

Qo2

Report Second Quarter 2007

Consolidated Financial Statements 2007 pursuant to IFRS – As of June 30, 2007 (unaudited)

Optical Disc

Photovoltaic

Semiconductor

Optics

SINGULUS 



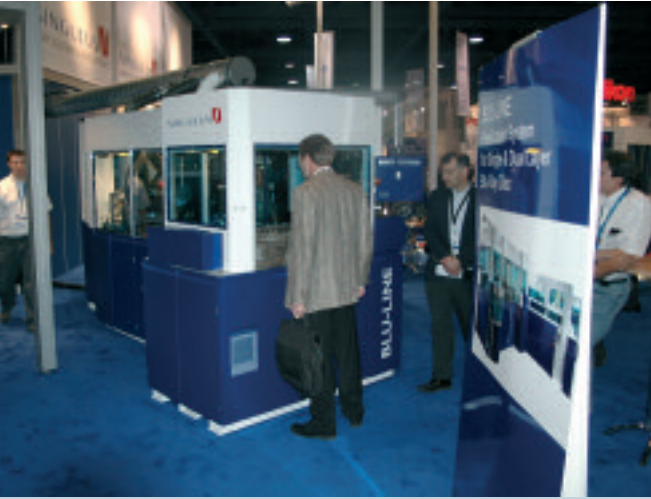
Highlights

- SINGULUS acquires solar technology company
- HamaTech with a positive operating result for the first time in Q2
- Gross margin improves by 3.2 percentage points in the 1st half compared with prior year
- First DECOLINE delivered to the Balda AG
- First sales for TIMARIS machines
- Further orders for OPTICUS and TIMARIS machines booked
- SINGULUS NANO DEPOSITION TECHNOLOGIES GmbH founded
- New CRYSTALLINE mastering system successfully launched, several machines sold

Dear Shareholders!

In the past six months we were able to implement additional important intermediate steps in the course of our growth strategy at SINGULUS.

We were successful in achieving a positive result in our traditional work area, replication lines for optical discs, despite a continuing difficult market environment. Adjusting the half-year results for extraordinary effects in the same period one year ago, we were even able to significantly improve our profitability as of June 30, 2007. DVD equipment was the main contributor to sales. The market for the new formats, HD DVD and Blu-ray, has not yet shown the expected momentum. The activities with the new formats appear to develop only slowly in the beginning similar to the development during the time of the introduction of the DVD. However, according to IMS research analyst Paul Erickson, nearly 1,000 HD DVD titles should be available worldwide by the end of 2007 – similar figures are projected for Blu-ray. We expect the current restraint in capital expenditure for equipment to fade in the next couple of months and as a market leader to benefit disproportionately from the expected growth boost in the new formats.



Blu-ray Replication Line BLU-LINE
on display at the MEDIA-TECH Expo/USA

In the meantime we used our financial and human resources to set-up new business areas. Accordingly, in the first two work areas beyond Optical Disc, the business divisions NANO DEPOSITION TECHNOLOGIES and Optical Coatings, we will generate double-digit million sales with positive earnings contributions for the first time this year. Compared with the overall sales, these contributions are still small but growing dynamically. Our target is to further expand these new work areas by means of a build & buy strategy.

In order to enable the access to the fast growing solar market, we decided to make an acquisition. With the STANGL Semiconductor Equipment AG, Eichenau, SINGULUS for the first time acquires a company beyond the traditional work area of optical disc equipment. STANGL is highly profitable while growing sales by up to 50 %. Moreover, this acquisition provides access to the major companies of the global solar industry. STANGL supplies production machines for crystalline solar cells and thin-film solar cells. SINGULUS will utilize its know-how in thin-film technology to more extensively cover the production chain for solar cells on a broader basis together with STANGL.

Hereby we realized our target announced at the beginning of the year to get involved in the growth market solar technology as fast as possible. SINGULUS has always been a growth company. We will continue to grow in all of our business activities through organic growth and selective acquisitions in the future as well.

Kahl am Main, August 1, 2007

Yours sincerely,

Stefan A. Baustert
[Chief Executive Officer]

Dr.-Ing. Anton Pawlakowitsch
[Executive Board member]

Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

Overall economic development and industry situation

The current economic data continue to indicate a positive assessment of the overall economic situation. The latest economic outlook published by the OECD on May 24, 2007, stated that the "central forecast remains positive". The OECD expects a strong and sustained recovery in Europe.

Although the market for the 2nd format generation, the DVD, continues to grow – from about 7.6 billion discs in 2007 to 9.6 billion in 2010 – the activities for SINGULUS' machines was subdued. The situation regarding the new formats HD DVD and Blu-ray also resulted in continuing uncertainties in our markets and to restrained capital expenditure. The unsolved format debate, the lack of inexpensive players as well as the lack of current movies on the market are the main impediments. It is expected that inexpensive players as well as an increasing number of blockbuster movies will be available in the new formats at the end of the year and that the major global media companies will start an extensive international market launch.

