3-MONTH REPORT 2011

AUGUSTA

Technologie AG

KEY FIGURES IN EUR THOUSAND

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Q1 2010	Q1 2011
Sales revenues	26,939	40,377
Gross profit	11,811	17,013
Gross margin	43.8%	42.1%
EBITDA	4,512	6,836
EBITDA margin	16.7%	16.9%
Depreciation	-732	-1,342
EBIT	3,779	5,495
EBIT margin	14.0%	13.6%
EBT	3,702	4,604
EBT margin	13.7%	11.4%
Taxes	-1,235	-1,386
Tax rate	33.4%	30.1%
Net income for the period before PPA depreciation	2,083	3,921
Earnings per share in EUR before PPA depreciation	0.27	0.52
Net income for the period from continued operations	1,898	3,191
Net income for the period from continued operations after minority interest	2,439	3,191
Earnings per share in EUR (continued operations)	0.25	0.42
Earnings per share in EUR (continued operations after minority interest)	0.32	0.42
Shares outstanding (average) in thousand	7,592	7,592

KEY FIGURES BALANCE SHEET	12/31/2010	03/31/2011
Total assets	168,133	176,726
Non-current assets	90,098	98,943
Current assets	78,035	77,783
- thereof cash and cash equivalents and other current financial assets	34,821	28,363
Equity	106,546	108,905
Equity ratio	63.4%	61.6%
Net liquidity	10,382	204
Working Capital	31,448	36,059
Closing share price (Xetra) in EUR	15.70	17.51
Enterprise Value (EV)	108,812	132,732

OTHER KEY FIGURES	Q1 2010	Q1 2011
Incoming orders	33,470	40,167
Order book	45,333	55,788
Number of employees (headcount)	524	664

Dear Shareholders and Friends of AUGUSTA,

After the record year of 2010 we have started very successfully into the new year 2011. Despite the unsettling images from the Arabian world and from Japan, we are confident that we will be able to continue our successful development this year.

In the first quarter of 2011 we have again achieved best marks in turnover, incoming orders and in profitability. The Vision segment contributes the greatest share to growth, where all target markets and regions are developing very well. The Sensor segment has also continued the growth course begun in the second half of 2010 and lies clearly above the comparable previous year's figures.

We have taken the most important step strategically and strengthened our Vision segment through further acquisitions: we have consolidated VDS Vosskühler GmbH, an innovative provider of infrared, x-ray and digital high-speed cameras since January 1, 2010. Furthermore, starting May 1, 2011, we will consolidate LMI Technologies Inc., a leading company for optical 3D sensor solutions. Both companies open up further technological growth markets for us and access to new customer groups. Due to their customer-specific and technological competence in markets to be added as well as their sales structures, the two companies fit extremely well into our existing Vision activities.

Here are the most important operational key figures of AUGUSTA for the first quarter of 2011 in overview:

/ Consolidated sales revenues rose in the first three months of 2011 to EUR 40.4 million, up 50 percent on the previous year period. We have thus continued our dynamic growth in 2011 and achieved the highest quarterly revenues since our repositioning.

/ The sustainable growth trend is being confirmed by the incoming orders, which at the end of the first quarter were at EUR 40.2 million and thus 20 percent above the previous year. Building on this, we are counting on continued robust revenue development in the first half of 2011.

/ Our order book as of March 31, 2011, continued to be well filled at EUR 55.8 million, and was up some 23 percent from the previous year quarter.

/ With 42.1 percent the gross margin was at a high level. The slight decline in the gross margin to the previous year is due to the initial consolidation of the newly acquired companies, price increases in the course of supply bottlenecks and a higher cost-of-sales ratio. For the most part, however, we have been able to withstand the general pressure on prices.

Managing Board of AUGUSTA: Amnon F. Harman, Chief Executive Officer, Berth Hausmann, Chief Financial Officer and Arno Pätzold, Chief Development Officer (from left to right)

- We were able to increase our profitability to revenues at a disproportionately high rate. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 52 percent to EUR 6.8 million, so that the EBITDA margin increased to 16.9 percent.
- Working capital as of March 31, 2011 rose by EUR 4.6 million since the end of the fiscal year to EUR 36.1 million, of which EUR 2.1 million came from the initial consolidation of VDS Vosskühler GmbH. We selectively built up our inventories in order to avoid risks from supply bottlenecks with our suppliers and to reduce our own delivery times vis-à-vis our customers.
- Our cash and cash equivalents at the end of the first quarter were at EUR 28.4 million despite the acquisition of VDS Vosskühler. Net liquidity of the Group at the end of the quarter under review amounted to EUR 0.2 million and the equity ratio was at 61.6 percent. Financial scope for strategic investments and other acquisition projects, also after the takeover of LMI, is thus present.
- The earnings per share rose by 68 percent to EUR 0.42 as of March 31, 2011.
- The positive development is reflected in the share price: Within the first three months of 2011 the AUGUSTA share climbed by around 12 percent and closed the first quarter of 2011 with EUR 17.51. The share thus developed far better in 2011 than various relevant comparison indices (DAX, TecDAX, SDAX). In the meantime, the AUGUSTA share has been able to push ahead to over EUR 19.

In addition to the share price increase, we would also like our shareholders to benefit from the company's success. Despite the outflow of liquidity due to the acquisitions carried out, we will propose a dividend to the Annual General Meeting on May 12, 2011, now for the third time in a row. We will hold to our long-term dividend guidance of around 30 percent of the Group's net annual profit, which corresponds to EUR 0.45 per share. This dividend payment will not restrict any further investment and acquisition initiatives in 2011 in any way.

Focus on growth

We are assuming that the economic recovery will continue intact despite the events in the Middle East and in Japan, and we expect a very good result in revenue and profitability for the first half of 2011. In the second half of the year, the growth dynamics might slightly decline globally, due to the economy. Strong competitive pressure – in particular with regard to the continuing price reductions – will also continue into the future in our target markets and will require new product developments in the market niches we address and also an even stronger customer orientation.

Acquisitions in new vision technology markets, as well as targeting attractive growth niches and an even greater international orientation of our sales and customer service activities, will remain the focuses of our operations in 2011. The greatest market opportunities currently lie in the emerging countries, which we will continue to tap through our targeted expansion strategy.

Strategically, important progress has been made to become a globally leading vision company. The two acquisitions in 2011 – VDS Vosskühler GmbH and LMI Technologies Inc. – will positively influence our business development in the current year in revenue and profitability. We have thus created the essential prerequisites for further growth in the future.

We are raising our guidance for 2011, which we published on March 17, 2011, due to the successful takeover of LMI Technologies as well as the strong operational development in the first quarter of 2011. We expect that LMI Technologies, which will be consolidated starting from May 1, 2011, will contribute around EUR 10 million to turnover revenues with a 20-percent EBITDA margin. For 2011 we are thus expecting sales revenues in the range of EUR 153 to 163 million (formerly: EUR 140 to 150 million), with an EBITDA of EUR 27 to 30 million (formerly: EUR 22 to 26 million).

We are looking into the future with optimism and will further develop our sustainable profitable growth and thus also the potential for appreciation of the share.

A. Harman

Amnon F. Harman
CEO

Berth Hausmann
CFO

Arno Pätzold
CDO

The AUGUSTA share

The financial markets are currently moving in the area of tension between good economic and corporate data on the one hand and the catastrophe in Japan and political unrest in North Africa and the Middle East on the other. Added to this the problems in the euro zone – in particular in Portugal and Ireland – as well as the high debt burden and the associated downgrading of creditworthiness in the US.

Earthquakes, tsunamis and atomic catastrophes have powerfully shaken the equity markets in the short term after a good start into the year 2011. Overall, the stock markets have shown themselves to be robust since the beginning of the year and have very quickly recovered from the declines in prices due to the events in Japan. How well-positioned many companies currently are was shown by the positive corporate figures for 2010. According to the Handelsblatt, the highest profits since the calculation of the DAX began were generated – EUR 53 billion – and for the first time in German corporate history all DAX firms were in the black.

The catastrophe in Japan is a major burden for the region, but will not be able to derail the world economy's growth course, according to market experts. The early global indicators point out that the growth dynamics have waned since the fourth quarter of 2010; however a basic positive mood continues to exist. The IMF is counting on a continuation of the economic recovery in 2011 and 2012 and global growth of a good 4 percent per year.

