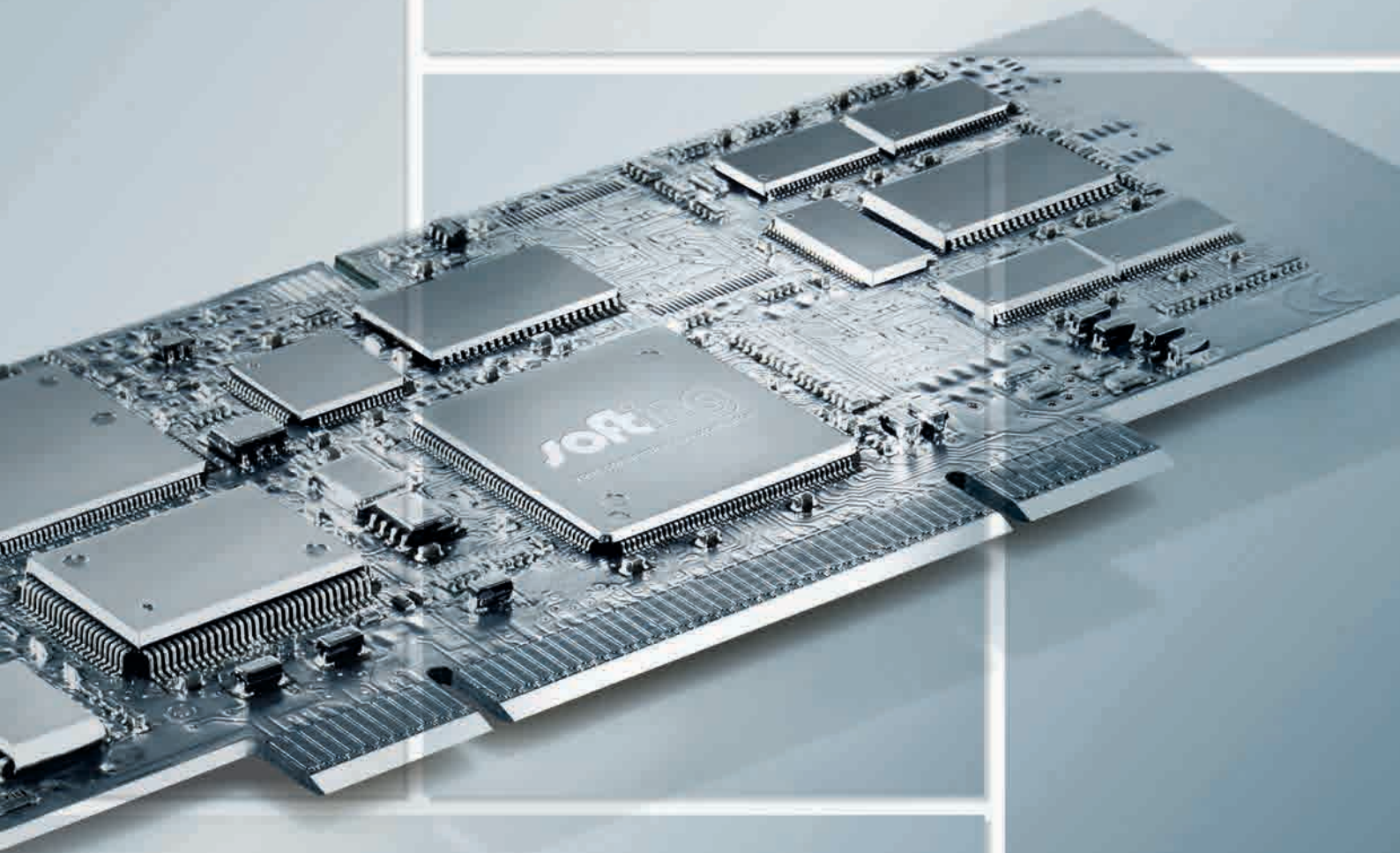


3/2011

Quarterly Financial Report



First nine months of 2011

- ▶ Sales up by more than 25 %
- ▶ EBIT at EUR 2.8 million - EBIT margin over 10 %
- ▶ Earnings per share at EUR 0.39



***Dear Shareholders, Employees,
Friends and Partners of Softing AG,***

In the third quarter of 2011, we once again surpassed our sales and earnings performance of the outstanding first half of the year and can look back on an extremely encouraging nine months.

