

Results 2007:

Sales growth 24% - EBIT jumps by more than 200%

Stuttgart, Germany, 19 May 2008 - Digital Identification Solutions AG, a leading international supplier of cutting-edge identification solutions reports another successful financial year. The following results according to IFRS were achieved in 2007:

€ Million	2006	2007	Change
Sales	14,7	18,3	24%
Gross margin	6,1	9,2	52%
EBITDA	0,3	0,5	103%
EBIT	0,0	0,2	251%
Net profit	0,5	0,0	-98%

This healthy growth was supported by all divisions, and included organic growth of 17%. As has already been published, one-offs held the results back by well over € 1 mn. These include the changeover to IFRS and the largest product- and marketing offensive in the Groups' history which will result in substantially improved competitiveness going forward. Special note deserves the steadily increasing share of media which, together with the rising gross margin, vindicate our business model. Divisional sales were as follows:

€ Million	2006	2007	Change
Hardware	5,9	6,4	7%
Media	7,7	10,1	30%
Software and Services	1,1	1,8	72%
Total	14,7	18,3	24%

In 2007 several important milestones were achieved which are of crucial importance for the further growth of the Digital Identification Solutions Group:

- August saw the acquisition of vps ID Systeme, a German software developer. The integration proceeds according to schedule.
- For the very first time, the Group entered the US government business.

- The regions Europe and AMECA (Africa, Middle East & Central Asia) won major contracts with corporate and government customers.
- Another important regional market was entered by setting up a subsidiary in Mexico which won several large government orders in late 2007.
- At the end of 2007 the total number of installations exceeded 6.800 for the first time.
- The subsidiaries in the USA, in Singapore and in Dubai have achieved new sales and profit records and together contribute some 45% of Group turnover.
- The number of our distribution partners rose to over 140. The newly founded *Digital Identification Solutions Academy* should intensify our cooperation with our partners.
- In 2007 the Group generated more than 85% of sales outside Germany
- The total number of employees rose from 60 to 100 at yearend 2007.

According to Gerd Schaefer, Group CEO, „We will continue our growth path in 2008. Our success boils down to superior technology and a global presence. We believe that the software competence of vps will lend additional support in several important segments. Realised and potential synergies with our newest Group member will continually improve our competitive position. The expansion in growth regions such as Asia, Latin America and Eastern Europe proceeds as planned.“

For 2008 the company expects further strong sales and EBIT growth.

The Managing Board

About Digital Identification Solutions

The Digital Identification Solutions Group is a global provider of advanced identification solutions with a worldwide installed base of more than 6,800 systems. In September 2007 the Group has introduced the latest *EDIssecure®* XID 5xxie Retransfer Printer generation successfully into the world market. The company has sales, marketing and support operations in Europe, the Middle East, Asia, Mexico and the United States. Together with its vast network of certified partners, Digital Identification Solutions is in a position to deliver state-of-the-art solutions virtually anywhere in the world. The company combines cutting-edge technology, extensive industry know-how and an impressive array of references in the private and public sector.

For further information please visit www.digital-identification.com

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