

# Qo2

Report Second Quarter 2009

Consolidated Financial Statements 2009 pursuant to IFRS – As of June 30, 2009 (unaudited)

Optical Disc

Solar

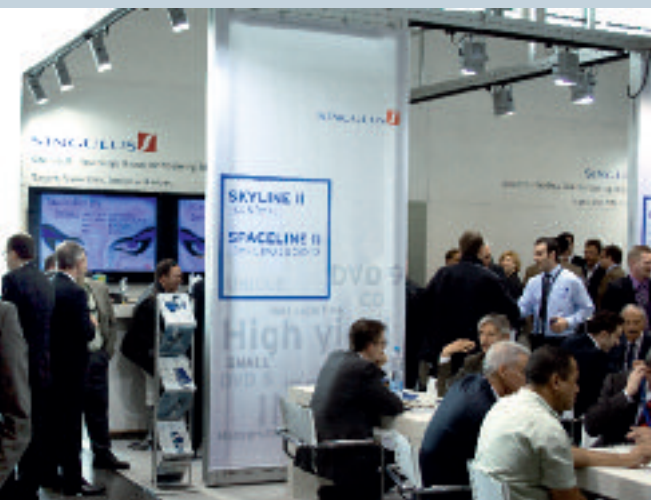
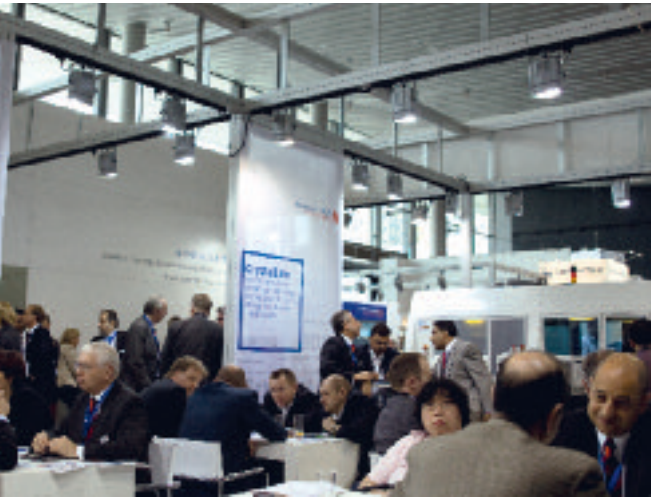
SINGULUS 

## Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

Since the beginning of the economic crisis in the 4<sup>th</sup> quarter of the previous year the global economy has been in a recession. The order intake in the German machine and plant engineering sector has been hit particularly hard by these impacts and continued to drop sharply. Overall, the order volume was 48 % below the prior-year level on a real basis in the June 2009 according to information by the Association of German Engineering Federation (VDMA). Domestic activities declined by 42 % while the demand from abroad even dropped by 51 % compared with the previous year. The SINGULUS TECHNOLOGIES AG was not able to withdraw from this negative trend, either. Both the segments Optical Disc and Solar experienced a significant decrease in orders received.

Insofar, the key figures for order intake and order backlog at SINGULUS were substantially below the prior-year figures in the 2nd quarter 2009 and also below our expectations. On a cumulative basis, the order intake in the first 6 months amounted to € 40.8 million (previous year: € 155.2 million). Sales in the first half of 2009 came to € 67.1 million, which is below the revenues achieved in the same period one year ago (€ 81.3 million). In the first half of 2009 SINGULUS posted a negative EBIT of € 10.6 million (previous year: € -1.7 million).

Due to the so far incurred losses as well as the weak business expectation for the remainder of 2009 the Executive Board devised a restructuring plan and discussed it with the Supervisory Board of the company. On July 24, 2009 both Boards adopted this restructuring plan. The goal is to achieve an improvement of the results in 2010, even in an environment of significantly lower sales volumes. Accordingly, it has become necessary to adjust the processes and capacities in the group of companies to the market expectations and to realize saving



MEDIA-TECH Europe 2009 in Frankfurt

potentials. This includes personnel measures and reductions in material expenses. Globally, up to 190 employees are affected from this plan. The expected one-time restructuring charges amount to about € 7 million and result in savings of personnel expenses of € 11-12 million from 2010.

## Business activities and market trends Optical Disc

The activities with production equipment for CD, DVD and Blu-ray also remained weak in the 2nd quarter of the current year. The demand for replacement investments for machines for discs of the first and second generation, CD and DVD, was subdued. The market is characterized by high production capacities. At the same time the supply of used machines impedes the business opportunities for new machines. Since the global demand for DVD also declines, our assessment of continuing weak machine sales for CD and DVD in the full-year, which we already voiced in the 1st quarter report, was confirmed.

