capital expenditure (not including long-term investments)	29	47
Total		
Revenue	12,530	8,715
Segment result (EBIT)	1,203	940
Depreciation/amortization	790	830
Segment assets	32,217	26,122
Segment liabilities	14,207	10,714
Capital expenditure (not including long-term investments)	917	653

The division into business segments in accordance with IFRS 8 is shown in the table above.

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