

Qo2

Report Second Quarter 2008

Consolidated Financial Statements 2008 pursuant to IFRS – As of June 30, 2008 (unaudited)

Optical Disc

Solar

Semiconductor

Coating



SINGULUS



Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

The key figures for order intake and order backlog at SINGULUS TECHNOLOGIES (SINGULUS) were also significantly higher than prior-year figures in the 2nd quarter 2008. Accordingly, an order intake of € 70.8 million (previous year € 48.1 million) was achieved in the quarter under review. Therefore, the order intake rose by 47.2 % compared with the same quarter one year ago. As of June 30, 2008 the order backlog rose by 76 % to € 129.7 million (previous year € 77.7 million). The high order intake in the first half of the year reflects the interest in the new Blu-ray technology as well as in our solar equipment.

Sales in the 2nd quarter were increased compared with the previous quarter. However, at € 51.0 million it was below the € 62.5 million reported in the 2nd quarter 2007. Since the orders in the first half of the year for the high-margin products from the Blu-ray and Solar segment will only be recorded as sales in the following quarters, an EBIT of only € -2.0 million was achieved in the quarter under review (previous year € 0.5 million). In particular, the weak semiconductor activities at HamaTech APE as well as the segment coating weighed on the results in the 2nd quarter.

Blu-ray Growth Stronger than Expected

In the 1st half of 2008 SINGULUS exceeded its own forecast for the order intake in the Blu-ray segment with 31 orders and also expects continuing high interest for this product for the remainder of the business year.

The world's largest trade fair for optical storage media, the MEDIA-TECH Expo, took place in Frankfurt from May 6-8, 2008. At this fair, the dominating market position of SINGULUS in particular in the segment Blu-ray disc replication lines was further underscored. The visitors' focus of interest rested on SINGULUS' machine for Blu-ray Dual Layer Disc (50 Gbyte) and the inline mastering system for Blu-ray called CRYSTALLINE. No other exhibiting company presented comparable machines.



Stefan A. Baustert (left) and Hans-Jürgen Stangl (right of Mr. Baustert) together with representatives of the City of Fürstenfeldbruck at the ground-breaking ceremony on July 25, 2008



Draft of the new STANGL headquarters

The market introduction of Blu-ray replication lines is progressing significantly faster than DVD at its introduction in the years 1997/1998.

For example, the US trade news "Video Business" reported on July 22, 2008, that during the first half of 2008, the Blu-ray Discs in the US posted a sales growth of 300 percent compared to the prior-year period. With respect to the entire home entertainment market the research group Media Control GfK International published a new report on June 27, 2008. Accordingly, a total growth of 10% is projected for 2008 compared to last year. One of the main reasons for this rise is increased demand for video games and movies of the next generation format Blu-ray according to GfK. GfK estimates that globally in the home entertainment segment sales of \$ 67.1 billion will probably be generated in the current year. In addition, the report shows that Blu-ray sales will more than quadruple this year, to \$ 1.5 billion worldwide, according to GfK, then grow 184 % in 2009 to \$ 4.1 billion and another 94 %, to hit \$ 8 billion in 2010.

Continuing High Growth in the Solar Segment at STANGL

The STANGL Semiconductor Equipment AG (STANGL), a subsidiary of the SINGULUS TECHNOLOGIES AG, today is one of the few suppliers of wet-chemical equipment for the crystalline silicon solar technology as well as of thin-film solar technology for glass and foil with an expected growth rate of about 40 % in 2008. The order intake at STANGL in the 2nd quarter 2008 was also above the comparable prior-year figures and the previous quarter.

According to a report by Bank Sarasin, the solar market offers enormous growth potential for the coming years. Pursuant to a FAZ publication (July 28, 2008) regarding "Trends in the Solar market", Sarasin expects a newly installed photovoltaic capacity of about 10 gigawatt peak per year.

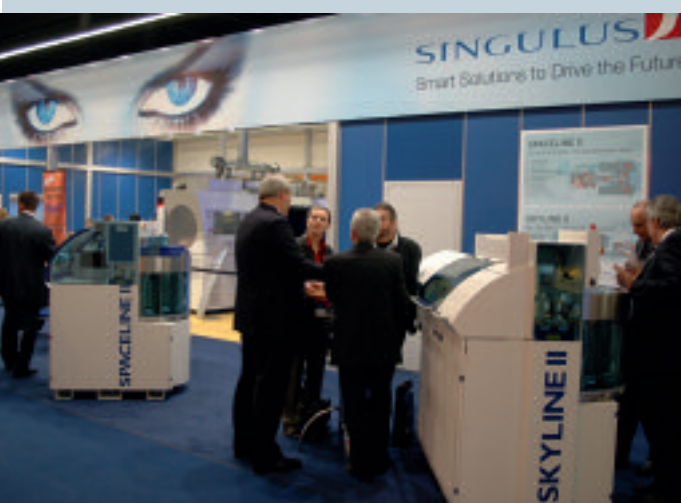
Crystalline silicon solar cells represent the majority of the market. In addition, the increasingly expanding market for thin-film solar cells establishes itself. In view of these growth rates in the next couple of years, a respectable boost for investment in plant and equipment for new solar cell factories for both technologies is expected. The focus of investments is currently still on Europe; however, in the future the Asian and American markets will also gain importance.

