

Q03

Report Third Quarter 2007

Consolidated Statements IFRS for the Third Quarter and First Nine Months of Fiscal 2007 as of September 30, 2007 (unaudited)

Optical Disc

Photovoltaic

Semiconductor

Optics

SINGULUS 



Highlights

■ Solar

- Acquisition of fast growing solar company STANGL
- Double-digit growth rates for STANGL
- SINGULUS will introduce own solar coating machine in 2008

■ Optical Disc

- First four Blu-ray machines generated sales
- Three new orders for Blu-ray equipment received
- First dual layer Blu-ray machine about to be delivered

■ Financial Key Figures

- Sales and consolidated earnings below previous year's level
- Gross margin increased from 22.9 % to 27 %
- HamaTech still with positive earnings contribution

Dear Shareholders!

The SINGULUS TECHNOLOGIES Group (SINGULUS) was able to enter the market of the dynamically growing area of solar technology in the 3rd quarter. With the acquisition of the majority of the STANGL Semiconductor Equipment AG (STANGL) on August 1, 2007, the immediate access to a new market was achieved, which promises a long-term positive trend with high double-digit growth rates.

With the purchase of STANGL the entry to new technologic areas in the solar industry were realized at the same time. SINGULUS is planning to introduce its own solar coating machine in 2008 already, which will be based on the know-how acquired in the core segment of Optical Disc. In addition, the expertise and market intelligence of STANGL will be drawn upon.

With the application of our company's know-how to neighboring technologic areas and the tapping of new sales markets we were already able to partially



STANGL CIS/CIGS-Process system for wet chemical treatment for the thin film solar technique



STANGL wet chemical systems, processed as "vertical batch systems", represent the foundation of an effective and competitive mass production of mono- and multi-crystalline wafers

off-set the decline in our core work area. Examples are the sales in the segment Nano Deposition Technologies and APE as well as initial sales in the division Decorative Coating.

In the first nine months of 2007 SINGULUS achieved sales in the amount of € 170.2 million (previous year: € 184.9 million excluding the in the meantime deconsolidated companies BESS and ETA-Optik). Amongst others, the decline in sales is due to the deconsolidation of various parts of the Group, which SINGULUS sold because of strategic reasons. Despite the decline in sales a positive EBIT of € 0.8 million (previous year: € 7.9 million excluding BESS and ETA) was achieved. Our portfolio optimization coincided with additional efficiency improvements: with the deconsolidation of the abovementioned subsidiaries in the Group, the gross margin rose from 22.9 % to 27 %.

The order intake amounted to € 59 million in the 3rd quarter (previous year: € 64.7 million, excluding BESS and ETA). Compared with the 2nd quarter 2007 the order intake increased slightly in the 3rd quarter 2007 again.

SOLAR

SINGULUS TECHNOLOGIES enters the booming market of solar technology

The international solar market is expanding rapidly. According to the Photon Consulting study (based on Michael Rogol) the expected capacity of the global new installations for photovoltaic modules is set to nearly quadruple from 4 GW (gigawatt) in 2007 to 15 GW in 2010. Germany will continue to be in the top position. Here, crystalline silicon solar cells represent the majority of the market. In view of these growth rates in the next couple of years, a tremendous boost for investment in plant and equipment for new solar factories is expected.

SINGULUS was able to realize an immediate market access with the acquisition of an established equipment supplier. It was announced on August 1, 2007 that SINGULUS acquires 51 % of the shares in the STANGL Semiconductor Equipment AG (STANGL) based in Eichenau near Munich. A purchase price of € 43.8 million was agreed for 51 % of the shares, which will be paid in cash and shares. The shares will be issued from the authorized capital. The resulting increase of the subscribed capital in the amount of € 2.0 million was recorded in the Commercial Register on September 28, 2007. For the remaining 49 % of the shares in STANGL, SINGULUS holds a buy option exercisable from 2010. Accordingly, the number of SINGULUS shares outstanding increased by 2,004,478 to 36,946,407 shares. An announcement pursuant to Art. 30 Para. 1 Sent. 1 No. 2 WpHG was published in the electronic German Federal Gazette on October 10, 2007.

