Report for the 1st Half 2014

Consolidated Report Pursuant to IFRS
as of June 30, 2014 (unaudited)

SINGULUS

Key Financial Figures of the 1st Half 2014

- → Delays in the Optical Disc segment
- → Half-year results impacted
- → First projects in the Solar division successfully realized, additional projects pending
- → Achievement of full-year forecast very challenging

The key financial results for the 1st half 2014 of the SINGULUS TECHNOLOGIES AG (SINGULUS TECHNOLOGIES) were weaker than in the previous year due to up to date restrained order activities for Blu-ray Disc production machines. Sales in the 1st half of 2014 amounted to € 30.1 million (previous year: € 49.2 million). In the 2nd quarter sales in the amount of € 13.4 million (previous year: € 26.4 million) were realized. The order intake in the 1st half of the business year 2014 stood at € 25.2 million (previous year: € 48.8 million). The order intake in the 2nd quarter amounted to € 11.1 million (previous year: € 33.2 million).

Due to still low order intake for Blu-ray equipment and the continuing delays in order intake in the Solar division the order backlog stood at € 15.4 million as of June 30, 2014 compared with € 39.7 million in the prior-year period. In the 1st half of 2014 earnings before interest and taxes (EBIT) came to € -12.5 million (previous year: € -6.5 million). The EBIT in the quarter under review was also negative at € 7.4 million (previous year: € -1.6 million).

Universal vacuum coating machine ROTARIS during commissioning in the clean room in Kahl/Main

Optical Disc

The worldwide penetration of Blu-ray Discs continues to grow. Market research institutes project a nearly 10% growth rate for the Blu-ray Disc for the current year 2014. A stable development of the high-quality physical medium Blu-ray is expected. According to the German Association of Audio-visual Media (BVV), nearly nine out of ten Euros (89 %) of sales are generated by physical offers (DVD, Blu-ray). The market is also positively affected by the successful market introduction of the new Xbox One with Blu-ray Disc drive and the Playstation PS 4. Games on Blu-ray format provide a still growing demand for Blu-ray Discs in the sub-market.

However, SINGULUS TECHNOLOGIES so far experienced a weak order intake for Blu-ray Disc production machines in the 1st half of 2014. As in the prior years, framework contracts have been concluded with large key customers, which have not resulted in noteworthy call-offs so far.

The big Hollywood studios have been rather cautious during the first half of the year. There are several reasons for this restraint. The production volume of Blu-ray Discs is heavily impacted by the publication of successful Hollywood movies ("Blockbusters").

In the current year 2014 there have only been few blockbusters at the box office up to date, which results in a less pronounced demand for physical media.

According to experience the order phase for Blu-ray Disc production machines runs until the end of September or beginning of October of each year, which is the reason that the actual volumes for 2014 cannot reliably be assessed.

Since SINGULUS TECHNOLOGIES sold many production lines for optical discs in the past year, the service activities continue to make significant contributions in the Optical Disc segment.

MEDIA-TECH Europe Conference in Hamburg, Germany

Solar

Nearly all studies for the solar market forecast a beginning upswing for the market in 2014. For the next couple of years a more positive trend is projected. SINGULUS TECHNOLOGIES will participate in the upturn with its machine technology.

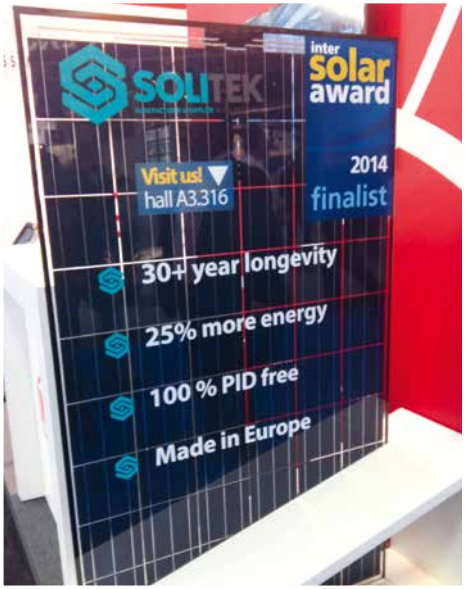
The order situation for the wet-chemical process equipment has already been positive in the recent months. In addition to the order intake for several machines of the LINEA and SILEX type, on June 25, 2014 a first large contract was signed with Apollo Precision (Fujian) Limited China, a 100 % subsidiary of the Hanergy Solar Group (Hanergy).

The agreement includes the delivery of a TENUIS II production line for the wet-chemical application of buffer layers. This machine is an important processing step in the manufacturing of CIGS thin-film solar modules.