On a more favorable note, the demand for the new format Blu-ray continues to rise globally. However, decisive stimulus for new plant investment did not materialize in the first half of the year. From the ongoing project activities at Blu-ray only few new orders for production equipment could be realized so far. Some reasons are the economic uncertainties, the production capacities built up in 2008 and the partly difficult financing ability of our customers. Despite these difficult general conditions we were able to sell a first Blu-ray line to a customer in Japan - traditionally a difficult market for non-Japanese engineering companies.

## Business activities and market trends Solar

Until mid-2008 the boom in the solar sector remained intact and was even in a stage of strong overheating. Here, the international economic crisis also resulted in deep cuts. In addition, the market is under high pressure due to excess capacities, which led to a rapid price drop of nearly 30 % for cell prices. Since until then only the 5 % price reduction from the Renewable Energies Act was included, this trend had a significant adverse impact on the entire solar sector. The cell producers were unable to adjust their cost structure to this market development in a timely manner. This resulted in a sharp decline in sales.

Although many stimulus programs for renewable energies have been announced or initiated worldwide, they have not had a positive impact on the current business activities so far. New projects for silicon solar cells and in particular also for the thin-film solar technology are currently being discussed again, but the decisions for new investments are further delayed. We do not expect a return to normal business activities before 2010 at the earliest.

Despite the difficult market conditions SINGULUS was able to conclude a first contract for the supply of a new SINGULAR anti-reflective layer coating machine.

Also STANGL was able to sign a contract for a new product, the inline coating machine LINEA. Both systems will be delivered in the next couple of months.

The interest shown by renowned solar companies for our solutions encourage us to further work on innovative approaches for new cell concepts.

## Business activities and market trends Semiconductor

The activities in the semiconductor market are picking up slightly. This is also true for HamaTech APE. HamaTech APE presented its new mask processing system "Mask Track Pro" at the Semicon West fair in San Francisco at the beginning of July. The new machine is suitable for the cleaning of photo masks with even smaller structures than before and expands the application range to technologies such as "Extreme Ultra-violet Lithography" (EUVL) and "Nano Imprint Lithography" (NIL). These new technologies will be applied in the semi-conductor and data storage industry in the future.

A cooperation was agreed with the renowned research institute for nanoelectronics and nanotechnology, IMEC, for the development and optimization of difficult process steps.

HamaTech APE projects sales at the prior-year level with significantly improved earnings.

## Key financial figures

### Order intake and order backlog

During the first six months of the business year the order intake amounted to € 40.8 million (previous year: € 155.2 million), which was 73.7 % below the level achieved in the first half of 2008. In the quarter under review the order intake came to € 23.4 million (previous year: € 70.8 million). As of June 30, 2009 the order backlog amounted to € 43.9 million and was thus also considerably below the prior-year level of € 129.7 million.

### Sales and earnings

According to the business trend the sales amounted to € 67.1 million in the first six month of 2009 and was thus below the same period one year ago (€ 81.3 million). This decline is mainly due to lower sales in the segments Optical Disc (€ -20.2 million) and Semiconductor (€ -7.6 million). Owing to the favorable order backlog as of the end of the business year 2008 the Solar segment was able to post a rise in sales of € 13.5 million.

Sales of € 31.7 million in the 2<sup>nd</sup> quarter 2009 were also lower than in the previous year (Q2 2008: € 51.0 million). The percentage regional breakdown of sales for the 2nd quarter 2009 was as follows: Europe 48.7 % (previous year: 46.4 %),



BLULINE II at MEDIA-TECH Europe  
2009 in Frankfurt



Booth at SNEC solar exhibition in China

Asia 37.4 % (previous year: 32.9 %), North and South America 13.0 % (previous year: 19.9 %) as well as Africa and Australia 0.9 % (previous year: 0.8 %). For the 1<sup>st</sup> half of 2009 the percentage regional sales breakdown was as follows: Europe 40.4 % (previous year: 51.9 %), Asia 29.9 % (previous year: 26.5 %), North and South America 27.5 % (previous year: 20.4 %) as well as Africa and Australia 2.2 % (previous year: 1.2 %).

