

Q03

Report Third Quarter 2009

Consolidated Statements IFRS for the Third Quarter and First Nine Months of Fiscal 2009 as of September 30, 2009 (unaudited)

Optical Disc

Solar



Right: Roland Lacher, CEO
Left: Dr.-Ing. Stefan Rinck, Board Member

Business Trends and Situation of the SINGULUS TECHNOLOGIES Group

Since the beginning of the banking crisis in the 3rd quarter of 2008 the global economy has remained in a deep recession. Plant and machinery engineering shows the most negative trend in new orders compared with the prior-year. The SINGULUS TECHNOLOGIES AG is also impacted by these developments.

The financial key figures of the SINGULUS TECHNOLOGIES Group in both the Optical Disc and the Solar segments remained below previous year's levels.

As of September 30, 2009 a cumulated order intake in the amount of € 56.0 million (previous year: € 197.5 million) was achieved. The order backlog of € 30.3 million as of September 30, 2009 was significantly below the prior-year level (€ 103.4 million). SINGULUS reached cumulated sales in the amount of € 95.9 million during the first nine months of 2009 (previous year: € 149.9 million). On an operating basis (before extraordinary write-offs) the EBIT came to € -13.9 million (previous year: € -11.7 million).

On July 24, 2009 the Supervisory and Executive Boards resolved a restructuring plan concerning redundancies to adjust capacities to the current market expectations and to realize saving potential. The restructuring charges incurred in the 3rd quarter 2009 amounted to € 3.3 million and will result in significant savings in personnel expenses from 2010.

Additional consolidation measures required

The difficult situation in the optical disc sector has increasingly deteriorated due to the global economic and financial crisis as well as due to restrained investment spending in the past twelve months, while in particular the creditworthiness of individual customers has declined. This trend inevitably resulted in negative impacts on the recoverability of our receivables and inventories.

Pursuant to IFRS all assets have to be analyzed with respect to an impairment review at least once a year in the course of a fair-value assessment. In case of serious changes and new valuations adjustments of the various balance sheet items have to be performed hence.



CRYSTALLINE Mastering System –
qualified for Single and Dual Layer Blu-ray Disc

Accordingly, the Executive Board of the SINGULUS TECHNOLOGIES AG once again reviewed all positions in the company in detail with respect to necessary adjustments and write-offs. In the course of the meeting on November 4, 2009 it was resolved to perform balance sheet-relevant write-offs of € 37.4 million in total.

Specifically, write-offs on inventories and receivables amount to € 19.3 million. The assets of HamaTech APE are reduced in the balance sheet due to a revaluation of the business activities by € 8.6 million. The intangible assets from the Oerlikon acquisition in the beginning of 2008 are written off by around 50 %, i. e. by € 9.5 million. This results in non-cash write-offs in the total amount of € 37.4 million.

Business activities

SINGULUS develops and supplies machines and equipment for the market segments Optical Disc and Solar.

Business activities in the Optical Disc segment

- CRYSTALLINE mastering system for single and dual layer Blu-ray Disc qualified
- BLULINE II systems sold to Brazil

The demand for new machines mainly concerns the third format generation Blu-ray. With the exception of SONY today all disc producers manufacture this new format on SINGULUS machines. So far, SINGULUS has delivered more than 65 Blu-ray production machines to customers around the world. Compared to that, the demand for new production machines of the first two format generations CD and DVD continues to remain weak.

On a favorable note, an additional Blu-ray mastering system CRYSTALLINE was sold and accepted by the customer following the technical acceptance for single and dual layer after a short-period of commissioning.

The demand for the new format Blu-ray continues to grow overall worldwide. Accordingly, the DEG (Digital Entertainment Group) reported an increase of Blu-ray Disc sales in the US by 83 % compared with the first 9 months of the prior-year period in 2008. Based on the figures provided by the Consumer Electronics Association in the US, DEG announced that currently 11.7 million households have a Blu-ray player or a Playstation 3 game console, respectively. About 3.3 million devices were sold in the first 9 months of the year 2009 alone. In Europe, these market trends are broadly expected with a one year delay.

For the medium-term this growth provides a good base for our Blu-ray equipment business in the next couple of years. However, the economic crisis in 2009 also led to a restrained business development. Nevertheless, SINGULUS succeeded in developing new regions for Blu-ray production machines this year. Amongst others, BLULINE II systems were sold to Brazil.