M•Cells, a leading Chinese Solar cell producer, made the first call-off order in the 1st half of 2014 from the existing framework contract for the delivery of up to 16 vacuum coating machines. The SINGULAR XP vacuum coating equipment is intended for the rear side passivation of crystalline PERC solar cells in the production of 500 MW highly efficient multi-cells.

The Lithuania-based companies BOD Group, ViaSolis and Baltic Solar Energy were combined and under the new corporate name SoliTek present poly-crystalline solar cells, glass-glass PV modules and complete PV system solutions "Made in Europe". SoliTek's factory is the first factory for solar cells and PV modules newly built in Europe since 2008. The cell production line was completed by SINGULUS TECHNOLOGIES in the 4th quarter 2013. The solar cells from the SINGULUS TECHNOLOGIES line are 100 % PID-free (potential induced degration, i.e. power-related output degration, caused by so-called leakage currents).

In the 1st half 2014 SINGULUS TECHNOLOGIES delivered a SINGULAR XP and a LINEA system as an upgrade solution for the enhancement of cell efficiency according to the PERC principle to the BOD Group and together with partners develops a production process for the industrial mass production of PERC cells.



100 % PID-free solar modules of the company SoliTek

In its study from July 2014 the international market research company Solarbuzz projects sustained increases in investment for photovoltaic production equipment. The investment is set to rise to more than US$ 3.3 billion until the next year and hence more than double. For the year 2016 a further increase to more than US$ 5 billion is forecast. The CIGS thin-film module market, which is important for SINGULUS TECHNOLOGIES, is expected to more than triple to 4.2 GW within the next four years.

If this growth is realized, it is assumed that also the investments in cell production equipment will continue to exhibit a positive trend.

Semiconductor

At the beginning of 2014 SINGULUS TECHNOLOGIES received two new orders from Asia and the US for semiconductor vacuum coating machines. Both orders are intended for equipment in connection with MRAM applications. Talks with major customers are in a first project stage. 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, which will provide SINGULUS TECHNOLOGIES with additional order intake.

Furthermore, SINGULUS TECHNOLOGIES is extensively involved in project talks for the vacuum coating machine ROTARIS. The ROTARIS system is a modularly built machine platform for precise coating in ultra-high vacuum in R&D departments and for pilot productions.

With the new vacuum coating machine, which employs the principles of cathode sputtering, SINGULUS TECHNOLOGIES strengthens its market position as a manufacturer and development partner for innovative coating technology for semiconductor applications.

Booth of SINGULUS TECHNOLOGIES AG at the world`s largest trade fair for the solar industry in Shanghai/China with a TENUIS experimental system

Key financial figures

Order intake and order backlog

The order intake in the 1st half of 2014 amounted to 25.2 million (previous year: € 48.8 million), below the level achieved in the 1st half of 2013. In the quarter under review the order intake came to € 11.1 million (previous year: € 33.2 million). The order backlog amounted to € 15.4 million as of June 30, 2014 (June 30, 2013: € 39.7 million).

Sales and earnings

Sales in the first six months of the business year 2014 of € 30.1 million did not reach the prior-year level of € 49.2 million. The main reason is a significant decline in the Optical Disc division by € 14.3 million. The segments Solar (€ -1.4 million) and Semiconductor (€ -3.4 million) also had a negative impact on sales. Sales of € 13.4 million in the 2nd quarter 2014 (previous year: € 26.4 million) were thus also considerably lower than the prior-year level.

Sales in the 1st half-year are split into € 18.7 million in the Optical Disc segment (previous year: € 33.0 million), Solar at € 7.8 million (previous year: 9.2 million) and Semiconductor at € 3.6 million (previous year: € 7.0 million). In the quarter under review sales are split into € 8.7 million in the Optical Disc segment (previous year: € 21.4 million), Solar at € 2.4 million (previous year: 2.1 million) and Semiconductor at € 2.3 million (previous year: € 2.9 million).

For the 1st half of 2014 the percentage regional sales breakdown was as follows: North and South America 39.5 % (previous year: 47.3 %), Europe 32.2 % (previous year: 25.2 %), Asia 25.6 % (previous year: 16.1 %) as well as Africa and Australia 2.7 % (previous year: 11.4 %). The percentage regional breakdown of sales for the 2nd quarter 2014 was as follows: North and South America 48.5 % (previous year: 44.7 %), Europe 24.6 % (previous year: 24.6 %), Asia 23.9 % (previous year: 10.2 %) as well as Africa and Australia 3.0 % (previous year: 20.5 %).

In the 1st half of 2014 SINGULUS TECHNOLOGIES realized a gross profit margin in the amount of 16.7 % (previous year: 20.0 %). Due to the product mix and finishing work on current production orders in the Solar and Semiconductor divisions, the gross profit margin only came to 8.3 % in the 2nd quarter of 2014 (previous year: 24.8 %).