We managed to further improve all significant key financials. Incoming orders, for instance, were up 15 % in the quarter and 34 % in the first nine months, reaching EUR 30.4 million. Global sales amounted to EUR 27.6 million, reflecting an increase of 22 % in the third quarter and of more than 26 % in the first nine months of the year. Our operating result developed just as positively: it quadrupled from EUR 0.7 million to EUR 2.8 million year on year in the first nine months.

The following table shows the most important key figures at a glance.

All figures in EUR million	Quarterly report III/2011	Quarterly report III/2010	Nine-months report 2011	Nine-months report 2010
Incoming orders	10.0	8.7	30.4	22.7
Sales	9.5	7.8	27.6	21.7
Earnings (EBIT)	0.8	0.5	2.8	0.7
Net income	0.6	0.4	2.0	0.6
Earnings per share in EUR	0.11	0.08	0.39	0.11

In the Industrial Automation segment, we can report sales growth of more than 16 % to EUR 16.8 million (previous year: EUR 14.4 million), with earnings improving by EUR 0.3 million to EUR 1.1 million (previous year: EUR 0.8 million) in the first nine months.

At the end of November, the companies in the Industrial Automation segment will again participate in SPS/IPC/DRIVES in Nuremberg, the most important automation trade fair for us. We plan to showcase new products and services from the Industrial Automation segment there to secure further growth in 2012.

Sales in the Automotive Electronics segment in the first nine months of 2011 rose by more than 46% to EUR 10.7 million (previous year: EUR 7.3 million). This segment contributed EUR 1.7 million to Softing's consolidated earnings, an increase of EUR 1.6 million compared with the previous year.

At the end of October, we were able to transform a long-standing partnership in the Automotive Electronics segment into growth for our Group when Softing AG acquired all shares in samtec automotive software & electronics GmbH. Samtec ideally complements our diagnostic and communications products in the Automotive Electronics segment and has brought around 40 competent and motivated professionals to the Softing Group. Despite its profitable business, we do not expect samtec to make a significant contribution to Softing's EBIT over the next two to three quarters because we first have to harmonize our product ranges and establish joint development platforms. Such a joint approach should give us even more market clout in the future.

Our product pipeline is well filled in both segments. Softing will regularly launch new products for years to come, which means that the Company should continue to perform well for the foreseeable future. The high customer value offered by our products results in profitability that was reflected in an EBIT margin of over 10% in the first nine months of 2011. Despite the political strain on the capital market, Softing's share price rose steadily to well over EUR 4 per share.

Bolstered by its positive key figures, Softing will again present itself to numerous analysts and institutional investors at the German Equity Forum in Frankfurt on November 21, 2011. We intend to highlight the potential of Softing in our corporate presentation and in numerous personal discussions with attendees.