50 % growth in 2007

For 2007 STANGL expects a 50 % growth rate and sales of about € 30 million compared with the same period one year ago. We also project double-digit growth rates in the next couple of years. STANGL generates more than 80 % of its sales with equipment for the solar industry and is therefore a globally leading supplier of machines for wet-chemical processes. STANGL operates in two areas: the silicon solar technology and the thin-film solar technology. STANGL's results were consolidated within the scope of the SINGULUS Group for the first time from September 1, 2007.

SINGULUS develops own equipment for silicon solar technology

A major part of the current business activities of STANGL focuses on the market of cell production in the crystalline silicon solar technology, which still represents the majority of the overall module market. STANGL has global customer relationships with all major solar cell producers and is participating in many turnkey projects in Europe and Asia. STANGL operates as a partner for suppliers for turnkey lines.

SINGULUS itself will present in Kahl its own vacuum coating machine for the coating of anti-reflective layers in the silicon solar technology in 2008. Combined with the equipment from STANGL the SINGULUS Group will then be able to offer two important machine groups with wet-chemical and vacuum coating processes for a production line for crystalline silicon solar cells. The goal is to advance to a globally leading position for production equipment for crystalline solar cells in the next couple of years.

STANGL leading in thin-film solar technology

Thin-film solar cells currently represent about 15 % of the global market for solar cells (85 % crystalline silicon). However, the market share of the thin-film solar cells is expanding at a significantly higher rate than the overall global silicon market. At the most recent market presentations at the trade fair EuroPV in Milan and the Solar Power fair in Long Beach, USA, a strong trend of new projects towards the area of thin-film solar technology was visible.

STANGL also offers a wet-chemical production process for the production of thin-film solar cells with its patented equipment technology for CIS/CIGS (CIS=Copper-Indium-Diselenide/CIGS=Copper-Indium-Gallium-Deselenide). The CIS/CIGS technology currently already shows energy generation figures at a high level comparable to traditional silicon solar technology. Therefore, the CIS/CIGS technology has the biggest potential for market leadership in the thin-film solar technology.



Thin film solar modules



TV with full-hd with a resolution
of 1920 x 1080 pixel

In Germany, CIS equipment from STANGL is used by Würth Solar for example. The CIS/CIGS technology was also supplied to the Johanna Solar Technology GmbH. In the course of these projects STANGL installed the CIS/CIGS process equipment.

Together with STANGL SINGULUS is a strong player in solar technology

STANGL and SINGULUS will consistently expand the solar activities. Both companies perfectly complement each other in order to be able to offer a broad product range of machines and equipment for the photovoltaics industry in the next couple of years. While STANGL focuses on wet-chemical processes, SINGULUS' core competence is physical coating technology such as sputtering and PECVD (Plasma Enhanced Chemical Vapor Deposition) as well as the integration of different processing steps in complete, predominantly automated production lines.

In order to make solar power competitive and to achieve the break-through in the mass market, new machine concepts with a high degree of automation are required. In particular the machine integration know-how, which SINGULUS has proven to possess in the automation of CD and DVD production lines, is an optimum starting point for the development of highly-profitable, fully-automated production lines.

We expect the work area Solar to become the most important driver of growth in the SINGULUS Group.

Optical Disc

HDTV Ready drives Blu-ray and HD DVD

The new disc formats HD DVD and Blu-ray as well as the new TV-sets with Full-HD with a resolution of 1920 x 1080 pixels were one of the focal points of this year's international consumer electronics trade fair IFA in Berlin. The market launch of HD DVD and Blu-ray also gains considerable momentum in Germany and Europe. According to Nuremberg-based consumer research company Gesellschaft für Konsumforschung (GfK), for the first time significant revenues of the high-definition formats HD DVD and Blu-ray were recorded as of the end of the 1st half of 2007. The industry expects substantial growth in this area. In particular due to the IFA 2007 and the subsequent Christmas sales, a strong impulse for the sale of high-definition formats with double-digit million sales is still expected for 2007 according to GfK. The selling price for the Playstation 3 was reduced to less than € 400.