The majority of economic indicators, as well as rising corporate profits and share dividends, may stimulate share prices as well. This situation is being supported by the unchanged high liquidity on the market. The majority of analysts are thus also expecting higher share prices in general on the world's stock exchanges in 2011.

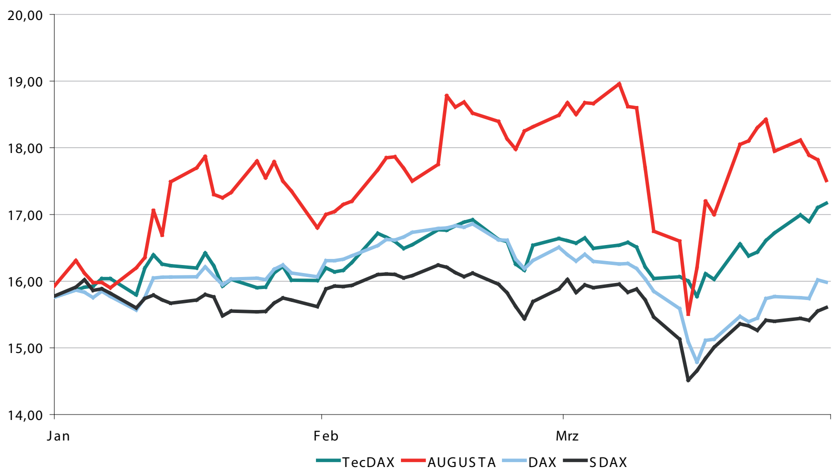
This upward trend could be slowed by the still-unforeseeable impacts of the Japan catastrophe, by an intensification of conflict in Northern Africa and the Middle East and the escalation of the debt crisis in Europe, as well as the bursting of a real estate bubble and a clear increase in inflation in China.

Share price development

While the DAX has developed almost sideways since the start of the year due to the events in Japan, the sharply rising SDAX of last year had to take a slight minus. The winners in Germany since the start of the year were the technology companies. TecDAX, which comprises the largest technology stocks, was clearly able to add around 9 percent. Technology stocks are again the focus of many investors.

The AUGUSTA share was able to develop more positively than the rest of the market in the first three months of 2011. The price climbed by 11.5 percent from EUR 15.70 as of December 31, 2010 to EUR 17.51 as of March 31, 2011. The AUGUSTA share thus outperformed all major comparative indexes. The price is currently hovering at a level over EUR 19.

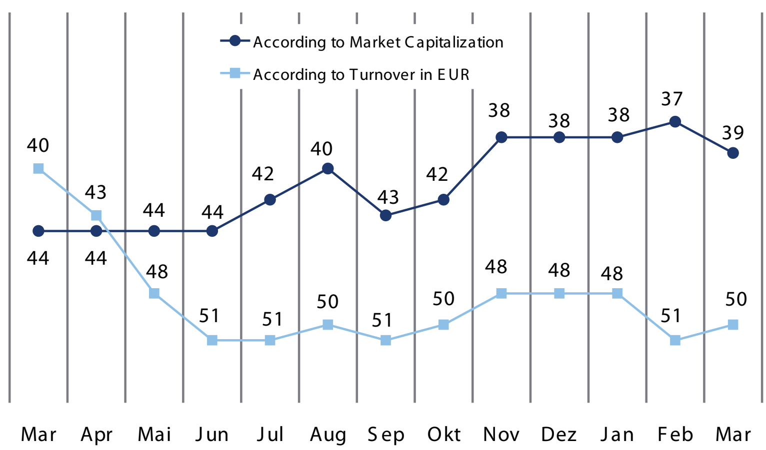
AUGUSTA SHARE PRICE COMPARED TO DAX, TECDAX AND SDAX



TecDAX ranking

In the TecDAX ranking, the AUGUSTA share was ranked 50 (previous year: 40) in terms of share trading volume. Despite continued high trading volume of on average just under 20,000 shares per day, the AUGUSTA was not able to improve its ranking within a year, which affects the positioning in the TecDAX ranking. Strategically sensible acquisitions, which underpin the path of AUGUSTA to a globally leading company for vision technologies, should also improve the trading volume. Under free float market capitalization, the AUGUSTA share achieved a ranking of 39, moving up by 5 places compared to the previous year – an improvement of around 10 percent.

TECDAX POSITIONING: RANKING OF THE AUGUSTA SHARE



Dividend policy

Besides the development of the AUGUSTA share, we are pursuing a steady dividend policy that allows shareholders to participate in the economic success of the company. Our dividend objective is to pay out about 30 percent of net profits as dividends. On the basis of rising corporate results, we have thus shown the sustained high profitability of the AUGUSTA share. The Supervisory Board and Managing Board are accordingly proposing a dividend of EUR 0.45 for fiscal year 2010 to the Annual General Meeting. The Annual General Meeting, which passes a resolution on the dividend distribution, will take place on May 12, 2011, in the Novotel München Messe (Messestadt West).

AUGUSTA is classified by the analysts as a very attractive company with further price potential. Sustained stable corporate development, growth potential in the highly profitable vision segment growing robustly in the long term, the solid financial basis and a steady dividend policy make the AUGUSTA share an attractive technology investment, due both to potential increases in price and due to dividends.

A SUMMARY OF THE AUGUSTA SHARE

ISIN	DE000A0D6612
Market segment	Prime Standard
Trading segment	Technology Prime Sector Industrial
Indices	CDAX/Prime All Share/Technology All Share
Date of initial listing	May 5, 1998
Number of shares issued	8,435,514
High/low (52 weeks)*	EUR 20.20/EUR 9.76
Closing share price as of March 31, 2011*	EUR 17.51
Market capitalization as of March 31, 2011*	EUR 147.7 million
Earnings per share as of March 31, 2011	EUR 0.42
Dividend per share for 2010**	EUR 0.45

* Xetra closing price ** will be recommended to the Annual General Meeting on May 5, 2011

Consolidated Management Report

Business and overall environment

The earthquake and atomic disasters in Japan, unrest in North Africa and the Near East, the hesitant recovery of the US economy and the sovereign debt situation in the Eurozone are currently the greatest risks to further growth of the global economy. The global early indicators show that growth momentum will slow down in the second half of 2011, but could then pick up again in 2012.

In the short term, the earthquake disaster in Japan is leading to a significant decline in industrial production in the world's third-largest economy and to deterioration in Japanese state finances. Despite the severe short-term impact, market experts anticipate the negative effect on the global economy to be relatively small. Overall, the IMF is forecasting growth rates of around 4 percent in 2011 and 2012. If the impact of the atomic disaster in Japan were to spread, this could have a considerable effect on this projection, however.

As far as the emerging markets are concerned, growth prospects remain robust. In China, the rate of growth has slowed down marginally due to the more restrictive policy of the Chinese central bank. Exports are the main cornerstone of Chinese economic growth. In the BRIC countries, above-average growth is forecast for 2011. Their current share in the global economy already amounts to almost 25 percent – more than that of the USA (20 percent) and that of Europe (15 percent).

In the USA, sovereign debt is having a subduing effect on the prospects that were looking quite positive at the start of the year. New, fiscal stimulus can no longer be financed. There are initial positive signs in terms of consumer spending and labor market data. Corporate productivity and profits are rising slowly. Growth in the USA could thus gradually increase under its own steam again.

In the Euro zone, sentiment indicators are stable and point to the economic improvement continuing at the same steady pace over the coming months. The production stoppages in Japan have so far lead to no deterioration in business prospects, but the risk is increasing particularly in material sourcing terms. The economic recovery in countries such as Portugal, Ireland and Greece remains weak.

The German economy continues to be the power house of economic expansion in the Euro zone. Both consumer and corporate sentiment indicate unbridled optimism in Germany. The GDP economic forecast for 2011 was raised above the 3 percent mark in early April, showing that the German economy is growing significantly faster than other European economies. The high level of demand for German products from all regions in the world and their robust competitiveness are factors in this development.

Price rises in the raw materials and energy sectors and the resultant inflation are persistent threats to the global economy.

Following on from its very strong performance in the fiscal year 2010, AUGUSTA has started the new year 2011 with well-filled order books and finished the first quarter of 2011 with renewed strong growth in terms of sales, incoming orders and earnings. The set course for growth continued to be pursued to a large extent in the target market already addressed by AUGUSTA.

The upswing in the automotive industry has begun to be impacted by the events in Japan. Numerous component suppliers have reduced production or stopped it temporarily. New momentum is currently coming from the emerging countries and the USA as well as from the electromobility sector, an area that is generating new sales potential worldwide.

