

# innovation

The background of the entire slide is a blue world map. Overlaid on the map are several horizontal lines of white binary code (0s and 1s). In the center-right, a hand is shown from the wrist up, with the index finger touching a glowing, rounded blue square that appears to be a digital interface element.

## Report for the 1<sup>st</sup> Half 2013

Consolidated Statements IFRS  
as of June 30, 2013 (unaudited)

## Financial Key Figures of the First Half-Year Slightly Improved Compared with the Prior-Year Period

- Important key figures for the 1<sup>st</sup> half 2013 above prior-year levels
- Demand for Blu-ray significant above plans
- Additional order intake for BLULINE II after completion of quarter
- Positive EBIT for 2013 still targeted
- Weak order intake for Solar

The key financial figures of the 1<sup>st</sup> half 2013 of the SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) have improved compared with the same period one year ago due to the increased order intake for production machines for the BLULINE II type in the Optical Disc segment and the existing order backlog in the Semiconductor and Solar divisions.

In the first six months of 2013 SINGULUS TECHNOLOGIES overall achieved slightly higher sales than in the comparable period for 2012. Sales for the half-year amounted to € 49.2 million (previous year: € 43.6 million). In the 2<sup>nd</sup> quarter € 26.4 million were achieved (previous year: € 27.6 million). While the order intake in the 1<sup>st</sup> half 2012 amounted to € 87.0 million due to a major order in the Solar segment, order intake with a total volume of € 48.8 million

was recorded in the course of the 1<sup>st</sup> half of the business year 2013. The order intake in the 2<sup>nd</sup> quarter amounted to € 33.2 million, which was slightly above the prior-year level of € 31.3 million. As of June 30, 2013 the order backlog accordingly stood at € 39.7 million, which is below the € 70.2 million achieved in the prior-year period.

The earnings before interest and taxes (EBIT) has improved compared with the prior year. In the 1<sup>st</sup> half of 2013 earnings before interest and taxes (EBIT) stood at € -6.5 million (previous year: € -12.4 million). In the quarter under review the EBIT was slightly negative and came to € -1.6 million (previous year: € -6.7 million).

### **Business trends and market development Optical Disc**

The globally rising penetration of the Blu-ray Disc results in improved demand for production machines in the current year compared with the previous year. Until June 30, 2013 more production systems were sold than in the prior-year period. Additional order intake was recorded in July after the completion of the half-year. Fortunately, for the current business year the volume sales of BLULINE II machines for the production of Blu-ray Discs are significant above our own forecasts.

In addition, in the current quarter there were replacement investments on part of our customers for CD and DVD production machines, which proves the efficiency in the production of CDs and DVDs on the international markets.

The markets for Blu-ray Discs continue to perform favorably in 2013. Accordingly, in May 2013 the DEG (Digital Entertainment Group) announced a growth for Blu-ray Discs sales for the leading US market of approximately 30 % compared with the prior-year period 2012. The number of new releases jumped by 37 % compared with the prior-year period. In a survey in

June 2013 the market research institute NPD Group USA assessed that 44 % of consumers actively use physical media (CD, DVD and Blu-ray Disc) and only 5 % use downloads.

Towards the end of the year the market introduction of the new Xbox One with a Blu-ray Disc drive by Microsoft is expected. The offering of corresponding games on Blu-ray format will probably also result in an additional pick-up in demand for the discs and therefore also for the machines produced by SINGULUS TECHNOLOGIES. Initial orders for this application were already received.

### **→ HIGH-TECH WITH BLULINE II**

*Fascination Blu-ray – Ready for 4K TV*



### **Business trends and market development Solar**

The market for photovoltaics continues to remain difficult. Against the backdrop of this difficult market environment, the development of SINGULUS TECHNOLOGIES' Solar division falls short of our expectations.

SINGULUS TECHNOLOGIES is in close contact with customers, which plan investments in the set-up of new cell manufacturing lines or so-called upgrades of existing production lines. In particular, project talks with renowned customers in Asia, the Middle East, South- and Central America and especially in South Africa should be

highlighted. However, so far no major order intakes were realized in the 1<sup>st</sup> half of 2013. SINGULUS TECHNOLOGIES as a high-performance technology supplier for crystalline and thin-film solar cells is excellently positioned and therefore has very good opportunities to benefit at the forefront amongst the start of a new investment cycle in the photovoltaics industry.

However, the global market for solar modules is still characterized by excess capacities in 2013 as well. More than 60 % of the demand of 15 GW in the first half-year 2013 originated from four countries: Germany, China, Japan and the US. During the course of the 2<sup>nd</sup> half of 2013 the global photovoltaics demand will presumably reach additional 20 GW. Accordingly, the demand for 2013 will probably rise to 35.1 GW

pursuant to a study by the market research institute NPD Solarbuzz dated July 2, 2013. This would correspond to a year-over-year increase of 22 %.

In view of the ongoing anti-dumping proceedings against Chinese photovoltaic producers and already resolved, temporary duties, the prices for solar modules are also recovering slowly. As a result, in Europe the prices for crystalline solar modules from China increased by four percent and additional price hikes are expected.

Nevertheless, there is still excess capacity for production output for cells and modules, which leads to a continuing investment restraint for production equipment in the solar market. If this situation prevails in the 3<sup>rd</sup> quarter of 2013 and no significant orders can be acquired in this segment, this will have a corresponding adverse impact on the earnings targets of the company.