New ILGAR R&D system for the deposition of cadmium-free layers in the thin-film solar technology

Business developments in the Solar segment

- First SINGULAR system delivered
- SINGULUS develops automated handling system for silicon solar cells

The past couple of years in the photovoltaics industry were characterized by roaring market growth. However, since November 2008 the picture has fundamentally changed: A "sellers' market" has become a "buyers' market". The main reasons are: the restrictive granting of loans on part of the banks, excess supply and rapid price deterioration for solar cells and modules. Accordingly, the demand for these production systems is currently sharply depressed.

New business activities with photovoltaic equipment in the SINGULUS Group were weak. The order intake figures in the 3rd quarter as well as cumulated over the past 9 months were substantially below the comparable figures in the previous year 2008.

Customers' demand is focused on improved cell concepts with higher efficiency and production technologies with simultaneously declining production costs. These requirements affect all processing steps in the silicon and also thin-film solar technology. SINGULUS and STANGL are cooperating with leading cell producers in the development of new plant concepts and new technologies.

The first implementation of our SINGULAR coating machine in a production line for silicon solar cells, a new handling system for silicon wafers as well as the development of a new ion layer gas reaction (ILGAR) process for new plant technology for the production of thin-film solar cells are just a few examples of our new developments.

Semiconductors

At HamaTech APE, Sternenfels, the activities with equipment for the cleaning of photo masks have stabilized and developed favorably. Following the order intake of five machines in total, the order backlog as of the end of the quarter comes to € 6.2 million.

Key financial figures

Order backlog and order intake

The order intake is characterized by weak activities in the segments Optical Disc and Solar. It totaled € 56.0 million after the first nine months of 2009 which is significantly below the € 197.4 million reported in the prior-year period. The order intake in the 3rd quarter 2009 also declined and came in at € 15.2 million (Q3 2008: € 42.2 million)

The order backlog amounted to € 30.3 million as of September 30, 2009 (previous year: € 103.4 million).

Sales

Sales of € 28.8 million in the 3rd quarter 2009 were lower than in the previous year (Q3 2008: € 68.6 million). Sales in the first nine months came to € 95.9 million, also considerably below the level of 2008 (€ 149.9 million). The regional breakdown of sales during the first nine months was as follows: Europe 42.5 % (previous year: 52.8 %), Asia 32.5 % (previous year: 22.3 %), North and South America 23.5 % (previous year: 23.6 %) as well as Africa and Australia 1.5 % (previous year: 1.3 %).



SINGULUS booth at the trade fair 24th EU PVSEC
in Hamburg, September 2009

The percentage regional breakdown of sales for the 3rd quarter 2009 was as follows: Europe 47.5 % (previous year: 44.4 %), Asia 38.4 % (previous year: 21.3 %), North and South America 14.1 % (previous year: 33.6 %) as well as Africa and Australia 0.0 % (previous year: 0.7 %).

Gross margin

The gross margin of 28.3 % in the 3rd quarter remained below the prior-year level (31.6 %), however, cumulated for the first nine months of the business year 2009 it improved to 31.6 % (previous year: 28.1 %). This increase is mainly due to the comparably high share of sales of the activities with Blu-ray replication machines as well as wet-chemical equipment in the Solar segment.

Operating expenses

The operating expenses came to € 50.7 million in the 3rd quarter of the business year 2009 (previous year: € 60.2 million). During the first nine months of the year under review the operating expenses totaled € 83.2 million (previous year: € 81.8 million). The operating expenses in the quarter under review include one-time charges from write-offs on accounts receivable as well as on inventories totaling € 19.3 million. In addition, impairment and restructuring charges in the amount of € 21.4 million were recognized in the 3rd quarter 2009.

Specifically, these concern € 8.6 million from the revaluation of the assets of HamaTech APE as well as an amount of € 3.3 million for social plan charges in connection with the reduction of staff at the SINGULUS TECHNOLOGIES AG and several subsidiaries. Due to the revaluation of the customer base from the acquisition of the Blu-ray activities of Oerlikon Balzers an impairment in the amount of € 9.5 million also results. In contrast, the revaluation of the connected purchase price liabilities yielded a gain of € 4.2 million. Adjusted for these one-time charges the operating expenses in the quarter under review came to € 14.2 million in total. In the prior-year period – adjusted for extraordinary items – operating expenses in the amount of € 19.0 million were reported. For the first nine months of the business year 2009 operating expenses adjusted for extraordinary items stood at € 43.7 million in total (previous year: € 52.8 million).