With the ground-breaking ceremony for the new headquarters of STANGL in Fürstenfeldbruck near Munich on July 25, 2008, additional production capacity will be provided for the Solar activities from 2009 onwards. With this step STANGL will more than double its production capacity to 11,550 sqm by spring 2009. A further expansion stage to an area of 16,000 sqm is already planned.

This year STANGL was awarded the "Bavaria's Best 50" prize for the second time. With this prize the Bavarian Ministry for Economics, Infrastructure, Transportation and Technology recognized the excellent results of the company and its employees.



Media Tech booth with Blu-ray Mastering System CRISTALLINE



SKYLINE II for CD+DVD 5 and SPACELINE II for DVD 9 production

Business Activities

SINGULUS develops and manufactures machines and equipment for the production of optical discs as well as various systems for the manufacturing of solarcells, production machines for semiconductor components, coating machines for ophthalmic lens processing, production lines for decorative processing and cleaning equipment for photo masks.

Optical Disc

During the first half of the year, the focus of activities in the segment Optical Disc was set on the production machines for 50 GByte Dual Layer Blu-ray Discs as well as mastering systems for Blu-ray. The order intake of the first two quarters and the market forecasts of independent market research institutes such as Understanding & Solutions and Techno Systems suggest long-term growth over the next couple of years. The sales of DVD machines continue to be stable. This was also evident through the major order for 15 DVD lines for machines of the SPACELINE II type from a renowned DVD producer in June. The market for CD equipment is mostly saturated. Here, replacement investment is mainly expected in the future.

We announced in November 2007 to close SINGULUS EMOULD, Würselen, as of December 31, 2007. A further review of the work processes and our cost situation induced us in the meantime to also relocate the assembly of the MoldPro injection molding machines to Kahl am Main. Amongst others, this step is reasonable since the commissioning of Dual Layer Blu-ray Disc machines in Kahl requires an exact fine tuning of the injection molding machine with the rest of the line. Approximately 50 employees are affected by the closure of the SINGULUS MOLDING AG in Schaffhausen. Some of the employees will be relocated to our site at Kahl am Main. The relocation will be completed in autumn this year.

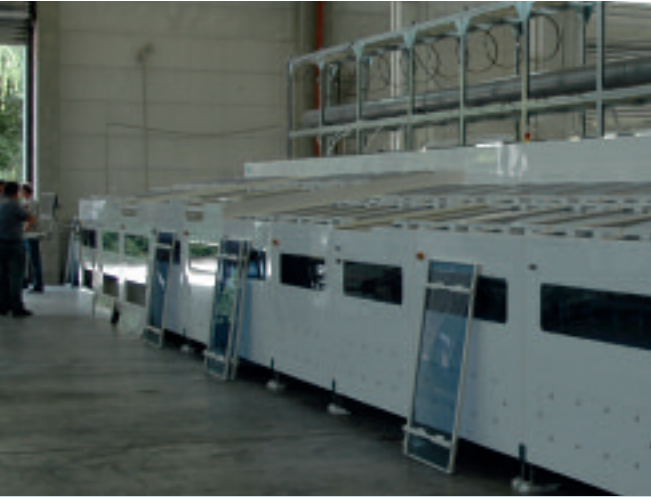
Solar

The activities in the Solar segment are currently still focused on the rapidly growing order intake at STANGL for wet-chemical production equipment for silicon solar cells and thin-film solar applications.

STANGL recorded a slightly increased order intake in the 2nd quarter compared with the previous quarter. At SINGULUS initial coating tests for silicon cells were performed and further optimized in cooperation with Q-Cells. The prototype of the new coating machine will be assembled by the end of the year as planned.

Coating

The development in this segment was restrained. The management is currently evaluating further success potential of the OPTICUS and DECOLINE product lines with regard to costs, market success and additional growth potential.



Wet-chemical production for thin film solar technology on glass at STANGL in Eichenau

Semiconductor

We expect that the business development at our Group companies HamaTech APE, and also at the SINGULUS Nano Deposition Technologies will be significantly below the results in the business year 2007. The project activities in the weak semiconductor market since the beginning of the year has slightly improved once again in June.