## **→ THIN FILM SOLAR**

*Refined Glass Surfaces Providing Energy*



### **Business trends and market development Semiconductor**

In the 1<sup>st</sup> half of 2013 SINGULUS TECHNOLOGIES intensively progressed the assembly and completion of the machines ordered in the year 2012. In the meantime all machines are in the commissioning stage or will be delivered in the 2<sup>nd</sup> half of 2013. Talks with major customers are at a project stage and are expected to result in new order intake.

The market research company IHS iSuppli forecast rising global sales for the semiconductor market to US-\$ 324.6 billion, which means a growth of 4.3 % compared with the prior year, as well as a continuous growth

in sales in the next couple of years to a level of global sales of US-\$ 412.8 billion by 2016. In this context the market for MRAM components as a sub-market within the semiconductor market is currently still in an early development stage. Correspondingly, the market research company VLSIresearch projects a significant growth for MRAM wafers in the next years. Many large memory producers such as Everspin, Hynix, Micron and Samsung amongst others have announced to invest into the MRAM development and manufacturing. Toshiba presented an MRAM chip in last year's December. Crocus Technologies, a semiconductor producer based in the Silicon Valley, is currently

setting up a modern MRAM production line as a joint venture with the Russian stock-listed company Rusnano.

If the MRAM memory components will establish themselves in the next couple of years due to their specific advantages, the transition towards the industrial mass production is expected.

For the expected market of new MRAM wafer SINGULUS TECHNOLOGIES is currently working on presenting new machine concepts, which satisfy the demand for more efficient ultra-high vacuum coating machines with an increased wafer capacity.

## **→ NANO VACUUM COATING**

*Thin Film Layer for New Applications*



## Key financial figures

### Order intake and order backlog

The order intake in the 1<sup>st</sup> half of 2013 amounted to 48.8 million (previous year: € 87.0 million), below the level achieved in the 1<sup>st</sup> half of 2012. In the quarter under review the order intake came to € 33.2 million (previous year: € 31.3 million). The order backlog as per June 30, 2013 amounted to € 39.7 million and was thus also slightly below the comparable level as of June 30, 2012 (€ 70.2 million).

### Sales and earnings

Sales in the first six months in 2013 came to € 49.2 million, above the prior-year level of € 43.6 million. This increase is due to higher sales in the segments Optical Disc (€ +5.2 million) and Semiconductor (€ +3.2 million). Within the Solar division sales declined by € 2.8 million.

Sales of € 26.4 million in the 2<sup>nd</sup> quarter 2013 (previous year: € 27.6 million) were thus slightly lower than the prior-year level. Sales are split into € 21.4 million in the Optical Disc segment (previous year: € 17.0 million), Solar at € 2.1 million (previous year: 6.8 million) and Semiconductors at € 2.9 million (previous year: € 3.8 million).

The percentage regional breakdown of sales for the 2<sup>nd</sup> quarter 2013 was as follows: Europe 24.6 % (previous year: 34.4 %), Asia 10.2 % (previous year: 20.3 %), North and South America 44.7 % (previous year: 41.7 %) as well as Africa and Australia 20.5 % (previous year: 3.6 %). For the entire 1<sup>st</sup> half of 2013 the percentage regional sales breakdown was as follows: Europe 25.2 % (previous year: 34.2 %), Asia 16.1 % (previous year: 25.9 %), North and South America 47.3 % (previous year: 36.9 %) as well as Africa and Australia 11.4 % (previous year: 3.0 %).

In the 1<sup>st</sup> half of 2013 SINGULUS TECHNOLOGIES realized a gross profit margin in the amount of 20.0 % (previous year: 24.9 %). The gross profit margin in the 2<sup>nd</sup> quarter 2013 stood at 24.8 % (previous year: 23.2 %).

The operating expenses came to € 16.3 million in the first half-year (previous year: € 23.2 million). This includes expenses for research and development at € 3.6 million (previous year: € 6.4 million), sales and marketing and customer service at € 7.7 million (previous year: € 8.8 million), general administrative expenses at € 5.4 million (previous year: € 5.4 million), other operating expenses at € 0.7 million (previous year: € 4.2 million) as well as other operating income at € 1.1 million (previous year: € 1.6 million).

In the quarter under review the expenses for research and development amounted to € 2.0 million (previous year: € 3.2 million), for sales and marketing and customer service to € 3.7 million (previous year: € 4.7 million) and general administrative expenses to € 3.0 million (previous year: € 2.6 million). The other operating expenses came to € 0.2 million (previous year: € 2.6 million), the other operating income stood at € 0.8 million (previous year: € 0.0 million).

In the 1<sup>st</sup> half of 2013 earnings before interest and taxes (EBIT) stood at € -6.5 million (previous year: € -12.4 million). In the quarter under review the EBIT was negative and came to € -1.6 million (previous year: € -6.7 million).