According to analysis by Home Media Research, US, the Blu-ray format recorded twice the level of sales of HD DVD in the US. The majority of the big US studios such as for example Sony, MGM, Fox, Disney and Lionsgate has opted for Blu-ray.

SINGULUS TECHNOLOGIES is excellently positioned in this market.

Production line BLULINE – First sales for Blu-ray – Additional orders received – Ready for Dual Layer Blu-ray discs

SINGULUS has commissioned the first four Blu-ray machines and recognized them as sales in the 3rd quarter. In the US the disc producers are operating at ever increasing utilization rates in the daily Blu-ray disc production. Nonetheless, first orders for Blu-ray disc production equipment from the BLULINE range were also received from customers in Europe and Asia. The increasing demand from Europe and Asia shows that Blu-ray does not only play a more important role in the former main market US, but that Blu-ray is also beginning to become increasingly accepted in other markets.

SINGULUS upgraded its Blu-ray disc equipment and is therefore also prepared for the production of the upcoming 50 GB dual layer Blu-ray disc. SINGULUS will still start the first dual layer Blu-ray production modules this year.

HamaTech

SINGULUS TECHNOLOGIES and the HamaTech AG agreed upon the merger of the HamaTech AG to the SINGULUS TECHNOLOGIES Aktiengesellschaft and the relevant share exchange ratio. An announcement regarding the agreement was published on November 1, 2007 pursuant to Art. 15 WpHG.

Accordingly, the shareholders of the HamaTech AG will receive two SINGULUS shares for nine HamaTech shares.

The merger agreement will be presented for approval by the extraordinary shareholder meeting of the HamaTech AG on December 17, 2007.

Financial Key Figures

Sales

In the 3rd quarter 2007 sales amounted to € 58.0 million, which was below previous year's level (Q3 2006: € 80.1 million, excluding BESS and ETA). Sales for the first nine months totaling € 170.2 million were also below previous year's sales (€ 184.9 million excluding the deconsolidated companies BESS and ETA-Optik). This decline is mainly due to the transition to the next format generation.

The regional breakdown of sales during the first nine months was as follows: Asia 34.2 % (previous year 37.4 %), Europe 27.7 % (previous year 32.6 %), North and South America 35.3 % (previous year 28.8 %), Africa and Australia 2.8 % (previous year 1.2 %).

As of September 30, 2007 SINGULUS generated a share of sales of 61.2 % (previous year: 69.4 %) from the production and selling of equipment for the production of optical discs. The share of sales with other equipment, replacement parts, upgrades and services amounted to 38.8 % as of September 30, 2007 (previous year: 30.6 %).

In the 3rd quarter the sales share of Optical Disc amounted to 56.4 %, Others accounted for 43.6 %.



Playstation 3 from Sony: Game-Console, Blu-ray disc player and internet station in one unit



Booth of the SINGULUS NANO DEPOSITION GmbH
at the Semicon West 2007/USA

Order backlog and order intake

In the first nine months of the year the order intake declined to 167.6 million from € 232.5 million in the same period one year ago (excluding BESS and ETA-Optik). The transition towards Blu-ray and HD DVD is only starting, while the demand for equipment for the current format generation has already weakened. The order intake in the 3rd quarter 2007 amounted to € 59.1 million. Adjusted for the deconsolidated companies a prior-year level in the amount of € 64.7 million results.

As of September 30, 2007 the order backlog was below previous year's level and stood at € 78.9 million (previous year: 105.8 million excluding BESS and ETA-Optik).

Earnings

The earnings before interest and taxes (EBIT) were slightly positive at € 0.1 million in the 3rd quarter (previous year: € 2.6 million). For the first nine months of 2007 SINGULUS achieved a positive EBIT in the amount of € 0.8 million (previous year: € 7.9 million). The earnings before interest and taxes in the previous year included extraordinary effects in connection with the first-time consolidation of HamaTech. These one-offs on balance improved previous year's earnings in the first nine months by € 13.8 million.

The earnings after taxes came in at € 0.3 million in the 3rd quarter 2007, which was below previous year's level (€ 0.8 million). During the first nine months of 2007 the earnings after taxes declined by € 6.9 million to € 1.2 million compared with the previous year.