Earnings

The earnings before interest and taxes (EBIT) before the consideration of extraordinary expenses in the first nine months of 2009 were negative at € -13.9 million (previous year: € -11.7 million). Taking into account the extraordinary items a negative EBIT in the amount of € -53.3 million results. In the quarter under review the EBIT before one-time charges amounted to € -6.2 million. Including the extraordinary expenses SINGULUS posted a negative EBIT totaling € -42.7 million in the 3rd quarter (previous year: € -39.0 million).

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

SEGMENTAL REPORTING AS OF SEPTEMBER 30, 2009 AND 2008 (IFRS, UNAUDITED)

	Segment Optical Disc		Segment Solar		Segment Semiconductor		Segment Coating		Other		SINGULUS Group	
	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08
Gross revenue	54,135	111,253	34,282	24,480	7,509	14,236	0	-69	0	0	95,926	149,900
Sales deduction and direct selling costs	1,072	3,177	350	314	38	172	0	0	0	0	1,460	3,663
Net revenue	53,063	108,076	33,932	24,166	7,471	14,064	0	-69	0	0	94,466	146,237
Negative difference from the acquisition of Oerlikon Blu-ray business	0	-15,646	0	0	0	0	0	0	0	0	0	-15,646
Restructuring/ Impairment	12,319	23,439	400	0	8,566	8,446	621	10,538	0	2,250	21,906	44,673
EBIT	-43,022	-16,864	865	1,197	-10,569	-10,560	-621	-11,921	0	-2,585	-53,347	-40,733
EBITDA	-22,353	14,900	3,948	4,160	-9,581	-1,939	-621	-6,042	0	-130	-28,607	10,949



SINGULUS booth at the trade fair Solar Power
in Anaheim, USA, October 2009

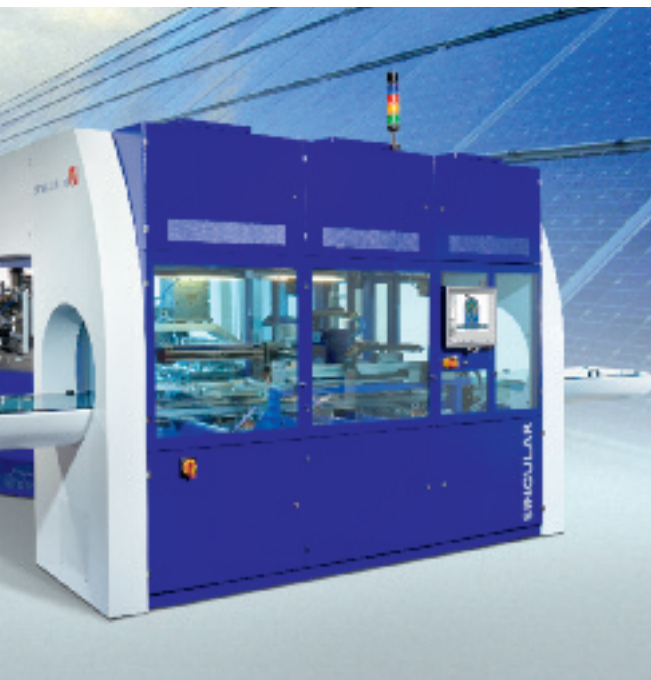
Balance sheet and liquidity

The long-term assets at € 174.8 million were significantly below previous year's level (previous year: € 200.9 million). Specifically, capitalized other intangible assets declined by € 20.8 million and capitalized development expenses dropped by € 5.0 million. The decrease in the other intangible assets is mainly due to the extraordinary write-offs performed in the quarter under review.

The item property, plant and equipment at € 8.8 million was below previous year's level (previous year: € 10.3 million). The capital expenditure amounted to € 0.1 million in the 3rd quarter of 2009 (previous year: € 0.7 million). The majority of expenses was used for replacement investments.

Current assets declined by € 66.0 million during the period under review. Specifically, inventories declined by € 22.1 million compared with the prior-year, the accounts receivable and other assets decreased by € 35.0 million. The decline of this item mainly results from the reduced business activities as well as the specific provisions incurred in the quarter under review. As of the end of the period under review liquid funds stood at € 31.3 million. The net liquidity was positive at € 0.4 million as of September 30, 2009.