The German machine and plant engineering sector enjoyed a good start to the new year and continued its solid recovery of 2010. In the first quarter of 2011, capacity utilization experienced renewed growth and stood at 86.4 percent. Incoming orders from home and abroad have increased since the end of the year on an ongoing basis. The strongest export market is China, followed by the other BRIC states such as India and Russia land as well as by the USA. Following growth of 8.8 percent in 2010, the VDMA is forecasting growth of 10 percent and more for 2011. The extent to which the dynamic growth in the electrical engineering industry will feel the impact of the situation in Japan cannot be estimated at the current point in time. Japan produces one-tenth of all electrical engineering and electronic products worldwide, and is the third-largest manufacturing nation behind China and the USA and the third most important supplier for the German market. Longer-term production stoppages could result in global supply bottlenecks.

The German medical technology industry is enjoying strong growth and is in an optimistic mood. With sales in this sector of around EUR 20 billion, the company reported an increase of around 9 percent in the previous year, a development largely attributable to a rise in foreign sales. With an export ratio of 64 percent, the company's foreign business is of central importance. The high level of acceptance German medical technology enjoys is a clear indication of the innovative strength of the sector, which is characterized by above-average expenditure in research and development. The share of sales generated by innovative products, i.e. products younger than three years, stands at almost 32 percent. The industry association SPECTARIS is anticipating growth of around 8 percent for the current year.

According to the VDMA, the robotics and automation market is heading for a record year. The manufacturers of robotics and automation products see great potential for 2011 not only their key export markets such as China and South Korea but also in their domestic market. The pent-up demand in Eastern Europe and the BRIC states ought to have a positive impact on future growth. Following growth of 21 percent in the previous year, continued high level of growth in excess of 15 percent is anticipated for 2011.

In all the market segments addressed by AUGUSTA, applications based on sensor systems and machine vision technologies play a special role. Unbridled dynamic growth is characteristic of the recovery these technology segments are experiencing.

The machine vision market has recovered from the crisis in record time and grew by around 18 percent in 2010. Particularly the manufacturers of industrial cameras in Germany were able to report a sharp increase in sales in 2010. The demand for machine vision technology solutions for quality control purposes is rising further. An increase in sales of around 5 percent is anticipated for 2011. Demand is also stimulated by the increasing use of digital machine vision in non-industrial areas such as security and surveillance, smart traffic systems, environmental technology and entertainment. In addition to new markets, innovative technological 3D applications are increasingly acting as growth drivers too.

Suppliers of sensor systems and measurement technology were able to report growth of around 32 percent in 2010. For 2011, the trade association for sensor systems AMA is expecting further solid growth of around 13 percent. The enhanced willingness of companies to invest in this area (+25 percent as compared with 2010), is impacting positively on future development.

Revenues and earnings development

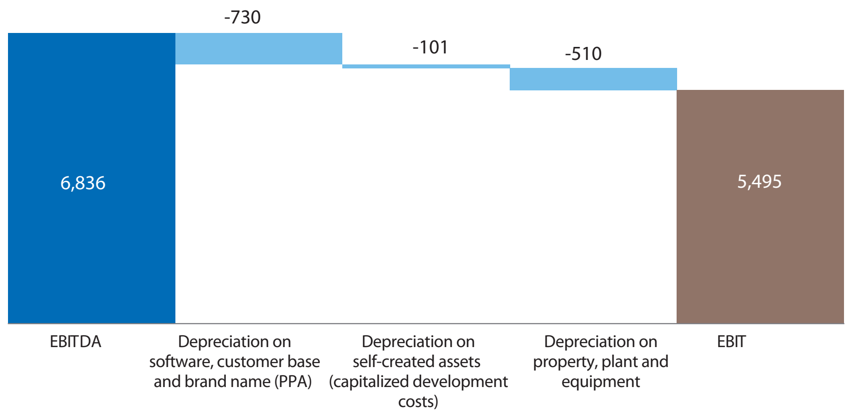
In the first quarter of 2011 AUGUSTA continued its growth course and produced its strongest quarterly performance since repositioning. In so doing, all the markets and regions addressed by the company contributed to growth.

Consolidated sales revenues rose to EUR 40.38 million, an increase of 49.9 percent over those of the previous year (EUR 26.94 million). All group companies reported a general increase in terms of sales, earnings and incoming orders and a significant improvement over the previous year's figures. The aggregate share of sales in the vision segment attributable to acquired companies (P+S Technik, VDS Vosskühler GmbH) amounted to EUR 2.88 million in the first quarter. VDS Vosskühler GmbH has been consolidated since January 1, 2011.

Gross profit also rose sharply, to EUR 17.01 (previous year: EUR 11.81 million) as of March 31, 2011, amounting to a gross margin of 42.1 percent (previous year: 43.8 percent). The slight decline in gross margin is attributable to the initial consolidation of newly-acquired companies, price increases due to supply bottlenecks and a higher cost-of-sales ratio. Innovative products, willingness to customize designs and excellent after-sales service will all enable us to continue to secure high gross margin levels in the future too.

Our earnings before interest, tax, depreciation and amortization (EBITDA) increased by 51.5 percent to EUR 6.84 million, thus outperforming the revenue increase. The EBITDA margin of 16.9 percent was somewhat higher than that of the previous year (16.7 percent). AUGUSTA was thus able to report a renewed increase in profitability.

RECONSILIATION OF EBITDA TO EBIT IN EUR THOUSAND



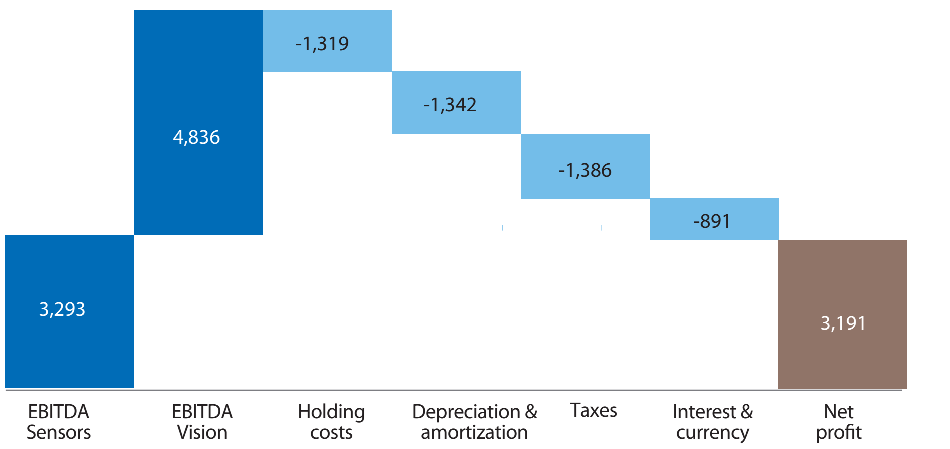
As of March 31, 2011, depreciation and amortization climbed to EUR 1.34 million as compared with the previous year's level of EUR 0.73 million. Apart from the depreciation of assets, as well as property, plant and equipment, this figure also includes the amortization of license, software and brand names (purchase price allocation – PPA) due to acquisitions.

Despite the higher level of depreciation and amortization, earnings before interest and taxes (EBIT) improved considerably. As of the end of the first quarter of 2011, EBIT amounted to EUR 5.50 million (previous year: EUR 3.78 million), an increase over the previous year of 45.4 percent. The EBIT margin thus stood at 13.6 percent (previous year: 14.0 percent).

Holding costs amounted to EUR 1.32 million as of March 31, 2011, an increase over the previous year (EUR 0.78 million) . The cost structure level is above that of the previous year, since the acquisition costs for VDS Vosskühler GmbH purchased in January 2011 and LMI Technologies purchased at the end of April have already been included in the figures to a large extent.

AUGUSTA acquisition activities have affected and will increasingly affect the Group's net income for the period and earnings per share due to PPA depreciation. Despite the higher level of amortizations, net income for the period from continued operations at EUR 3.19 million improved by 68.2 percent (previous year: EUR 1.90 million). The earnings per share rose correspondingly strongly to EUR 0.42 (previous year: EUR 0.25). Excluding PPA depreciation, net income for the period would have amounted to EUR 3.92 million, equal to an earnings per share level of EUR 0.52.