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

#### Segment Reporting as of March 31, 2013

	Segment "Optical Disc"		Segment "Solar"		Segment "Semiconductor"		SINGULUS TECHNOLOGIES Group	
	2013	2012	2013	2012	2013	2012	2013	2012
	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m	EUR m
<b>6 Months</b>								
Revenue (gross)	33.0	27.8	9.2	12.0	7.0	3.8	49.2	43.6
Sales deduction and direct selling costs	-0.3	-0.3	0.0	0.0	0.0	0.0	-0.3	-0.3
Revenue (net)	32.7	27.5	9.2	12.0	7.0	3.8	48.9	43.3
EBIT	0.7	-6.2	-5.6	-5.8	-1.6	-0.4	-6.5	-12.4
Amortization, depreciation and impairment	-1.5	-2.9	-1.1	-2.9	-0.3	-0.2	-2.9	-6.0
EBITDA	2.2	-3.3	-4.5	-2.9	-1.3	-0.2	-3.6	-6.4
<b>2<sup>nd</sup> Quarter</b>								
Revenue (gross)	21.4	17.0	2.1	6.8	2.9	3.8	26.4	27.6
Sales deduction and direct selling costs	-0.2	0.0	0.0	0.0	0.0	0.0	-0.2	0.0
Revenue (net)	21.2	17.0	2.1	6.8	2.9	3.8	26.2	27.6
EBIT	2.5	-4.3	-3.4	-3.0	-0.7	0.6	-1.6	-6.7
Amortization, depreciation and impairment	-0.8	-1.5	-0.6	-1.4	-0.1	-0.1	-1.5	-3.0
EBITDA	3.3	-2.8	-2.8	-1.6	-0.6	0.7	-0.1	-3.7



### Balance Sheet and Liquidity

The long-term assets amounted to € 54.5 million and were therefore around the previous year's level (previous year: € 53.4 million). The capitalized development expenses amounted to € 6.6 million (December 31, 2012: € 7.1 million). In the first six months of 2013 the capitalized investments in developments totaled € 1.5 million (previous year: € 1.9 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 1.0 million in the 1<sup>st</sup> half of 2013 (previous year: € 3.1 million). In the quarter under review capitalized investments development expenses amounted to € 0.4 million (previous year: € 1.0 million). Scheduled write-offs and amortization on capitalized development expenses amounted to € 0.5 million in the quarter under review (previous year: € 1.6 million). Property, plant and equipment increased by € 0.7 million to € 8.2 million

(December 31, 2012: € 7.5 million). This is mainly due to the transfer of a development machine (€ 1.0 million) from capitalized development expenses to property, plant and equipment. The capital expenditure in property, plant and equipment remained around the prior-year level and amounted to € 0.4 million in the 1<sup>st</sup> half of 2013 (previous year: € 0.4 million). In the quarter under review capitalized investments development expenses amounted to € 0.2 million (previous year: € 0.3 million). Most of the spending was used for replacement investments. In the period under review the other intangible assets dropped by € 1.1 million. This change is mainly due to periodic write-offs on the acquired customer base at that time from the acquisition of the Blu-ray Disc activities of the Oerlikon Balzer AG in the amount of € 0.6 million. In addition, the accounts receivable due in more than 12 months declined by € 1.8 million to € 5.3 million in the period under review (December 31, 2012: € 3.5 million).

Current assets declined by € 17.4 million during the period under review. The reason is a decline in cash and cash equivalents in the amount of € 15.7 million due to the payment of interest for the bond (€ -4.7 million), the capital deployment for ongoing production orders and the weak business activities in the 1<sup>st</sup> half of 2013. Furthermore, accounts receivable due within one year rose by € 2.0 million. Inventories decreased by € 6.5 million mainly due to the sale of inventoried machines in the Optical Disc division and amounted to € 39.6 million in total at the end of the period under review. Furthermore, the other receivables and other assets increased by € 2.3 million to € 27.0 million. This rise is predominantly caused by prepayments received for current projects.



The short-term liabilities declined by € 4.2 million compared with the year-end level of 2012. Specifically, short-term financing liabilities from the issue of the corporate bond declined by € 2.3 million. This is in connection with the payment of the coupon as of March 23, 2013 in the amount of € 4.7 million. In addition, the liabilities from production orders declined by € 4.4 million due to the completion of current orders, which are accounted for pursuant to the percentage-of-completion method. Accounts payable and other short-term liabilities declined by € 1.1 million and € 1.2 million, respectively. In contrast, prepayments received for current orders in the Optical Disc segment rose by € 4.9 million.

The long-term liabilities declined by € 3.5 million compared with the year-end level of 2012. This results from a reduction of long-term financing liabilities from the issuance of the bond (€ -1.8 million) due to the bond

buyback program. Furthermore, the long-term bank liabilities declined by € 1.3 million owing to the term to maturity and the corresponding transfer to short-term liabilities in connection with the regular repayment of the KfW loan.

### **Shareholders' equity**

The shareholders' equity in the Group declined by € 8.6 million in the quarter under review and stood at € 65.9 million as of June 30, 2013 (December 31, 2012: € 74.5 million). Equity in the amount of € 65.0 million is attributable to the shareholders of the parent company and € 0.9 million to minorities. Accordingly, the equity ratio amounts to 34.6 % (December 31, 2012: 36.1 %).

### **Cash Flow**

In the 1<sup>st</sup> half 2013 the operating cash flow in the Group was negative at € -5.1 million, but was nevertheless € 2.9 million higher than the prior-year level of € -8.0 million. Due to the issue of the corporate bond in March 2012 the cash flows from investing activities and from

financing activities differ materially from the prior-year levels. The cash flow from investing activities came to € -2.0 million (previous year: € -33.4 million). The prior-year period was characterized by the investment of liquid funds from the inflow due to the bond in the amount of € 30.0 million. These funds with a term to maturity exceeding three months are reported in the investing segment of the cash flow calculation. The cash flow from financing activities amounted to € -8.5 million in the first half 2013 and was characterized by the payment of interest for the corporate bond (€ 4.7 million). In the previous year, the cash flow from financing activities amounted to € 57.2 million due to the cash inflow from the issue of the bond. Overall, in the 1<sup>st</sup> half of 2013 the funds in the cash flow statements declined by € 15.7 million analogous to the decline in cash and cash equivalents reported in the balance sheet.