Compared with the previous year the short-term liabilities increased by € 19.9 million. This increase is mainly due to the reclassification of the purchase price liability STANGL from long-term liabilities. In contrast, short-term bank loans declined in connection with the scheduled repayment in the amount of € 5.6 million. Due to the lower business activities the prepayments received decreased by € 13.5 million.



First SINGULAR coating machine for silicon solar cells has been delivered

Compared with the previous year the long-term liabilities dropped by € 51.7 million. This is mainly due to the aforementioned reclassification of the purchase price liability STANGL to short-term liabilities. Moreover, deferred tax liabilities declined by € 5.5 million in connection with the write-off of intangible assets.

Shareholders' equity

The shareholders' equity in the Group amounted to € 188.7 million as of September 30, 2009 and is below the level of year-end 2008 (€ 245.5 million). Equity in the amount of € 185.8 million is attributable to the shareholders of the parent company and € 2.9 million to minorities. The equity ratio as of September 30, 2009 stood at 56.2 %.

Cash flow

In the first nine months of the year under review the operating cash flow in the Group was slightly negative at € -1.7 million (previous year: € 0.2 million). Overall, the liquid funds declined by € 8.9 million in the period under review. This decline is mainly caused by the repayment of loans.

Risk report

During the first 9 months of the business year 2009 there were no changes regarding the risks depicted in the Annual Report for the year 2008. An evaluation of risks within the different business activities resulted in extraordinary expenses of a total of € 37.4 million.

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 developed as planned.

Employees

The headcount in the SINGULUS Group as of September 30, 2009 amounted to 633 employees overall (previous year: 764 employees).

The SINGULUS Stock

In the course of the recent, scheduled review of the stock indices in September the Deutsche Börse AG decided to remove the SINGULUS TECHNOLOGIES AG from the technology index TecDAX as of September 21, 2009. The main reason for Deutsche Börse AG's decision was the low market capitalization and trading volume compared with other companies.

Changes in the Executive and Supervisory Boards

The following changes in the Executive and Supervisory Boards were made during the period under review:

With effect from July 30, 2009 Hans-Jürgen Stangl left the Executive Board of the SINGULUS TECHNOLOGIES AG. Mr. Stangl will remain Chief Executive Officer of the Stangl Semiconductor Equipment AG.

In mutual consent with the Supervisory Board, Dipl.-Kfm. Stefan A. Baustert stepped down from his office as Chief Executive Officer of the SINGULUS TECHNOLOGIES AG as of August 17, 2009 and left the company as of August 31, 2009.

On August 17, 2009 the Supervisory Board of the SINGULUS TECHNOLOGIES AG resolved to appoint the Chairman of the Supervisory Board of the company, Roland Lacher, Dipl.-Ing., pursuant to Art. 105 Para. 2 AktG to the Executive Board temporarily until March 31, 2010. Mr. Roland Lacher will be Chief Executive Officer and return to the Supervisory Board of SINGULUS TECHNOLOGIES with effect from April 1, 2010.

At the same time, the Supervisory Board resolved to appoint Dr.-Ing. Stefan Rinck (51) as member of the Executive Board of SINGULUS TECHNOLOGIES with effect from September 1, 2009. In personal union Dr. Rinck was also appointed to the Executive Board of STANGL on September 8, 2009. With effect from April 1, 2010 Dr. Rinck will become Chief Executive Officer of SINGULUS.

During the time of Mr. Lacher's assignment to the Executive Board of SINGULUS the Deputy Chairman of the Supervisory Board, Dr.-Ing. Wolfhard Lechnitz (56) will be Chairman of the Supervisory Board. To avoid a vacancy in the Supervisory Board of SINGULUS, which shall consist of three members according to the by-laws of the company, Diplom-Betriebswirt and MBA Jürgen Lauer (45) was temporarily appointed to the Supervisory Board of the company until March 31, 2010.

Research and development (R&D)

SINGULUS delivered a production machine for the manufacturing of recordable Blu-ray Discs (BD-R) to Info Source Multi Media (ISMM), Hong Kong. With this equipment ISMM has now received the test certificate of the Blu-ray Disc Association for 25 GB Blu-ray recordable discs with a writing speed of 4x. ISMM is the first BD-R producer in Hong Kong to receive this certificate from the Blu-ray Disc Association.