RECONSILIATION OF NET PROFIT FOR THE PERIOD IN EUR THOUSAND

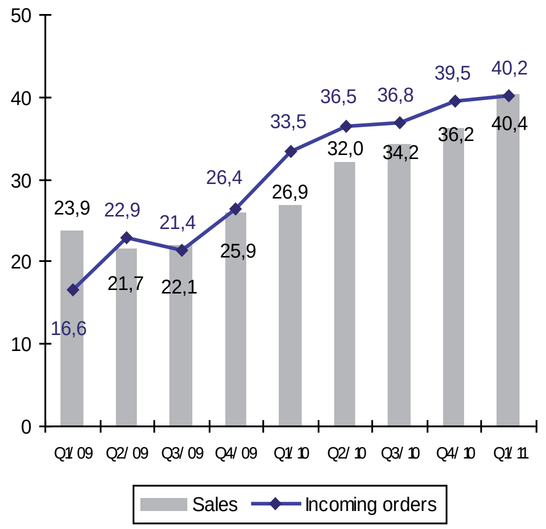


The trend towards sustained growth was confirmed by the level of incoming orders, the value of which amounted to EUR 40.17 million as of the end of the first quarter, up 20.0 percent as compared with that of the previous year (EUR 33.47 million). The book-to-bill ratio (incoming orders to sales) continues to stand at the very high level of around 1. We are therefore anticipating robust sales development in the first half of 2011.

Based on a persistently high level of incoming orders, order book rose as of March 31, 2011 to EUR 55.79 million, up by 23.1 percent over the previous year's level (EUR 45.33 million), in which an order value of around EUR 44.81 million (approx. 80 percent) of the order book is attributable to the year 2011.

The chart shows the sustainable growth trend of sales revenue and incoming orders, which has persisted since the third quarter of 2009.

DEVELOPMENT OF SALES AND INCOMING ORDERS BY QUARTER IN EUR MILLION



As of March 31, 2011, the key performance indicators for the Group were as follows:

Key Group Figures

IN EUR MILLION	Q1 2010	Q1 2011	CHANGE
Sales revenues	26.94	40.38	+49.9%
Gross profit	11.81	17.01	+44.1%
Margin	43.8%	42.1%	
EBITDA	4.51	6.84	+51.5%
Margin	16.7%	16.9%	
EBIT	3.78	5.50	+45.4%
Margin	14.0%	13.6%	
EBT	3.70	4.60	+24.4%
Margin	13.7%	11.4%	
Incoming orders	33.47	40.17	+20.0%
Order book	45.33	55.79	+23.1%

Development of the segments

The Vision segment encompassed Allied Vision Technologies GmbH (AVT) and P+S Technik GmbH (P+S). VDS Vosskühler GmbH has also numbered among AVT subsidiaries since January 1, 2011. In view of the market growth forecast for the long term, the fragmentation of the markets with the resultant acquisition options and the already strong positioning of AUGUSTA in the digital machine vision market, it is our strategic aim to become the global leader in the vision technologies sector.

In the first quarter of 2011, AVT continued to pursue the organic and inorganic growth course it had set itself and further expand its market share. In regional terms, the Asian market continues to show itself to be a growth driver, notably due to the rising demand for intelligent traffic systems (ITS) applied for the purpose of making roads more effective and safer. ITS are used above all in three areas for improving traffic flow: For securing junctions, monitoring accident-prone road sections (e.g. tunnels) and traffic flow monitoring and control on heavily frequented highways. Moreover, there are further applications in the areas of access control, speed measurement, multi-storey car parks and toll systems. AVT is participating in several ITS projects in five major Asian conurbations as a supplier of cameras for machine vision usage. Special GigE cameras were developed specifically for these applications. AVT would like to participate in the market growth forecast to exceed 20 percent in the future as well.

Furthermore, the demand for automation solutions via camera systems rose further in Europe and the USA, enabling AVT to report the best quarterly figures in the company's history. More than 18,000 cameras were sold in the first quarter of 2011 alone. An extension of activities to other BRIC countries (Brazil, Russia, India) is in the pipeline.

Since January 2011, VDS Vosskühler has been fully consolidated into AVT. Founded in 1985, the company focuses on infrared cameras and digital cameras for special applications in the field of high-speed and X-ray photographs. VDS entertains important customer relations in the areas of industrial automation, medical technology, security and traffic automation.

This acquisition enables AVT to enhance its product portfolio to include short- and long-wave infrared cameras as well as a broads range of digital cameras for special applications. Well-known, international OEM customers form a good basis via which the sale of AVT's extensive product portfolio can be increased, thereby harnessing any synergetic benefits that may be available both at home and abroad.

At the Automate trade fair in Chicago, which took place at the end of March, AVT exhibited its products and services jointly with its subsidiary VDS for the first time. In addition to the innovative range of Guppy PRO cameras, which can fit into the smallest spaces, thanks to their compact design and guarantee fast image transmission, the whole VDS portfolio of infrared cameras was also on display. Moreover, visitors were given an insight into the comprehensive know-how of VDS in the form of X-ray detectors, cooled CCD cameras and high-speed cameras.

P+S Technik GmbH, which has been consolidated since September 2010, launched a lightweight 3D rig in the first quarter that is ideally suited as a support device for heavy broadcast cameras.

Sales revenues in the Vision segment rose to EUR 16.34 million as of March 31, 2011, an increase of 80.7 percent over the previous year (EUR 9.04 million). The aggregate share of sales attributable to P+S Technik and VDS Vosskühler GmbH amounted to EUR 2.88 million in the first quarter of 2011. The gross margin as of March 31, 2011 declined to 53.9 percent as compared with a level of 56.5 percent in the previous year. The marginal decline in gross margin can be put down to the consolidation of the acquired companies and a rise in the cost of materials.

Despite higher costs due to a number of new appointments in the area of product development and sales as well as costs incurred by way of the acquisition of VDS, operating profitability improved. At EUR 4.84 million, EBITDA increased by 61.0 percent over the previous year's level (EUR 3.00 million); operating earnings after depreciation and amortization (EBIT) rose by 41.7 percent to EUR 3.85 million (previous year: EUR 2.72 million). With an EBITDA margin of 29.5 percent (previous year: 33.2 percent) and an EBIT margin of 23.5 percent (previous year: 30.0 percent), profitability continued to be above the comparable figures reported by the competition on a very high level.

The value of incoming orders as of the end of March 2011 amounted to EUR 15.09 million, up by 14.8 percent over that of the previous year (EUR 13.14 million).The value of order book as of March 31, 2011 stood at EUR 9.65 million (previous year: EUR 9.20 million). Around 78 percent of the order book are attributable to the year 2011.

Key Figures Vision

IN EUR MILLION	Q1 2010	Q1 2011	CHANGE
Sales revenues	9.04	16.34	+80.7%
Gross profit	5.11	8.83	+72.6%
Margin	56.5%	53.9%	
EBITDA	3.00	4.84	+61.0%
Margin	33.2%	29.5%	
EBIT	2.72	3.85	+41.7%
Margin	30.0%	23.5%	
EBT	2.59	3.58	+38.0%
Margin	28.7%	21.9%	
Incoming orders	13.14	15.09	+14.8%
Order book	9.20	9.65	+4.9%

Growth in the Sensors segment, which has been gaining momentum since the second half of 2010, continued during the first quarter of 2011.

The Sensor and Microsystems Technology (SMST) segment grew significantly year-on-year and benefited disproportionately from the general upturn. The stronger growth is now evident in the Sensortechnics Group from the figures for sales revenues, earnings, and incoming orders. All key figures were up on the corresponding prior-year quarter. Growth was recorded in all industries. The Sensortechnics Group is increasingly engaged in the development of OEM sensors and systems, meaning that sensors developed in-house account for a steadily rising share in the total revenue. During the first quarter, for example, a digital, miniature low-pressure sensor from the HCLA series was made ready for market and will open up new sources of revenue in the medical technology, instrumentation and control technology and air-conditioning technology segments. Elbau GmbH has concluded framework agreements for innovative customer-specific solutions with existing customers.

Production volume in the low-cost production in Singapore continued to grow during the first quarter of 2011. Proprietary sensors in particular are currently being produced there; new customer orders for sensor systems are in the production start-up phase.

HE System Electronic continued to grow during the first quarter of 2011. By successfully positioning the company with large customers with power electronics and sensor technology products we were able to press ahead with the strategic realignment of the company as a system manufacturer. The project pipeline includes large projects with a considerable revenue volume.