Business activities

SINGULUS TECHNOLOGIES develops and manufactures machines and equipment for the production of optical discs as well as production machines for semiconductor components, coating machines for ophthalmic lens processing, production lines for decorative processing and cleaning equipment for photo masks. In the future, the product portfolio will include equipment for the production of solar cells.

Optical Disc

In the period under review the activities for equipment for the production of optical discs focused on the market segments prerecorded CD and DVD. Until the end of March 2007 a large order for SKYLINE II lines were delivered: In the 2nd quarter the business activities for this machine type were quiet.

A US customer placed a major order for DVD machines. In the 2nd quarter SINGULUS received additional orders from smaller and medium-sized customers from Europe and the US. The current production line SPACELINE II for HD DVD and DVD was presented at the trade fair MEDIA-TECH Expo in Long Beach, USA, at the beginning of May in addition to the production line BLU-LINE for Blu-ray and the new mastering system CRYSTALLINE.

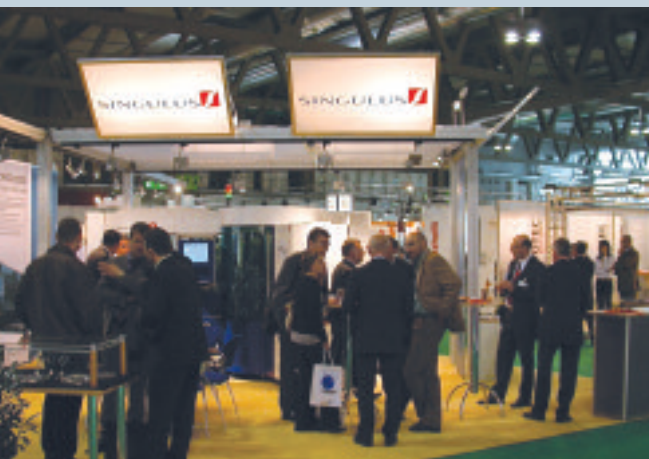
At the MEDIA-TECH Expo in Long Beach SINGULUS MASTERING presented to professional attendees at a separate workshop its newly developed inline mastering system with the brand name CRYSTALLINE. More than 100 professionals from the industry were present. Afterwards, the inline mastering system for all



Presentation of the CrystalLine in Long Beach/USA with over 100 attendees



TIMARIS Coatingsystem for
Read-Write-Heads and MRAM wafer



Ophthalmic lens coating machine OPTICUS on display
at MIDO/Milan, the world biggest optics exhibition



Processing system for photo mask cleaning
for the semiconductor industry

DVD, HD DVD and Blu-ray formats was exhibited at the fair booth. In the meantime, two firm orders have been received. The signing of additional orders are expected shortly.

At the MEDIA-TECH Expo SINGULUS presented in speeches together with Sony DADC the further development of the production technology for the mass production of dual layer Blu-ray Discs with a storage capacity of 50 GB. The newly developed production line is currently being assembled and tested in Kahl.

Nano Deposition Technologies

As of July 1, 2007 SINGULUS found a subsidiary for the growth markets magnetic storage, MRAM and semi-conductor technology. The new 100 % subsidiary of the SINGULUS TECHNOLOGIES AG is called "SINGULUS NANO DEPOSITION TECHNOLOGIES GmbH" and located in Kahl. Managing Directors are the present division manager, Dr. Wolfram Maass, as well as the CEO of the parent company, Stefan A. Baustert.

All of SINGULUS' activities for this particularly sophisticated target market have already been combined under the name of "Nano Deposition Technologies". Following the break-through of the newly offered machine concept, the next logical strategic step was the focusing. With the SINGULUS NANO DEPOSITION TECHNOLOGIES GmbH SINGULUS intends to benefit even more from the growing volumes in these specialized markets.

SINGULUS had already been able to establish itself in the market with its innovative TIMARIS machine concept in the past year through several successful sales. Accordingly, Nano Deposition Technologies will for the first time generate double-digit million sales in 2007. A US customer already ordered another TIMARIS coating machine for thin film heads (read/write heads) this year. The orders received for these thin film coating machines operating in the nano-dimension are currently exceeding € 4 million.

Optical Coatings

At the trade fair MIDO in Milan at the beginning of May the ophthalmic lens coating machine OPTICUS was presented in operation for the first time and received a high level of interest from the professional attendees. SINGULUS was able to sign another order for an OPTICUS machine during the MIDO. This European customer decided to invest in the inline technology to further automate its production and to reduce production costs.

Fortunately, a cooperation for the further development of eyeglass coating processes was agreed upon in June, which also included an additional order for an OPTICUS machine.