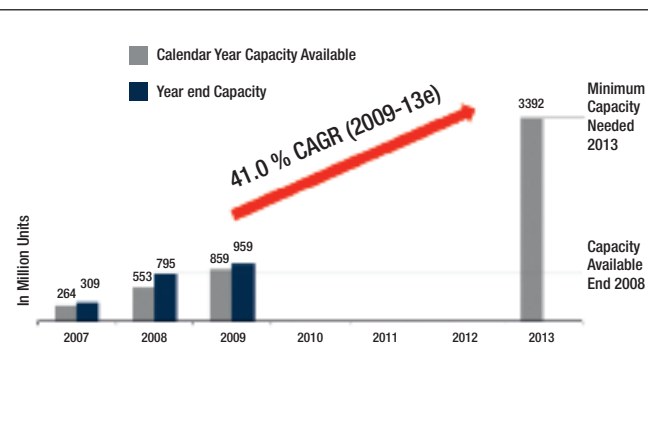
In the Solar segment efforts concentrated on the new development and further development of production systems. The SINGULAR machine from Kahl as well as the inline plant LINEA by STANGL will be commissioned for production tests at a key customer in Europe in the current year.

Amongst others, a so-called automated handling system for silicon wafers was newly developed. An additional focus was set on the development of new production systems for the thin-film solar technology.

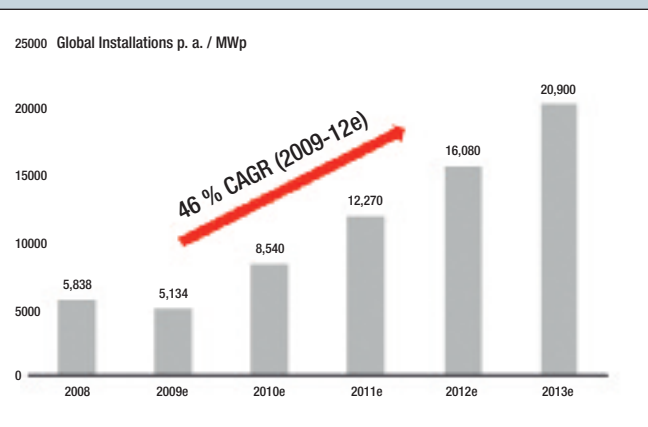
At € 8.0 million overall in the first nine months of 2009, the R&D expenses were 48.7 % below the prior-year level (previous year: € 15.6 million).



New handling system for silicon solar wafers



Required Blu-ray production capacity until 2013
(Source: Future Source)



Solar market development until 2013
(Source: Deutsche Bank, October 2009)

Outlook and strategy

A pick-up in the overall business activities has not taken place in the 3rd quarter 2009 either. Accordingly, for the business year 2009 SINGULUS therefore confirms sales in a range of € 115 to 125 million with significantly negative earnings.

It is expected that the overall economic situation will start to improve from 2010 once again. Additionally, the restructurings implemented in 2009 – together with the completed adjustments and write-offs – will result in a significantly improved cost situation in the coming years.

The Blu-ray format has become accepted worldwide and is more and more developing into a mass market. SINGULUS as the market leader for Optical Disc, including Mastering and its BLULINE II system, is optimally positioned for this trend and will benefit considerably from the growth in the coming years.

SINGULUS and STANGL are closely cooperating with leading cell manufacturers in the development of new technologies and new plant concepts for improved cell concepts with higher efficiency and production technologies with decreasing production costs. We will position ourselves up front in silicon solar as well as in thin-film solar technology.

Our target is to provide a wide product range of new machines for the PV industry in the coming years and to offer manufacturers new technologies with special cost advantages for silicon and thin-film cell production. Especially now, in a time of a global economical down-turn, we see a rising interest for new plant concepts in the PV market.

Due to the technologies and personnel capabilities existing in both companies, STANGL and SINGULUS will not only deliver individual machines and systems in the future, but consistently develop towards a joint supplier of systems and process know-how. This change of the business model was also successful in the Optical Disc market some years ago. The same strategy will also pave the way for the business field of photovoltaics.

The Executive Board and all employees work hard to establish the pre-conditions for this. Therefore we are sure that as market leader in Optical Disc and with new products in the Solar segment, SINGULUS TECHNOLOGIES will be able to stabilize its operations and to generate sustainably positive earnings.