Financial Key Figures

Order Intake and Order Backlog

An order intake of € 70.8 million (previous year € 48.1 million) was achieved in the quarter under review. Therefore, the order intake rose by 47.2 % compared with the same quarter one year ago. Cumulated for six months, the order intake amounted to € 155.2 million (previous year € 108.5 million), which was 43.0 % higher than in the 1st half 2007. The already visible uptrend in the 1st quarter continued in the 1st half of the year. The book to bill rate was around 1.4 in the 2nd quarter and therefore again over 1 as in the first quarter.

The order backlog as of June 30, 2008 rose strongly to € 129.7 million (previous year € 77.7 million).

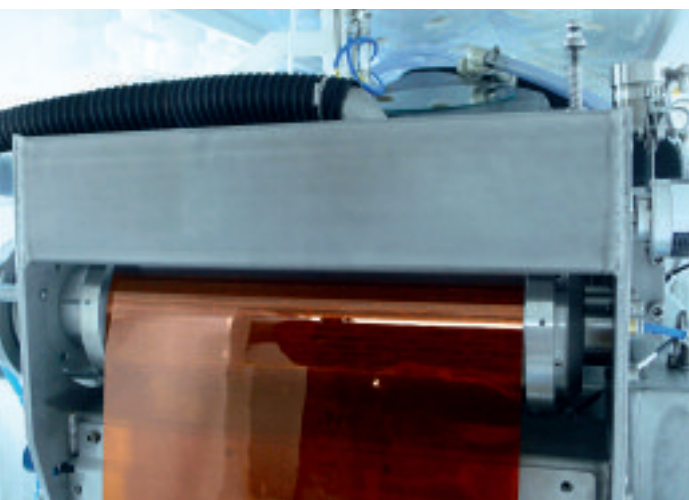
Sales

Due to the still unsettled format dispute between HD DVD and Blu-ray until the beginning of 2008, the order backlog of the company as of December 31, 2007 was on a very low level. This resulted in the fact that at € 81.3 million, sales in the first six months of 2008 were also below previous year's level (€ 112.3 million). Sales of € 51.0 million in the 2nd quarter 2008 were lower than in the previous year (previous year € 62.5 million).

The percentage regional breakdown of sales for the 2nd quarter 2008 is as follows: Europe 46.4 % (previous year 27.9 %), Asia 32.9 % (previous year 25.1 %), North and South America 19.9 % (previous year 43.5 %) as well as Africa and Australia 0.8 % (previous year 3.5 %). For the 1st half of 2008 the percentage regional sales breakdown was as follows: Europe 51.9 % (previous year 36.6 %), Asia 26.5 % (previous year 24.4 %), North and South America 20.4 % (previous year 35.8 %) as well as Africa and Australia 1.2 % (previous year 3.2 %).

Gross Margin

The gross margin in the 2nd quarter stood at 27.1 %, at the level of the prior-year period (27.0 %). The gross profit margin in the first half of 2008 amounted to 25.1 % and is therefore below the level achieved in the same period one year ago (28.0 %). This decline results from the relatively high share of sales of low-margin recordable disc machines and low sales in the high-margin semiconductor business in the 1st quarter 2008 compared with the previous year.



Wet-chemical production equipment for solar foil by STANGL

Operating Expenses

The operating expenses came to € 15.5 million in the 2nd quarter of the business year 2008 (previous year € 15.8 million). During the 1st half of the year under review the operating expenses totaled € 21.6 million (previous year € 29.8 million). This included an extraordinary gain from the first-time consolidation of the Blu-ray activities of the Oerlikon Balzers AG (€ 15.6 million) as well as restructuring charges in connection with the business division Decorative Coating (€ 3.5 million) in the first quarter 2008. Adjusted for these one-time impacts the operating expenses amounted to € 33.8 million in the first half of 2008 (previous year € 29.8 million). This increase is mainly due to higher write-offs on the intangible assets such as customer relationships, brands and technology following the first-time consolidation of STANGL as well as the Blu-ray Disc machine activities of the Oerlikon Balzers AG.

Earnings

The earnings before interest and taxes (EBIT) were negative at € -2.0 million in the 2nd quarter 2008 and thus below previous year's level (previous year € 0.5 million). For the 1st half of 2008 SINGULUS posted an EBIT in the amount of € -1.7 million (previous year € 0.7 million).