The gross profit margin in the first six months of the period under review came to 33.1 %, significantly better than in the previous year (25.1 %). The gross profit margin in the 2<sup>nd</sup> quarter stood at 32.9 %, also at a higher level than in the prior-year period (27.1 %).

In the 1<sup>st</sup> half of 2009 earnings before interest and taxes (EBIT) amounted to € -10.6 million. This included restructuring charges from the 1<sup>st</sup> Quarter in the amount of € 3.0 million. The comparable figure last year in the amount of € -1.7 million included a one-time positive earnings effect in the amount of € 15.6 million (extraordinary effect in connection with the first-time consolidation of the Blu-ray activities acquired from the Oerlikon Balzers AG). In the quarter under review the EBIT came to € -5.7 million (previous year: € -2.0 million).

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

## SEGMENT REPORTING AS OF JUNE 30, 2009 AND 2008 (IFRS UNAUDITED)

	Segment Optical Disc		Segment Solar		Segment Semiconductor		Segment Coating		Other		SINGULUS Group	
	06/30/09	06/30/08	06/30/09	06/30/08	06/30/09	06/30/08	06/30/09	06/30/08	06/30/09	06/30/08	06/30/09	06/30/08
Gross revenue	36,596	56,747	27,281	13,843	3,203	10,797	0	-69	0	0	67,080	81,318
Sales deduction and direct selling costs	743	1,724	164	211	17	83	0	0	0	0	924	2,018
<b>Net revenue</b>	<b>35,853</b>	<b>55,023</b>	<b>27,117</b>	<b>13,632</b>	<b>3,186</b>	<b>10,714</b>	<b>0</b>	<b>-69</b>	<b>0</b>	<b>0</b>	<b>66,156</b>	<b>79,300</b>
Negative difference from the acquisition of Oerlikon Blu-ray business	0	15,646	0	0	0	0	0	0	0	0	0	15,646
<b>Operating income (EBIT)</b>	<b>-10,548</b>	<b>4,712</b>	<b>1,133</b>	<b>585</b>	<b>-1,200</b>	<b>-2,173</b>	<b>0</b>	<b>-4,450</b>	<b>0</b>	<b>-376</b>	<b>-10,615</b>	<b>-1,702</b>
<b>EBITDA</b>	<b>-3,466</b>	<b>13,668</b>	<b>3,555</b>	<b>2,545</b>	<b>-523</b>	<b>-109</b>	<b>0</b>	<b>-1,389</b>	<b>0</b>	<b>-221</b>	<b>-434</b>	<b>14,494</b>





HamaTech APE booth  
at Semicon West in the USA

## Balance sheet and liquidity

The long-term assets at € 195.4 million were slightly below previous year's level (previous year: € 200.9 million). The item property, plant and equipment at € 9.7 million was below previous year's level (previous year: € 10.3 million). The capital expenditure in property, plant and equipment amounted to € 0.7 million in the 2<sup>nd</sup> quarter of 2009 (previous year: € 0.1 million). The majority of expenses was used for replacement investments.

Current assets declined by € 38.6 million during the period under review. Specifically, inventories declined by € 0.9 million compared to the prior-year level. Accounts receivable due within one year declined by € 18.1 million compared with the level as of December 31, 2008. Cash and cash equivalents decreased by € 16.9 million in the first half of the business year 2009.

The short-term liabilities declined by € 29.6 million compared with the year-end level of 2008. Specifically, prepayments received dropped in connection with the reduced business activities by € 12.7 million as well as the accounts receivable by € 2.9 million. In contrast, other short-term liabilities increased by € 3.0 million. In connection with the repayment of loans and the partial reduction of a bank credit line short-term bank liabilities declined by € 14.8 million.

The long-term liabilities remained around the prior-year level.

## Shareholders' equity

The shareholders' equity in the Group amounted to € 231.2 million as of June 30, 2009 and is below the level of year-end 2008 (€ 245.5 million). Equity in the amount of € 228.3 million is attributable to the shareholders of the parent company and € 2.9 million to minorities. The equity ratio stood at 60.8 % and thus slightly above previous year's level (57.8 %).

## Cash flow

In the 1<sup>st</sup> half of 2009 the operating cash flow of the Group of € 3.5 million was slightly below the previous year's level (previous year: € 6.1 million). Bank liabilities were reduced by € 15.4 million in the 1<sup>st</sup> half of 2009. Overall, liquid funds declined by € 16.9 million and stood at € 23.2 million as of June 30, 2009. Accordingly, the liquid funds were also in excess of credit drawn as of the end of the 1<sup>st</sup> half of 2009.