Cash flow

The operating cash flow of € 23.6 million during the first nine months of 2007 was significantly higher than the previous year (€ 11.1 million).

Capital expenditure

With effect of September 14, 2007 the SINGULUS TECHNOLOGIES AG acquired 51 % of the shares in the STANGL Semiconductor Equipment AG (STANGL), based in Eichenau near Munich, at a purchase price of € 43.8 million. The purchase price was paid by € 25.0 million in cash. The remaining amount of € 18.8 million was paid in shares. In addition, replacement investments totaling € 0.4 million were made in the 3rd quarter.

Employees

As of September 30, 2006 the SINGULUS Group employed 1,182 people.

Due to the sale of subsidiaries and staff adjustments, the headcount dropped to 649 employees as of September 30, 2007. For the first time 113 employees at STANGL were included. Correspondingly, the headcount in the SINGULUS Group amounted to 762 people in total as of September 30, 2007.

The average number of employees in the Group amounted to 702 employees as of September 30, 2007 (previous year: 1,219).

Development of costs and prices

From our point of view the selling prices developed as planned in the 3rd quarter of the business year 2007. The amount of cost of materials and personnel expenses was also within the range of our projections.

Research and Development (R&D)

At € 17.6 million, overall the expenses for R & D as of September 30, 2007 were below previous year's level (€ 19.2 million) and included € 3.9 million from HamaTech.

Outlook

The optical disc market is still governed by the slow introduction of the next format generation. This has an impact on the capital spending of customers and on the realization of our sales. We forecast a range of sales for the SINGULUS TECHNOLOGIES Group from € 215 million to € 235 million for 2007.

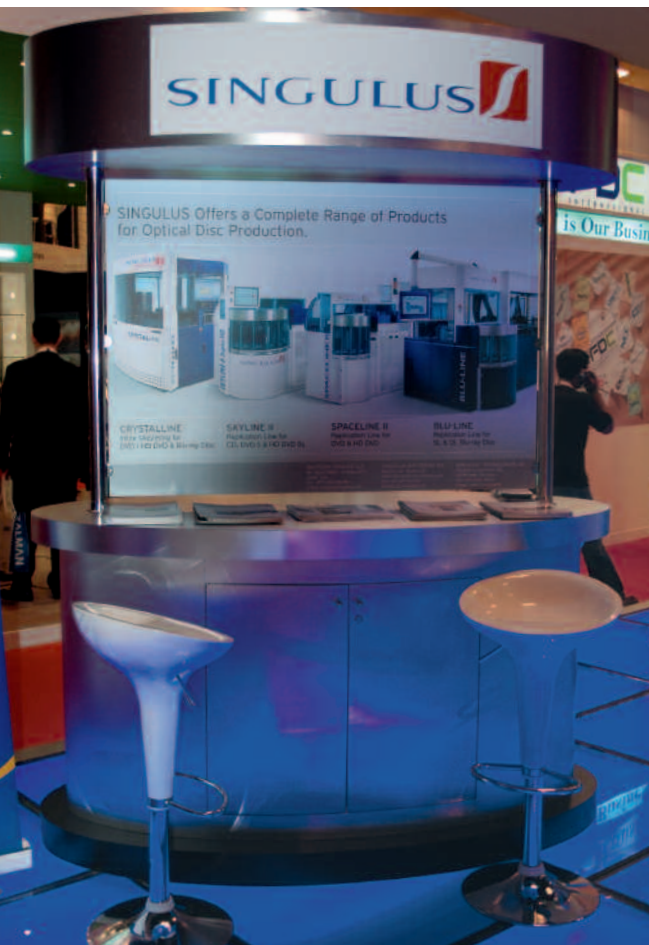
The acquisition of STANGL Semiconductor Equipment AG, Eichenau, is one of the most important steps in our company's history. SINGULUS has bought a highly-profitable company with the STANGL Semiconductor Equipment AG, which enables the strategically important market access to the solar industry.