In detail, the break-down of sales and the operating results are split between the segments as follows:

SEGMENT REPORTING AS OF JUN 30, 2008 AND 2007 (IFRS UNAUDITED)

	Segment Optical Disc		Segment Solar		Segment Semiconductor		Segment Coating		Other		SINGULUS Group	
	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	06/30/07	06/30/08	06/30/07
Gross revenue	56,747	96,134	13,843	0	10,797	15,951	-69	165	0	0	81,318	112,250
Sales deduction and direct selling costs	1,724	2,998	211	0	82	218	0	1	0	0	2,017	3,217
Net revenue	55,022	93,136	13,632	0	10,715	15,733	-69	164	0	0	79,300	109,033
Negative difference from the acquisition of Oerlikon Blu-ray business	15,646	0	0	0	0	0	0	0	0	0	15,646	0
EBIT	4,712	855	585	0	-2,173	737	-4,450	-826	-376	-27	-1,702	739
EBITDA	13,668	9,075	2,545	0	-109	1,848	-1,389	-252	-221	121	14,494	10,792

Balance Sheet and Liquidity

The long-term assets amounted to € 240.6 million and were therefore above previous year's level (previous year € 226.2 million). This increase is predominantly due to the first-time consolidation of the Blu-ray activities acquired from the Oerlikon Balzers AG. In this connection the intangible assets rose by € 27.5 million as of June 30, 2008.

Property, plant and equipment amounted to € 11.7 million and were therefore around previous year's level (previous year € 12.5 million). The capital expenditure in property, plant and equipment amounted to € 0.1 million in the 2nd quarter of 2008 (previous year € 1.7 million). Most of the spending was used for replacement investments. In the period under review, a tax reimbursement claim in the amount of € 8.9 million was sold. In this connection the long-term assets declined by € 8.7 million. Current assets increased by € 15.8 million during the period under review. Specifically, inventories rose by € 18.7 million compared to the prior-year period. In contrast, compared to the previous year cash and cash equivalents declined by € 1.7 million. Compared to the previous year the short-term liabilities increased by € 12.8 million. Specifically, the accounts payable rose by € 9.5 million as well as prepayments received by € 6.0 million in connection with the increased order intake. The other provisions showed an opposite trend and dropped by € 1.8 million.

Compared to the previous year the long-term liabilities increased by € 27.9 million. This is mainly because of the first-time consolidation of the Blu-ray activities acquired from the Oerlikon Balzers AG. In this connection the other long-term liabilities increased by € 7.2 million as of June 30, 2008. The deferred tax liabilities rose by € 6.7 million. In addition, long-term bank liabilities rose by € 9.8 million compared to the previous year. SINGULUS held a net liquidity of € 3.3 million as of June 30, 2008.

Shareholders' Equity

The shareholders' equity in the Group amounted to € 288.7 million as of June 30, 2008 and is below the level of year-end 2007 (€ 293.3 million). Equity in the amount of € 282.9 million is attributable to the shareholders of the parent company and € 5.9 million to minorities. The equity ratio stands at 60.9 % and is thus below previous year's level (66.1 %).

Cash Flow

In the 1st half of 2008 the operating cash flow of the Group of € 6.1 million was higher than in the previous year (previous year € 2.0 million). This increase is mainly due to changes in net working capital compared to the prior-year period.

Risk Report

During the first six months of the business year 2008 there were no changes regarding the risks depicted in the Annual Report for the year 2007.

Development of Costs and Prices

From our perspective the selling prices developed as planned in the 1st half of the business year. Material and personnel expenses also developed according to our budgets.

Employees

The number of employees in the SINGULUS Group rose from 674 employees as of June 30, 2007 to 758 employees as of June 30, 2008. Adjusted for the addition of headcount at STANGL a decline of 57 employees results.

The SINGULUS Stock

The share price of the SINGULUS stock had to give back the price gains achieved in the first months of 2008. Due to the development of sales and earnings in the 1st quarter and several downgrades by brokers, the stock price closed at € 7.00 on June 30, 2008.

Changes in the Executive and Supervisory Boards

Mr. William Slee, member of the Supervisory Board, informed the Chairman of the Supervisory Board at the end of February that he will step down with conclusion of the Annual General Meeting 2008.

Mr. Günther Bachmann, resident in Bad Homburg v.d.H., was appointed to the Supervisory Board as a successor for the remaining tenure of Mr. Slee at the Annual General Meeting on June 6, 2008.

Research and Development (R & D)

At € 8.3 million in the 1st half of 2008 the expenses for R & D declined significantly with -20.5 % compared with the previous level (€ 10.4 million).

In the work area Optical Disc SINGULUS focuses on the optimization of the inline mastering system CRYSTALLINE for Blu-ray and DVD. An additional focus was set on the completion of the new production system for dual layer Blu-ray Disc, which was introduced at the end of February. The first dual layer Blu-ray production lines were delivered in the 2nd quarter.

SINGULUS plans to complete an own vacuum coating machine for the application of anti-reflective layers in the silicon solar technology by the end of 2008 and to deliver a first machine to the cooperation partner Q-Cells. The know-how in "coating" and "process optimization" is the ideal prerequisite for the optimization of the solar cell coating in the area of crystalline silicon.