Decorative Coatings

The Balda AG presented the production line for production and processing of three-dimensional plastic surfaces developed in cooperation with SINGULUS at Balda's Innovation Days in Bad Oeynhausen at the beginning of June. The machine called DECOLINE is currently the only production line available on the market, which completely integrates the injection molding, the metallizing and the painting in one production cycle. More than 50 interested customers were able to exchange views with experts regarding innovative technologies and design developments at Balda's Innovation Days and to convince themselves of the efficiency of the equipment technology.



DECOLINE – Inline coating system
for 3-dimensional plastic parts



In October 2006 a cooperation with Balda for the development of a production line for the production and finishing of plastic surfaces was agreed. On the basis of the SINGULUS 3 DS metallization machine SINGULUS developed a product line which integrates in the production cycle several processing steps from the injection molding machine to the metallization and the application of anti-scratch finishes.

All production processes are completely automated. Amongst others, the line concept is also useful in the cosmetics packaging, toy and automobile industries. Accordingly, the different requirements of the process handling within the respective industrial sectors are considered.

Advanced Process Equipment

The HamaTech APE GmbH & Co. KG (APE) was able to further stabilize its leading position for equipment for the cleaning of photo masks.

APE was able to generate new orders totaling € 6.2 million in the 2nd quarter (previous year: € 4.9 million). Several systems have already been delivered and are subject to technical acceptance by the customers. The good order backlog and the production progress indicate a significantly positive result for APE for the 2nd half of the year and also for the full-year 2007.

Order intake and order backlog

The order intake in the 2nd quarter of 2007 amounted to € 48.1 million and was thus below previous year's level of € 86.8 million. On the basis of the continuing operations at HamaTech (excluding Manufacturing Services and ETA-Optik) a comparable amount for the 2nd quarter 2007 comes to € 69.7 million in total.

The order backlog of € 77.7 million as of June 30, 2007 was below previous year's level of € 138.7 million. The prior-year level included an order backlog in the amount of € 18.8 million for the deconsolidated companies Manufacturing Services and ETA-Optik in the meantime. Therefore, an adjusted figure of € 119.9 million results for the previous year.

Sales

Sales of € 62.5 million in the 2nd quarter 2007 were slightly below the previous year's level (previous year: € 67.6 million). The sales in the 1st half of 2007 totaling € 112.3 million were close to level achieved in the same period one year ago although SESS and ETA had contributed € 8.4 overall previous year: € 116.5 million).

The geographical breakdown of sales for the 2nd quarter 2007 was as follows: Europe 27.9 % (previous year: 31.5 %), Asia 25.1 % (previous year: 32.4 %), North and South America 43.5 % (previous year: 35.1 %), and Africa 3.5 % (previous year: 1.0 %). For the 1st half of 2007 the geographic sales breakdown was as follows: Europe 36.6 % (previous year: 36.3 %), Asia 24.4 % (previous year: 33.6 %), North and South America 35.8 % (previous year: 29.0 %), and Africa 3.2 % (previous year: 1.1 %).

The production and the sale of equipment for the production of optical disc contributed 68 % to SINGULUS' sales (previous year: 75 %) in the 2nd quarter and 64 % in the 1st half of 2007 (previous year: 68 %). The share of sales with other equipment, replacement parts, upgrades and services amounted to 32 % in the 2nd quarter (previous year: 25 %) as well as to 36 % in the 1st half of 2007 (previous year: 32 %).

Gross margin

The gross margin in the 2nd quarter stood at 27.0 % at prior-year's level (27.0 %). For the 1st half of 2007 the gross margin amounted to 28.0 % and was therefore significantly higher than the margin in the same period one year ago (24.8 %). This increase mainly results from the first-time sales generation in the segment Nano Deposition Technologies (NDT) and a general margin improvement in the segment Prerecorded CD and DVD.

Operating expenses

The operating expenses totaled € 29.8 million in the first six months. Adjusted for restructuring charges in connection with the acquisition of HamaTech in the amount of € 20.1 million,

the comparable prior-year level amounts to € 36.6 million. Accordingly, the overhead was reduced by € 6.8 million compared with the same period one year ago. This decline mainly reflects the cost reduction measures initiated in the previous year as well as the deconsolidation of Manufacturing Services and ETA-Optik.

Research and development (R&D)

At a total amount of € 10.4 million in the 1st half of 2007 the R&D expenses were below prior-year's level (€ 12.5 million).

After the introduction of the inline mastering system CRYSTALLINE in the business area Optical Disc SINGULUS focuses on the optimization of the first systems. An additional focal point is the completion of the new production system for dual layer Blu-ray Discs. For the dual layer technology the necessary new components are integrated in the BLU-LINE and tested. The first dual layer Blu-ray production lines are still scheduled for delivery in the current year.

In the new work areas the delivered equipment is optimized together with the customers. The experience gained will be utilized for the further development of these products.