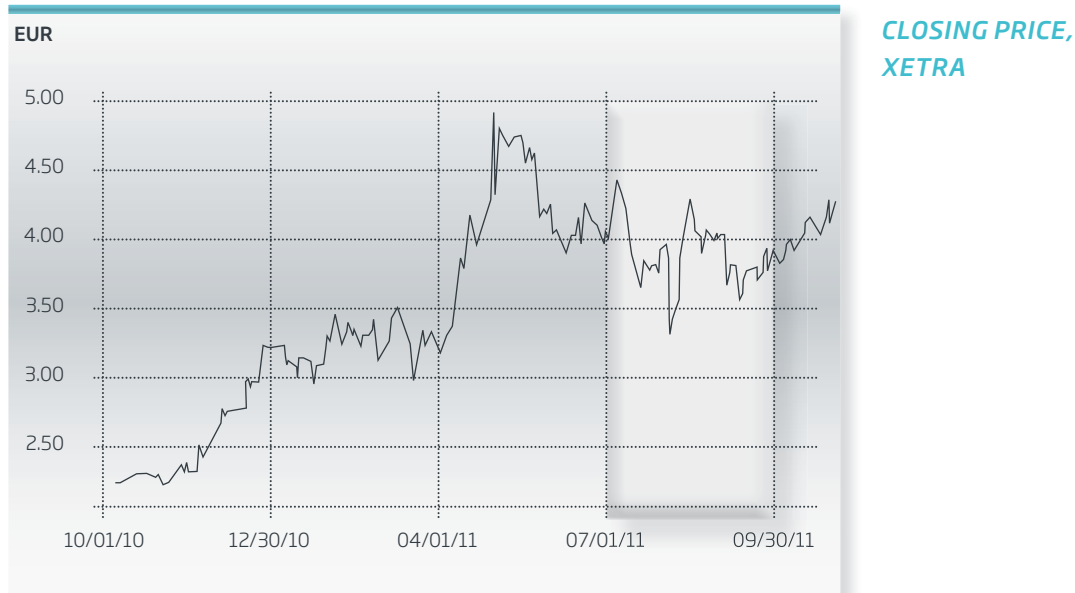
We hope that you, the friends of Softing, can look forward not only to continually positive financial figures but also to a continued rise in the price of our shares in the months to come. Our strong performance is an indicator of our potential that cannot be overlooked by the capital market.

With warm regards,



Dr. Wolfgang Trier
(Chief Executive Officer)

Stock Price - Directors' Holdings - Financial Calendar



DIRECTORS' HOLDINGS AS OF SEPTEMBER 30, 2011

Boards	Shares		Options	
	Sep. 30, 2011 Number	June 30, 2011 Number	Sep. 30, 2011 Number	June 30, 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	225,000	225,000	-	-
Executive Board				
Dr.-Ing. Dr. rer. oec. Wolfgang Trier, Munich	4,528	-	-	-
Maximilian zu Hohenlohe, Pfaffenhofen	-	-	-	-

FINANCIAL CALENDAR

November 15, 2011	Quarterly Report 3/2011
November 21, 2011	German Equity Forum in Frankfurt/Main
March 30, 2012	2011 Annual Report
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 3/2011 Quarterly Financial Report

Economic Environment

The slowdown of the global economy and the financial turbulence surrounding the euro continue to dampen the optimism of German businesses. According to the most recent figures from the Ifo Institute, the business climate index - a leading economic indicator - fell from 107.4 points to 106.4 points in October. It was the fourth decrease in a row. However, experts continue to expect the German economy to be robust in 2011 and generate growth of approx. 2.5 percent. Industry and the automotive sector in particular will benefit from the excellent 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 2011 financial year.

Earnings

Sales in the Automotive Electronics segment in the first nine months of 2011 rose by more than 46 % to EUR 10.7 million (previous year: EUR 7.3 million). Industrial Automation recorded a sales increase of over 16 % to EUR 16.8 million (previous year: EUR 14.4 million). The sales of the Softing Group thus rose by more than 26 % to EUR 27.6 million in the first nine months of 2011 (previous year: EUR 21.4 million). As of September 30, 2011, orders on hand in the Group totaled EUR 8.5 million (June 30, 2011: EUR 8.0 million).

Assets and Financial Position

The equity of the Softing Group rose by EUR 1.2 million to EUR 16.2 million in the first nine months of 2011 (December 31, 2010: EUR 15.0 million). Cash and cash equivalents in the 2011 reporting period declined by EUR 0.9 million to EUR 7.0 million, compared to EUR 6.1 million as of December 31, 2010.

Research and Product Development

In the first nine months of 2011, Softing capitalized a total of EUR 1.8 million (previous year: EUR 2.3 million) for the development of new products and the enhancement of existing ones. Other significant amounts were expensed.

Employees

As of September 30, 2011, the Softing Group had 251 employees (previous year: 229). During the reporting period, no stock options were issued to employees.

Opportunities for the Company's Future Development

As of the reporting date of September 30, 2011, the Company's risk structure had not deviated significantly from the description in the consolidated financial statements for the year ended December 31, 2010. Material changes are also not expected for the remaining three months of 2011. For more information, please refer to our Group Management Report in the 2010 Annual Report, page 6 et seq.