The operating expenses in the amount of € 17.5 million for the half-year were slightly above the prior-year level (€ 16.3 million). This trend is mainly due to higher expenses in the area of research and development of € 5.3 million compared with € 3.6 million in the prior-year period. In addition, the operating expenses include expenses for marketing & sales and customer service in the amount of € 7.2 million (previous year: € 7.7 million), general & administrative expenses in the amount of € 5.1 million (previous year: € 5.4 million), other operating expenses amounting to € 1.1 million (previous year: 0.7 million) as well as € 1.2 million of other operating income (previous year: 1.1 million).

In the quarter under review the expenses for research and development amounted to € 2.9 million (previous year: € 2.0 million), for sales & marketing and customer service to € 3.6 million (previous year: € 3.7 million) and general & administrative expenses to € 2.5 million (previous year: € 3.0 million). The other operating expenses came to € 0.4 million (previous year: € 0.2 million), the other operating income stood at € 0.9 million (previous year: € 0.8 million).

In the 1st half of 2014 earnings before interest and taxes (EBIT) came to € -12.5 million (previous year: € -6.5 million). The EBIT in the quarter under review was also negative at € 7.4 million (previous year: € -1.6 million).

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

Segment Reporting as of June 30, 2014	**Segment Optical Disc**		**Segment Solar**		**Segment Semiconductor**		**SINGULUS TECHNOLOGIES Group**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	[million €]	[million €]	**[million €]**	[million €]	**[million €]**	[million €]	**[million €]**	[million €]
6-month figures								
Sales (gross)	**18.7**	33.0	**7.8**	9.2	**3.6**	7.0	**30.1**	49.2
Sales deduction and individual selling expenses	**-0.2**	-0.3	**0.0**	0.0	**0.0**	0.0	**-0.2**	-0.3
Sales (net)	**18.5**	**32.7**	**7.8**	**9.2**	**3.6**	**7.0**	**29.9**	**48.9**
Write-offs and amortization	**-1.2**	-1.5	**-1.1**	-1.1	**-0.3**	-0.3	**-2.6**	-2.9
Operating result (EBIT)	**-3.9**	**0.7**	**-6.5**	**-5.6**	**-2.1**	**-1.6**	**-12.5**	**-6.5**
Financial result							**-1.8**	-1.7
Earnings before taxes							**-14.3**	-8.2
2nd Quarter								
Sales (gross)	**8.7**	21.4	**2.4**	2.1	**2.3**	2.9	**13.4**	26.4
Sales deduction and individual selling expenses	**-0.2**	-0.2	**0.0**	0.0	**0.0**	0.0	**-0.2**	-0.2
Sales (net)	**8.5**	**21.2**	**2.4**	**2.1**	**2.3**	**2.9**	**13.2**	**26.2**
Write-offs and amortization	**-0.6**	-0.8	**-0.5**	-0.6	**-0.2**	-0.1	**-1.3**	-1.5
Operating result (EBIT)	**-2.4**	**2.5**	**-3.9**	**-3.4**	**-1.1**	**-0.7**	**-7.4**	**-1.6**
Financial result							**-1.0**	-0.9
Earnings before taxes							**-8.4**	-2.5

Balance sheet and liquidity

The long-term assets in the amount of € 62.3 million are below the level of € 70.3 million as of December 31, 2013. This change mainly results from the decrease in accounts receivable with a term of more than one year. In the period under review they declined by € 5.2 million to € 15.2 million (previous year: € 20.4 million). In addition, long-term borrowings (by € 0.7 million to € 3.0 million), property, plant & equipment (by 0.6 million to € 6.9 million) as well as capitalized development expenses (by € 0.6 million to € 5.8 million) slightly declined. In the period under review the other intangible assets dropped by € 0.9 million.

Current assets declined by € 14.7 million to € 109.4 million during the period under review. The main reason is a decline in liquid funds by € 20.5 million to € 30.5 million due to the slow business activities. In addition, the increase in inventories by € 12.3 million resulted in a decline in liquid funds. The reason is the expected seasonal activities in the Optical Disc division in the 2nd half of the year. Furthermore, in March 2014 the payment of the interest for the bond amounting to € 4.4 million was due. The accounts receivable with a term of up to one year declined to € 18.5 million (previous year: € 23.7 million) due to the lower sales level. Furthermore, other receivables and assets declined to € 12.8 million (previous year: € 16.2 million) mainly due to the transfer of a customer payment of € 5.4 million to already forfeited receivables. In contrast, the inventories rose to € 40.4 million. In addition, receivables from production orders increased to € 5.0 million (previous year: € 2.7 million).