Earnings

The earnings before interest and taxes (EBIT) were slightly positive at € 0.5 million in the 2nd quarter (previous year: € -1.8 million). The improvement in earnings compared with the same period last year results from a positive earnings contribution from HamaTech. For the 1st half of 2007 SINGULUS achieved a positive EBIT in the amount of € 0.7 million (previous year: € 5.2 million). However, the earnings before interest and taxes in the previous year included extraordinary effects in connection with the first time consolidation of HamaTech. On the one hand, the results of the 1st half of 2006 included one-off restructuring charges in the amount of € 20.1 million, on the other hand, extraordinary income totaling € 34.1 million (badwill) resulting from the purchase price accounting were recognized in the course of the HamaTech acquisition. Overall, the figure for the previous year included a positive extraordinary effect in the net amount

of € 14.0 million. Adjusted for this extraordinary effect the operating earnings situation was significantly improved in particular due to the implemented cost reduction programs in the past two years.

The earnings after taxes came in at € 0.1 million in the 2nd quarter 2007, which was above previous year's level (€ -2.4 million). Compared with the previous year the earnings after taxes in the 1st half of 2007 declined by € 6.4 million to € 0.9 million due to the above-mentioned extraordinary effects.

Balance sheet and liquidity

The non-current assets amounted to € 136.4 million and thus remained around previous year's level (€ 136.2 million). The item Property, plant & equipment was reduced by € 2.3 million mainly due to the deconsolidation of ETA-Optik. In contrast, the capitalized development expenses rose by € 2.4 million compared with the level on December 31, 2006. Current assets were reduced by € 22.4 million during the period under review. Specifically, accounts receivable due within one year declined by € 7.2 million compared with the prior year. In the course of the deconsolidation of ETA-Optik "Assets of a disposal group held for sale" in the amount of € 5.2 million were charged off in the 1st half of 2007. Furthermore, compared with the previous year cash and cash equivalents declined by € 12.2 million.

The capital expenditure in fixed assets amounted to € 1.7 million in the 2nd quarter of 2007 (previous year: € 1.3 million). Replacement investments predominantly made up the expenditure.

Compared with the previous year the short-term liabilities declined by € 14.2 million. Decreases of € 6.1 million for prepayments received, € 2.4 million of other provisions, € 1.7 million of tax provisions as well as € 1.9 million of other short-term liabilities were responsible for this decline. Due to the repayment of a bank loan the short-term liabilities to banks were reduced by € 1.4 million. Compared with the

previous year the long-term liabilities declined by € 6.5 million. This mainly results from the reduction of long-term liabilities to banks in the amount of € 5.5 million.

Shareholders' equity

The shareholders' equity of the Group remained at previous year's level and stood at € 274.7 million as June 30, 2007. Equity in the amount of € 268.7 million is attributable to the shareholders of the parent company and € 6.0 million to minorities. The equity ratio amounts to 73.2 % and is thus significantly above the prior-year level (69.1 %).

Employees

Compared with June 30, 2006, the headcount (excluding HamaTech) declined from 560 to 546 employees. HamaTech also adjusted its headcount continuously to the economic situation. The SINGULUS Group (including HamaTech) employed 674 people as of June 30, 2007. The average headcount in the Group (including HamaTech) amounted to 705 employees (previous year: 1,232) in the 1st half of 2007.

Cash flow

The operating cash of € 2.0 million in the 1st half of 2007 was lower than in the previous year (€ 7.3 million). The decline is mainly due to the € 6.4 million lower net profit compared with the same period one year ago.

The SINGULUS Stock

During the period under review and also in July, the share price of SINGULUS did not develop to our satisfaction. Due to several downgrades by banks, the stock price dropped below € 10 in July.

Risk report

During the first six months of the business year 2007 there were no changes with respect to the risks stated in the annual report for the year 2006.

Outlook and strategy

The acquisition of the STANGL Semiconductor Equipment AG, Eichenau, is a first important step on the way to new, interesting markets with large growth potential. STANGL is the first acquisition beyond the traditional work area of optical disc equipment. SINGULUS has bought a highly profitable company with the STANGL Semiconductor Equipment AG, which enables us instant access to the strategically very important market of the booming solar industry.

Due to the continuing sustained demand in our core activities Optical Disc we realigned our targets and regard the diversification as our most important goal from a strategic point of view and the greatest challenge for our company in the coming years. We are currently realizing these targets gradually. Due to the current situation we will postpone the guidance for our financial results for the full year 2007 to the beginning of October. By then it will be determined from what point of time the new subsidiary will be consolidated.

With the affiliation to the SINGULUS Group the growth momentum of STANGL in the target market of global solar equipment will even be accelerated. Accordingly, SINGULUS' broad range of know-how in thin-film technology will be combined with STANGL's know-how of wet-chemical processes to further broaden the production chain for solar equipment together.

SINGULUS will consistently continue its strategic growth path in the next couple of months and focus on the following targets aligning its activities correspondingly:

1. Optical Disc

Increase the market leadership in all work areas of Optical Disc with the goal to benefit disproportionately from the upcoming growth of the new format generation HD DVD and Blu-ray.