## Risk report

During the first 6 months of the business year 2009 there were no changes regarding the risks depicted in the Annual Report for the year 2008.

The company responded to the weak order intake with the initiated restructuring measures in the first quarter as well as with the adjustments to be implemented in the 3rd quarter. The measures should enable SINGULUS to improve their results.

## Development of costs and prices

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

## Employees

The number of employees in the SINGULUS Group declined from 758 employees as of June 30, 2008 to 608 employees as of June 30, 2009. Moreover, the Supervisory Board of the company in its meeting on July 24, 2009 agreed to the restructuring program presented by the Executive Board. This includes a reduction of the headcount by up to 190 employees worldwide. The headquarters in Kahl will be affected by approximately 80 employees.

## The SINGULUS Stock

The share price of the SINGULUS stock came under further pressure following the report of the preliminary results and the downgrades by banks and closed at € 2.10 on July 24, 2009. At the end of the period under review the stock closed at € 2.34.

## Changes in the Executive and Supervisory Boards

Mr. Thomas Geitner, member of the Supervisory Board, informed the Chairman of the Supervisory Board that he will step down due to work-related reasons with conclusion of the Annual General Meeting 2009.

Dr.-Ing. Wolfhard Lechnitz, Essen, was appointed as successor for Mr. Thomas Geitner in the Supervisory Board during the Annual General Meeting on May 29, 2009.

## Research and Development (R & D)

SINGULUS works constantly on the further development and improvement of its Blu-ray production line BLULINE II. For prerecorded Blu-ray Discs SINGULUS already gained the global market leadership for production machines in the third-party market, i.e. excluding Sony, in 2008 with the BLULINE II.

SINGULUS has developed the first production line with process technology for the production of one-time recordable Blu-ray Discs (BD-R). A first development plant for once-recordable Blu-ray Discs was delivered to a customer. The new machine targets the segment of the upcoming once-recordable Blu-ray Discs (BD-R). At € 5.5 million in total the expenses for R & E in the 1<sup>st</sup> half of 2009 were around 34 % and thus below prior-year's level (previous year: € 8.3 million).

## Outlook

The impact of the international economic crisis on the development of the markets Solar and Optical Disc are more severe than we were able to foresee at the beginning of the business year 2009. This affects our company to a particular extent.

The market for solar technology has almost come to a standstill since fall 2008. The optical disc market shows little impulses for the remaining months of the business year 2009. The orders usually placed by our major customers towards the end of the 2nd quarter have failed to appear so far. The expected total number of Blu-ray disc production machines in the business year 2009 will therefore remain below the sales realized in 2008.

A recovery in the entire business activities has not yet materialized and we also expect a difficult 2nd half of 2009.

Although the recession has eased considerably in Germany according to the assessment of the German Institute for Economic Research (DIW) (Handelsblatt, July 20, 2009) and the International Monetary Fund reported in the course of a forecast update (Dow Jones, July 7, 2009) for the "World Economic Outlook" from April, that the global economy is at the end of the recession, the situation has not improved for SINGULUS TECHNOLOGIES. SINGULUS therefore expects sales in a range from € 105 to 125 million for the business year 2009 and clearly negative earnings.

Economists and experts of various economic institutes see a positive trend for the year 2010 at the latest. If the overall economic situation will improve from 2010 we expect this to provide a new stimulus for our business as well.