In the Mobile Measurement Systems segment, Dewetron GmbH kicked off the first quarter successfully and was able to win new customers, especially in Europe.

In total, the Sensors segment generated sales revenues of EUR 24.04 million, an increase of 34.3 percent over the previous year (EUR 17.90 million). At 33.8 percent, the gross margin was below that of the previous year (37.6 percent). Rising purchase prices for electrical components, a higher cost-of-sales ratio for mobile measurement systems as well as long-term framework agreements with corresponding quantity discounts are the main reasons for this.

Nevertheless, the Sensors segment has become more profitable owing to a below-average increase in structural expenses. EBITDA increased disproportionately in relation to revenues by 43.7 percent, standing at EUR 3.29 million at the end of the first quarter of 2011 (previous year EUR 2.29 million). Earnings before interest and taxes (EBIT) grew even more, reaching EUR 2.95 million, about 58.7 percent more than in the previous year (EUR 1.86 million). The EBITDA and EBIT margins are clearly in the two-digit range and up on the corresponding prior-year quarter at 13.7 and 12.2 percent respectively (previous year: EBITDA margin 12.8 percent, EBIT margin 10.4 percent).

Incoming orders totaled EUR 25.08 million as of March 31, approximately 23.4 percent over the previous year (previous year: EUR 20.33 million). The order book at the end of the first quarter amounted to EUR 46.14 million, an increase of 27.7 percent year-on-year (previous year: EUR 36.13 million). Of the order book, 81 percent concern the year 2011.

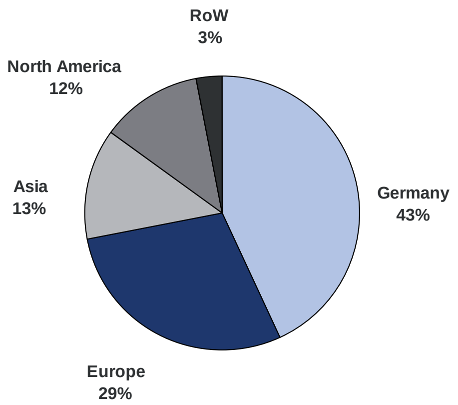
Key Figures Sensors

IN EUR MILLION	Q1 2010	Q1 2011	CHANGE
Sales revenues	17.90	24.04	+34.3%
Gross profit	6.76	8.16	+20.8%
Margin	37.6%	33.8%	
EBITDA	2.29	3.29	+43.7%
Margin	12.8%	13.7%	
EBIT	1.86	2.95	+58.7%
Margin	10.4%	12.2%	
EBT	1.90	2.65	+39.9%
Margin	10.6%	11.0%	
Incoming orders	20.33	25.08	+23.4%
Order book	36.13	46.14	+27.7%

Internationalization

In recent years we have continuously expanded our market position in Asia and North America, where we have grown faster than in Europe. Meanwhile, we generate almost 30 percent of our revenue volume outside of Europe and have now set up production and sales subsidiaries in all regions of the world. We will continue to press ahead with our internationalization in the future, in order to achieve a balanced regional revenue spread.

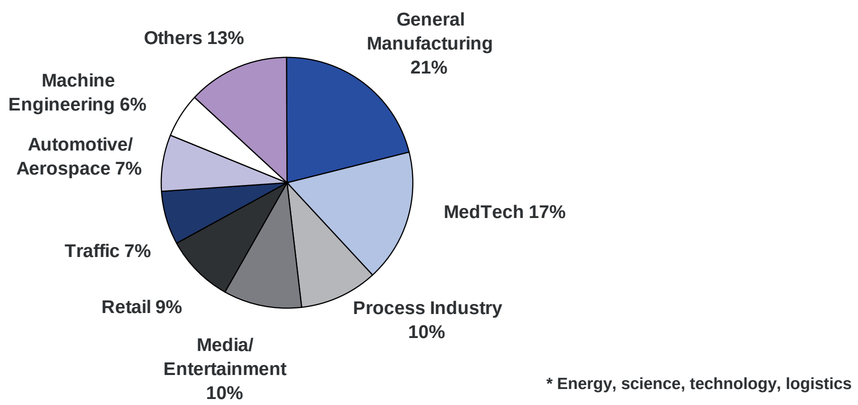
REVENUE SPILT BY REGION IN PERCENT



Customer structure

Classification by different customer groups and markets provides allows us to compensate for economic fluctuations. We are supporting this development by means of strategic acquisitions. But we are also opening up new sales sectors for our products by means of customer-specific new developments and solutions in the areas of media/entertainment, traffic and security technology, climate and energy technology.

REVENUE SPLIT BY CUSTOMER IN PERCENT



M&A activities and financing - Focus on Vision Technologies

The combination of attractive financing conditions and healthy cash reserves are currently helping the companies to realize their M&A project as strategic buyers. At the same time, company valuation at the time of acquisition has increased. AUGUSTA's strategic growth target is to tap new markets and technologies and use economies of scale in the value chain in the area of Vision Technology. In the medium term, we intend to become the world's leading company for vision technologies. The highly fragmented markets present attractive and strategically important acquisition opportunities.

After expanding its market competence in the area of digital cameras to include the promising new segment "Media/Entertainment" through the acquisition of a majority holding in P+S Technik GmbH in September 2010, AUGUSTA went on to acquire VDS Vosskühler GmbH in January 2011. This 100-percent takeover enabled us to tap further technological growth markets and access key OEM customers in the medical technology and security sectors. The VDS Vosskühler products will also allow us to expand our technology portfolio to include infrared, X-ray and high-speed digital cameras. Our subsidiaries AVT and VDS complement each other perfectly in terms of technology, manufacturing processes, customer base, and sales structure. These are the essential requirements for a successful collaboration and future growth, especially overseas.

The acquisition of LMI Technologies at the end of April 2011 – see important developments after the closing date – will enable AUGUSTA to become a top provider in the global Vision market. LMI Technologies is an innovative provider of optical 3D sensor solutions. In the field of 3D laser triangulation (optical distance measurement), the company is regarded as one of the world's leading providers in defined market niches. The integration of LMI in the course of the year will enables us to tap synergies between AVT and LMI in terms of technology, procurement and distribution.

In the Sensors segment, the focus is on strategic partnerships, further development of our own products and therefore organic growth.

The financial leeway needed for acquisitions is guaranteed due to our excellent equity position and above all our ability to borrow.

Development of the key balance sheet items

The changes in the balance sheet were mainly due to the first-time consolidation of VDS Vosskühler as of January 1, 2011. The acquisition of VDS Vosskühler GmbH was financed using EUR 6 million in own resources and EUR 5 million in debt capital.

As of March 31, 2011, the total assets increased compared to the fiscal year-end, due to the consolidation of VDS, and stood at EUR 176.73 million (December 31, 2010: EUR 168.13 million).

On the asset side, goodwill increased from EUR 57.54 million on December 31, 2010 to EUR 60.68 million. This corresponds to some 55.7 percent of equity (fiscal year-end: 55.0 percent).

As a result of the consolidation of VDS Vosskühler at the end of the fiscal year, non–current assets, including intangible assets, increased to EUR 98.94 million (previous year: EUR 90.10 million). Current assets fell slightly to EUR 77.78 million (December 31, 2010: EUR 78.04 million).

Working Capital increased to EUR 36.06 million as of March 31, 2011 (December 31, 2010: EUR 31.45 million). Of this amount, EUR 2.10 million came from the first-time consolidation of VDS Vosskühler. The drastic rise in demand resulted in bottlenecks in the procurement of electronic components and image sensors. AUGUSTA has taken precautions and increased its stocks, which – bearing in mind events in Japan – is having a positive impact on AUGUSTA's ability to supply. Despite the increased business volume, our goal for 2010 is to keep the growth of the working capital below the revenue growth.