### **Risk Report**

During the first six months of the business year 2013 there were no changes regarding the risks depicted in the Annual Report for the year 2012.

### **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. However, the price situation in the Solar segment strongly depends on the future developments of demand in this market.

### **Research and development**

At € 3.7 million the expenditures for developments in the 1<sup>st</sup> half of 2013 were around the prior-year's level (previous year: € 3.8 million). The expenditures for development activities came to € 1.7 million (previous year: € 2.1 million) in the quarter under review.

### **Employees**

Due to the implemented streamlining of the international activities as well as due to the cost reduction measures in the area of wet-chemical machines at our site in Fürstenfeldbruck, the number of employees in the SINGULUS TECHNOLOGIES Group declined from 444 employees as of June 30, 2012 to 362 employees as of June 30, 2013. During the 1<sup>st</sup> half of 2013 381 employees were employed on average in the group of companies (previous year: 449 employees).

### **Changes in the Executive and Supervisory Boards**

There were no changes of the members of the Executive and Supervisory Boards in the period under review. Ms. Christine Kreidl, who was appointed as successor of Mr. Günter Bachmann in December 2012 by the relevant Local Court as Supervisory Board member until the following Annual General Meeting, was elected to the Supervisory Board in the course of the Annual General Meeting on June 6, 2013 with more than 99 % of the shareholder votes present.

### The SINGULUS Stock

The SINGULUS TECHNOLOGIES shares started the 2<sup>nd</sup> quarter 2013 on April 2, 2012 with a share price of € 1.27. At the end of the 1<sup>st</sup> half of the year the stock closed at € 1.38 on June 28. Accordingly, SINGULUS TECHNOLOGIES has a market capitalization of € 67.5 million.

### Corporate bond

With the approval of the Supervisory Board the Executive Board of SINGULUS TECHNOLOGIES resolved to again prolong the buyback program of the corporate bonds issued on March 23, 2012, which was commenced on December 11, 2012 and limited to June 30, 2013, until December 31, 2013 and to increase the total volume to € 5.0 million at maximum. The other conditions of the program remain unchanged.

### Outlook for the business year 2013

We are currently anticipating to once again grow sales in the segments Optical Disc, Solar and Semiconductor in 2013 compared with 2012 and expect to complete the business year in the Group with an overall slightly positive operating result (EBIT). However, adjusting for financing expenses a slightly negative net result for the Group pursuant to IFRS would result. To achieve the growth in sales in the Solar division projected in our forecasts it is required to achieve a corresponding, order intake in the 3<sup>rd</sup> quarter 2013.

To strengthen and further develop the existing business areas the company pursued the targeted development of new

products and application areas based on its core competencies in order to open new markets with this. This strategic further development of the existing product portfolio by internal measures is in the focus in the business year 2013. At the same time we are reviewing reasonable acquisition opportunities to strengthen the sustainable development at SINGULUS TECHNOLOGIES.

With the consistent and successful implementation of this strategy we expect a return to a long-term growth path once again.

Yours sincerely,

The Executive Board

SINGULUS TECHNOLOGIES AG

## Consolidated Balance Sheet

as of June 30, 2013 and December 31, 2012 (IFRS unaudited)

### ASSETS

	June 30, 2013	Dec. 31, 2012
	[EUR m]	[EUR m]
Cash and cash equivalents	40.2	55.9
Trade receivables	25.0	23.0
Receivables from construction contracts	3.9	3.4
Other receivables and other assets	27.0	24.7
Total receivables and other assets	55.9	51.1
Raw materials, consumables and supplies	15.6	20.0
Work in process	24.0	26.1
Total inventories	39.6	46.1
<b>Total current assets</b>	<b>135.7</b>	<b>153.1</b>
Trade receivables	5.3	3.5
Borrowings	3.9	3.7
Property, plant and equipment	8.2	7.5
Capitalized development costs	6.6	7.1
Goodwill	21.7	21.7
Other intangible assets	7.8	8.9
Deferred tax assets	1.0	1.0
<b>Total non-current assets</b>	<b>54.5</b>	<b>53.4</b>
<b>Total assets</b>	<b>190.2</b>	<b>206.5</b>

## LIABILITIES

	June 30, 2013	Dec. 31, 2012
	[EUR m]	[EUR m]
Trade payables	6.7	7.8
Current bank liabilities	2.5	2.5
Prepayments received	8.6	3.7
Liabilities from construction contracts	11.7	16.1
Current financial liabilities from the issuance of bonds	1.3	3.6
Other current liabilities	11.5	12.7
Provisions for restructuring measures	4.9	5.1
Provisions for taxes	0.2	0.3
Other provisions	2.4	2.2
<b>Total current liabilities</b>	<b>49.8</b>	<b>54.0</b>
Non-current financial liabilities from the issuance of bonds	56.5	58.3
Non-current bank liabilities	0.4	1.7
Provisions for restructuring measures	7.0	7.5
Pension provisions*	10.6	10.5
<b>Total non-current liabilities</b>	<b>74.5</b>	<b>78.0</b>
<b>Total liabilities</b>	<b>124.3</b>	<b>132.0</b>
Subscribed capital	48.9	48.9
Capital reserves	77.2	77.2
Reserves*	2.2	2.2
Retained earnings*	-63.3	-54.8
<b>Equity attributable to owners of the parent</b>	<b>65.0</b>	<b>73.5</b>
<b>Non-controlling interests</b>	<b>0.9</b>	<b>1.0</b>
<b>Total equity and liabilities</b>	<b>65.9</b>	<b>74.5</b>
<b>Total equity and liabilities</b>	<b>190.2</b>	<b>206.5</b>