SINGULUS TECHNOLOGIES Aktiengesellschaft

The Executive Board

## CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2009 UND DECEMBER 31, 2008 (IFRS, UNAUDITED)

	06/30/2009 K€	12/31/2008 K€
<b>ASSETS</b>		
Cash and cash equivalents	23,239	40,143
Trade receivables	58,221	76,353
Other receivables and assets	6,728	9,350
<b>Total receivables</b>	<b>64,949</b>	<b>85,703</b>
Raw materials, consumables and supplies	37,729	39,049
Work in process	54,694	54,311
<b>Total inventories</b>	<b>92,423</b>	<b>93,360</b>
<b>Total current assets</b>	<b>180,611</b>	<b>219,206</b>
Non-current trade receivables	3,839	3,838
Property, plant and equipment	9,692	10,309
Investment property	7,150	7,150
Capitalized investment costs	29,121	30,279
Goodwill	66,404	66,404
Other intangible assets	65,079	68,421
Deferred tax assets	14,068	14,468
<b>Total non-current assets</b>	<b>195,353</b>	<b>200,869</b>
Non-current assets classified as held for sale	4,515	4,515
<b>Total assets</b>	<b>380,479</b>	<b>424,590</b>
<b>LIABILITIES</b>		
Trade payables	11,438	14,381
Current bank liabilities	5,408	20,218
Prepayments received	2,835	15,493
Other current liabilities	25,960	22,970
Tax provisions	1,482	3,673
Other provisions	2,406	2,384
<b>Total current liabilities</b>	<b>49,529</b>	<b>79,119</b>
Non-current bank liabilities	16,288	16,891
Other non-current liabilities	48,228	47,807
Pension provisions	6,832	6,692
Deferred tax liabilities	27,354	27,603
<b>Total non-current liabilities</b>	<b>98,702</b>	<b>98,993</b>
Liabilities in connection with assets held for sale	1,021	1,021
<b>Total liabilities</b>	<b>149,252</b>	<b>179,133</b>
<b>Total equity related to the shareholders of Singulus Technologies AG</b>		
Subscribed capital	37,355	36,946
Capital reserve	49,617	48,782
Other reserves	-3,103	-2,717
Accumulated profit	144,440	158,441
<b>Minority interests</b>	<b>2,918</b>	<b>4,005</b>
<b>Total equity</b>	<b>231,227</b>	<b>245,457</b>
<b>Total liabilities and equity</b>	<b>380,479</b>	<b>424,590</b>



## CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2009 AND 2008 (IFRS UNAUDITED)

	2. Quarter		6 Months	
	2009 K€	2008 K€	2009 K€	2008 K€
<b>Revenues (gross)</b>	<b>31,681</b>	<b>51,034</b>	<b>67,080</b>	<b>81,317</b>
Sales deductions and direct selling costs	-387	-1,248	-924	-2,017
<b>Revenues (net)</b>	<b>31,294</b>	<b>49,786</b>	<b>66,156</b>	<b>79,300</b>
Cost of sales	-21,012	-36,278	-44,288	-59,386
<b>Gross profit on sales</b>	<b>10,282</b>	<b>13,508</b>	<b>21,868</b>	<b>19,914</b>
Research and development	-3,904	-4,662	-7,671	-9,509
Sales and customer service	-5,502	-4,661	-10,992	-10,815
General administration	-3,928	-4,616	-8,099	-10,352
Other operating expenses / income	-2,620	-1,509	-2,745	-3,119
Restructuring expenses	0	-24	-2,975	-3,467
Negative difference from the acquisition of Oerlikon Blu-ray business	0	0	0	15,646
Total operating expenses	-15,954	-15,472	-32,482	-21,616
<b>Operating income (EBIT)</b>	<b>-5,672</b>	<b>-1,964</b>	<b>-10,614</b>	<b>-1,702</b>
Interest income / Interest expense	-1,364	-1,963	-2,266	-3,366
<b>EBT</b>	<b>-7,036</b>	<b>-3,927</b>	<b>-12,880</b>	<b>-5,068</b>
Tax income / expenses	-763	711	-1,043	1,891
<b>Net income</b>	<b>-7,799</b>	<b>-3,216</b>	<b>-13,923</b>	<b>-3,177</b>
Thereof attributable to:				
Equity holders of the parent	-7,924	-3,628	-14,001	-3,371
Minority interests	125	412	78	194
Basic earnings per share (in €)	-0.21	-0.10	-0.38	-0.09
Diluted earnings per share (in €)	-0.17	-0.09	-0.30	-0.08
Weighted number of shares - basic	37,232,752	36,946,407	37,232,752	36,946,407
Weighted number of shares - diluted	46,730,257	40,945,983	46,730,257	40,945,983

## CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2009 AND 2008 (IFRS UNAUDITED)

	6 Months	
	2009 K€	2008 K€
<b>Net Income</b>	<b>-13,923</b>	<b>-3,177</b>
Income from the realization of negative goodwill (badwill)	0	-15,646
Depreciation on amortization	10,181	16,196
Change in pension accruals	140	146
Change in deferred taxes	151	-3,620
Change in net working capital*	6,912	12,163
<b>Net cash flow from operating activities</b>	<b>3,461</b>	<b>6,062</b>
Change in property, plant & equipment	-684	-890
Change in other financial assets	-900	-1,221
Change in intangible assets	-4,380	-7,260
Payments for the acquisition of companies/parts of companies	0	-5,303
Change in other long-term liabilities	420	-1,568
Bank loans	-15,413	9,834
Change in minority interests	-56	-390
Capital increase, capital reduction	1,244	640
Dividends paid	0	-700
Currency translation	-596	-911
<b>Net change in cash &amp; liquid funds</b>	<b>-16,904</b>	<b>-1,707</b>
Cash & cash equivalents at beginning of period	40,143	36,952
Cash & cash equivalents at end of period	23,239	35,245