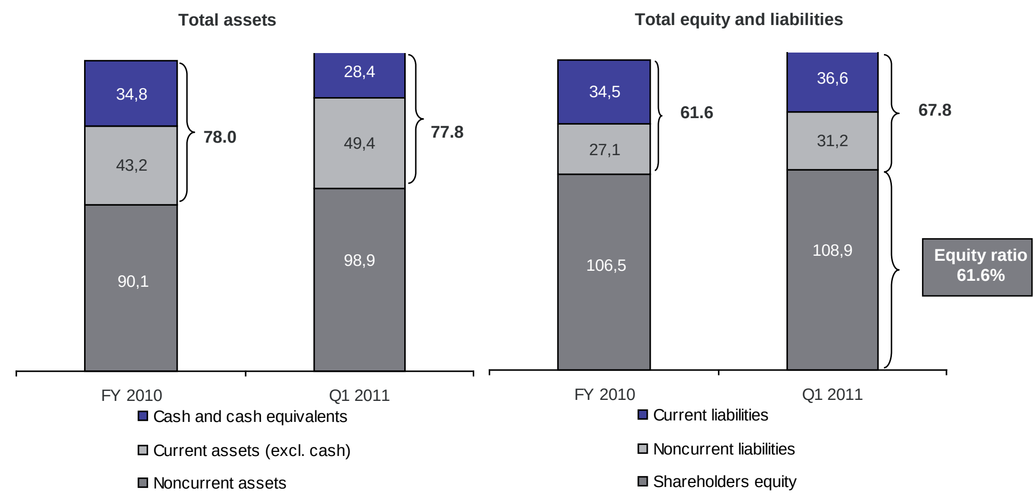
At the end of the period under review, the Days of Working Capital (DWC) of 81 days were at the same level as the year before (81 days).

Despite the acquisition, the level of cash and cash equivalents and marketable securities as of March 31, 2011 stood at EUR 28.36 million (December 31, 2010: EUR 34.82 million). AUGUSTA still has sufficient cash and cash equivalents for its growth projects and the planned dividend distribution in May 2011, amounting to EUR 3.4 million in total. As of the closing date, net liquidity stood at EUR 0.2 million.

On the equity and liabilities side, equity increased to EUR 108.91 million (December 31, 2010: EUR 106.55 million). Due to the acquisition, the equity ratio came to 61.6 percent as of March 31, 2011 (fiscal year-end: 63.4 percent). The stock held by the company valued at EUR 13.17 million reduced the equity accordingly.

KEY BALANCE SHEET ITEMS IN EUR MILLION	FY 2010	Q1 2011
Goodwill	57.54	60.68
Cash and cash equivalents and other current financial assets	34.82	28.36
Total assets	168.13	176.73
Net liquidity	10.38	0.20
Enterprise Value	108.81	132.73
Equity ratio	63.4%	61.6%

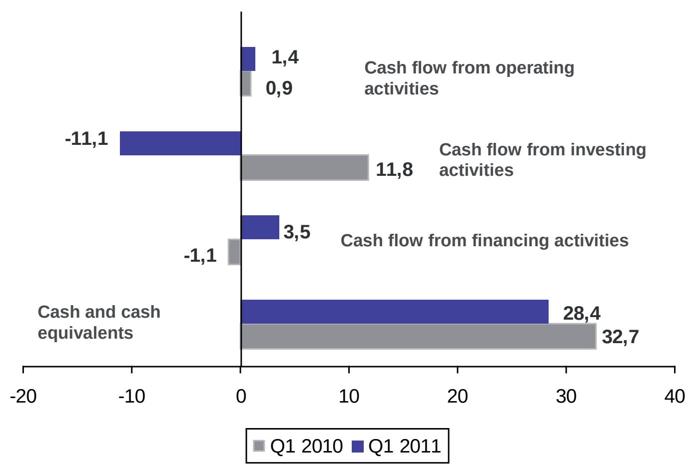
BALANCE SHEET IN EUR MILLION



View of cash flow

Cash flow from operations stood at EUR 1.36 million at the end of the first quarter of 2011, despite the build-up of working capital and was thus above the previous year's level (previous year: EUR 0.92 million). The cash flow from investing activities stood at EUR -11.10 million as of the end of the reporting period (previous year: EUR +11.82 million). This figure reflects the acquisition of VDS Vosskühler GmbH in the first quarter. As of March 31, 2011, the cash flow from financing activities amounted to EUR +3.48 million (previous year: EUR -1.14 million). In addition to the inflow of further debt capital amounting to EUR 5 million, financial liabilities were reduced during the first quarter of 2011 as agreed.

OVERVIEW OF CASH FLOW IN EUR MILLION



Employees

As of March 31, 2011, the AUGUSTA Group had 664 employees, more than in the previous year (524 employees). In the Vision segment, 19 employees joined the workforce within the scope of the acquisition of VDS Vosskühler.

The Sensors segment had 432 employees (previous year: 385), and the Vision segment had 229 employees (previous year: 134).

Significant developments after the reporting date of March 31, 2011

At the end of April AUGUSTA acquired 100 percent of the shares of LMI Technologies Inc. based in Vancouver, Canada. LMI Technologies is an innovative provider of optical 3D sensor solutions. At the same time LMI focuses on a variety of vertical industrial markets such as, for example, the wood processing industry, glass inspection, tire manufacture and automotive industry as well as economic sectors outside of conventional segments such as road construction and agriculture. LMI enjoys long-term relationships with major OEM customers in all of these industries and has established an excellent market position.

In the past 12 months (April 2010 – March 2011), LMI generated revenues of some USD 20 million with an operating margin (EBITDA) of approx. 20 percent and has a workforce of some 75 employees worldwide. The purchase price amounted to USD 30 million upon conclusion of the agreement. In addition to this, there are earn-out components that are coupled to increased profitability in 2011 and 2012. Based on the current situation, earn-out payments of around USD 10 million are expected. The first purchase price installment has been financed almost entirely using debt capital on attractive terms. The earn-out payments will be made from the operating cash flow.

The acquisition of LMI Technologies represents a further important step for AUGUSTA in its buy-and-build strategy in the Vision Technology segment and will enable AUGUSTA to become a top provider in the global vision market. LMI is an ideal complement in the Vision segment and will allow AUGUSTA to tap the rapidly-growing 3D market. We anticipate short-term synergies mainly in joint utilization of the global distribution networks and with regard to component procurement. In the medium term, we hope to obtain product development synergies.

We expect LMI Technologies Inc. to contribute some EUR 10 million to revenues and EUR 2 million to EBITDA in 2011. Canadian tax law, which provides for partial tax deductibility of development costs, and the tax situation of the LMI subsidiary based in Ireland, will reduce AUGUSTA’s tax rate in the short and the medium term.

No material changes have occurred since the closing date of March 31, 2011.

Outlook: Increase in Guidance

We are still experiencing a bifurcated economic boom. In 2011 and 2012, the emerging economies will grow by 6.5 each year. By contrast, the OECD countries will only grow by 2.8 per cent each year. Nevertheless, the boom is increasingly expected to be self-sustaining. At the present, it is not possible to anticipate the impact of the events in Japan. We are currently confident that the economic recovery will continue despite the events in Japan and anticipate organic and inorganic growth in 2011.

In organic terms, the first half of 2011 will in all probability grow stronger than the second half. In particular the development during the first quarter shows that AUGUSTA is participating vigorously in the positive economic development. The intense competitive pressure – especially in the form of ongoing price reductions – will persist in our target markets. Strong competitors in the market niches we target will continue to require new product developments, even greater customer orientation, and increased service capability for our customers. This is why we plan to step up our distribution and customer service activities in all regions of the world in 2011.

Our strategic goal is to become a top provider in the global vision technology market. To this end, we have already reached some important milestones in 2011: Since the start of the year we have acquired two companies in the Vision segment (VDS Vosskühler and LMI Technologies) and are continuously expanding the segment according to plan. Over the coming 12 months, we expect these two acquisitions to contribute around EUR 25 million to revenues. For fiscal year 2011, we anticipate revenues of some EUR 15 million and a consolidated EBITDA margin of at least 20 percent. This will enable us to significantly improve our revenue volume in the Vision segment and the margin situation for the entire AUGUSTA Group.

We are therefore increasing our 2011 guidance, which we published on March 17, 2011, due to the successful takeover of LMI as well as the very healthy operating performance during the first quarter of 2011. For 2011, we expect sales revenues ranging between EUR 153 and 163 million (formerly: EUR 140 and 150 million) and EBITDA of between EUR 27 and 30 million (formerly: EUR 22 and 26 million).

Our strategy and our operating strength and profitability will enable us to introduce new products to the market, to expand our business on an international scale, and to generate above-average increases in value, both through operations and as a result of acquisitions. We will continue to pursue this course in 2011 on behalf of our customers, employees, and shareholders.