Outlook

Softing continues to see very good opportunities for future growth throughout the Group. For this reason, the previous profit expectations for 2011 have been raised to a target EBIT of over EUR 3 million. Softing still expects to generate sales of just over EUR 35 million. Sales are forecast to rise to roughly the same extent in both the Automotive Electronics and the Industrial Automation segments.

Events after the Balance Sheet Date

There were no events of special importance after the balance sheet date of September 30, 2011.

Consolidated Balance Sheet

According to IFRS as of September 30, 2011, unaudited

Assets	Quarterly report 09/30/2011 EUR	Financial statements 12/31/2010 EUR
Cash and cash equivalents	5,190,355	4,274,684
Marketable securities	1,878,357	1,864,780
Trade accounts receivable	6,675,438	6,800,787
Inventories	3,230,658	2,032,767
Prepaid expenses and other current assets	1,481,779	1,299,632
Total current assets	18,456,587	16,272,650
Property, plant and equipment	940,833	611,258
Intangible assets	4,369,440	4,632,332
Goodwill	2,438,952	2,438,952
Borrowings	875,000	875,000
Deferred taxes	686,323	1,425,622
Total non-current assets	9,310,548	9,983,164
Total assets	27,767,135	26,255,814
Liabilities and equity	Quarterly report 09/30/2011 EUR	Financial statements 12/31/2010 EUR
Other borrowings	157,742	392,400
Trade accounts payable	1,882,964	1,579,255
Liabilities from customer-specific construction contracts	107,247	165,131
Advances received	177,414	0
Provisions	217,460	113,014
Tax provisions	122,498	50,000
Deferred income and other current liabilities	5,102,630	5,234,874
Total current liabilities	7,767,955	7,534,674
Deferred tax liabilities	1,271,906	1,355,210
Employee benefits	1,234,435	1,146,034
Other financial liabilities	1,257,178	1,257,177
Total non-current liabilities	3,763,519	3,758,421
Issued capital	5,637,198	5,637,198
Capital reserves	1,683,820	1,683,820
Treasury shares	-771,735	-771,735
Minority interest	18,932	90,324
Accumulated profit (incl. retained earnings)	9,667,446	8,323,112
Total equity	16,235,661	14,962,719
Total liabilities and shareholders' equity	27,767,135	26,255,814

Consolidated Income Statement

According to IFRS as of September 30, 2011, unaudited

	Quarterly report III/2011 07/01/2011 - 09/30/2011 EUR	Quarterly report III/2010 07/01/2010 - 09/30/2010 EUR	Nine-months report 2011 01/01/2011 - 09/30/2011 EUR	Nine-months report 2010 01/01/2010 - 09/30/2010 EUR
Revenue	9,511,960	7,804,286	27,564,470	21,747,615
Other operating income	315,203	109,669	841,536	535,667
Other own work capitalized	639,371	664,141	1,672,341	2,123,159
Cost of purchased materials/services	-2,823,607	-2,303,505	-7,731,020	-6,430,899
Staff costs	-4,713,545	-3,920,714	-13,155,536	-11,567,312
Depreciation and amortization	-783,069	-772,697	-2,382,070	-2,322,813
Other operating expenses	-1,333,433	-1,034,752	-3,975,157	-3,347,316
Operating income	812,880	546,428	2,834,564	738,101
Interest income and expenses	6,868	-20,517	26,487	-96,034
Result before income taxes	819,748	525,911	2,861,051	642,067
Income taxes	-233,830	-121,297	-811,812	-76,771
Other taxes	-420	-464	-895	-2,069
Result before minority interest	585,498	404,150	2,048,344	563,227
Minority interest	8,151	-3,906	4,198	-3,047
Net income	593,649	400,244	2,052,542	560,180
Earnings per share (basic)	0.11	0.08	0.39	0.11
Earnings per share (diluted)	0.11	0.08	0.39	0.11
Average number of shares outstanding (basic)	5,329,596	5,104,596	5,329,596	5,104,596
Average number of shares outstanding (diluted)	5,329,596	5,104,596	5,329,596	5,104,596