2. New business areas

- **Semi-conductor**
 - Nano Deposition Technologies
 - Expansion of this work area and development of further machine concepts for the semi-conductor technology
 - Advanced Prozess Engineering

Expansion of market leadership for machines for photo mask cleaning and processing for the semi-conductor industry as well as the development of new applications and new markets
- **Optical Coatings**

Establishing the OPTICUS machine in the eyeglass market as well as expansion and development of a broad customer base in Europe and the US
- **Decorative Coatings**

Quick optimization of production technology and expansion of scope of application to create additional market potential

3. Acquisition strategy

Following the first acquisition in new work areas we will further expand our activities consistently in the future and develop new work areas.

A large market potential as well as the proximity to the competencies of our company are the essential factors in examining expansion opportunities.

SINGULUS analyzes markets for interesting technologies and companies with significant growth potential. We are currently in talks with companies fitting into our growth strategy. This includes companies in the optical sector as well as additional application areas of coating technology.

By means of own development of new work areas and a complementing acquisition strategy we will bring our company back to its growth path and once again generate increasing sales and earnings contributions.

SINGULUS TECHNOLOGIES AG
The Executive Board

CONSOLIDATED BALANCE SHEETS AS OF JUNE 31, 2007 AND DECEMBER 31, 2006 (IFRS, UNAUDITED)

	June 30, 2007 [in K€]	Dec. 31, 2006 [in K€]
ASSETS		
Cash and cash equivalents	43,984	56,216
Trade receivables	62,701	69,881
Other receivables and assets	28,054	24,394
Total receivables	90,755	94,275
Raw materials, consumables and supplies	31,352	46,181
Work in process	72,930	59,501
Total inventories	104,282	105,682
Total current assets	239,021	256,173
Non-current trade receivables	10,713	11,031
Property, plant and equipment	19,987	22,326
Investment property	8,887	8,770
Capitalized development costs	41,391	38,949
Goodwill	31,249	31,249
Other intangible assets	13,647	13,330
Deferred tax assets	10,556	10,545
Total non-current assets	136,430	136,200
Non-current assets classified as held for sale	0	5,224
Total assets	375,451	397,597
LIABILITIES		
Trade payables	19,354	20,042
Current bank liabilities	8,466	9,850
Other current liabilities	21,017	22,940
Prepayments received	15,435	21,493
Tax provisions	1,913	3,645
Other provisions	4,113	6,492
Total current liabilities	70,298	84,462
Non-current bank liabilities	4,891	10,352
Other non-current liabilities	2,022	3,069
Pension provisions	6,265	6,115
Deferred tax liabilities	17,258	17,376
Total non-current liabilities	30,436	36,912
Liabilities in connection with assets held for sale	0	1,479
Total liabilities	100,734	122,853
Subscribed capital	34,942	34,942
Capital reserve	30,233	29,879
Other reserves	-2,888	-2,514
Accumulated profit	206,409	205,538
Total equity related to the shareholder's of SINGULUS TECHNOLOGIES AG	268,696	267,845
Minority interests	6,021	6,899
Total equity	274,717	274,744
Total liabilities and equity	375,451	397,597

CONSOLIDATED INCOME STATEMENTS AS OF JUNE 30, 2007 AND 2006 (IFRS UNAUDITED)

	2. Quarter		First 6 Months	
	2007	2006	2007	2006
	K€	K€	K€	K€
Revenues (gross)	62,453	67,631	112,250	116,475
Sales Deductions & Direct Distribution Costs	-1,931	-2,551	-3,217	-4,503
Net Revenues	60,522	65,080	109,033	111,972
Cost of Sales	-44,159	-47,501	-78,502	-84,171
Gross Sales	16,364	17,579	30,531	27,801
Research and Development	-4,087	-6,420	-7,893	-11,008
Sales and Customer Service	-5,270	-5,530	-10,035	-12,380
General Administration	-4,904	-6,204	-10,174	-10,922
Other Operating Income (+) / Expenses (-)	-1,572	-1,231	-1,690	-2,249
Restructuring Expenses				-20,092
Negative Difference from the Acquisition of HamaTech				34,081
Total Operating Expenses	-15,833	-19,385	-29,792	-22,570
Operating Result (EBIT)	530	-1,806	739	5,231
Interest Income (+) / Expenses (-)	154	449	560	635
Profit Before Tax	684	-1,357	1,299	5,866
Tax Income (+) / Expenses (-)	-556	-997	-427	1,428
Net Income	128	-2,354	872	7,294
thereof				
Shareholders of the mother company	-369	-2,007	273	8,503
Minority interests	497	-347	599	-1,209
Net Income per share (basic), EUR	-0.01	-0.07	0.01	0.21
Net Income per share (diluted), EUR	-0.01	-0.07	0.01	0.21
Weighted average shares outstanding (basic)	34,941,929	34,941,929	34,941,929	34,941,929
Weighted average shares outstanding (diluted)	35,321,929	34,941,929	35,321,929	34,941,929