We kindly ask you to go along this way with us.

SINGULUS TECHNOLOGIES Aktiengesellschaft

The Executive Board

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2009 AND DECEMBER 31, 2008 (IFRS UNAUDITED)

	30.09.2009	31.12.2008
	k€	k€
ASSETS		
Cash and cash equivalents	31,263	40,143
Trade receivables	44,924	76,353
Other receivables and assets	5,760	9,350
Total receivables and assets	50,684	85,703
Raw materials, consumables and supplies	20,615	39,049
Work in process	50,672	54,311
Total inventories	71,287	93,360
Summe kurzfristiges Vermögen	153,234	219,206
Non-current trade receivables	3,975	3,838
Property, plant and equipment	8,827	10,309
Investment property	7,150	7,150
Capitalized investment costs	25,308	30,279
Goodwill	66,404	66,404
Other intangible assets	47,663	68,421
Deferred tax assets	15,429	14,468
Total non-current assets	174,756	200,869
Non-current assets classified as held for sale	7,953	4,515
Total assets	335,943	424,590
LIABILITIES		
Trade payables	6,340	14,381
Current bank liabilities	14,576	20,218
Prepayments received	1,966	15,493
Other current liabilities	70,719	22,970
Tax provisions	2,037	3,673
Other provisions	3,413	2,384
Total current liabilities	99,051	79,119
Non-current bank liabilities	16,288	16,891
Other non-current liabilities	2,082	47,807
Pension provisions	6,913	6,692
Deferred tax liabilities	22,058	27,603
Total non-current liabilities	47,341	98,993
Liabilities in connection with assets held for sale	886	1,021
Total liabilities	147,278	179,133
Total equity related to the shareholders of Singulus Technologies AG		
Subscribed capital	37,355	36,946
Capital reserve	49,833	48,782
Other reserves	-4,009	-2,717
Accumulated profit	102,552	158,441
Minority interests	2,934	4,005
Total equity	188,665	245,457
Total liabilities and equity	335,943	424,590

CONSOLIDATED INCOME STATEMENTS AS OF SEPTEMBER 30, 2009 AND 2008
(IFRS UNAUDITED)

	3rd Quarter		9 Months	
	2009	2008	2009	2008
	k€	k€	k€	k€
Revenues (gross)	28,846	68,582	95,926	149,900
Sales deductions and direct selling costs	-536	-1,646	-1,460	-3,663
Revenues (net)	28,310	66,936	94,466	146,237
Cost of sales	-20,298	-45,781	-64,586	-105,166
Gross profit on sales	8,012	21,155	29,880	41,071
Research and development	-3,877	-4,486	-11,548	-13,995
Sales and customer service	-5,153	-6,611	-16,145	-17,426
General administration	-3,572	-6,543	-11,671	-16,615
Other operating expenses / income	-19,212	-1,340	-21,957	-4,741
Restructuring expenses / Impairment	-18,931	-41,206	-21,906	-44,673
Negative difference from the acquisition of Oerlikon Blu-ray business	0	0	0	15,646
Total operating expenses	-50,745	-60,186	-83,227	-81,804
Operating income (EBIT)	42,733	-39,031	-53,347	-40,733
Interest income / Interest expense	-2,209	-146	-4,475	-3,512
EBT	-44,942	-39,177	-57,822	-44,245
Tax income / expenses	3,489	2,860	2,446	4,751
Net income	-41,453	-36,317	-55,376	-39,494
Thereof attribute to:				
Equity holders of the parent	41,469	-37,515	55,470	-40,886
Minority interests	16	1,198	94	1,392
Basic earnings per share (in €)	-1.11	-1.02	-1.49	-1.11
Diluted earnings per share (in €)	-0.90	-0.91	-1.20	-0.99
Weighted number of shares - basic	37,232,752	36,946,407	37,232,752	36,946,407
Weighted number of shares - diluted	46,309,349	41,246,821	46,309,349	41,246,821

CONSOLIDATED CASH FLOW STATEMENTS AS OF SEPTEMBER 30, 2009 AND 2008 (IFRS UNAUDITED)