\* Prior-year figures adjusted

## Consolidated Income Statement

as of June 30, 2013 and 2012 (IFRS unaudited)

	2 <sup>nd</sup> Quarter				6 Months			
	2013		2012		2013		2012	
	[EUR m]	[in %]	[EUR m]	[in %]	[EUR m]	[in %]	[EUR m]	[in %]
<b>Revenue (gross)</b>	<b>26.4</b>	<b>100.8</b>	27.6	100.0	<b>49.2</b>	<b>100.6</b>	43.6	100.7
Sales deductions and direct selling costs	-0.2	-0.8	0.0	0.0	-0.3	-0.6	-0.3	-0.7
<b>Revenue (net)</b>	<b>26.2</b>	<b>100.0</b>	27.6	100.0	<b>48.9</b>	<b>100.0</b>	43.3	100.0
Cost of sales	-19.7	-75.2	-21.2	-76.8	-39.1	-80.0	-32.5	-75.1
<b>Gross profit on sales</b>	<b>6.5</b>	<b>24.8</b>	6.4	23.2	<b>9.8</b>	<b>20.0</b>	10.8	24.9
Research and development	-2.0	-7.6	-3.2	-11.6	-3.6	-7.4	-6.4	-14.8
Sales and customer service	-3.7	-14.1	-4.7	-17.0	-7.7	-15.7	-8.8	-20.3
General administration	-3.0	-11.5	-2.6	-9.4	-5.4	-11.0	-5.4	-12.5
Other operating expenses	-0.2	-0.8	-2.6	-9.4	-0.7	-1.4	-4.2	-9.7
Other operating income	0.8	3.1	0.0	0.0	1.1	2.2	1.6	3.7
Total operating expenses	-8.1	-30.9	-13.1	-47.5	-16.3	-33.3	-23.2	-53.6
<b>EBIT</b>	<b>-1.6</b>	<b>-6.1</b>	-6.7	-24.3	<b>-6.5</b>	<b>-13.3</b>	-12.4	-28.6
Finance income	0.6	2.3	0.3	1.1	1.2	2.5	0.5	1.2
Finance costs	-1.5	-5.7	-1.7	-6.2	-2.9	-5.9	-2.0	-4.6
<b>EBT</b>	<b>-2.5</b>	<b>-9.5</b>	-8.1	-29.3	<b>-8.2</b>	<b>-16.8</b>	-13.9	-32.1
Tax expenses/income	-0.2	-0.8	0.5	1.8	-0.4	-0.8	1.6	3.7
<b>Profit or loss for the period</b>	<b>-2.7</b>	<b>-10.3</b>	-7.6	-27.5	<b>-8.6</b>	<b>-17.6</b>	-12.3	-28.4
Thereof attributable to:								
Owners of the parent	-2.7		-7.5		-8.5		-12.2	
Minority interests	0.0		-0.1		-0.1		-0.1	
	[in €]		[in €]		[in €]		[in €]	
Basic earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.05		-0.15		-0.17		-0.25	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	-0.05		-0.15		-0.17		-0.25	
Basic number of shares, pieces	48,930,314		48,930,314		48,930,314		48,930,314	
Diluted number of shares, pieces	48,930,314		48,930,314		48,930,314		48,930,314	

## Consolidated Statement of Comprehensive Income

as of June 30, 2013 and 2012 (IFRS unaudited)

	2 <sup>nd</sup> Quarter		6 Months	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	[EUR m]	[EUR m]	[EUR m]	[EUR m]
Profit or loss for the period	-2.7	-7.6	-8.6	-12.3
Exchange differences in the fiscal year	-0.3	2.0	0.0	1.1
Other comprehensive income	-0.3	2.0	0.0	1.1
<b>Total comprehensive income</b>	<b>-3.0</b>	<b>-5.6</b>	<b>-8.6</b>	<b>-11.2</b>
Thereof attributable to:				
Owners of the parent	-2.9	-5.6	-8.5	-11.2
Minority interests	-0.1	0.0	-0.1	0.0

## Statement of Changes in Consolidated Equity

as of June 30, 2013 and 2012 (IFRS unaudited)

	Equity attributable to owners of the parent							Minority interests	Equity
	Subscribed capital [EUR m]	Capital reserves [EUR m]	Reserves [EUR m]		Retained earnings [EUR m]		Total [EUR m]	[EUR m]	[EUR m]
			Currency translation reserves	Hedge accounting reserves	Actuarial gains and losses from pension plans*	Other retained earnings*			
As of 1, Januar 2012	48.9	77.2	1.4	-0.1	0.1	8.2	135.7	2.3	138.0
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-12.2	-12.2	-0.1	-12.3
Other comprehensive income	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.1	1.1
Total comprehensive income	0.0	0.0	1.0	0.0	0.0	-12.2	-11.2	0.0	-11.2
As of 30, Juni 2012	48.9	77.2	2.4	-0.1	0.1	-4.0	124.5	2.3	126.8
As of 1, Januar 2013	48.9	77.2	2.2	0.0	-1.9	-52.9	73.5	1.0	74.5
Profit or loss for the period	0.0	0.0	0.0	0.0	0.0	-8.5	-8.5	-0.1	-8.6
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	-8.5	-8.5	-0.1	-8.6
As of 30, Juni 2013	48.9	77.2	2.2	0.0	-1.9	-61.4	65.0	0.9	65.9