CONSOLIDATED CASH FLOW STATEMENTS AS OF JUNE 30, 2007 AND 2006 (IFRS UNAUDITED)

	First 6 Months	
	2007 K€	2006 K€
Net Income	872	7,294
Depreciation on amortization	10,053	17,357
Change in pension accruals	150	574
Change in deferred taxes	-129	-3,998
Change in net working capital*	-8,926	-13,930
Net cash flow from operating activities	2,020	7,297
Change in property, plant & equipment	-1,917	-18,623
Change in other financial assets	3,627	4,647
Change in intangible assets	-8,556	-16,706
Change in other long-term liabilities	-1,047	1,457
Long-term bank loans	-5,461	7,214
Change in minority interests	-878	8,044
Capital increase, capital reduction	354	510
Currency translation	-374	-1,354
Net change in cash & liquid funds	-12,232	-7,514
Cash & cash equivalents at beginning of period	56,216	67,719
Cash & cash equivalents at end of period	43,984	60,205

* including long-term accounts receivable

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF JUNE 30, 2007 AND 2006 (IFRS UNAUDITED)

	Share capital K€	Capital reserves K€	Other reserves K€	Accumulated profit K€	Minority interests K€	Equity K€
Balance on December 31, 2006	34,942	29,879	-2,514	205,538	6,899	274,744
Minority interests					-878	-878
Capital increase		375				0
Repayment of share capital						0
Share-based compensation		354				354
Exchange rate related differences			-374			-374
Net income				871		871
Balance on June 30, 2007	34,942	30,233	-2,888	206,409	6,021	274,717
For comparison the figures of the same period the year before						
Balance on December 31, 2005	34,942	29,398	-2,214	193,356	0	255,482
Purchase of Minority interests					8,044	8,044
Capital increase		375				375
Repayment of share capital						0
Share-based compensation		135				135
Exchange rate related differences			-1,354			-1,354
Net income				7,294		7,294
Balance on June 30, 2006	34,942	29,908	-3,568	200,650	8,044	269,976

Notes to the interim financial statements (unaudited)

Company information

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also “SINGULUS” or the “Company”) is a stock-listed corporate entity headquartered in Germany. The presented consolidated statements for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (the “Group”) for the 2nd quarter and 1st half of the business year 2007 were approved for publication as per resolution of the Executive Board dated July 31, 2007.

Accounting and valuation principles

The preparation of the abbreviated consolidated interim financial statements for the period from January 1 to June 30, 2007 was conducted in accordance with IAS 34 “Interim Financial Reporting”.

The abbreviated consolidated interim statements do not include all of the notes and information required for the full-year statements and should be read in connection with the consolidated financial statement as of December 31, 2006.

The preparation of the annual financial statements in accordance with IAS 34 requires estimates and assumptions by the management, which had an impact on the amounts of the stated assets, liabilities, income, expenses as well as contingent liabilities. These assumptions and estimates mainly concern the Group-uniform determination of expected useful lives, the write-offs of assets, the valuation of provisions, the realization of accounts receivable, the determination of realizable residual values of inventories as well as the determination of realizable future tax relieves. In individual cases, the actual values might differ from the assumptions and estimates made. Changes are recognized at the time of finding affecting the profit or loss.

The accounting and valuation methods applied to the consolidated financial statements for the interim reporting are in accordance with the methods applied to the consolidated financial statements for the business year 2006. A detailed description of the accounting principles was published in the Appendix to the consolidated financial statements of our annual report 2006.

From the business year 2007 onwards the following mandatory standards revised or newly adopted by the IASB were applied: IAS 1 “Presentation of financial statements” (changes with regards to additional information about equity) as well as IFRS 7 “Financial Instruments: Disclosures”. These newly applicable standards include provisions regarding the information in the consolidated annual accounts. Accordingly, the application of these standards does not affect the reporting in the course of the interim financial statements of the business year 2007.

Scope of consolidation

In addition to the SINGULUS TECHNOLOGIES AG, the consolidated financial statements include all companies under the legal or factual control of the company. In the interim financial statements as of June 30, 2007, in addition to the SINGULUS TECHNOLOGIES AG, in total 6 domestic and 18 international subsidiaries were included.

No other companies were included in the scope of consolidation after December 31, 2006.

One company was excluded from the scope of consolidation since December 31, 2006. Please refer the following chapter “Discontinued Operations”.

Discontinued operations

At the beginning of February 2007, 100 % of the shares of the former subsidiary STEAG ETA-Optik GmbH (hereinafter “ETA-Optik”), Heinsberg were sold. In the balance sheet the

assets of the company was reported as "Assets of a disposal group held for sale". The liabilities of the company are reported in the balance sheet under "Liabilities directly associated with assets held for sale". The earnings contribution of this entity are not reported under discontinued operations in the consolidated profit-and-loss statement since the company does not meet the requirements of discontinued operations in the sense of IFRS 5. The disposal results in additional expenses in connection with the consolidation in the amount of K€ 1,059 in the business year 2007.

