

Q03

Report Third Quarter 2008

Consolidated Statements IFRS for the Third Quarter and First Nine Months of Fiscal 2008 as of September 30, 2008 (unaudited)

Optical Disc

Solar



Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

Key financial figures of the SINGULUS TECHNOLOGIES Group (SINGULUS), the order intake and order backlog, were higher in the first nine months compared with the levels achieved in the prior-year period. As of September 30, 2008, the cumulated order intake stood at € 197.5 million (previous year: € 167.6 million). Therefore the order intake nearly corresponds to the level of € 203.8 million achieved in the full business year 2007. Due to weak CD, DVD and semi-conductor activities the order intake in the 3rd quarter came to € 42.2 million, which was below the prior-year level (€ 59.1 million).

The order backlog as of September 30, 2008 rose by around 31 % to € 103.4 million (previous year: € 78.9 million). Sales came to € 68.6 million in the 3rd quarter 2008 and thus exceeded the prior-year amount of € 58.0 million as well as the respective sales in the first two quarters of the current business year. SINGULUS reached cumulated sales in the amount of € 149.9 million during the first nine months of 2008 (previous year: € 170.2 million).

SINGULUS TECHNOLOGIES Focuses on Solar and Optical Disc

The Executive Board of the SINGULUS TECHNOLOGIES AG in agreement with the Supervisory Board decided on September 17, 2008 to focus the company on the segments Optical Disc and Solar in the future. In this connection, a portfolio optimization was resolved as well as an adjustment of the balance sheet to the new economic and technologic conditions. The new positioning of SINGULUS resulted in one-time write-offs in the amount of € 41.2 million, which are not liquidity related.

With this step the base for a healthy development in the next years is formed. The write-offs taken will result in cost relieves of € 15.8 million in total in the years 2009 to 2011.



Delivery of the first Blu-ray production line
to Axiom Technologies, Singapore

Active Consolidation

SINGULUS reduced the cost base significantly and adjusted capacities to the declining activities during the difficult business years 2005 to 2007. Accordingly, we already announced in November 2007 to shut-down the injection-molding machine site of SINGULUS EMOULD in Würselen as of December 31, 2007. A further analysis of the work flows and our cost situation then induced us in the current business year to also relocate the assembly of the MoldPro injection molding machines from Schaffhausen to Kahl am Main.

Since the acquisition of the first mastering activities in 2002 the market situation in this segment has changed fundamentally. The former mastering machines for CD and DVD are increasingly replaced by the new CRYSTALLINE, which can be applied for DVD and Blu-ray Disc. This relocation of the main business activities led to some valuation adjustments of assets. In this connection, the goodwill of SINGULUS MASTERING declined by € 9.8 million in the course of an impairment test pursuant to IAS 36.

Furthermore, we analyzed the opportunities and risks of our new developments and diversification efforts. As a result we already terminated our product line DECOLINE in the 1st quarter 2008. The product was not able to establish itself in the market despite good technical characteristics. At HamaTech APE in Sternenfels as well as for the product line OPTICUS, we are analyzing possible divestments.

For the HamaTech AG the decision of the court of appeal to enter the merger into the commercial register is still pending. We expect the merger of the HamaTech AG to the SINGULUS TECHNOLOGIES AG to still be executed in the current year.

Blu-ray: Driver of Growth in the Optical Disc Segment

In 2008 the global market penetration of the Blu-ray Disc has taken off successfully. Blu-ray Disc players and gaming consoles are in the meantime available at attractive prices below € 200 and around \$ 150 in the US, respectively. Almost all new movies made by Hollywood are also published in the Blu-ray Disc format and are increasingly becoming blockbusters.

According to market research institute Parks Associates, US, the global unit sales of Blu-ray players are set to break the 5 million level in 2008.

In 2007, only 800,000 Blu-ray players and in addition 800,000 HD-DVD devices were sold. Global unit sales are projected to rise to 40 million in the next five years.

SINGULUS continued to receive additional orders for Blu-ray production lines in the past quarter and expects significant growth rates with increasing earnings contributions for the Blu-ray Disc activities in the business year 2008 and the following years.



SINGULUS and STANGL successful at the
23. Photovoltaics Fair in Valencia, Spain

STANGL and SINGULUS – A Strong Team in Solar Technology

SINGULUS and STANGL will systematically expand the Solar activities. Both companies complement each other ideally in being able to offer a broad product range of machines and equipment for the photovoltaics industry in the coming years. While STANGL focuses on wet-chemical processes, the core competence of SINGULUS is the physical coating technology as well as the integration of several processing steps to complete, automated production lines.