	Neun Monate	
	2009 k€	2008 k€
Net income	-55,376	-39,494
Income from the realization of negative goodwill (badwill)	0	-15,646
Depreciation on amortization	24,740	51,682
Change in pension accruals	221	218
Change in deferred tax	-6,506	-6,608
Change in net working capital*	35,231	10,071
Net cash flow from operating activities	-1,690	223
Change in property, plant and equipment	-699	-1,799
Change in other financial assets	-900	0
Change in intangible assets	3,170	-8,296
Payments for the acquisition of companies/parts of companies	0	-5,303
Change in other long-term liabilities	-2,000	8,777
Bank loans	-6,245	16,265
Change in minority interests	-56	-390
Capital increase, capital reduction	1,460	960
Dividends paid	-513	-560
Currency translation	-1,407	-4
Net change in cash & liquid funds	-8,880	9,873
Cash & cash equivalents at beginning of period	40,143	36,952
Cash & cash equivalents at end of period	31,263	46,825

*including long-term accounts receivables

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

	Subscribed capital k€	Capital reserve k€	Other reserves k€	Accumulated profit k€	Minority interests k€	Equity k€
Balance on January 1, 2009	36,946	48,782	-2,717	158,441	4,005	245,457
Minority interests					-56	-56
Capital increase	409	405			-1,109	-295
Dividends paid				-513		-513
Share-based payment		646				646
Exchange related differences			-1,292			-1,292
Net income				-55,376	94	-55,282
Balance on September 30, 2009	37,355	49,833	-4,009	102,552	2,934	188,665
For comparison the figures of the same period the year before:						
Balance on January 1, 2008	36,946	47,503	-4,428	207,197	6,048	293,266
Minority interests					-390	-390
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

Annotations to the interim report (unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS" or the "Company") is a stock listed 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 three quarters of the business year 2009 were approved for publication as per resolution of the Executive Board dated November 4, 2009.

Accounting and valuation principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to September 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 September 30, 2009, in addition to the SINGULUS TECHNOLOGIES AG in total 4 domestic and 15 foreign subsidiaries were included.

No company was added to the scope of consolidated 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.

On September 7, 2009 the merger of the NANO DEPOSITION TECHNOLOGIES GmbH, 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 domicile of the SINGULUS TECHNOLOGIES AG. Therefore, the assets of this company including its liabilities have been transferred to the SINGULUS TECHNOLOGIES AG. The SINGULUS NANO DEPOSITION TECHNOLOGIES GmbH does not exist anymore after the merger.

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.

Except for the aforementioned companies no other companies have been removed from the scope of consolidation since December 31, 2008.

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 T€ 86 in the business year 2009. The resulting goodwill in the amount of T€ 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, 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 2008 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 value at the time of acquisition K€	Book value 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 liabilities	14,282	
Capitalized incidental acquisition expenses	226	
Total acquisition expenses	14,508	
Negative goodwill (badwill)	15,646	
Cash-relevant acquisition expenses:		
Cash paid		5,303
Actual cash paid in 2008		5,303

Accounts receivable

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

	09/30/2009 K€	09/30/2008 K€
Accounts receivable – short-term	65,111	90,359
Accounts receivable – long-term	4,355	3,838
Less write-offs	-20,567	-14,006
Total	48,899	80,191

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 € 25.3 million (December 31, 2008: € 30.3 million). In the first nine months of 2009 the investments in developments totaled € 5.8 million (previous year: € 8.9 million). Scheduled write-offs on capitalized development expenses amounted to € 7.4 million (previous year: € 9.7 million). During the same period scheduled depreciation of other intangible assets amounted to € 3.9 million in the period under review (previous year: € 5.7 million). In addition, extraordinary write-offs in connection with the revaluation of the customer base stemming from the acquisition of the Blu-ray activities of the Balzers AG in the amount of € 9.5 million were recognized.

Property, plant & equipment

During the first nine months of the business year 2009 € 0.1 million were spent on property, plant & equipment (previous year: € 1.8 million). During the same period scheduled depreciation amounted to € 2.2 million (previous year: € 2.8 million).