The short-term debt declined by € 8.5 million to € 39.5 million compared with the level at the end of 2013. 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, 2014 in the amount of € 4.4 million. In addition, the other liabilities declined analogue to the other receivables due to the transfer of a customer payment (€ 5.4 million) to € 13.9 million. In contrast, accounts payable rose by € 2.0 million to € 10.3 million relating to the balance sheet date. The short-term liabilities remained at previous year's level at € 72.6 million.

Shareholders' equity
The shareholders' equity in the Group declined by € 14.2 million in the quarter under review and stood at € 59.6 million as of June 30, 2014 (previous year: € 73.8 million). Equity in the amount of € 58.7 million is attributable to the shareholders of the parent company and € 0.9 million to minorities. The equity ratio decline and stood at 34.7 % (previous year: 38.0 %).

Cash flow
The operating cash flow was impacted by the quiet business activities and the build-up of inventories by € 12.3 million. In contrast, accounts receivable declined by € 10.4 million. In total, a negative operating cash flow in the amount of € 16.2 million resulted. This was € 11.1 million below the prior-year's level of € -5.1 million. The cash flow from investing activities came to € 4.4 million (previous year: € -2.0 million). Within the cash flow from investing activities term deposits maturing in more than three months are reported. These term deposits declined by € 5.0 million in the period under review. The cash flow from financing activities in the 1st half of the business year amounted to € -3.8 million (previous year: € -8.5 million) and mainly resulted from the payment of interest for the corporate bond in the amount of € 4.4 million. Due to the decline in term deposits with a term of more than three months by € 5.0 million a different report of the changes in cash and cash equivalents in the cash flow statements of € -15.5 million and the liquid funds in the balance sheet of € -20.5 million results.

Risk Report
After the balance sheet date we were informed by the special purpose company Alster & Elbe Inkasso GmbH, Hamburg, that an action for declaratory judgement will be filed against the SINGULUS TECHNOLOGIES AG and five other defendants with a volume of € 750 million in connection with business activities between the STEAG Hamatech AG and the meanwhile insolvent ODS Group, Dasssow, dating from the years 2002 and 2003. After its acquisition in 2005 the STEAG Hamatech AG was merged to the SINGULUS TECHNOLOGIES AG in 2009. According to our preliminary assessment of the application only available to us as a draft, together with our legal advisors we believe that the alleged claims are both time-barred and without merit. The SINGULUS TECHNOLOGIES AG will defend the claims and reserves the right to appropriate counter-measures.

During the first six months of the business year 2014 there were no changes regarding the risks depicted in the Annual Report for the year 2013.

Development of costs and prices

From our perspective the selling prices developed as planned in the 1st half of the business year. Material and personnel expenses also developed according to our budgets. However, the price situation in the Solar segment strongly depends on the future developments of demand in this market.

Research and development

At € 4.6 million the expenditures for developments in the 1st half of 2014 were around the prior-year's level of € 3.7 million. The expenditures for development activities came to € 2.6 million (previous year: € 1.7 million) in the quarter under review.

Employees

The headcount within the SINGULUS TECHNOLOGIES Group of 361 permanent employees remained at the level of the end of the business year 2013 (December 31, 2013: 362).

The SINGULUS TECHNOLOGIES stock

In the 2nd quarter, amid a positive stock market environment the SINGULUS TECHNOLOGIES stock steadily rose from € 2.50 on April 1, 2014 to € 2.63 on June 30, 2014. Since then the political and economic environment has changed and negatively impacted stock prices. The SINGULUS TECHNOLOGIES stock was not able to withdraw from this trend and closed about € 2 in the last days.

The SINGULUS TECHNOLOGIES corporate bond

The corporate bond of the SINGULUS TECHNOLOGIES AG has an annual coupon of 7.75 %, a term to maturity of five years and is due for repayment on March 22, 2017.

On December 11, 2012 the Executive Board of the SINGULUS TECHNOLOGIES AG resolved a bond buyback program. With the approval of the Supervisory Board as of June 23, 2014, the Executive Board decided to extend the buyback program initiated at the end of 2012 for the bonds issued on March 23, 2012 again until December 31, 2014. The buy-back program was already extended on March 26, 2013, on June 26, 2013 as well as on December 12, 2013. The total volume of a maximum of € 5.0 million henceforth still remains. The other conditions of the program remain unchanged. Since the beginning of the program a nominal volume of € 2.7 million was purchased.

Strategy and outlook for 2014

In the past couple of years SINGULUS TECHNOLOGIES has continuously further developed its technologic know-how on the basis of the core competencies nano- and vacuum-coating as well as thermal and wet-chemical process technology and is currently opening new markets with innovative products.