At the Photovoltaics Fair in Valencia, Spain, SINGULUS started the marketing of the new inline coating machine for silicon solar cells with the product name SINGULAR. The new machine concept was presented to all renowned solar cells producers. The machine integration know how, which SINGULUS has proven in the automation of CD, DVD and Blu-ray Disc production machines, was an optimum starting point for the development of the SINGULAR plant. The SINGULAR machine, which is produced at SINGULUS in Kahl am Main, is an important building block in the production process of solar cells. In terms of the value-added chain it ties directly to the processing steps of the machines offered by STANGL.

Business Activities

SINGULUS develops and manufactures equipment and machines for the production of Optical Discs as well as several machines for the manufacturing of solar cells. According to SINGULUS' announcement on September 17, 2008 the company will focus on the segments Optical Disc and Solar in the future.

Optical Disc

The focus of the business activities in the segment Optical Disc continues to rest on the production machines for CD, DVD and Blu-ray. The main activities in the Optical Disc production is seasonally-related in the 2nd half of the year. In order to have sufficient production capacities in the last months of the calendar year, the machines have to be ordered before mid-year. This pattern also holds true for the ordering of machines for the production of Blu-ray Discs, which were predominantly ordered in the 1st and 2nd quarter of the current year. Nearly all orders received in the first half-year were delivered and are used by our customers for the production of Blu-ray Discs. Overall, 10 Blu-ray systems were technically accepted and realized as sales in the 3rd quarter. In the quarter under review the final acceptance test was met for the first mastering system CRYSTALLINE, which produces DVD as well as Blu-ray masters.

Solar

SINGULUS reports a continuing increase in the order intake for the Solar segment in the 3rd quarter as well. Accordingly, the order intake at STANGL rose to € 55.6 million overall in the first nine months of 2008. With its machines in the segments of wet-chemical processes STANGL covers important value-added steps in the production of solar cells – both for silicon and thin-film solar cells.



SINGULAR - Inline Deposition System
for Si-Cell Production

SINGULUS is currently assembling the prototype of an innovative coating machine for the production of solar cells. The machine was developed and made marketable within a short timeframe by SINGULUS due to the technologic competence gained in the segments Optical Disc as well as Optical Coating.

Coating

We terminated our production line DECOLINE. For the production line OPTICUS we are currently assessing a possible divestment.

Semiconductors

For the HamaTech APE, Sternenfels, we are also analyzing a disposal.

Key Financial Figures

Order Backlog and Order Intake

The order intake in the first nine months increased from € 167.6 million in the same period one year ago to € 197.5 million currently and accordingly as of September 30, 2008 already reached nearly the level achieved in the full-year 2007. Characterized by weak CD, DVD and semiconductor activities the order intake in the 3rd quarter 2008 came to € 42.2 million and remained below previous year's level (€ 59.1 million).

As of September 30, 2008 the order backlog increased to € 103.4 million (previous year: € 78.9 million) and is therefore considerably above the prior-year level.

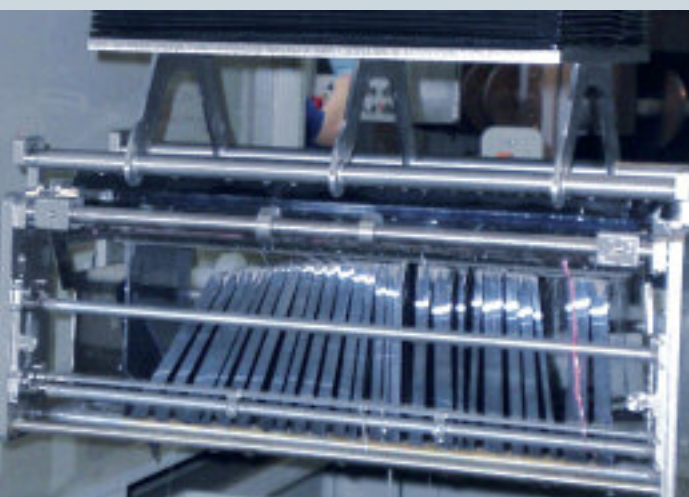
Sales

In the 3rd quarter 2008 sales totaled € 68.6 million and were thus above the prior-year level (previous year: € 58.0 million) as well as the respective sales in the first and second quarter of the year under review. Sales in the first nine months came to € 149.9 million, approximately 11.9 % below the level in 2007 (€ 170.2 million). The regional breakdown of sales during the first nine months was as follows: Europe 52.8 % (previous year: 34.2 %), Asia 22.3 % (previous year: 27.7 %), North and South America 23.6 % (previous year: 35.3 %) as well as Africa and Australia 1.3 % (previous year: 2.8 %).