Consolidated Cash Flow Statement

According to IFRS as of September 30, 2011, unaudited

	Nine-months report 2011 01/01/2011 - 09/30/2011 EUR (in thsds)	Nine-months report 2010 01/01/2010 - 09/30/2010 EUR (in thsds)
Cash flow from operating activities		
Net income	2,048	563
Exchange differences recognized in equity	-7	4
+ Depreciation/amortization	2,382	2,323
+ Increase in provisions	109	323
- Change in net working capital	-378	-912
= Net cash provided by operating activities	4,154	2,301
Cash flow from investing activities		
- Payments made for the acquisition of consolidated companies	-170	0
- Payments made for investments in self-produced intangible assets	-1,809	-2,336
- Payments made for investments in other intangible assets and in property, plant and equipment	-640	-209
= Net cash used in investing activities	-2,619	-2,545
Cash flow from financing activities		
- Dividend payment	-620	0
= Net cash provided by financing activities	-620	0
+/- Increase/decrease in cash and cash equivalents	915	-244
+ Cash and cash equivalents at beginning of period	4,275	4,172
= Cash and cash equivalents at end of period	5,190	3,928

Changes in Shareholders' Equity

01/01/2011 - 09/30/2011							
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	-458	8,782	-772	90	14,963
Dividend payment				-620			-620
Acquisition of consolidated companies			-103			-67	-170
Measurement of financial instruments			22				22
Currency translation			-7				-7
Minority interest						-4	-4
Net income 2011				2,052			2,052
Balance as of September 30, 2011	5,637	1,684	-546	10,214	-772	19	16,236

01/01/2010 - 09/30/2010							
EUR (in thsds)	Issued capital	Capital reserves	Retained earnings	Accumulated profits	Treasury shares	Minority shares	Total
Balance as of December 31, 2009	5,637	1,684	-253	7,795	-1,336	91	13,618
Dividend payment				-			-
Acquisition of consolidated companies			-				-
Measurement of financial instruments			-12				-12
Currency translation			4				4
Minority interest						4	4
Net income 2010				560			560
Balance as of September 30, 2010	5,637	1,684	-261	8,355	-1,336	95	14,174

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR Q3/2011

This Quarterly Financial Report was prepared using the same accounting policies as in financial year 2010.

Segment Reporting

As of September 30, 2011

	Quarterly report III/2011 07/01/2011 - 09/30/2011 EUR	Quarterly report III/2010 07/01/2010 - 09/30/2010 EUR	Nine-months report 2011 01/01/2011 - 09/30/2011 EUR	Nine-months report 2010 01/01/2010 - 09/30/2010 EUR
Automotive Electronics				
Revenue	3,867	2,572	10,716	7,346
Segment result (EBIT)	727	156	1,754	74
Depreciation /amortization	177	203	573	635
Segment assets	-	-	9,404	5,769
Segment liabilities	-	-	3,362	2,081
Capital expenditure (not including long-term investments)	345	385	772	959
Industrial Automation				
Revenue	5,645	5,233	16,849	14,402
Segment result (EBIT)	-166	477	1,081	751
Depreciation /amortization	580	491	1,739	1,609
Segment assets	-	-	10,473	9,879
Segment liabilities	-	-	4,352	3,986
Capital expenditure (not including long-term investments)	398	412	1,242	1,552
Not distributed				
Revenue	-	-	-	-
Segment result (EBIT)	252	-87	-	-87
Depreciation /amortization	26	79	70	79
Segment assets	-	-	7,890	7,506
Segment liabilities	-	-	3,817	2,913
Capital expenditure (not including long-term investments)	114	12	401	29
Total				
Revenue	9,512	7,805	27,565	21,748
Segment result (EBIT)	813	546	2,835	738
Depreciation /amortization	783	773	2,382	2,323
Segment assets	-	-	27,767	23,154
Segment liabilities	-	-	11,531	8,980
Capital expenditure (not including long-term investments)	857	809	2,415	2,540

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

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