In its forecast for the business year 2014 SINGULUS TECHNOLOGIES assumed a slight increase in sales as well as in operating earnings (EBIT). A negative result was projected pursuant to IFRS.

The respective development in the three segments formed the foundation for this forecast. For the Optical Disc segment the Executive Board had already cautiously budgeted in fall 2013 and expected lower sales and earnings (EBIT). This expectation was also published in the Annual Report 2013.

Currently, the delays in the Optical Disc division with respect to orders and call-offs by our customers for Blu-ray machines are more substantial than anticipated. Market research institutes project a continued growth for the Blu-ray Disc market in 2014 and following this growth capital spending for new production equipment is also forecast. We expect that this year's order period will be concluded by the end of September or beginning of October, which will provide us a complete overview for the Optical Disc segment.

In the Solar division the business activities have been cautious so far. Not all of the expected order decisions were made yet, however. Here, we are well positioned with our products for several investment projects. The Executive Board anticipates additional large orders to be received in the 2nd half of the year, which together with the existing orders should make earnings contribution in the current year. In the Semiconductor division the business activities are in-line with expectations.

The described uncertainties cause the Executive Board to deem the achievement of breaking even on an operating basis as very challenging for the current business year 2014. However, there is no clear view over the development in the 2nd half of 2014 so far.

Yours sincerely,

The Executive Board
SINGULUS TECHNOLOGIES AG

Consolidated Balance Sheet

as of June 30, 2014 and December 31, 2013 (IFRS unaudited)

ASSETS

	June 30, 2014 [million €]	Dec. 31, 2013 [million €]
Liquid funds	**30.5**	51.0
Trade receivables	**18.5**	23.7
Receivables from contract work	**5.0**	2.7
Borrowings	**2.2**	2.4
Other receivables and other assets	**12.8**	16.2
Total receivables and other assets	**38.5**	45.0
Raw materials, consumables and supplies	**16.0**	14.4
Work in process	**24.4**	13.7
Total inventories	**40.4**	28.1
Total current assets	**109.4**	124.1
Trade receivables	**15.2**	20.4
Borrowings	**3.0**	3.7
Property, plant and equipment	**6.9**	7.5
Capitalized development costs	**5.8**	6.4
Goodwill	**21.7**	21.7
Other intangible assets	**7.0**	7.9
Deferred tax assets	**2.7**	2.7
Total non-current assets	**62.3**	70.3
Total assets	**171,7**	194,4

EQUITY AND LIABILITIES

	June 30, 2014	Dec. 31, 2013
	[million €]	[million €]
Trade payables	10.3	8.3
Prepayments received	6.8	7.3
Liabilities from construction contracts	0.6	0.6
Current financing liabilities from the issuance of bonds	1.3	3.6
Other current liabilities	13.9	20.7
Provisions for restructuring measures	2.1	2.4
Provisions for taxes	0.7	0.7
Other provisions	3.8	4.4
Total current liabilities	**39.5**	48.0
Non-current financing liabilities from the issuance of bonds	56.5	56.3
Provisions for restructuring measures	6.1	6.4
Pension provisions	10.0	9.9
Total non-current liabilities	**72.6**	72.6
Total liabilities	**112.1**	120.6
Subscribed capital	48.9	48.9
Capital reserves	77.2	77.2
Reserves	1.8	1.7
Retained earnings	-69.2	-54.9
Equity attributable to owners of the parent	58.7	72.9
Non-controlling interests	0.9	0.9
Total equity	**59.6**	73.8
Total equity and liabilities	**171.7**	194.4

Consolidated Income Statement

from January 1 to June 30, 2014 and 2013 (IFRS unaudited)