The percentage regional breakdown of sales for the 3rd quarter 2008 was as follows: Europe 44.4 % (previous year: 36.9 %), Asia 21.3 % (previous year: 24.3 %), North and South America 33.6 % (previous year: 35.9 %) as well as Africa and Australia 0.7 % (previous year: 2.9 %).

Gross Margin

The gross margin in the 3rd quarter stood at 31.6 %, considerably above the level of the prior-year period (27.0 %). This increase is mainly due to the comparably high share of sales of the activities with Blu-ray replication machines in the quarter under review. In the first nine months of the business year 2008 the gross margin came to 28.1 % and is therefore at the level achieved in the prior-year period (27.7 %).



GERULUS – Wafer Block Pre-Clean & Deglue System

Operating Expenses

The operating expenses came to € 60.2 million in the 3rd quarter of the business year 2008 (previous year: € 15.2 million). During the first nine months of the year under review the operating expenses totaled € 81.8 million (previous year: € 45.0 million). This includes 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. The restructuring charges concern the shut-down of our business division Decorative Coating in the 1st quarter 2008 (€ 3.5 million) as well as additional adjustments in the 3rd quarter (€ 41.2 million). The restructuring charges are the result of the repositioning of the company and focusing on the business segments Optical Disc and Solar. Adjusted for these one-time impacts the operating expenses amounted to € 52.8 million in the first nine months of 2008 (previous year: € 45.0 million). For the quarter under review the operating expenses totaled € 19.0 million (previous year: € 15.2 million). The increase compared with the same period of the previous year results mainly from higher write-offs on the intangible assets, 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) before the consideration of restructuring charges in the first nine months of 2008 were positive at € 3.9 million (previous year: € 0.8 million). Taking into account the extraordinary items a negative EBIT in the amount of € 40.7 million results. In the quarter under review the EBIT before restructuring charges amounted to € 2.2 million. Including the extraordinary expenses as of September 17, 2008 SINGULUS posted a negative EBIT totaling € 39.0 million in the 3rd quarter (previous year: € 0.1 million).

In detail, sales and operating results with respect to the individual segments are split as follows:

SEGMENTAL REPORTING AS OF SEPTEMBER 30, 2008 AND 2007 (IFRS, UNAUDITED)

	Segment Optical Disc		Segment Solar		Segment Semiconductor		Segment Coating		Other		SINGULUS Group	
	09/30/08	09/30/07	09/30/08	09/30/07	09/30/08	09/30/07	09/30/08	09/30/07	09/30/08	09/30/07	09/30/08	09/30/07
Gross revenue	111,253	148,808	24,480	3,328	14,236	16,700	-69	1,365	0	0	149,900	170,201
Sales deduction and direct selling costs	3,177	4,001	314	13	172	580	0	6	0	0	3,663	4,600
Net revenue	108,076	144,806	24,166	3,315	14,064	16,120	-69	1,359	0	0	146,237	156,600
Negative difference from the acquisition of Oerlikon Blu-ray business	-15,646	0	0	0	0	0	0	0	0	0	-15,646	0
Restructuring/Impairment	23,439	0	0	0	8,446	0	10,538	0	2,250	0	44,673	0
EBIT	-16,864	-856	1,197	843	-10,560	2,083	-11,921	-1,252	-2,585	22	-40,733	840
EBITDA	14,900	13,836	4,160	866	-1,939	2,378	-6,042	-1,191	-130	212	10,949	16,101



IMPEDIO – Wet Process System
for Thin-Film Solar Cells on Foils

Balance Sheet and Liquidity

The long-term assets at € 203.3 million were below previous year's level (previous year: € 226.2 million). This decline is mainly due to the extraordinary write-offs in the course of the focus on the business divisions Optical Disc and Solar in the quarter under review. Specifically, the capitalized development expenses declined by € 18.3 million and the goodwill by € 10.4 million. In contrast, the other intangible assets rose by € 18.4 million. This increase is mainly based on the first-time consolidation of the Blu-ray activities acquired from the Oerlikon Balzers AG in January of the year under review.