Balance Sheet as of March 31, 2011

ASSETS IN EUR THOUSAND	12/31/2010	03/31/2011
Noncurrent assets		
Intangible assets, net	15,796	21,341
Goodwill, net	57,539	60,681
Property, plant and equipment, net	13,725	13,888
Noncurrent financial assets, net	351	354
Deferred tax assets	1,146	1,098
Other noncurrent assets	1,541	1,580
Total noncurrent assets	90,098	98,943
Current assets		
Inventories	25,821	28,408
Trade account receivables, net	14,391	18,006
Receivables from related parties	192	107
Current financial assets	93	93
Noncurrent financial assets held for sale	0	0
Tax account receivables	998	642
Prepaid expenses and other current assets	1,792	2,253
Cash and cash equivalents	34,748	28,275
Total current assets	78,035	77,783
Total assets	168,133	176,726

EQUITY AND LIABILITIES IN EUR THOUSAND	12/31/2010	03/31/2011
Shareholders' equity		
Share capital	8,436	8,436
Capital reserves	55,843	55,843
Earnings reserves	34,000	34,000
Currency translation	3,267	2,336
Revaluation reserves	-346	-230
Retained earnings	18,153	21,344
Treasury shares	-13,166	-13,166
Minority interest	359	341
Total shareholders' equity	106,546	108,905
Noncurrent liabilities		
Long-term loans, excluding current portion	11,631	14,433
Noncurrent post-employment benefit obligation	1,509	1,520
Other noncurrent provisions	286	286
Deferred tax liabilities	5,956	7,302
Ohter noncurrent liabilities	7,717	7,662
Total noncurrent liabilities	27,099	31,205
Current liabilities		
Trade account payables	8,763	10,355
Short-term loans and current portion of long-term loans	12,811	13,725
Other current financial liabilities	381	190
Liabilities held for sale	0	0
Income tax provisions and liabilities	2,700	2,732
Other current provision	4,413	5,121
Other current liabilities	5,420	4,493
Total current liabilities	34,488	36,617
Total equity and liabilities	168,133	176,726

Consolidated Statement of Comprehensive Income

IN EUR THOUSAND	Q1 2010 01/01-03/31/2010	Q1 2011 01/01-03/31/2011
Sales revenues		
Products	26,920	40,331
Services	19	46
	26,939	40,377
Cost of sales		
Products	-15,127	-23,364
Services	0	0
	-15,127	-23,364
Gross profit	11,811	17,013
Selling & marketing expenses	-3,436	-4,462
Research & development expenses	-1,581	-2,559
General & administrative expenses	-2,685	-3,959
Other income/expense	-330	-538
Profit from operations	3,779	5,495
Net interest income/expense	-348	-318
Foreign currency exchange gains/losses	270	-572
Depreciation of financial assets	0	0
Other financial assets	0	-1
Net financial result	-78	-891
Profit before tax	3,702	4,604
Income tax expenses	-1,235	-1,386
Profit from continued operations	2,467	3,219
Result from discontinued operations after tax	-541	0
Consolidated profit for the period	1.926	3.219

IN EUR THOUSAND	Q1 2010 01/01-03/31/2010	Q1 2011 01/01-03/31/2011
Profit/loss attributable to minority interest	-28	-27
Consolidated profit for the period after minority interest	1,898	3,191
Currency adjustments	2,065	-931
Changes in derivate investments	-14	162
Taxes on other total revenue	4	-45
Additions third party share (after currency adjustment)	28	27
Other total revenue net of tax	2,083	-787
Total revenue	3,980	2,404
Earnings per share (diluted and undiluted) in EUR	0.32	0.42
Weighted average shares outstanding in thousand	7,592	7,592

Consolidated Cash Flow Statement

IN EUR THOUSAND	03/31/2010	03/31/2011
Cash and cash equivalents at the beginning of the period	20,986	34,763
Consolidated profit for the period	1,926	3,219
Depreciation and amortization	801	1,342
Other non-cash expenses	389	0
Increase (-)/decrease (+) in inventories	-2,158	-691
Increase (-)/decrease (+) in trade receivables	-1,772	-3,278
Increase (+)/decrease (-) in trade payables	871	1,531
Increase (-)/decrease (+) in deferred tax assets and liabilities	5	-250
Increase (+)/decrease (-) in provisions	1,555	400
Increase (-)/decrease (+) in other noncurrent and current assets	-695	12
Increase (+)/decrease (-) in other noncurrent and current liabilities	-7	-927
Net cash flow from operating activities	915	1,358
Payments to acquire intangible assets	-604	-18
Payments to acquire property, plant and equipment	-101	-677
Payments to acquire noncurent financial assets	-3	-3
Proceeds from sale of intangible assets	0	0
Proceeds from sale of property, plant and equipment	0	0
Proceeds from sale of noncurrent financial assets	0	0
Short-term dispostion in restricted cash	0	0
Proceeds from DLoG sale	12,532	0
Payments from acquisition of subsidiaries, net of purchased cash	0	-10,400
Net cash flow from investing activities	11,824	-11,098
Free cash flow	12,739	-9,740
Change in short-term debt	319	726
Change in long-term debt	-1,412	2,803
Proceeds from (+) payments to (-) shareholders	-51	-46
Dividend payments to shareholders	0	0
Cash flow from financing activities	-1,144	3,483
Cashflow	11,595	-6,257
Effect of exchange rate changes on cash and cash equivalents	160	-138
Cash and cash equivalents at end of period	32,741	28,368
Composition of financial resource fund	32,741	28,368
Cash and cash equivalent	32,726	28,275
Less restricted cash	0	0
Money market funds	15	93
Additional disclosures relating to cash flow		
Income taxes paid	691	627
Income taxes received	0	171
Interest paid	357	209
Interest received	10	22

IN EUR THOUSAND	03/31/2010	03/31/2011
Acquisition of subsidiaries		
Goodwill	0	3,799
Intangible assets	0	6,482
Tangible assets	0	85
Financial assets	0	0
Inventories	0	0
Trade account receivables	0	1,896
Other assets	0	288
Cash and cash equivalents	0	77
Deferred taxes	0	600
Trade account payables	0	-1,600
Financial liabilities	0	-86
Provisions	0	0
Provision and liabilities from taxes	0	-147
Other liabilities	0	-204
Minority interest	0	-190
Purchase price paid	0	11,000
Acquired cash and cash equivalents	0	-600
Purchase price paid, net of purchased cash	0	10,400
Sale of subsidiaries		
Goodwill	8,880	0
Intangible assets	1,730	0
Tangible assets	356	0
Financial assets	4	0
Active deferred taxes	0	0
Other noncurrent assets	239	0
Inventories	2,117	0
Trade account receivables	1,958	0
Short-term financial assets	0	0
Other noncurrent assets	167	0
Cash and cash equivalents	48	0
Passive deferred taxes	-397	0
Provisions for pension fund liabilities	0	0
Other noncurrent liabilities	0	0
Trade account payables	-1,516	0
Financial liabilities	0	0
Provisions	-303	0
Provisions and liabilities from taxes	0	0
Other liabilities	-317	0
Minority interest	0	0
Value adjustments from previous year	0	0
Consolidation entries	6	0
Liss on sale (before additional expenses for sale)	-122	0
Purchase price received	12,850	0
Disposal of cash and cash equivalents	-48	0
Additional costs for sale	-270	0
Inflow of funds from sale of company, net of disposed cash	12,532	0

Consolidated Statement of Changes in Equity

	SUBSCRIBED CAPITAL				
IN EUR THOUSAND	NUMBER OF SHARES	AMOUNT	CAPITAL RESERVES	RETAINED EARNINGS	TRANSLATIONS RESERVE
Status as of January 1, 2010	8,435,514	8,436	55,679	30,000	701
Dividend					
Appropriation to reserves					
Total income					2,065
Status as of March 31, 2010	8,435,514	8,436	55,679	30,000	2,766
Status as of January 1, 2011	8,435,514	8,436	55,843	34,000	3,267
Share options					
Dividend					
Approprioation to reserves					
Total income					-931
Status as of March 31, 2011	8,435,514	8,436	55,843	34,000	2,336

REVALUTATION RESERVES					
CURRENCY	CASH FLOW HEDGES	NET RETAINED LOSS/ GAIN	TREASURY SHARES	MINORITY INTEREST	TOTAL EQUITY
	-548	14,041	-13,166	227	95,370
				-46	-46
					0
	-10	1,898		28	3,981
	-558	15,939	-13,166	209	99,305
	-346	18,153	-13,166	359	106,546
					0
				-43	-43
					0
	117	3,191		25	2,402
0	-229	21,344	-13,166	341	108,905

Notes

Explanatory notes the the 3-month report

1. Accounting principles

The 3-month report of AUGUSTA Technologie AG of March 31, 2011 was drawn up in accordance with the Consolidated Financial Statements of December 31, 2010 and in compliance with the International Financial Reporting Standards (IFRS). The same accounting, valuation, and calculation methods have been used in these interim financial statements as in the Consolidated Financial Statements of December 31, 2010.