\* after transaction costs



## Consolidated Cash Flow Statement

as of June 30, 2013 and 2012 (IFRS unaudited)

	June 30, 2013		June 30, 2012*	
	[EUR m]		[EUR m]	
<b>Cash flows from operating activities</b>				
Profit or loss for the period		-8.6		-12.3
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	2.9		6.0	
Net allocation to pension provisions	0.0		0.1	
Other non-cash income	-0.3		0.5	
Net interest income*	1.7		1.5	
Net tax expense*	0.4		-1.6	
Change in trade receivables*	-3.8		8.3	
Change in contract work	-4.9		-3.1	
Change in other receivables and other assets	-1.6		-1.1	
Change in inventories	6.6		-14.5	
Change in trade payables	-1.1		1.6	
Change in other liabilities*	-0.8		1.6	
Change in prepayments	4.9		5.1	
Change in loans to customers	-0.2		0.0	
Change in provisions from restructuring measures	-0.7		0.0	
Change in other provisions	0.1		0.1	
Interest paid for bank loans*	-0.3		-0.4	
Interest received*	1.2		0.5	
Income taxes paid*	-0.6	3.5	-0.3	4.3
<b>Net cash from/used in operating activities*</b>		<b>-5.1</b>		<b>-8.0</b>

\* Prior-year figures adjusted

	June 30, 2013		June 30, 2012*	
	[EUR m]		[EUR m]	
<b>Cash flows from investing activities*</b>				
Cash paid for investments in development projects	-1.5		-1.9	
Change in cash and cash equivalents (with terms longer than 3 months)*	0.0		-30.0	
Cash paid for investments in other intangible assets and property, plant and equipment	-0.5		-0.5	
Cash paid for the acquisition of Oerlikon's Blu-Ray business	0.0	-2.0	-1.0	-33.4
Net cash from/used in investing activities*		-2.0		-33.4
<b>Cash flows from financing activities</b>				
Cash received from the issue of a bond	0.0		58.4	
Cash used to pay down loans	-1.2		-1.3	
Redemption of bonds	-1.9		0.0	
Change in financial assets subject to restrictions on disposal	-0.7		0.1	
Interests paid for bond	-4.7	-8.5	0.0	57.2
Net cash from/used in financing activities		-8.5		57.2
<b>Decrease in cash and cash equivalents</b>		-15.6		15.8
Effect of exchange rate changes		-0.1		0.2
<b>Cash and cash equivalents in the statement of cash flows at the beginning of the fiscal year</b>		40.9		17.8
<b>Cash and cash equivalents in the statement of cash flows at the end of the fiscal year</b>		25.2		33.8
Time deposits with terms longer than 3 months		15.0		30.0
<b>Cash and cash equivalents at the end of the fiscal year</b>		40.2		63.8

\* Prior-year figures adjusted

## Notes to the interim results (unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS TECHNOLOGIES" or the "Company") is an exchange-listed stock corporation domiciled in Germany. The consolidated financial accounts presented for the interim reporting of the SINGULUS TECHNOLOGIES AG and its subsidiaries (the "Group") for the 1<sup>st</sup> half of the business year 2013 were approved for publication by decision of the Executive Board as of August 12, 2013.

The consolidated financial accounts were drawn up in Euro (EUR/€). If not stated otherwise, all figures are in millions of Euro (million €). Due to statements in million € differences in rounding may occur.

### Accounting and valuation principles

The preparation of the abbreviated consolidated interim results for the period from January 1 to June 30, 2013 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, 2012.

The preparation of the annual results pursuant to IAS 34 requires estimates and assumptions by the management, affecting 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 2012. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2012.

In June 2011 the IASB published changes of IAS 19 - Employee Benefits - which were adopted by the EU in June 2012. The changes of IAS 19 are principally mandatorily applicable with retrospective effect for accounts for the business commencing on or after January 1, 2013. The Group adjusted the reported prior-year figures for the effects from the changes of IAS 19.

For the valuation of the provisions for pensions the Group has so far applied the corridor approach. The abolishment of the corridor method due to the changed IAS 19 has an effect on the actuarial gains and losses directly in the balance sheet and resulted in an increase in the provisions for pensions in the amount of € 2.7 million as well as a reduction of the shareholders' equity in the same amount. The consolidated profit and loss statements will be unaffected by actuarial gains and losses in the future, since they are included in the other result from now on.

With the reporting as of December 31, 2012 term deposits with a maturity of more than three months were no longer reported as a component of the funds in the cash flow statements pursuant to IAS 7.7. The changes in term deposits with a remaining term to maturity exceeding three months are separately reported since then within the cash flow from investing activities. Correspondingly, below the cash flow statements a transition towards cash and cash equivalents in the balance sheet was included. In addition, with the reporting as of December 31, 2012 interest payments made and received (IAS 7.31) as well as cash flow from income taxes (IAS 7.35) were separately reported. Pursuant to IAS 8.42 the respective figures for the year 2012 were adjusted accordingly.

### 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, 2013, in addition to the SINGULUS TECHNOLOGIES AG one domestic and 12 foreign subsidiaries were included.