The item property, plant and equipment at € 11.5 million was below previous year's level (previous year: € 12.5 million). The capital expenditure amounted to € 0.7 million in the 3rd quarter of 2008 (previous year: € 0.4 million). The majority of expenses was used for replacement investments. Current assets increased by € 32.2 million during the year under review. Specifically, inventories increased by € 10.6 million compared with the prior-year, the accounts receivable rose by € 9.4 million. The increase of these items mainly results from improved Blu-ray activities. In addition, cash and cash equivalents rose by € 9.9 million compared with the prior-year. Accordingly, as of September 30, 2008 the net cash position was positive at € 8.0 million. Compared with the previous year the short-term liabilities increased by € 23.0 million. This increase mainly results in connection with higher prepayments received amounting to € 12.8 million. Furthermore, the accounts payable rose by € 6.4 million. Both effects are mainly due to a significantly improved order backlog compared with the previous year.

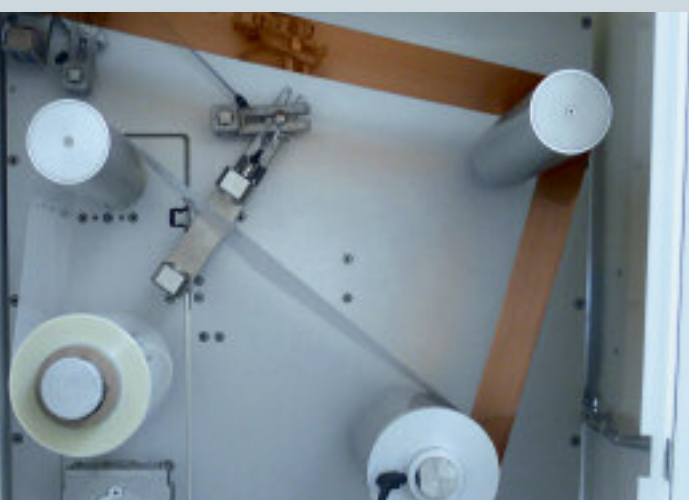
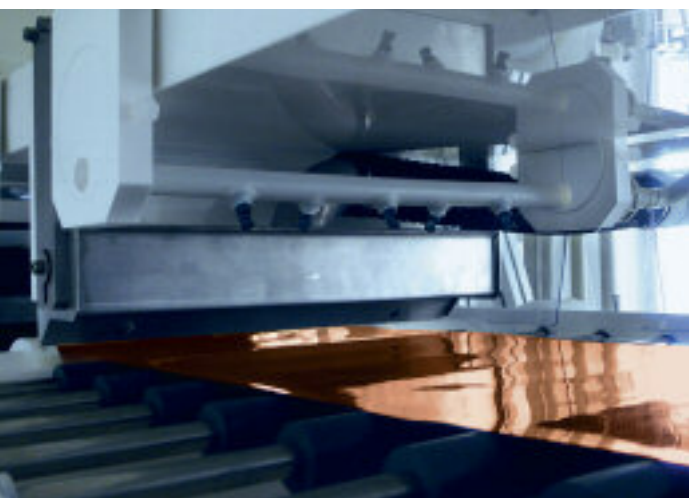
Compared with the previous year the long-term liabilities increased by € 25.9 million. This mainly results from an increase of the long-term bank liabilities in the amount of € 16.3 million. In addition, the long-term liabilities rose due to the first-time consolidation of the Blu-ray activities acquired from the Oerlikon Balzers AG. In this connection the other long-term liabilities and deferred tax liabilities increased.

Shareholders' Equity

The shareholders' equity in the Group amounted to € 253.8 million as of September 30, 2008, below the level reported as of December 31, 2007 (€ 293.3 million). Equity in the amount of € 246.7 million is attributable to the shareholders of the parent company and € 7.1 million to minorities. The equity ratio stood at 56.0 %.

Cash Flow

In the first nine months of the year under review the operating cash flow in the Group was slightly positive at € 0.2 million (previous year: € 23.6 million). The total cash flow amounted to € 9.9 million above the prior-year level (€ -18.0 million).



Interior Views of the IMPEDIO Wet Process System
for Thin-Film Solar Cells on Foils

Risk Report

In the course of the first nine months of the business year 2008 there were no changes of the risks depicted in the annual report for the year 2007.