The financial statement contained in the report (of March 31, 2011, and December 31, 2010), the statement of comprehensive income (for the first three months of 2011 and 2010 respectively) and the cash flow statement (for the first three months of 2011 and 2010 respectively), as well as the change in equity capital statement (for the first three months of 2011 and 2010 respectively) have been drawn up by the Managing Board of AUGUSTA Technologie AG and have not been confirmed by an auditor.

2. Consolidated Companies

On January 1, 2011 AUGUSTA Technologie AG acquired all shares in VDS Vosskühler GmbH and certain assets and liabilities of Jürgen Vosskühler CCD-Kamera-Technik, both with registered office in Osnabrück. VDS Vosskühler GmbH, founded in 1985, has around 20 employees. VDS sells infrared digital cameras for specialized applications with a focus on OEM customers in industrial automation, medical technology and security and traffic automation. VDS's operations will be integrated into the AUGUSTA subsidiary Allied Vision Technologies, part of the Vision segment.

Half of the roughly EUR 11 million price for this acquisition was derived by the AUGUSTA from equity and the other half from external financing.

Intangible assets from the initial consolidation were recognized in the amount of EUR 6.5 million for technology and the company's customer base and allocated accordingly in the purchase price allocation. After deducting accruing deferred taxes of EUR 1.6 million, goodwill is valued at EUR 3.8 million, EUR 0.8 million of which is tax deductible. The technology and customer base assets are being amortized over a period of eight years.

VDS recorded EUR 8.7 in sales revenue and EUR 2.6 million in earnings before taxes last year.

In 2011, the AUGUSTA Group acquired the following assets and liabilities in the full buyout of VDS (figures in EUR thousand):

VDS VOSSKÜHLER GMBH	01/01/2011
ASSETS	
Noncurrent assets	
- Goodwill	3,799
- Intangible assets	6,482
- Property, plant and equipment	85
- Financial assets	0
Current assets	
- Inventories	1,896
- Trade account receivables	288
- Other assets	77
- Cash and cash equivalents	600
TOTAL ASSETS	5,018
LIABILITIES	
Noncurrent provisions	
- Pension commitments	0
- Deferred tax liabilities	1,602
Current liabilities	
- Trade account payables	86
- Liabilities to banks	0
- Provisions for taxes	204
- Provisions	147
- Other current liabilities	190
TOTAL LIABILITIES	2,229

3. Segment reporting

AUGUSTA Technologie AG divides its business activities into the sectors Sensors and Vision. The Sensors segment includes the two product lines Sensors & Microsystems Technology and Mobile Measuring Systems. The acquired company VDS Vosskühler GmbH is assigned to the Vision segment.

AS OF 31/03/2011 IN TEUR	Sensors	Vision	Others	DCO	Reconciliation	Total
External sales	24,043	16,335	-	-	-	40,377
Internal sales	84	36	-	-	-120	0
Depreciation	-341	-988	-12	-	-	-1,342
EBIT	2,952	3,848	-1,306	-	1	5,495
Financial result	-299	-267	377	-	-701	-891
Result before DCO	2,205	3,053	-1,339	-	-700	3,219
Result DCO	-	-	-	-	-	-
Result after DCO	2,205	3,053	-1,339	-	-700	3,219
Assets	71,928	67,086	55,923	-	-18,211	176,726
Liabilities	34,460	28,751	22,820	-	-18,211	67,822
Goodwill	27,962	32,719	-	-	-	60,681

AS OF 31/03/2010 IN TEUR	Sensors	Vision	Others	DCO	Reconciliation	Total
External sales	17,901	9,038	-	-	-	26,939
Internal sales	59	4	-	-	-63	0
Depreciation	-431	-288	-13	-	-	-732
EBIT	1,860	2,715	-782	-	-14	3,779
Financial result	37	-121	493	-	-486	-78
Result before DCO	1,817	2,290	-1,140	-	-500	2,467
Result DCO	-	6,682	-3,989	-3,235	-	-541
Result after DCO	1,817	8,972	-5,128	-3,235	-500	1.926
Assets	66,340	49,327	44,705	-	-14,925	145,447
Liabilities	30,547	15,298	15,222	-	-14,925	46,142
Goodwill	28,102	27,900	-	-	-	56,003

4. Earnings per share

AUGUSTA Technologie AG earnings per share is calculated from the 8,435,514 shares issued, less treasury shares held by AUGUSTA Technologie AG, based on the weighted average for the period under review. On March 31, 2011, AUGUSTA Technologie AG held a total of 843,551 shares in the company. In the first three months of 2011, 7,591,963 shares were in circulation.

5. Statement of Directors' Dealings as of March 31, 2011

No transactions in securities subject to disclosure were conducted by company directors and officers in the first three months of 2011.

On March 31, 2011, the following tranches were issued to Managing Board members, managing directors, and executives of the AUGUSTA Group from the 2008 stock options program:

1. 1st tranche: 115,300 stock options at an exercise price of EUR 14.63 in 2008
2. 2nd tranche: 161,000 stock options at an exercise price of EUR 8.08 in 2009
3. 3rd tranche: 230,400 stock options at an exercise price of EUR 11.23 in 2010

The total of stock options issued is equivalent to roughly 60.1 percent of the approved program of 843,551 stock options in total. The options issued from the first tranche and half of the options from the second tranche can no longer be exercised due to non-fulfillment of the exercise conditions (6 percent EBITDA increase excluding acquisition effect), and thus have expired.

	NUMBER OF SHARES 03/31/2011	NUMBER OF SHARES 12/31/2010	NUMBER OF SHARE OPTIONS 03/31/2011	NUMBER OF SHARE OPTIONS 12/31/2010
MANAGING BOARD				
Amnon F. Harman	15,500	15,500	47,500	47,500
Berth Hausmann	8,250	8,250	47,500	47,500
Arno Pätzold	3,000	3,000	30,000	30,000
SUPERVISORY BOARD				
Adi Seffer	-	-	-	-
Dr. Hans Liebler	-	-	-	-
Dr. Rainer Marquart	-	-	-	-
TOTAL	26,750	26,750	125,000	125,000

6. Treasury shares

On March 31, 2011 AUGUSTA Technologie AG held a total of 843,551 shares in the company. The shares represented EUR 843,551.00 of authorized capital, in which the total authorized capital was divided among 8,435,514 shares each with a nominal value of EUR 1.00.

	NUMBER OF SHARES 03/31/2011	NUMBER OF SHARES 12/31/2010	IN % OF SHARE CAPITAL 03/31/2011
Treasury shares	843,551	843,551	10.0%

7. Descision-making bodies of AUGUSTA Technologie AG

The Managing Board consists of Amnon F. Harman, CEO, Berth Hausmann, CFO, and Arno Pätzold CDO.

Responsibility statement

Pursuant to Section 37y of the German Securities Trading Act (WpHG) in conjunction with Section 37w (2) no. 3 of the German Securities Trading Act (WpHG).

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Risk report

According to the annual financial statements for 2010, no significant changes from which new risks for the Group could be derived have occurred. Reference is therefore made to the 2010 Annual Report for more details on the risk profile of AUGUSTA Technologie AG. It presents potential risks in detail.

Legal notice

This report contains forecasts that are based on the opinions of the Managing Board of AUGUSTA Technologie AG and that reflect its current views and assumptions. These forecasts are subject to risks and uncertainties. The actual performance and results of AUGUSTA Technologie AG may turn out differently due to various factors that cannot be foreseen at present. These include changes in the general economic and commercial situation, changes in interest rates and exchange rates, non-achievement of efficiency and cost reduction targets, and non-acceptance of newly launched products. We are convinced that our expectations are realistic under the current circumstances. If, however, unforeseen risks should occur, AUGUSTA Technologie AG cannot guarantee that the expressed projections will be fulfilled.

Financial calendar 2011

Publication of the 3-month report 2011	May 5, 2011
Publication of the 6-month report 2011	August 4, 2011
Publication of the 9-month report 2011	November 3, 2011
Analysts' conference at the Equity Forum, Frankfurt	November 21-23, 2011

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