\* including long-term accounts receivable

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF JUNE 30, 2009 AND 2008 (IFRS UNAUDITED)

	Subscribed Capital K€	Capital reserve K€	Other reserves K€	Accumulated profit K€	Minority interests K€	Equity K€
<b>Balance on January 1, 2009</b>	<b>36,946</b>	<b>48,782</b>	<b>-2,717</b>	<b>158,441</b>	<b>4,005</b>	<b>245,457</b>
Minority interests					-56	-56
Capital increase	409	405			-1,109	-295
Share-based payment		430				430
Exchange rate related differences			-386			-386
Net income				-14,001	78	-13,923
<b>Balance on June 30, 2009</b>	<b>37,355</b>	<b>49,617</b>	<b>-3,103</b>	<b>144,440</b>	<b>2,918</b>	<b>231,227</b>
For comparison the figures of the same period the year before:						
<b>Balance on January 1, 2008</b>	<b>36,946</b>	<b>47,503</b>	<b>-4,428</b>	<b>207,197</b>	<b>6,048</b>	<b>293,266</b>
Minority interests					-390	-390
Dividends paid				-700		-700
Share-based payment		640				640
Exchange rate related differences			-911			-911
Net income				-3,371	194	-3,177
<b>Balance on June 30, 2008</b>	<b>36,946</b>	<b>48,143</b>	<b>-5,339</b>	<b>203,126</b>	<b>5,852</b>	<b>288,728</b>

## Annotations to the interim report (unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS" or the "Company") is a stock listed stock corporation domiciled in Germany. The presented consolidated financial statements for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries ("Group") for the first half-year of the business year 2009 were approved for publication as per resolution of the Executive Board dated July, 30., 2009.

## Accounting and valuation principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to June 30, 2009 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, 2008.

The preparation of the annual results pursuant to IAS 34 required 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 in 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 2008. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2008.

## 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, 2009, in addition to the SINGULUS TECHNOLOGIES AG in total five domestic and 15 foreign subsidiaries were included.

No company was added to the scope of consolidation after December 31, 2008.

On February 24, 2009 the merger of the HamaTech AG, Kahl am Main, as the company to be merged, to the SINGULUS TECHNOLOGIES AG, Kahl am Main, as the acquiring company, became effective with the entry of the merger into the Commercial Register at the residence of the SINGULUS TECHNOLOGIES AG.

Therefore, the assets of the HamaTech AG including its liabilities have been transferred to the SINGULUS TECHNOLOGIES AG. The HamaTech AG ceased to exist with the merger. The listing of the former shares of the HamaTech AG on the Regulated Market of the Frankfurt Stock Exchange (General Standard) was terminated with effect from February 25, 2009.

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 Company Mergers.

No company has been removed from the scope of consolidation since January 1, 2009.

## Company mergers and purchase of minority interests

### Purchase of minority interests 2009

Following the acquisition of the majority stake in 2006 further 24,410 shares of the HamaTech AG were acquired with a purchase price in the amount of K€ 86 in the business year 2009. The resulting goodwill in the amount of K€ 30 in total was recognized as an expense in the profit/loss statement. As of February 24, 2009 the shareholding amounted to approximately 93.9 %.

### Company mergers 2008

With effect from January 31, 2008, the company acquired the Blu-ray Disc machine activities from the Oerlikon Balzers AG. On the one hand the acquisition included the acquisition of know-how, accounts receivable, customer contracts, production parts and unfinished goods. For this a purchase price in the amount of € 5.3 million was paid. On the other hand, the patented technology was acquired. The purchase of the patented technology was determined on the basis of an earn-out-model over the next four years depending on the realized net sales in the activities with Blu-ray machines. As of the valuation date, a preliminary purchase for the technology in the amount of € 9.0 million resulted. The incidental acquisition expenses directly attributable 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 € 29.2 million was predominantly allocated to intangible assets. These specifically 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 vale at the time of acquisition K€	Book value 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
Purchase price incl. earn-out liabilities	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

The acquired technology (€ 5.1 million) was impaired and therefore written off in full in the third quarter of 2008. This was necessitated by the change in strategy which involved the decision to cease using Oerlikon technology.