An assessment of the risks within the various business divisions resulted in write-offs in the course of the restructuring amounting to € 44.7 million overall.

Development of Costs and Prices

In our view, the selling prices developed as planned in the first nine months of the business year. Material and personnel expenses also developed according to our budgets.

Employees

The headcount in the SINGULUS Group as of September 30, 2008 amounted to 764 employees overall (previous year: 762 employees). STANGL posted a rise from 113 to 159 employees, the other parts of the Group reduced the headcount by 44 employees.

The SINGULUS Stock

In the past couple of weeks the share price of the SINGULUS stock has also declined substantially. The stock was not able to withstand the events at the capital markets and was also heavily burdened by the financial crisis. Accordingly, the stock declined to € 2.6. In the past couple of days the share price traded at a level over € 3.

Changes in the Executive and Supervisory Boards

There were no changes in the Executive and Supervisory Boards during the period under review.

Research and Development (R&D)

At € 15.6 million overall in the first nine months of 2008, the R&D expenses were below the prior-year level (previous year: € 17.6 million).

In the segment Optical Disc SINGULUS focused on the stabilization and technical acceptance of the inline mastering system CRYSTALLINE for DVD and Blu-ray in particular.

In the Solar segment the focus is set on development efforts for the assembly of the prototype for the vacuum coating machine SINGULAR for the application of anti-reflective layers in the silicon solar technology. The process-technical commissioning is scheduled for the 4th quarter 2008. STANGL works on the development and commissioning of an inline cleaning machine for silicon cells. The new machine is scheduled to be launched in the 4th quarter of 2008.

STANGL and the Helmholtz Zentrum Berlin für Materialien und Energie (HZB), formerly the Hahn-Meitner-Institut, presented the new spray ion layer gas reaction process (ILGAR) at the photovoltaics exhibition in Valencia, Spain in September.



VITRUM – Inline Wet Process System
for Thin-Film Solar Cells on Glass

The ILGAR process is a new method for the production of thin-film solar cells, which was developed and patented by the HZB. The ILGAR process was used for the application of indium sulfide buffer layers, which are capable of replacing cadmium sulfide in thin-film solar cells. The spray technology is reproducible, fast and cost-efficient.

Outlook and Strategy

Blu-ray and Solar Will Be the Drivers of Growth in the Future

SINGULUS will focus on the two segments Optical Disc and Solar.

In the segment Optical Disc the global market leadership for Blu-ray production machines is in the spotlight. The order intake of Blu-ray machines in the 1st half year of 2008 exceeded our expectations significantly. SINGULUS continued to receive additional orders for their production lines in the 3rd quarter as well.

The favorable trend in the Solar segment is driven by two factors: STANGL continues to experience very strong growth in the wet-chemical segment – SINGULUS is marketing the newly-developed solar coating machine SINGULAR since September 2008 and sees growth potential for the coming years.

The new plant is based on the know-how gained in the core area Optical Disc.

SINGULUS expects consolidated sales in the business year 2008 in a range from € 210 million to € 230 million. The write-offs and adjustments in the amount of € 41.2 million announced on September 17, 2008 have a considerable negative impact on the earnings figures for the full-year 2008. However, we expect a positive EBIT before restructuring charges. We expect the order intake in 2008 to exceed the level reached in the previous year and the order backlog as of the year-end to form a solid basis for the business year 2009.

The agreed portfolio optimization in connection with the clear focus on the two growth areas Blu-ray and Solar will improve sales as well as earnings and the financial figures significantly in the upcoming years.

We see the SINGULUS TECHNOLOGIES Group on a good path and optimally positioned to successfully take advantage of future opportunities.

SINGULUS TECHNOLOGIES Aktiengesellschaft

The Executive Board

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(IFRS UNAUDITED)