Accounts receivable

As of June 30, 2007 the accounts receivable were split as follows:

	June 30, 2007 K€	Dec. 31, 2006 K€
Accounts receivable		
short-term	64,507	86,246
Accounts receivable		
long-term	19,684	11,531
Less write-offs	-10,777	-16,865
	73,414	80,912

Inventories

As of June 30, 2007, inventories are split as follows:

	June 30, 2007 K€	Dec. 31, 2006 K€
Raw materials and supplies	42,229	56,327
Unfinished goods	74,611	63,102
Less write-offs	-12,558	-13,747
	104,282	105,682

Intangible assets

Capitalized development expenses, goodwill as well as concessions, industrial property rights and other intangible assets are included as intangible assets. The capitalized development expenses amount to K€ 41,391 (December 31, 2006: K€ 38,949). In the 1st half of 2007 the investments in development expenses amounted to K€ 8,044 (1st half 2006: K€ 7,348). Scheduled amortization amounted to K€ 5,602 (1st half 2006: K€ 4,464).

Tangible assets

In the first six months of 2007 K€ 1,917 was spent on property, plant & equipment (1st half 2006: K€ 1,623). During the same period depreciation amounted to K€ 4,256 (1st half 2006: K€ 3,890).

Investment properties

Pursuant to IAS 40 SINGULUS values investment properties at acquisition and production costs. The present values resulting from an inflation-adjusted projection mainly correspond to the acquisition and production costs. This mainly concerns industrial land and buildings, which are now being leased. As of June 30, 2007 book values in the amount of K€ 8,887 were reclassified from Property, plant & equipment to Investment properties. Straight-line depreciation is applied for a useful life ranging from 4 to 40 years. The income from leasing the property amounts to K€ 225 p.a..

Liabilities to banks

As of June 30, 2007 liabilities to banks from the payment of three loans with a total amount of K€ 25,000 amounted to K€ 12,326 (December 31, 2006: K€ 16,797). As of June 30, 2007 the effective interest rate of the loans paid out in October 2004 amounted to 4.414 % p.a. (previous year: 3.876 % p.a.). As of June 30, 2007 the effective interest rate of the loan paid out in April 2006 amounted to 4.564 % p.a. (previous year: 4.026 % p.a.).

In addition, liabilities to banks resulting from discounting bills amounted to K€ 1,031 (December 31, 2006: K€ 3,405).

Contingent liabilities and other financial obligations

The contingent liabilities and other financial obligations not included in the consolidated financial statements amount to K€ 8,728 (previous year: K€ 12,928) and mainly concern obligations to take back lines sold to leasing companies. In case of these obligations materializing, the obligations to take back lines sold to leasing companies are set against the income from the sale of these lines taken back.

Management do not have any further information indicating a substantial adverse impact on business activities, the financial situation or the financial results of the company.

Sales

Selected information regarding sales is provided in the following.

Gross sales by products	1 st half 2007	1 st half 2006
	K€	K€
Prerecorded CDs/DVDs	51,196	43,700
Recordable CDs/DVDs	17,407	26,463
Mastering Systeme	7,940	12,198
APE	7,944	8,111
Manufacturing Service	0	9,622
Service and others	27,763	16,381
	112.250	116.475

Geographic sales information as of June 30, 2007	Germany	Remaining Europe	North and South Amerika	Asia	Africa	Australien
	K€	K€	K€	K€	K€	K€
Sales by country of origin	82,901	9,021	9,498	10,830	0	0
country of destination	6,256	34,892	40,169	27,348	3,584	0

Geographic sales information as of June 30, 2006	Germany	Remaining Europe	North and South Amerika	Asia	Africa	Australia
	K€	K€	K€	K€	K€	K€
Sales by country of origin	87,501	22,487	4,460	2,477	0	0
country of destination	9,480	32,941	33,742	39,081	1,230	0

Sales deductions and individual selling expenses

Sales deductions include cash discounts granted. Individual selling expenses mainly include expenses for packaging, freight and commissions.

General administrative expenses

General administrative expenses include expenses for Management, Human Resources, the Finance department and the resulting office and car fleet expenses. Furthermore,

it includes recurring IT expenses, legal and consulting fees, the Investor Relations department, the Annual General Meeting and the expenses for the annual financial statements.

Research and development expenses

In addition to the research expenses and the non-capitalized development expenses, the research and development expenses of the 1st half of 2007 also include scheduled amortization of capitalized development expenses in the amount of K€ 5,602 (previous year: K€ 4,464).

Restructuring charges

The restructuring charges in the 1st half of 2006 mainly include expenses relating to the shut-down of specific production line at the location in Kahl am Main and Sternenfels. In addition, the restructuring charges in the 1st half of 2006 include expenses for social compensation plans.