Property held as investments

Pursuant to IAS 40 SINGULUS values investment properties at book values. The time value as of September 30, 2009 amounted to € 7.2 million. These properties are predominantly commercially used land and building, 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 September 30, 2009 bank loans totaled € 30.9 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 September 30, 2009, the outstanding loan totaled € 18.9 million after the repayment of € 6.2 million, of the revolving credit facility € 10.0 million overall were drawn 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 period under review, the outstanding amount of the loan stood at € 1.5 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 € 4.5 million (previous year € 11.1 million) and mainly include guarantees for prepayments received and guarantees (€ 3.7 million) as well as obligations to take back machines sold (€ 0.7 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, 2009	Germany K€	Rest of Europe K€	North and South America K€	Asia K€	Africa K€	Australia K€
Sales by country of origin	71,946	8,284	9,791	5,905	0	0
Country of destination	20,052	20,711	22,540	31,209	1,075	339

Geographic information as of September 30, 2008	Germany T€	Rest of Europe T€	North and South America T€	Asia T€	Africa T€	Australia T€
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

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 3rd quarter of 2009 include the scheduled amortization of capitalized development expenses in the amount of € 7.4 million (previous year: € 9.7 million).

Restructuring charges/impairment

The restructuring and impairment charges in the 3rd quarter 2009 mainly include write-offs on the customer base stemming from the acquisition of the Blu-ray activities from Oerlikon Balzers (€ 9.5 million) as well as the anticipated deconsolidation loss from a possible disposal of HamaTech APE (€ 8.6 million). In addition social plan expenses in the amount of € 3.3 million in connection with the reduction of the headcount were recognized. In contrast, a gain from the revaluation of the purchase price liability for the acquired Blu-ray activities from Oerlikon Balzers totaling € 4.2 million was realized.

Other expenses/income

The other expenses predominantly concern allowance for doubtful accounts (€ 7.5 million) and inventories (€ 10.1 million).

Financial income and financing expenses

The interest income expenses are composed as follows:

	09/30/2009 K€	09/30/2008 K€
Interest income from long-term customer receivables	991	1,089
Interest income from time deposits/overnight deposits	375	735
Other interest income	0	435
Dividends paid to minorities	-513	0
Financing expenses	-5,328	-5,771
	-4,475	-3,512

The interest expenses include the accrued interest of the put/call option from the acquisition of the STANGL AG in the amount of € 2.8 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 € 0.3 million. Furthermore, the financing expenses include

interest in the amount of € 1.3 million (previous year: € 1.7 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€
Earnings attributable to the bearer of common shares of the parent company for the calculation of the undiluted earnings	-14,001	-39,494
Interest for the purchase price liability STANGL AG	2,828	2,753
Earnings attributable to the bearer of common shares of the parent company adjusted for dilution	-11,173	-36,741
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 AG	8,953,878	3,448,184
Average weighted number of common share adjusted for dilution	46,309,349	41,246,821

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 acquisition of the minority stake in the STANGL AG 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 (September 30, 2009)

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 member	
VVG Roland Lacher KG	594,472 shares
Dr.-Ing. Anton Pawlakowitsch, CTO	6,000 shares

Supervisory Board

Dr.-Ing. Wolfhard Lechnitz	10,000 shares
Günter Bachmann	2,000 shares

Stock options:

Dr.-Ing. Anton Pawlakowitsch	80,000 options
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Kahl am Main, November 2009

The Executive Board

Company Calendar 2009/2010

November 05, 2009	Q3/2009 Report
March 26, 2010	Annual Press and Analyst's Conference
April 30, 2010	Q1/2010 Report
June 2, 2010	Annual Shareholders Meeting

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

		2007	2008	2009
Sales	million €	58.0	68.6	28.8
Order intake	million €	59.1	42.2	15.2
EBIT	million €	0.1	-39.0	-42.7
Earnings before taxes	million €	-0.1	-39.2	-44.9
Net profit	million €	0.3	-36.3	-41.5

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

		2007	2008	2009
Sales	million €	170.2	149.9	95.9
Order intake	million €	167.6	197.5	56.0
Order backlog (September 30)	million €	78.9	103.4	30.3
EBIT	million €	0.8	-40.7	-53.3
Earnings before taxes	million €	1.2	-44.2	-57.8
Net profit	million €	1.2	-39.5	-55.4
Operating cash flow	million €	23.6	0.2	-1.7
Shareholders' equity	million €	293.5	253.8	188.7
Balance sheet total	million €	460.6	453.3	335.9
R & D expenses	million €	17.6	15.6	8.0
Employees (September 30)		762	764	633
Weighted average shares outstanding, basic		34,964,201	36,946,407	37,232,752
Earnings per share, basic	€	0.00	-1.11	-1.49

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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