	2nd Quarter				6 Months			
	2014		2013		2014		2013	
	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]	[million €]	[in %]
Revenue (gross)	**13.4**	**101.5**	26.4	100.8	**30.1**	**100.7**	49.2	100.6
Sales deductions and direct selling costs	**-0.2**	**-1.5**	-0.2	-0.8	**-0.2**	**-0.7**	-0.3	-0.6
Revenue (net)	**13.2**	**100.0**	26.2	100.0	**29.9**	**100.0**	48.9	100.0
Cost of sales	**-12.1**	**-91.7**	-19.7	-75.2	**-24.9**	**-83.3**	-39.1	-80.0
Gross profit on sales	**1.1**	**8.3**	6.5	24.8	**5.0**	**16.7**	9.8	20.0
Research and development	**-2.9**	**-22.0**	-2.0	-7.6	**-5.3**	**-17.7**	-3.6	-7.4
Sales and customer service	**-3.6**	**-27.3**	-3.7	-14.1	**-7.2**	**-24.1**	-7.7	-15.7
General administration	**-2.5**	**-18.9**	-3.0	-11.5	**-5.1**	**-17.1**	-5.4	-11.0
Other operating expenses	**-0.4**	**-3.0**	-0.2	-0.8	**-1.1**	**-3.7**	-0.7	-1.4
Other operating income	**0.9**	**6.8**	0.8	3.1	**1.2**	**4.0**	1.1	2.2
Total operating expenses	**-8.5**	**-64.4**	-8.1	-30.9	**-17.5**	**-58.5**	-16.3	-33.3
Operating result (EBIT)	**-7.4**	**-56.1**	-1.6	-6.1	**-12.5**	**-41.8**	-6.5	-13.3
Finance income	**0.4**	**3.0**	0.6	2.3	**0.9**	**3.0**	1.2	2.5
Finance costs	**-1.4**	**-10.6**	-1.5	-5.7	**-2.7**	**-9.0**	-2.9	-5.9
EBT	**-8.4**	**-63.6**	-2.5	-9.5	**-14.3**	**-47.8**	-8.2	-16.8
Tax income	**0.1**	**0.8**	-0.2	-0.8	**0.0**	**0.0**	-0.4	-0.8
Profit or loss for the period	**-8.3**	**-62.9**	-2.7	-10.3	**-14.3**	**-47.8**	-8.6	-17.6
Thereof attributable to:								
Owners of the parent	**-8.3**		-2.7		**-14.3**		-8.5	
Non-controlling interests	**0.0**		0.0		**0.0**		-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	**-0.17**		-0.05		**-0.29**		-0.17	
Diluted earnings per share based on the profit for the period (in EUR) attributable to owners of the parent	**-0.17**		-0.05		**-0.29**		-0.17	
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

from January 1 to June 30, 2014 and 2013 (IFRS unaudited)

	2nd Quarter		6 Months	
	2014	2013	**01/01 - 06/30/2014**	01/01 - 06/30/2013
	[million €]	[million €]	**[million €]**	[million €]
Profit or loss for the period	**-8.3**	-2.7	**-14.3**	-8.6
Items that may be reclassified to profit and loss:				
Exchange differences in the fiscal year	**0.1**	-0.3	**0.1**	0.0
Total income and expense recognized directly in other comprehensive income	**0.1**	-0.3	**0.1**	0.0
Total comprehensive income	**-8.2**	-3.0	**-14.2**	-8.6
Thereof attributable to:				
Owners of the parent	**-8.2**	-2.9	**-14.2**	-8.5
Non-controlling interests	**0.0**	-0.1	**0.0**	-0.1

Statement of Changes in Equity

as of June 30, 2014 and 2013 (IFRS unaudited)

	Equity attributable to owners						Non-controlling interests	Equity
			Reserves	Loss carryforward				
	Subscribed capital [million €]	**Capital reserves [million €]**	**Currency translation reserves [million €]**	**Actuarial gains and losses from pension commitments [million €]**	**Other revenue reserves [million €]**	**Total [million €]**		
As of January 1, 2013	**48.9**	**77.2**	**2.2**	**-1.9**	**-52.9**	**73.5**	**1.0**	**74.5**
Profit or loss for the period	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**
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.0**	**-8.5**	**-8.5**	**-0.1**	**-8.6**
As of June 30, 2013	**48.9**	**77.2**	**2.2**	**-1.9**	**-61.4**	**65.0**	**0.9**	**65.9**
As of January 1, 2014	**48.9**	**77.2**	**1.7**	**-1.4**	**-53.5**	**72.9**	**0.9**	**73.8**
Profit or loss for the period	0.0	0.0	0.0	0.0	-14.3	-14.3	0.0	-14.3
Other comprehensive income	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.1**	**0.0**	**0.1**
Total comprehensive income	**0.0**	**0.0**	**0.1**	**0.0**	**-14.3**	**-14.2**	**0.0**	**-14.2**
As of June 30, 2014	**48.9**	**77.2**	**1.8**	**-1.4**	**-67.8**	**58.7**	**0.9**	**59.6**

Consolidated Statement of Cash Flows

from January 1 to June 30, 2014 and 2013 (IFRS unaudited)