	09/30/2008	12/31/2007
	k€	k€
ASSETS		
Cash and cash equivalents	46,825	36,952
Trade receivables	77,434	68,016
Other receivables and assets	18,677	16,288
Total receivables	96,111	84,304
Raw materials, consumables and supplies	39,974	34,847
Work in process	61,383	55,948
Total inventories	101,358	90,795
Total current assets	244,294	212,051
Non-current trade receivables	7,044	10,544
Non-current tax refund claims	0	8,675
Property, plant and equipment	11,463	12,474
Investment property	7,150	8,653
Capitalized investment costs	30,055	48,318
Goodwill	66,406	76,814
Other intangible assets	69,777	51,411
Deferred tax assets	11,418	9,300
Total non-current assets	203,313	226,189
Non-current assets classified as held for sale	5,693	5,693
Total assets	453,300	443,933
LIABILITIES		
Trade payables	22,713	16,335
Current bank liabilities	18,533	18,061
Other current liabilities	28,334	22,008
Prepayments received	22,606	9,772
Tax provisions	3,091	4,551
Other provisions	3,074	4,673
Total current liabilities	98,352	75,400
Non-current bank liabilities	20,283	4,018
Other non-current liabilities	46,712	38,372
Pension provisions	6,670	6,452
Deferred tax liabilities	26,361	25,280
Total non-current liabilities	100,026	74,122
Liabilities in connection with assets held for sale	1,145	1,145
Total liabilities	199,523	150,667
Subscribed capital	36,946	36,946
Capital reserve	48,463	47,503
Other reserves	-4,432	-4,428
Accumulated profit	165,750	207,197
Total equity related to the shareholders of Singulus Technologies AG	246,727	287,218
Minority interests	7,050	6,048
Total equity	253,777	293,266
Total liabilities and equity	453,300	443,933

CONSOLIDATED INCOME STATEMENTS AS OF SEPTEMBER 30, 2008 AND 2007 (IFRS UNAUDITED)

	3rd Quarter		9 Months	
	2008 k€	2007 k€	2008 k€	2007 k€
Revenues (gross)	68,582	57,951	149,900	170,201
Sales deductions and direct selling costs	-1,646	-1,384	-3,663	-4,601
Revenues (net)	66,936	56,567	146,237	165,600
Cost of sales	-45,781	-41,286	-105,166	-119,788
Gross profit on sales	21,155	15,281	41,071	45,812
Research and development	-4,486	-4,285	-13,995	-12,178
Sales and customer service	-6,611	-5,042	-17,426	-15,077
General administration	-6,543	-4,606	-16,615	-14,780
Other operating expenses / income	-1,340	-1,247	-4,741	-2,937
Restructuring expenses / Impairment	-41,206		-44,673	
Negative difference from the acquisition of Oerlikon Blu-ray business			15,646	
Total operating expenses	-60,186	-15,180	-81,804	-44,972
Operating income (EBIT)	-39,031	101	-40,733	840
Interest income / Interest expense	-146	-240	-3,512	320
EBT	-39,177	-139	-44,245	1,160
Tax income / expenses	2,860	426	4,751	-1
Net income	-36,317	287	-39,494	1,159
Thereof attribute to:				
Equity holders of the parent	-37,515	-446	-40,886	-174
Minority interests	1,198	733	1,392	1,333
Basic earnings per share (in €)	-1.02	-0.01	-1.11	0.00
Diluted earnings per share (in €)	-0.91	-0.01	-0.99	0.00
Weighted number of shares - basic	36,946,407	35,008,745	36,946,407	34,964,201
Weighted number of shares - diluted	41,246,821	35,573,619	41,246,821	35,484,531

CONSOLIDATED CASH FLOW STATEMENTS AS OF SEPTEMBER 30, 2008 AND 2007 (IFRS UNAUDITED)

	9 Months	
	2008 k€	2007 k€
Net income	-39,494	1,159
Income from the realization of negative goodwill (badwill)	-15,646	
Depreciation on amortization	51,682	15,261
Change in pension accruals	218	225
Change in deferred tax	-6,608	2,080
Change in net working capital*	10,071	4,921
Net cash flow from operating activities	223	23,646
Change in property, plant and equipment	-1,799	-4,661
Change in other financial assets		3,745
Change in intangible assets	-8,296	-14,140
Payments for the acquisition of companies/parts of companies	-5,303	
Change in other long-term liabilities	8,777	-39,939
Long-term bank loans	16,265	-4,294
Change in minority interests	-390	-878
Capital increase, capital reduction	960	19,387
Dividendenauszahlung	-560	0
Currency translation	-4	-874
Net change in cash & liquid funds	9,873	-18,008
Cash & cash equivalents at beginning of period	36,952	56,216
Cash & cash equivalents at end of period	46,825	38,208

* including long-term accounts receivables

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

	Subscribed capital k€	Capital reserve k€	Other reserves k€	Accumulated profit k€	Minority interests k€	Equity k€
Balance on January 1, 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				-560		-560
Share-based payment		960				960
Exchange related differences			-4			-4
Net income				-40,887	1,392	-39,495
Balance on September 30, 2008	36,946	48,463	-4,432	165,750	7,050	253,777