Combined with STANGL's machines SINGULUS will then be able to offer several important parts for a production line for crystalline silicon solar cells with the wet-chemical and vacuum coating technology.

The goal is to intensively expand the global position for production machines for crystalline solar cells in the next couple of years.

Outlook and Strategy

SINGULUS will even stronger focus on the two core work areas Optical Disc and Solar.

In the segment Optical Disc the global market leadership for activities with Blu-ray production machines as well as the rapid market launch of the new inline mastering system for Blu-ray is clearly in the focus.

For the segment Solar SINGULUS has made the decision for a fast further development. STANGL continues to grow at double-digit rates and will have sufficient capacity for an accelerated expansion after the completion of the new production areas. SINGULUS works extensively on the development of the new solar coating machine. The prototype of the new coating machine will be assembled according to schedule by the end of the year.

SINGULUS expects consolidated sales in a range from € 210 million to € 230 million for the year 2008. With respect to the order intake we project an increase compared with the business year 2007.

The sales earnings and profit situation in the 1st half of 2008 were still characterized by the weak order backlog at the end of 2007. In this respect the sales so far reflect the weakness in the previous year. The favorable order intake, which we have been experiencing since the beginning of 2008 will mainly be reflected by the sales from the 3rd quarter onwards. The new products in our portfolio for Blu-ray and solar will substantially gain importance in our Group in the next couple of years and considerably impact the favorable trend at SINGULUS.

SINGULUS TECHNOLOGIES Aktiengesellschaft
The Executive Board

CONSOLIDATED BALANCE SHEET AS OF JUN 31, 2008 UND DECEMBER 31, 2007 (IFRS, UNAUDITED)

	06/30/2008 k€	12/31/2007 k€
ASSETS		
Cash and cash equivalents	35,245	36,952
Trade receivables	68,775	68,016
Other receivables and assets	14,346	16,288
Total receivables	83,121	84,304
Raw materials, consumables and supplies	40,884	34,847
Work in process	68,601	55,948
Total inventories	109,485	90,795
Total current assets	227,851	212,051
Non-current trade receivables	8,385	10,544
Non-current tax refund claims	0	8,675
Property, plant and equipment	11,660	12,474
Investment property	9,442	8,653
Capitalized development costs	44,396	48,318
Goodwill	76,814	76,814
Other intangible assets	77,313	51,411
Aktive latente Steuern	12,587	9,300
Total non-current assets	240,597	226,189
Non-current assets classified as held for sale	5,693	5,693
Total assets	474,141	443,933
LIABILITIES		
Trade payables	25,797	16,335
Current bank liabilities	18,048	18,061
Other current liabilities	22,346	22,008
Prepayments received	15,811	9,772
Tax provisions	3,369	4,551
Other provisions	2,876	4,673
Total current liabilities	88,247	75,400
Non-current bank liabilities	13,852	4,018
Other non-current liabilities	45,041	38,372
Pension provisions	6,598	6,452
Deferred tax liabilities	30,530	25,280
Total non-current liabilities	96,021	74,122
Liabilities in connection with assets held for sale	1,145	1,145
Total liabilities	185,413	150,667
Subscribed capital	36,946	36,946
Capital reserve	48,143	47,503
Other reserves	-5,339	-4,428
Accumulated profit	203,126	207,197
Total equity related to the shareholder's of SINGULUS TECHNOLOGIES AG	282,876	287,218
Minority interests	5,852	6,048
Total equity	288,728	293,266
Total liabilities and equity	474,141	443,933

CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2008 AND 2007 (IFRS UNAUDITED)

	2. Quarter		First 6 Months	
	2008 k€	2007 k€	2008 k€	2007 k€
Revenues (gross)	51,034	62,453	81,318	112,250
Sales deductions and direct selling costs	-1,248	-1,931	-2,017	-3,217
Revenues (net)	49,785	60,522	79,300	109,033
Cost of sales	-36,278	-44,159	-59,386	-78,502
Gross profit on sales	13,508	16,363	19,915	30,531
Research and development	-4,662	-4,087	-9,509	-7,893
Sales and customer service	-4,661	-5,270	-10,815	-10,035
General administration	-4,617	-4,904	-10,354	-10,174
Other operating expenses / income	-1,509	-1,572	-3,119	-1,690
Restructuring expenses	-24		-3,467	
Negative difference from the acquisition of Oerlikon Blu-ray business			15,646	
Total operating expenses	-15,472	-15,833	-21,617	-29,792
Operating income (EBIT)	-1,964	530	-1,702	739
Interest income / Interest expense	-1,963	154	-3,366	560
EBT	-3,927	684	-5,068	1,299
Tax income / expenses	711	-556	1,891	-427
Net income	-3,216	128	-3,177	872
Thereof attributable to:				
Equity holders of the parent	-3,628	-369	-3,371	273
Minority interests	412	497	194	599
Basic earnings per share (in €)	-0.10	-0.01	-0.09	0.01
Diluted earnings per share (in €)	-0.09	-0.01	-0.08	0.01
Weighted number of shares - basic	36,946,407	34,941,929	36,946,407	34,941,929
Weighted number of shares - diluted	40,945,983	35,321,929	40,945,983	35,321,929