	01/01 - 06/30/2014		01/01 - 06/30/2013	
	[million €]		[million €]	
Cash flows from operating activities				
Profit or loss for the period		-14.3		-8.6
Adjustment to reconcile profit or loss for the period to net cash flow				
Amortization, depreciation and impairment of non-current assets	2.6		2.9	
Other non-cash expenses/income	0.2		-0.3	
Net interest income	1.8		1.7	
Net tax expense	0.0		0.4	
Change in trade receivables	10.4		-3.8	
Change in construction contracts	-2.3		-4.9	
Change in other receivables and other assets	-2.6		-1.6	
Change in inventories	-12.3		6.6	
Change in trade payables	2.0		-1.1	
Change in other liabilities	-1.6		-0.8	
Change in prepayments	-0.5		4.9	
Change in loans	1.0		-0.2	
Change in provisions from restructuring measures	-0.5		-0.7	
Change in further provisions	-0.7		0.1	
Interest paid	-0.1		-0.3	
Interest received	0.7		1.2	
Income tax paid	0.0	-1.9	-0.6	3.5
Net cash from/used in operating activities		-16.2		-5.1

	01/01 - 06/30/2014		01/01 - 06/30/2013	
	[million €]		[million €]	
Cash flows from investing activities				
Cash paid for investments in development projects	**-0.4**		-1.5	
Cash paid for investments in other intangible assets and property, plant and equipment	**-0.2**		-0.5	
Change in time deposits (with terms longer than 3 months)	**5.0**		0.0	
Net cash from/used in investing activities		**4.4**		-2.0
Cash flows from financing activities				
Bond interest payments	**-4.4**		-4.7	
Cash used to redeem bonds	**0.0**		-1.9	
Cash used to pay down loans	**0.0**		-1.2	
Cash received/used on financial assets subject to restrictions on disposal	**0.6**		-0.7	
Net cash from/used in financing activities		**-3.8**		-8.5
Increase/decrease in cash and cash equivalents		**-15.6**		-15.6
Effect of exchange rate changes		**0.1**		-0.1
Cash and cash equivalents at the beginning of the reporting period		**35.0**		40.9
Cash and cash equivalents at the end of the reporting period		**19.5**		25.2
Time deposits with terms longer than 3 months		**11.0**		15.0
Liquid funds at the end of the reporting period		**30.5**		40.2

Notes to the interim results (unaudited)

The SINGULUS TECHNOLOGIES Aktiengesellschaft (hereinafter also "SINGULUS TECHNOLOGIES AG" 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 1st half of the business year 2014 were approved for publication by decision of the Executive Board as of August 13, 2014. 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, 2014 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, 2013. The results were neither audited nor reviewed by auditors. The preparation of the interim 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 2013. For a detailed description of the accounting principles please refer to the notes of the consolidated financial statements of our Annual Report 2013.

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, 2014, in addition to the SINGULUS TECHNOLOGIES AG three domestic and twelve 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, 2014 are split as follows:

	June 30, 2014	Dec. 31, 2013
	in million €	in million €
Accounts receivable – short-term	**20.8**	26.4
Receivables from production orders	**5.0**	2.7
Accounts receivable – long-term	**15.2**	20.4
less write-offs	**-2.3**	-2.7
	38.7	46.8

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, 2014, the capitalized development expenses amounted to € 5.8 million (December 31, 2013: € 6.4 million). In the 1st half of 2014 the investments in developments totaled € 0.4 million (previous year: € 1.5 million). In the same period scheduled write-offs and amortization amounted to € 1.0 million (previous year: € 1.0 million). In the quarter under review development expenses amounted to € 0.2 million (previous year: € 0.4 million), the scheduled amortization for the respective period amounted to € 0.5 million (previous year: € 0.5 million).

Property, plant & equipment

In the 1st half of the business year 2014 € 0.1 million were invested in property, plant & equipment (previous year: € 0.4 million). Most of the spending was used for replacement investments. During the same period scheduled depreciation amounted to € 0.7 million (previous year: € 0.8 million). In the quarter under review scheduled depreciation amounted to € 0.3 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, 2014 amount to € 30.9 million (December 31, 2013: € 34.0 million) and mainly include rent and leasing obligations (€ 25.5 million), guarantees for prepayments received (€ 3.3 million) as well as guarantees (€ 1.7 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 2014	Germany	Rest of Europe	North and South America	Asia	Africa & Australia
	in million €	in million €	in million €	in million €	in million €
Sales by country of origin	17.1	1.4	7.1	4.5	0.0
by country of destination	5.4	4.3	11.9	7.7	0.8

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

Sales reductions and individual selling expenses

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

Research and development expenses

In addition to the research and non-capitalizable development expenses, the research and development expenses in the 2nd quarter of 2014 also include the scheduled amortization of capitalized development expenses.