No companies have been added or deleted from the scope of consolidation in the current business year.

### Accounts receivable

The accounts receivable as of June 30, 2013 are split as follows:

	June 30, 2013	Dec. 31, 2012
	EUR m	EUR m
Accounts receivable – short-term	29.8	27.4
Receivables from production orders	3.9	3.4
Accounts receivable – long-term	5.3	4.1
less write-offs	-4.8	-5.0
	34.2	29.9

### Intangible assets

Capitalized development expenses, goodwill, customer bases as well as concessions, intellectual property rights and other intangibles are included under intangible assets.

As of June 30, 2013, the capitalized development expenses amounted to € 6.6 million (December 31, 2012: € 7.1 million). In the 1<sup>st</sup> half of 2013 the investments in developments totaled € 1.5 million (previous year: € 1.9 million). In the same period scheduled write-offs and amortization amounted to € 1.0 million (previous year: € 3.1 million). In the quarter under review development expenses amounted to € 0.4 million (previous year: € 1.0 million), the scheduled amortization for the respective period amounted to € 0.5 million (previous year: € 1.6 million).

### Property, plant & equipment

In the 1<sup>st</sup> half of the business year 2013 € 0.4 million were invested in property, plant & equipment (previous year: € 0.4 million). During the same period scheduled depreciation amounted to € 0.8 million (previous year: € 0.8 million). In the quarter under review capital expenditure amounted to € 0.2 million (previous year: € 0.3 million), the scheduled amortization for the respective period amounted to € 0.4 million (previous year: € 0.4 million).

### Contingent liabilities and other financial obligations

The contingent liabilities and other financial obligations not included in the consolidated accounts as of June 30, 2013 amount to € 47.6 million (December 31, 2012: € 47.6 million) and mainly include rent and leasing obligations (€ 28.1 million), guarantees for prepayments received (€ 16.1 million) as well as guarantees (€ 2.9 million).

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.

## Geographical breakdown of sales

Geographical information as of June 2013	Germany	Rest of Europe	North and South America	Asia	Africa and Australia
	EUR m	EUR m	EUR m	EUR m	EUR m
Sales by country of origin	36.0	3.3	8.5	1.4	0.0
Country of destination	4.3	8.1	23.3	7.9	5.6

  

Geographical information as of June 2012	Germany	Rest of Europe	North and South America	Asia	Africa and Australia
	EUR m	EUR m	EUR m	EUR m	EUR m
Sales by country of origin	28.7	2.9	5.8	6.2	0.0
Country of destination	7.8	7.1	16.1	11.3	1.3

## 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-capitalizable development expenses, the research and development expenses in the 2<sup>nd</sup> quarter of 2013 also include the scheduled amortization of capitalized development expenses in the amount of € 0.5 million (previous year: € 1.6 million). During the 1<sup>st</sup> half of 2013 write-offs on capitalized development activities amounted to € 1.0 million (previous year: € 3.1 million).

## Financial income and financing expenses

The interest income/expenses are composed as follows:

	June 30, 2013	June 30, 2012
	EUR m	EUR m
Interest income from long-term customer claims	0.6	0.4
Interest income from time deposits/sight deposits	0.2	0.1
other interest income	0.4	0.0
Financing expenses from issuance of bond	-2.5	-1.4
other financing expenses	-0.4	-0.6
	-1.7	-1.5

## Financial instruments

### Attributable time value

Cash and cash equivalents as well as accounts payable regularly have a short term to maturity. The balance sheet values are approximately the attributable time values. The same holds true for short-term accounts receivables and other assets.

The attributable time values of long-term accounts receivable corresponds to the present values corresponding to the payments of the assets subject to the relevant interest rate parameters.

As a valuation price for the foreign exchange forwards concluded, for cash rates the ECB reference prices and for forward rates the relevant forward rate prices of the relevant commercial banks are used.

The attributable time value of the exchange-listed bonds corresponds to the exchange price at the balance sheet date plus the book value of the accrued interest liabilities as of the balance sheet date.

The attributable time values of liabilities owed to banks correspond to the repayment amount of the bank loan at the balance sheet date.

The following table displays the book values and the corresponding time values of all financial instruments included in the consolidated financial statement by class.

The maximum credit risk is reflected by the book values of the financial assets and liabilities.

	Valuation category	Book value		Attributable time value	
		June 30, 2013	Dec. 31, 2012	June 30, 2013	Dec. 31, 2012
		EUR m	EUR m	EUR m	EUR m
<b>Financial assets</b>					
Cash and cash equivalents	L&R	40.2	55.9	40.2	55.9
Borrowings	L&R	3.9	3.7	3.9	3.7
Other assets	L&R	18.3	17.6	18.3	17.6
Derivatives					
Hedging derivatives	FAHfT	0.1	0.1	0.1	0.1
Accounts receivable	L&R	30.3	26.5	30.3	26.5
Receivables from production orders	L&R	3.9	3.4	3.9	3.4
<b>Financial liabilities</b>					
Corporate bond	FLAC	57.8	61.9	52.5	47.8
Loans with variable interest rate	FLAC	2.9	4.2	2.9	4.2
Derivatives	HD	0.0	0.0	0.0	0.0
Hedging derivatives					
Other derivatives	FLHfT	0.0	0.0	0.0	0.0
Accounts payable	FLAC	6.7	7.8	6.7	7.8
<b>Off-balance sheet instruments</b>					
Loan commitments to customers		1.3	1.5	1.3	1.5
<b>Total</b>	L&R	96.6	107.1	96.6	107.1
<b>Total</b>	FAHfT	0.1	0.1	0.1	0.1
<b>Total</b>	FLAC	67.4	73.9	62.1	59.8
<b>Total</b>	FLHfT	0.0	0.0	0.0	0.0
<b>Total</b>	HD	0.0	0.0	0.0	0.0