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2008 AND 2007 (IFRS UNAUDITED)

	First 6 Months	
	2008 k€	2007 k€
Net Income	-3,177	872
Income from the realization of negative goodwill (badwill)	-15,646	
Depreciation on amortization	16,196	10,053
Change in pension accruals	146	150
Change in deferred taxes	-3,620	-129
Change in net working capital*	12,163	-8,926
Net cash flow from operating activities	6,062	2,020
Change in property, plant & equipment	-890	-1,917
Change in other financial assets	-1,221	3,627
Change in intangible assets	-7,260	-8,556
Payments for the acquisition of companies/parts of companies	-5,303	0
Change in other long-term liabilities	-1,568	-1,047
Long-term bank loans	9,834	-5,461
Change in minority interests	-390	-878
Capital increase, capital reduction	640	354
Dividends paid	-700	0
Currency translation	-911	-374
Net change in cash & liquid funds	-1,707	-12,232
Cash & cash equivalents at beginning of period	36,952	56,216
Cash & cash equivalents at end of period	35,245	43,984

* including long-term accounts receivable

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF JUNE 30, 2008 AND 2007 (IFRS UNAUDITED)

	Subscribed capital k€	Capital reserve k€	Other reserves k€	Acculated profit k€	Minority interests k€	Equity k€
Balance on January 01, 2008	36,946	47,503	-4,428	207,197	6,048	293,266
Minority interests					-390	-390
Capital increase						0
Return of capital						0
Dividends paid				-700		-700
Share-based payment		640				640
Exchange rate related differences			-911			-911
Net income				-3,371	194	-3,177
Balance on June 30, 2008	36,946	48,143	-5,339	203,126	5,852	288,728
For comparison the figures of the same period the year before:						
Balance on January 01, 2007	34,942	29,879	-2,514	205,538	6,899	274,744
Minority interests					-878	-878
Capital increase						0
Return of capital						0
Share-based payment		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

Notes to the Interim Results (unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS" or the "Company") is a stock listed stock corporation domiciled in Germany. The consolidated financial accounts presented for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (the "Group") for the 2nd quarter and the 1st half of the business year 2008 were approved for publication by decision of the Executive Board as of August 4, 2008.

Accounting and Valuation Principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to June 30, 2008 was made pursuant to IAS 34 "Interim Financial Reporting". The abbreviated consolidated interim results do not include all of the notes and information required for the reporting for the full business year and should be read in conjunction with the consolidated financial accounts as of December 31, 2007.

The preparation of the annual results pursuant to IAS 34 requires estimates and assumptions by the management, which affected the level of the reported assets, liabilities, income, expenses as well as contingent liabilities. These assumptions and estimates mainly affect the Group-consistent determination of useful life expectancy, the write-offs of assets, the valuation of provisions, the recoverability of receivables, the determination of realizable terminal values in the area of inventories as well as the realizability of future tax relieves. The actual values can differ from the assumptions and estimates made on a case by case basis. Changes are recognized affecting earnings at the time of the knowledge gained.

The accounting and valuation methods applied for the consolidated accounts for the interim reporting correspond to those applied for the most recent consolidated financial report as of the end of the business year 2007. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2007.

Scope of Consolidation

In addition to the SINGULUS TECHNOLOGIES AG, the consolidated financial statements include all companies, which are legally or factually controlled by the company. In the interim report as of June 30, 2008, in addition to the SINGULUS TECHNOLOGIES AG in total six domestic and 15 foreign subsidiaries were included.

No company was added to the scope of consolidation after December 31, 2007.

With effect from January 31, 2008, the Blu-ray Disc machine activities from the Oerlikon Balzers AG were acquired. Please refer to the notes in the chapter Mergers

No company has been removed from the scope of consolidation since December 31, 2007.

Mergers

With effect from January 31, 2008, the company acquired the Blu-ray-Disc machine activities from the Oerlikon Balzers AG. The basis of the acquisition included the acquisition of know-how, accounts receivable, customer contracts, production parts and unfinished goods. In addition, the patented technology was acquired as well. For this a preliminary total purchase price including incidental acquisition expenses amounting to € 14.5 million was agreed.