## Accounts receivable

The accounts receivable as of June 30, 2009 are split as follows:

	06/30/2009	12/31/2008
	K€	K€
Accounts receivable – short-term	71,770	90,359
Accounts receivable – long-term	3,839	3,838
Less write-offs	-13,549	-14,006
	<b>62,060</b>	<b>80,191</b>

## Intangible assets

Capitalized development expenses, goodwill as well as concession intellectual property rights and other intangibles are included under intangible assets. The capitalized development expenses amounted to € 29.1 million (December 31, 2008: € 30.3 million). In the first half-year of 2009 the investments in developments totaled € 3.8 million (previous year: € 6.2 million). Scheduled amortization of intangible assets on capitalized development expenses amounted over the same time to € 4.9 million (previous year: € 7.4 million).

## Property, plant & equipment

During the first half-year of the business year 2009 € 0.7 million were spent on property, plant & equipment (previous year: € 0.9 million). During the same period scheduled depreciation amounted to € 1.3 million (previous year: € 1.7 million).

## Property held as investments

Pursuant to IAS 40 SINGULUS values investment properties at book values. The time value as of June 30, 2009 amounted to € 7.2 million. These properties are predominantly commercially used land and buildings, which are being leased.

## Shareholders' equity

To implement the merger of the HamaTech AG to the SINGULUS TECHNOLOGIES AG the SINGULUS TECHNOLOGIES AG increased its nominal capital from authorized capital by € 409,064.00 by means of issue of 409,064 new bearer shares with a nominal value of € 1.00 each with dividend

entitlement from January 1, 2008. This capital increase was entered into the commercial register of the SINGULUS TECHNOLOGIES AG at the Local Court Aschaffenburg on February 24, 2009. The inclusion of the new shares within the listing of the SINGULUS TECHNOLOGIES AG on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) under the ISIN DE0007238909 became effective from March 4, 2009.

## Bank loans

As of June 30, 2009 bank loans totaled € 21.7 million (previous year: € 37.1 million).

With effect from December 14, 2007 the SINGULUS TECHNOLOGIES AG signed a syndicated credit facility in the amount of € 60.0 million. 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 interest rate of the credit commitments is adjusted to the 3-month EURIBOR on a quarterly basis. Guarantors are the companies SINGULUS TECHNOLOGIES Inc. and SINGULUS MASTERING B.V. The credit line is mainly used for the refinancing of the acquisition of 51% of the shares of the STANGL AG as well as the financing of the ongoing business activities. As of June 30, 2009, the outstanding loan totaled € 18.9 million after the repayment of € 6.1 million, the revolving credit facility was not used as of the balance sheet date.

In addition, a loan with a nominal amount of € 10.0 million in total was taken up in April 2006. The loan is repaid through constant annual rates with a final payment on March 31, 2010. As of the end of the quarter under review, the outstanding amount of the loan stood at € 2.3 million (previous year: € 4.6 million).

## Contingent liabilities and other financial obligations

The contingent liabilities and other financial obligations not included in the consolidated accounts amount to € 14.0 million (previous year € 11.1 million) and mainly include guarantees for prepayments received (€ 8.8 million), warranty bond (€ 3.6 million) as well as obligations to take back machines sold (€ 0.8 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.



<b>Geographical information as of June 30, 2009</b>	Germany	Rest of Europe	North and South America	Asia	Africa	Australia
	K€	K€	K€	K€	K€	K€

Sales by country of origin	54,186	4,551	3,937	4,406	0	0
Country of destination	15,659	11,401	18,464	20,085	1,284	187

<b>Geographical information as of June 30, 2008</b>	Germany	Rest of 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

### 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 1<sup>st</sup> half year of 2009 include the scheduled amortization of capitalized development expenses in the amount of € 4.9 million (previous year: € 7.4 million).

### Financial income and financing expenses

The interest income expenses are composed as follows:

	06/30/2009 K€	06/30/2008 K€
Interest income from customer receivables	855	561
Interest income from time deposits / overnight deposits	177	256
Other interest income	0	27
Financing expenses	-3,298	-4,210
	<b>-2,266</b>	<b>-3,366</b>

The interest expenses include the accrued interest of the put/call option from the acquisition of the STANGL AG in the amount of € 1.9 million as well as the accrued interest of the earn-out liability from the acquisition of the patented technology of the Blu-ray activities from the Oerlikon Balzers AG in the amount of € 0.2 million. Furthermore, the financing expenses include interest in the amount of € 1.0 million (previous year: € 1.0 million) from drawing loans.