General administrative expenses

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

Financial income and financing expenses

The interest income/ expenses are composed as follows:

	June 30, 2014	June 30, 2013
	in million €	in million €
Interest income from long-term customer claims	**0.6**	0.5
Interest income from time deposits/ sight deposits	**0.1**	0.2
Interest income from loans	**0.2**	0.1
Gains from bond repurchase	**0.0**	0.4
Financing expenses from issuance of bond	**-2.5**	-2.5
other financing expenses	**-0.2**	-0.4
	-1.8	-1.7

Financial instruments

Attributable time value

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

	Valuation category	Book value June 30, 2014 in million €	Book value Dec. 31, 2013 in million €	Attributable time value June 30, 2014 in million €	Attributable time value Dec. 31, 2013 in million €
Financial assets					
Cash and cash equivalents **	L&R	**30.5**	51.0	**30.5**	51.0
Borrowings **	L&R	**5.2**	6.1	**5.2**	6.1
Other assets **	L&R	**6.2**	12.2	**6.2**	12.2
Derivatives					
Hedging derivatives **	HD	**0.0**	0.1	**0.0**	0.1
Accounts receivable **	L&R	**33.7**	44.1	**33.7**	44.1
Receivables from production orders **	L&R	**5.0**	2.7	**5.0**	2.7
Financial liabilities					
Corporate bond *	FLAC	**57.8**	59.9	**61.0**	56.7
Accounts payable **	FLAC	**10.3**	8.3	**10.3**	8.3
Total	L&R	**80.6**	116.1	**80.6**	116.1
Total	FLAC	**68.1**	68.2	**71.3**	65.0
Total	HD	**0.0**	0.1	**0.0**	0.1

* The valuation at attributable time value was accounted for as Level 1 attributable time value, based on the input factors of the applied valuation procedures.
** The valuations at attributable time value were accounted for as Level 2 attributable time value, based on the input factors of the applied valuation procedures.

Annotations to the abbreviations:
L&R: Loans and Receivables
FLAC: Financial Liabilities Measured at Amortised Cost
HD: Hedging Derivative

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.

Financial liabilities accounted for at amortized costs resulted in a net loss of € 2.5 million in the period under review (previous year: € 2.5 million). The net losses are mainly 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.

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
After the balance sheet date we were informed by the special purpose company Alster & Elbe Inkasso GmbH, Hamburg, that an action for declaratory judgement will be filed against the SINGULUS TECHNOLOGIES AG and five other defendants with a volume of € 750 million in connection with business activities between the STEAG Hamatech AG and the meanwhile insolvent ODS Group,

Dasssow, dating from the years 2002 and 2003. After its acquisition in 2005 the STEAG Hamatech AG was merged to the SINGULUS TECHNOLOGIES AG in 2009. According to our preliminary assessment of the application only available to us as a draft, together with our legal advisors we believe that the alleged claims are both time-barred and without merit. The SINGULUS TECHNOLOGIES AG will defend the claims and reserves the right to appropriate countermeasures.

During the first six months of the business year 2014 there were no changes regarding the risks depicted in the Annual Report for the year 2013.

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 Chairman of the Supervisory Board, Dr.-Ing. Leichnitz, held 39,344 shares of the company in total as of June 30, 2014.

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, 2014
	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 2014

The Executive Board

At a glance –
Consolidated Key Figures 2nd Quarter 2012-2014

		2012	2013	**2014**
Revenue (gross)	million €	27.6	26.4	**13.4**
Order intake	million €	31.3	33.2	**11.1**
EBIT	million €	-6.7	-1.6	**-7.4**
EBITDA	million €	-3.7	-0.1	**-6.1**
Earnings before taxes	million €	-8.1	-2.5	**-8.4**
Profit/loss for the period	million €	-7.6	-2.7	**-8.3**
Research & development expenditures	million €	2.1	1.7	**2.6**

Consolidated Key Figures 1st Half Year 2012-2014

		2012	2013	**2014**
Revenue (gross)	million €	43.6	49.2	**30.1**
Order intake	million €	87.0	48.8	**25.2**
Order backlog (06/30)	million €	70.2	39.7	**15.4**
EBIT	million €	-12.4	-6.5	**-12.5**
EBITDA	million €	-6.4	-3.6	**-9.9**
Earnings before taxes	million €	-13.9	-8.2	**-14.3**
Profit/loss for the period	million €	-12.3	-8.6	**-14.3**
Operating cash flow	million €	-8.0	-5.1	**-16.2**
Shareholders' equity	million €	126.7	65.9	**59.6**
Balance sheet total	million €	238.6	190.2	**171.7**
Research & development expenditures	million €	3.8	3.7	**4.6**
Employees (06/30)		444	362	**361**
Weighted number of shares, basic	€	48,930,314	48,930,314	48,930,314
Earnings per share, basic	€	-0.25	-0.17	**-0.29**

Corporate Calendar
2014

August 14	Q2/2014 Report
November 13	Q3/2014 Report

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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