The company entered this acquisition in the balance sheet pursuant to IFRS 3. The purchase price was mainly allocated to intangible assets (€ 28.8 million). Specifically, these concern customer relationships (€ 23.7 million) as well as technology (€ 5.1 million). Furthermore, tangible assets in the amount of € 6.5 million were identified in the purchase price allocation. In addition, deferred tax liabilities in the amount of € 7.1 million as well as deferred tax assets in the amount of € 1.5 million resulted from the first-time consolidation. The resulting negative goodwill in the amount of € 15.6 million was recorded as income in the 1st quarter 2008 in accordance with IFRS 3.

The time values attributable to the identifiable assets and liabilities of the Blu-ray Disc machines activities of the Oerlikon Balzers AG at the time of the acquisition and the respective book values immediately before the time of the acquisition were composed as follows:

	Attributable time value at the time of acquisition	Book value
	k€	k€
Intangible assets	28,780	
Short-term assets	6,957	5,303
Deferred tax assets	1,508	0
Total	37,245	5,303
Deferred tax liabilities	(7,091)	0
Total	(7,091)	0
Net assets	30,154	5,303
Preliminary price	14,282	
Capitalized incidental acquisition expenses	226	
Total acquisition expenses	14,508	
Negative goodwill (badwill)	15,646	
Cash-relevant acquisition expenses:		
Cash and cash equivalents acquired		0
Cash paid		5,303
Actual cash paid in 2008		5,303

Accounts Receivable

The accounts receivable as of June 30, 2008 are split as follows:

	06/30/2008	12/31/2007
	k€	k€
Accounts receivable short-term	78,280	77,886
Accounts receivable long-term	8,982	10,924
Less write-offs	-10,101	-10,250
	77,160	78,560

Intangible Assets

Capitalized development expenses, goodwill as well as concessions, intellectual property rights and other intangible assets are included under intangible assets. The capitalized development expenses amounted to € 44.4 million (December 31, 2007 € 48.3 million). In the 1st half of 2008 the investments in developments totaled € 6.2 million (1st half 2007 € 8.0 million). Scheduled amortization of intangible assets amounted to € 7.4 million (1st half 2007 € 5.6 million).

Property, Plant & Equipment

During the first six months of 2008 € 0.9 million were spent on property, plant & equipment (1st half 2007 € 1.9 million). During the same period write-offs on property, plant & equipment amounted to € 1.7 million (1st half 2007 € 4.3 million)

Property Held as Investments

Pursuant to IAS 40, SINGULUS values investment properties at book values. The time values, determined by an inflation-adjusted forecast, mainly correspond to the book values. These properties are predominantly commercially used land and building, which are being leased. As of June 30, 2008 book values in the amount of € 9.4 million were reclassified from property, plant & equipment to investment properties. The depreciation follows the straight-line method over a useful life ranging from 4 to 40 years.

Geographic sales information as of 06/30/2008	Germany	Remaining Europe	North and South America	Asia	Africa	Australia
	k€	k€	k€	k€	k€	k€

Sales by country of origin	60,886	5,754	4,945	9,733	0	0
Country of destination	25,928	16,252	16,556	21,584	998	0

Geographic sales information as of 06/30/2007	Germany	Remaining Europe	North and South America	Asia	Africa	Australia
	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

Bank Loans

With effect from December 14, 2007 a syndicated credit facility in the amount of € 60.0 million was signed. The credit facility includes a loan in the amount € 25.0 million as well as a revolving credit facility in the amount of € 35.0 million with a total term to maturity of five years. The credit line is mainly used for the refinancing of the acquisition of 51 % of the shares in STANGL as well as the financing of the ongoing business activities. The interest rate of the credit commitments is adjusted to the 3-months EURIBOR on a quarterly basis. To hedge the interest risk, a corresponding hedge was concluded over the amount of the loan in February 2008. As of June 30, 2008 in total € 25.0 million of this credit line was used. As of June 30, 2008 there were overall bank liabilities in the amount of € 31.3 million (December 31, 2007 € 22.1 million) resulting from loans. In addition, there are bank liabilities in the amount of € 0.1 million (December 31, 2007 € 0.2 million) from the discounting of bills.

Contingent Liabilities and other Financial Obligations

The contingent liabilities and other financial obligations not included in the consolidated accounts amount to € 8.5 million (previous year € 8.7 million) and mainly include obligations to take back machines sold (€ 2.2 million) as well as guarantees for prepayments received (€ 5.3 million).

The obligations to take back machines from the sale of lines to leasing companies are set against the proceeds from the sale of the lines taken back in case this possibility is called upon. Management does not have knowledge about facts that could have a materially adverse impact on the business operations, the financial situation or the business results of the company.

Sales Reductions and Individual Selling Expenses

The sales reductions include cash discounts granted. The individual selling expenses are mainly composed of expenses for packaging, freight and commissions.

General Administrative Expenses

The administrative expenses include the expenses for the management, personnel expenses, the finance and accounting departments as well as the corresponding expenses for rent and company cars. Furthermore, they include the ongoing IT expenses, legal and consulting fees, expenses for investor relations activities, the Annual General Meeting and the annual financial statements.