Accordingly, SINGULUS' broad range of know-how in coating technology will be combined with STANGL's know-how of wet-chemical processes to broaden the production chain for solar equipment even further together.

Solar will continue to expand rapidly internationally. SINGULUS and STANGL will together participate in this growth and grow with the market.



Information booth of SINGULUS at a Optical Disc Conference in China in September 2007



SINGULUS Participation on the association booth of the MEDIA-TECH in Dubai in September 2007

In the work area Optical Disc the Blu-ray disc era will commence in 2008. According to Understanding & Solutions the disc production will triple. Inexpensive players and blockbuster movies from Hollywood in HD quality will increase disc sales rapidly and require capital spending on part of our customers for new equipment technology. We expect a substantial double-digit growth for the Blu-ray activities in 2008.

Along with the promising work area of Solar technology and the expected upturn in the core activities of Optical Disc we are confident for the year 2008. We will resolutely continue our portfolio optimization.

Yours sincerely,

SINGULUS TECHNOLOGIES AG

The Executive Board

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006 (IFRS UNAUDITED)

	Sept. 30, 2007	Dec. 31, 2006
	K€	K€
Cash and cash equivalents	38,208	56,216
Trade receivables	69,276	69,881
Other receivables and assets	26,827	24,394
Total receivables	96,103	94,275
Raw materials, consumables and supplies	28,745	46,181
Work in process	66,410	59,501
Total inventories	95,155	105,682
Total current assets	229,466	256,173
Non-current trade receivables	8,437	11,031
Property, plant and equipment	21,029	22,326
Investment property	8,744	8,770
Capitalized development costs	44,432	38,949
Goodwill	84,829	31,249
Other intangible assets	54,447	13,330
Deferred tax assets	9,209	10,545
Total non-current assets	231,127	136,200
Non-current assets classified as held for sale	0	5,224
Total assets	460,593	397,597
Trade payables	22,577	20,042
Current bank liabilities	15,674	9,850
Other current liabilities	19,533	22,940
Advance payments received	15,378	21,493
Tax provisions	1,771	3,645
Other provisions	3,179	6,492
Total current liabilities	78,112	84,462
Non-current bank liabilities	6,036	10,352
Other non-current liabilities	45,999	3,069
Pension provisions	6,340	6,115
Deferred tax liabilities	30,568	17,376
Total non-current liabilities	88,943	36,912
Liabilities in connection with assets held for sale	0	1,479
Total liabilities	167,055	122,853
Share capital	36,946	34,942
Capital reserve	47,262	29,879
Other reserves	-3,388	-2,514
Accumulated profit	205,364	205,538
Equity attributable to the shareholders of the SINGULUS TECHNOLOGIES AG	286,184	267,845
Minority interests	7,354	6,899
Total equity	293,538	274,744
Total liabilities and equity	460,593	397,597

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

	3 rd Quarter		First 9 Months	
	2007	2006	2007	2006
	K€	K€	K€	K€
Revenues (gross)	57,951	96,648	170,201	213,123
Sales Deductions & Direct Distribution Costs	-1,384	-3,247	-4,601	-7,750
Net Revenues	56,567	93,401	165,600	205,373
Cost of Goods Sold	-41,286	-72,031	-119,788	-156,202
Gross Profit	15,281	21,370	45,812	49,171
Research and Development	-4,285	-4,071	-12,178	-15,079
Sales and Customer Service	-5,042	-5,639	-15,077	-18,019
General Management and Administration	-4,606	-5,620	-14,780	-16,542
Other Operating Income (+) / Expenses (-)	-1,247	-3,256	-2,937	-5,505
Restructuring costs	0	0	0	-20,092
Badwill through acquisition of STEAG HamaTech AG	0	-145	0	33,936
Total Operating Expenses	-15,180	-18,731	-44,972	-41,301
Operating Result (EBIT)	101	2,639	840	7,870
Interest Income (+) / Expenses (-)	-240	-210	320	425
Profit Before Tax	-139	2,429	1,160	8,295
Income Taxes	426	-1,590	-1	-162
Balancing item shares of other shareholders				
Net Income	287	839	1,159	8,133
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Shareholders of the mother company	-446	1,206	-174	9,649
Minority interests	733	-367	1,333	-1,516
Net Income per share (basic), EUR	-0.01	0.03	0.00	0.28
Net Income per share (diluted), EUR	-0.01	0.03	0.00	0.28
Weighted average shares outstanding (basic)	35,008,745	34,941,929	34,964,201	34,941,929
Weighted average shares outstanding (diluted)	35,573,619	34,941,929	35,484,531	34,941,929