### Earnings per share

For the calculation of the undiluted earnings per share the earnings attributable to the bearers of the common shares of the parent company are divided by the weighted average number of shares in circulation during the course of the year.

For the calculation of the diluted earnings per share the earnings attributable to the bearers of the common shares of the parent company (after subtracting interest on the convertible preference shares) are divided by the weighted

average number of common shares in circulation during the course of the year in addition to the weighted average number of shares resulting from the conversion of all

potential common shares with dilution effect into common shares. The following table includes the amounts used for the calculation of the undiluted and diluted earnings:

	2009 K€	2008 K€
<b>Earnings attributable to the bearer of common shares of the parent company for the calculation of the undiluted earnings</b>	-14,001	-3,371
Interest for the purchase price liability STANGL	1,852	1,725
<b>Earnings attributable to the bearer of common shares of the parent company adjusted for dilution</b>	<b>-12,149</b>	<b>-1,646</b>
Average weighted number of common shares for the calculation of the undiluted earnings per share	37,232,752	36,946,407
Dilution:		
Issuance of new shares for the merger HamaTech AG	122,719	0
Stock options SOP tranche I	0	380,000
Stock options SOP tranche II	0	472,230
Put/call option acquisition of minority share of STANGL	9,374,786	3,147,346
<b>Average weighted number of common share adjusted for dilution</b>	<b>46,730,257</b>	<b>40,945,983</b>

During the period from the balance sheet date and the date of drawing up the consolidated financial statements, except for the capital increase for the merger of the HamaTech AG there were no transactions with common shares or potential common shares.

Since the factual liability from the put/call option for the minority stake in STANGL will be paid partly in form of common shares, this was taken into account for the calculation of the dilution effect. The calculation of the dilution effect was based on the share price of the SINGULUS TECHNOLOGIES stock at the last trading day of the quarter under review.

## Events after the Balance Sheet Date

The SINGULUS TECHNOLOGIES AG plans an extensive restructuring of the Group. The Supervisory Board of the company in its meeting on July 24, 2009 agreed to the restructuring program presented by the Executive Board. The Executive Board will adjust all capacities and process in the group of companies to the market development and implement cost saving opportunities. This includes personnel measures and reductions in material expenses. The general economic conditions require further personnel reduction to the extent of up to 190 employees worldwide. The expected one-time restructuring charges amount to about € 7.0 million and result in savings of € 11-12 million from 2010.

There were no other 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 member	
Stefan A. Baustert, CEO	8,500 shares
Dr.-Ing. Anton Pawlakowitsch	6,000 shares
Stangl Beteiligungs-GmbH	1,951,484 shares

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

### Stock options:

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

**Kahl am Main, in July 2009**

**The Executive Board**

# Company Calendar 2009

July 31, 2009

Q2/2009 Report

November 05, 2009

Q3/2009 Report

## Consolidated key figures 2<sup>nd</sup> quarters 2007-2009 pursuant to IFRS

		2007 IFRS	2008 IFRS	2009 IFRS
Sales	million €	62.5	51.0	31.7
Order intake	million €	48.1	70.8	23.4
EBITDA	million €	5.9	4.6	-0.6
EBIT	million €	0.5	-2.0	-5.7
Earnings before taxes	million €	0.7	-3.9	-7.0
Net profit	million €	0.1	-3.2	-7.8
R & D expenses	million €	5.6	4.4	2.5

## Consolidated key figures 1<sup>st</sup> half 2007-2009 pursuant to IFRS

		2007 IFRS	2008 IFRS	2009 IFRS
Sales	million €	112.3	81.3	67.1
Order intake	million €	108.5	155.2	40.8
Order backlog (June 30)	million €	77.7	129.7	43.9
EBITDA	million €	10.8	14.5	-0.4
EBIT	million €	0.7	-1.7	-10.6
Earnings before taxes	million €	1.3	-5.1	-12.9
Net profit	million €	0.9	-3.2	-13.9
Operating cash flow	million €	2.0	6.1	3.5
Shareholders' equity	million €	274.7	288.7	231.2
Balance sheet total	million €	375.5	474.1	380.5
R & D expenses	million €	10.4	8.3	5.5
Employees (June 30)		674	758	608
Weighted average shares outstanding, basic		34,941,929	36,946,407	37,232,752
Earnings per share, basic	€	0.01	-0.09	-0.38

## 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.

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