Research and Development Expenses

In addition to the research and non-capitalized development expenses, the research and development expenses in the 1st half of 2008 include the scheduled amortization of capitalized development expenses in the amount of € 7.4 million (previous year € 5.6 million).

Financial Income and Financing Expenses

The interest income expenses are composed as follows:

	06/30/2008	06/30/2007
	k€	k€
Interest income from long-term accounts receivable	561	785
Interest income from time deposits and call deposits	256	440
Other interest income	27	416
Interest expenses	-4,211	-1,081
	-3,366	560

The interest expenses include the accrued interest of the put/call option from the acquisition of STANGL in the amount of € 1.7 million.

Earnings per Share

The earnings per share were calculated based on IAS 33. The average number of shares outstanding in 2008 amounted to 36,946,407 shares (previous year 34,941,929 shares) following the issuance of 2,004,478 shares in connection with the acquisition of the STANGL AG in September 2007. The earnings after taxes based on the shareholders of the parent company amounted to € -3.4 million in the first half of 2008 (previous year € 0.3 million). With respect to the second quarter 2008, the earnings after taxes based on the shareholders of the parent company amounted to € -3.6 million (previous year € -0.4 million). Accordingly, the earnings per share (undiluted) for the 1st half 2008 amounted to € -0.09 (1st half 2007 € 0.01) and € -0.10 per share (2nd quarter 2007 € -0.01) for the 2nd quarter 2008.

The following table includes the amounts used for the calculation of the undiluted and diluted earnings:

	06/30/2008	06/30/2007
	k€	k€
Net profit	-3,177	872
Average weighted number of common shares for the calculation of the undiluted earnings per share	36,946,407	34,941,929
Dilution:		
Stock options SOP tranche I	380,000	380,000
Stock options SOP tranche III	472,230	0
Put/call option acquisition of minority share of STANGL AG	3,147,346	0
Average weighted number of common share adjusted for dilution	40,945,983	35,321,929

Accordingly, the earnings per share (diluted) for the 1st half 2008 amounted to € -0.08 (1st half 2007 € 0.01) and € -0.09 per share (2nd quarter 2007 € -0.01) for the 2nd quarter 2008.

Events after the Balance Sheet Date (June 30, 2008)

There were no events with material impact after the completion of the quarter under review.

Shareholdings of Board Members

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

Shares:

Executive Board	
Stefan A. Baustert, CEO	4,000 shares
Dr.-Ing. Anton Pawlakowitsch	2,500 shares
Hans-Jürgen Stangl	825,364 shares

Supervisory Board	
VVG Roland Lacher KG	394,472 shares
Thomas Geitner	1,500 shares
Günter Bachmann	2,000 shares

Stock options:

Stefan A. Baustert, CEO	200,000 options
Dr.-Ing. Anton Pawlakowitsch	80,000 options

Convertible bonds:

Stefan A. Baustert, CEO	80,000 units
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Kahl am Main, August 2008

The Executive Board

Company Calendar 2008

May 08, 2008	Q1/2008 Report
June 06, 2008	Annual Shareholders Meeting
August 05, 2008	Q2/2008 Report
November 05, 2008	Q3/2008 Report

Consolidated key figures 2nd quarters 2006-2008 pursuant to IFRS

		2006 IFRS	2007 IFRS	2008 IFRS
Sales	million €	67.6	62.5	51.0
Order intake	million €	86.8	48.1	70.8
EBITDA	million €	3.8	5.9	4.6
EBIT	million €	-1.8	0.5	-2.0
Earnings before taxes	million €	-1.4	0.7	-3.9
Net profit	million €	-2.4	0.1	-3.2
Research & Development	million €	7.5	5.6	4.4

Consolidated key figures 1st half 2006-2008 pursuant to IFRS

		2006 IFRS	2007 IFRS	2008 IFRS
Sales	million €	116.5	112.3	81.3
Order intake	million €	194.3	108.5	155.2
Order backlog (June 30)	million €	138.7	77.7	129.7
EBITDA	million €	22.6	10.8	14.5
EBIT	million €	5.2	0.7	-1.7
Earnings before taxes	million €	5.9	1.3	-5.1
Net profit	million €	7.3	0.9	-3.2
Operating cash flow	million €	7.3	2.0	6.1
Shareholders' equity	million €	270.0	274.7	288.7
Balance sheet total	million €	430.0	375.5	474.1
Research & Development	million €	12.5	10.4	8.3
Employees (June 30)		1,154	674	758
Weighted average shares outstanding, basic		34,941,929	34,941,929	36,946,407
Earnings per share, basic	€	0.21	0.01	-0.09

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.