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

	First 9 Months	
	2007 K€	2006 K€
Net Income	1,159	8,133
Depreciation and amortization	15,261	22,261
Change in pension accruals	225	712
Change in deferred taxes	2,080	-5,403
Change in Working Capital*	4,921	-14,567
Cash flow from operating activities	23,646	11,136
Change in Property, Plant & Equipment	-4,661	-21,226
Change in goodwill	3,745	5,221
Change in other intangible assets	-14,140	-22,730
Change in other long-term liabilities	-39,939	2,281
Changes in long-term bank loans	-4,294	4,441
Changes in minority interests	-878	7,725
Capital increase, capital reduction	19,387	727
Currency Translation	-874	-202
Change in Cash & Liquid Funds	-18,008	-12,627
Cash & Cash equivalents at beginning of period	56,216	67,719
Cash & Cash equivalents at end of period	38,208	55,092

*including long-term accounts receivable

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

	Share capital K€	Capital- reserves K€	Other reserve K€	Accumu- lated 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 acquisition STANGL AG	2,004	16,796				18,800
Repayment of share capital						0
Share-based compensation		587				587
Exchange differences in the fiscal year			-874			-874
Net income				-174	1,333	1,159
Balance on September 30, 2007	36,946	47,262	-3,388	205,364	7,354	293,538
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					7,725	7,725
Capital increase		375				375
Repayment of share capital						0
Share-based compensation		352				352
Exchange differences in the fiscal year			-202			-202
Net income				9,649	-1,517	8,132
Balance on September 30, 2006	34,942	30,125	-2,416	203,005	6,208	271,864

Company Calendar 2008

March 28, 2008	Annual Press Conference
March 28, 2008	Annual Analysts' Conference
May 08, 2008	Q1/2008 Report
June 06, 2008	Annual Shareholders Meeting
August 05, 2008	Q2/2008 Report
November 05, 2008	Q3/2008 Report

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

Stefan A. Baustert, CEO	2,000 shares
Dr. Ing. Anton Pawlakowitsch, Member of the Board	2,500 shares
WG Roland Lacher GbR	394,472 shares
William Slee	49,520 shares
Thomas Geitner	1,500 shares

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

Stefan Baustert	320,000 shares
Dr. Ing. Anton Pawlakowitsch	80,000 shares
Employees	1,039,980 shares

Consolidated key figures 3rd quarters 2005-2007 pursuant to IFRS

		2005 IFRS	2006 IFRS	2007 IFRS
Sales	million €	73.5	96.6	58.0
Order intake	million €	65.1	78.1	59.1
EBIT	million €	4.5	2.6	0.1
Earnings before taxes	million €	4.7	2.4	-0.1
Net profit	million €	3.2	0.8	0.3
Research & Development	million €	3.8	6.7	7.2

Consolidated key figures (nine months cumulated) 2005-2007 pursuant to IFRS

		2005 IFRS	2006 IFRS	2007 IFRS
Sales	million €	172.6	213.1	170.2
Order intake	million €	178.2	272.4	167.6
Order backlog (September 30)	million €	62.2	120.2	78.9
EBIT	million €	5.7	7.9	0.8
Earnings before taxes	million €	6.7	8.3	1.2
Net profit	million €	4.4	8.1	1.2
Operating cash flow	million €	4.0	11.1	23.6
Shareholders' equity	million €	250.9	271.9	293.5
Balance sheet total	million €	367.0	435.9	460.6
Research & Development	million €	12.0	19.2	17.6
Employees (September 30)		641	1,182	702
Weighted average shares outstanding, basic		35,103,098	34,941,929	34,964,201
Earnings per share, basic	€	0.13	0.23	0.00

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.