For comparison the figures of the same period the year before:

Balance on January 1, 2007	34,942	29,879	-2,514	205,538	6,899	274,744
Minority interests					-878	-878
Capital increase	2,004					2,004
Return of capital						0
Share-based payment		17,150				17,150
Exchange related differences			-641			-641
Net income				1,159		1,159
Balance on September 30, 2007	36,946	47,029	-3,155	206,697	6,021	293,538

Annotations to the Interim Report (Unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS" or the "Company") is an exchange-listed stock corporation headquartered in Germany. The presented consolidated financial statements for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries ("Group") for the first nine months and the 3rd quarter of the business year 2008 were approved for publication as per resolution of the Executive Board dated November 3, 2008.

Accounting and Valuation Principles

The preparation of the abbreviated consolidated interim report for the period from January 1 to September 30, 2008 was made pursuant to IAS 34 "Interim Financial Reporting". The abbreviated consolidated interim report does not include all the annotations and information required for the full-year reporting and should be read in conjunction with the consolidated financial statements 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 September 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 Blu-ray Disc machine activities from the Oerlikon Balzers AG were acquired. The basis of the acquisition included the acquisition of know-how, accounts receivable, customer contracts, production parts and unfinished goods. For this, a purchase of € 5.3 million was paid. In addition, the patented technology was acquired as well. The purchase price for the patented technology is based on an "Earn-out" model over the next four years, which depends on the realized net sales proceeds with Blu-ray machines. As of the balance sheet date a preliminary purchase price for the technology totaled € 9.0 million. The incidental acquisition expenses directly contributable to the merger amounted € 0.2 million.

The company entered this acquisition in the balance sheet pursuant to IFRS 3. The purchase price in the amount of € 28.8 million was mainly allocated to intangible assets. Specifically, these mainly 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 time of acquisition	Book value
	K€	K€
Intangible assets	28,780	0
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
Purchase price incl. earn-out liability	14,282	
Capitalized incidental acquisition expenses	226	
Total acquisition expenses	14,508	
Bad-will	15,646	
Cash-related acquisition expenses		
Acquired cash and cash equivalents		0
Cash paid		5,303
Actual cash outflow in 2008		5,303

Accounts Receivable

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

	09/30/2008	12/31/2007
	K€	K€
Accounts receivable		
- short-term	80,378	77,886
Accounts receivable		
- long-term	15,874	10,924
less write-offs	-11,783	-10,250
Total	84,478	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 € 30.1 million (December 31, 2007: € 48.3 million). In the first nine months of 2008 the investments in developments totaled € 8.9 million (previous year: € 6.9 million). Scheduled amortization of intangible assets amounted to € 9.7 million (previous year: € 8.6 million).

Property, Plant & Equipment

During the first nine months of the business year 2008 € 1.8 million were spent on property, plant & equipment (previous year: € 4.7 million). During the same period scheduled depreciation amounted to € 2.8 million (previous year: € 3.6 million).

Property Held as Investments

Pursuant to IAS 40, SINGULUS values investment properties at acquisition and production costs. The time value as of September 30, 2008 amounted to € 7.2 million. These properties are predominantly commercially used land and buildings, which are being leased.

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 of € 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 September 30, 2008 in total € 35.0 million of this credit line was used. As of September 30, 2008 there were overall bank liabilities in the amount of € 38.8 million (December 31, 2007 € 22.1 million) resulting from loans.

Contingent Liabilities and Other Financial Obligations

The contingent liabilities and other financial obligations not included in the consolidated accounts amount to € 10.2 million (previous year € 8.7 million) and mainly include obligations to take back machines sold (€ 2.8 million) as well as guarantees for prepayments received (€ 7.4 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.

Geographic information as of September 30, 2008

	Germany K€	Rest of Europe K€	North and South America K€	Asia K€	Africa K€	Australia K€
Sales by						
country of origin	111,807	14,738	7,322	16,033	0	0
country of destination	42,515	36,829	35,406	33,554	1,596	0

Geographic information as of September 30, 2007

	Germany K€	Rest of Europe K€	North and South America K€	Asia K€	Africa K€	Australia K€
Sales by						
country of origin	128,894	12,711	8,848	19,748	0	0
country of destination	20,222	49,038	52,223	45,435	2,371	912

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.