Other operating expenses

The other operating expenses mainly include expenses relating to write-offs of accounts receivable (K€ 1,004, previous year: K€ 690) as well as the loss stemming from the deconsolidation of ETA-Optik (K€ 1,059).

Financial income and expenses

The interest income/expenses are composed as follows:

	1 st half 2007 K€	1 st half 2006 K€
Interest income from long-term accounts receivable from customers	785	1.278
Interest income from time deposits and call money	440	460
Other interest income	416	132
(Interest expenses)	-1,081	-1,235
	560	635

Shareholdings of Executive and Supervisory Board members

As of the balance sheet date, the members of the Executive and Supervisory Board of the SINGULUS TECHNOLOGIES AG held the following number of shares, convertible bonds and stock options:

Shareholdings as of June 30, 2007: shares with a nominal value of € 1:

WG Roland Lacher GbR / Familie Roland	
Lacher Vermögensverwaltungs-GmbH	394,472 shares
William Slee	29,520 shares
Thomas Geitner	1,500 shares

Granted convertible bonds and stock options (€ 1 nominal value) as of June 30, 2007:

Stefan Baustert	200,000 shares
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* additional 807,182 convertible bonds and stock options are held by other employees in the SINGULUS Group.

Employees

During the 1st half of 2007 705 permanent employees were employed on average. In the previous year the number of employees averaged 1,232 during the course of the year. As of June 30, 2007 the Group employed 674 people (previous year: 1,154).

Earnings per share

The earnings per share were calculated on the basis of IAS 33. The average number of shares outstanding amounted to 34,941,929 million in 2007 (previous year: 34,941,929 million shares).

The earnings after taxes with respect to shareholders of the parent company amount to K€ 273 in the first half of the year (previous year: K€ 8,503). With respect to the second quarter 2007 the earnings after taxes with regards to the shareholders of the parent company amounted to K€ -369 (previous year: K€ -2,007).

Accordingly, the earnings per share (undiluted) amount to € 0.01 for the 1st half of 2007 (1st half of 2006: € 0.21), for the 2nd quarter 2007 the earnings come to € -0.01 per share (2nd quarter 2006: € -0.07).

In August 2006 stock options were issued to the members of the Executive Board and to senior management. In this connection, the earnings per share in the business year 2007 are diluted by 380.000 shares.

Accordingly, the earnings per share (diluted) amount to € 0.01 for the 1st half of 2007 (1st half of 2006: € 0.21), for the 2nd quarter 2007 the earnings come to € -0.01 per share (2nd quarter 2006: € -0.07).

Events after the Balance Sheet Date

The Böhm Fertigungstechnik – Slowakei s.r.o. (BFT), a subsidiary of the Böhm AG in Suhl, acquired the remaining 49 % of the shares of the Böhm Electronic Systems spol. s.r.o. (BESS), Slovakia, with effect from July 1, 2007.

As of July 31, 2007, the SINGULUS TECHNOLOGIES AG, Kahl, acquires 51 % of the STANGL Semiconductor Equipment AG (STANGL), Eichenau near Munich.

Kahl am Main, July 31, 2007

The Executive Board

Consolidated key figures 2nd quarters 2005-2007 pursuant to IFRS

		2005 IFRS	2006 IFRS	2007 IFRS
Sales	million €	48.7	67.6	62.5
Order intake	million €	78.7	86.8	48.1
EBIT	million €	0.2	-1.8	0.5
Earnings before taxes	million €	0.6	-1.4	0.7
Net profit	million €	0.5	-2.4	0.7
Research & Development	million €	3.8	7.5	5.6

Consolidated key figures 1st half 2005-2007 pursuant to IFRS

		2005 IFRS	2006 IFRS	2007 IFRS
Sales	million €	99.1	116.5	112.3
Order intake	million €	113.0	194.3	108.5
Order backlog (June 30)	million €	70.7	138.7	77.7
EBIT	million €	1.2	5.2	0.7
Earnings before taxes	million €	1.9	5.9	1.3
Net profit	million €	1.3	7.3	0.9
Operating cash flow	million €	-2.4	7.3	2.0
Shareholders' equity	million €	248.3	270.0	274.7
Balance sheet total	million €	359.8	430.0	375.5
Research & Development	million €	8.2	12.5	10.4
Employees (June 30)		638	1,154	674
Weighted average shares outstanding, basic		35,188,654	34,941,929	34,941,929
Earnings per share, basic	€	0.04	0.21	0.01

Future-oriented statements and forecasts

This report contains future-oriented statements based on the current expectations, assessments and forecasts of the Executive Board as well as on the currently available information to them. Known as well as unknown risks, uncertainties and impacts could cause the actual results, the financial situation or the development to differ from the statements made in this report. We assume no obligation to update the future-oriented statements made in this report.

Company Calendar 2007

November 6, 2007

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