**Annotations to the abbreviations:**

L&R: Loans and Receivables  
FAHfT: Financial Assets Held for Trading

FLAC: Financial Liabilities Measured at Amortised Cost  
FLHfT: Financial Liabilities Held for Trading  
HD: Hedging derivatives

Financial liabilities accounted for at net book value resulted in a net loss of € 2.6 million (previous year: € 1.6 million). The net losses are exclusively attributable to interest payments.

#### *Hierarchy of attributable time values*

The Group applies the following hierarchy for the calculation and reporting of the corresponding time values of financial instruments as per valuation method:

Level 1: listed (unadjusted) prices on active markets for similar assets or liabilities,

Level 2: methods, in which all input parameters which have a material impact on the calculated attributable time value, can be observed directly or indirectly,

Level 3: methods, which use input parameters, which have a material impact on the calculated attributable time value and which are not based on observable market data.

Assets, which are valued at the attributable time value:

	As of June 30, 2013	Level 1	Level 2	Level 3
<b>Attributable time value of financial assets that are earnings relevant</b>	EUR m	EUR m	EUR m	EUR m
Foreign exchange contracts – hedging	0.1	-	0.1	-
	As of December 31, 2012	Level 1	Level 2	Level 3
<b>Attributable time value of financial assets that are earnings relevant</b>	EUR m	EUR m	EUR m	EUR m
Foreign exchange contracts – hedging	0.1	-	0.1	-

Liabilities, which are valued at the attributable time value:

	As of June 30, 2013	Level 1	Level 2	Level 3
<b>Attributable time value of financial liabilities that are earnings relevant</b>	EUR m	EUR m	EUR m	Mio. €
Foreign exchange contracts – hedging	0.0	-	0.0	-
	As of December 31, 2012	Level 1	Level 2	Level 3
<b>Attributable time value of financial liabilities that are earnings relevant</b>	EUR m	EUR m	EUR m	EUR m
Foreign exchange contracts – hedging	0.0	-	0.0	-



### 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 period under review.

For the calculation of the diluted 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 common shares in circulation during the period under review in addition to the weighted average number of shares resulting from the conversion of all potential common shares with dilution effect into common shares.

Dilution effects were neither recorded in the period under review nor in the same period one year ago. In the period from the balance sheet date until the drawing up of the consolidated financial statements there were no additional transactions of common shares or potential common shares.

### Events after the Balance Sheet Date

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:

The following members of the Supervisory Board are shareholders of the company:

	June 30, 2013
	shares
Dr.-Ing. Wolfhard Lechnitz	39,344

Furthermore, at the end of the quarter under review members of the Executive Board had themselves purchased the following number of shares of the SINGULUS TECHNOLOGIES AG:

	June 30, 2013
	shares
Dr.-Ing. Stefan Rinck	9,619
Markus Ehret	7,000
	16,619

### Affirmation of the Legal Representatives

"We assert to our best knowledge and belief that pursuant to the applicable accounting principles for the interim financial reporting the consolidated financial statements reflect the true situation of the asset, financial and earnings situation of the Group. The consolidated interim status report depicts the course of business including the financial results and the situation of the Group in a way reflecting the true situation and describing the material opportunities and risks of the foreseeable developments of the Group during the remainder of the business year."

Kahl am Main, August 2013

SINGULUS TECHNOLOGIES AG

The Executive Board

## At a glance –

### Consolidated Key Figures 2<sup>nd</sup> Quarter 2011-2013

		2011	2012	2013
Revenue (gross)	in million €	44.8	27.6	26.4
Order intake	in million €	49.1	31.3	33.2
EBIT	in million €	2.3	-6.7	-1.6
EBITDA	in million €	5.1	-3.7	-0.1
Earnings before taxes	in million €	1.5	-8.1	-2.5
Profit/loss for the period	in million €	1.1	-7.6	-2.7
Research & development expenditures	in million €	2.3	2.1	1.7

### Consolidated Key Figures 1<sup>st</sup> Half Year 2011-2013

		2011	2012	2013
Revenue (gross)	in million €	64.6	43.6	49.2
Order intake	in million €	115.0	87.0	48.8
Order backlog (06/30)	in million €	85.9	70.2	39.7
EBIT	in million €	-0.2	-12.4	-6.5
EBITDA	in million €	5.4	-6.4	-3.6
Earnings before taxes	in million €	-1.6	-13.9	-8.2
Profit/loss for the period	in million €	-2.7	-12.3	-8.6
Operating cash flow	in million €	9.5	-8.0	-5.1
Shareholders' equity	in million €	126.4	126.7	65.9
Balance sheet total	in million €	200.7	238.6	190.2
Research & development expenditures	in million €	3.8	3.8	3.7
Employees (06/30)		463	444	362
Weighted number of shares, basic		41.400.342	48.930.313	48.930.313
Earnings per share, basic	€	-0.06	-0.25	-0.17

## Corporate Calendar 2013

**August** 13.08. Quartalsbericht Q2/2013

**November** 12.11. Quartalsbericht Q3/2013

## 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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