Research and Development Expenses

In addition to the research and non-capitalized development expenses, the research and development expenses in the first nine months of 2008 include the scheduled amortization of capitalized development expenses in the amount of € 9.7 million (previous year € 8.6 million).

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.

Financial Income and Expenses

The interest income / expenses are split as follows:

	09/30/2008	09/30/2007
	K€	K€
Interest income from long-term accounts receivable	1,089	795
Interest income from term/sight deposits	735	762
Other interest income	435	1,129
Interest expenses	-5,771	-2,366
	-3,512	320

The interest expenses include the accrued interest of the put/call option from the acquisition of STANGL in the amount of € 2.3 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 34,964,201 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 € -40.9 million in the first nine months of 2008 (previous year € -0.2 million). With respect to the third quarter 2008, the earnings after taxes based on the shareholders of the parent company amounted to € -37.5 million (previous year € -0.4 million). Accordingly, the earnings per share (undiluted) for the first nine months of 2008 amounted to € -1.11 (previous year: € 0.00) and € -1.02 per share (3rd quarter 2007 € -0.01) for the 3rd quarter 2008.

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

	09/30/2008	09/30/2007
	T€	T€
Net profit	-39,494	1,159
Weighted average number of common shares for the calculation of the undiluted earnings per share	36,946,407	34,964,201
Dilution:		
Stock option program SOP tranche I	380,000	380,000
Stock option program SOP tranche II	472,230	118,058
Acquisition STANGL	0	22,272
Put/call option acquisition of minority stake STANGL AG	3,448,184	0
Weighted average number of common shares adjusted for dilution	41,246,821	35,484,531

Accordingly, the earnings per share (diluted) for the first nine months of 2008 amounted to € -0.99 (previous year: € 0.00) and € -0.91 per share (3rd quarter 2007 € -0.01) for the 3rd quarter 2008.

Events After the Balance Sheet Date (September 30, 2008)

There were no events with material impact after 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 members	
Stefan A. Baustert, CEO	6,500 shares
Dr.-Ing. Anton Pawlakowitsch, CTO	4,000 shares
Hans-Jürgen Stangl	825,364 shares

Supervisory Board	
VVG Roland Lacher KG	
Familie Roland Lacher	
Vermögensverwaltung GmbH	594,472 shares
Thomas Geitner	1,500 shares
Günter Bachmann	2,000 shares

Stock options:

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

Convertible bonds:

Stefan A. Baustert, CEO	80,000 shares
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Kahl am Main, November 2008

The Executive Board

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.

March 27, 2009	Annual Press Conference
March 27, 2009	Annual Analysts' Conference
May 07, 2009	Q1/2009 Report
May 29, 2009	Annual Shareholders Meeting
July 31, 2009	Q2/2009 Report
November 05, 2009	Q3/2009 Report

RSS Newsfeeds Press Releases

German: www.singulus.de/index.php?id=618&type=100&L=1

English: www.singulus.de/index.php?id=618&type=100&L=0

RSS Newsfeeds Adhoc Releases

German: www.singulus.de/index.php?id=619&type=100&L=1

English: www.singulus.de/index.php?id=619&type=100&L=0

Consolidated key figures 3rd quarter 2006-2008 pursuant to IFRS

		2006	2007	2008
Sales	million €	96.6	58.0	68.6
Order intake	million €	78.1	59.1	42.2
EBIT	million €	2.6	0.1	-39.0
Earnings before taxes	million €	2.4	-0.1	-39.2
Net profit	million €	0.8	0.3	-36.3

Consolidated key figures (nine months cumulated) 2006-2008 pursuant to IFRS

		2006	2007	2008
Sales	million €	213.1	170.2	149.9
Order intake	million €	272.4	167.6	197.5
Order backlog (September 30)	million €	120.2	78.9	103.4
EBIT	million €	7.9	0.8	-40.7
Earnings before taxes	million €	8.3	1.2	-44.2
Net profit	million €	8.1	1.2	-39.5
Operating cash flow	million €	11.1	23.6	0.2
Shareholders' equity	million €	271.9	293.5	253.8
Balance sheet total	million €	435.9	460.6	453.3
Research & Development	million €	19.2	17.6	15.6
Employees (September 30)		1,182	762	764
Weighted average shares outstanding, basic		34,941,929	34,964,201	36,946,407
Earnings per share, basic	€	0.23	0.00	-1.11

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