# LIVING THE CHANGE

## 6-MONTH REPORT 2010

AUGUSTA Technologie AG

# KEY FIGURES IN EUR THOUSAND

| GROUP | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 |
|---|---|---|---|---|
| Sales revenues | 32,019 | 21,650 | 58,957 | 45,563 |
| Gross profit | 13,580 | 8,377 | 25,391 | 18,337 |
| Gross margin in % | 42.4% | 38.7% | 43.1% | 40.2% |
| EBITDA | 5,078 | 3,216 | 9,590 | 6,487 |
| EBITDA margin in % | 15.9% | 14.9% | 16.3% | 14.2% |
| EBIT | 4,298 | 2,529 | 8,078 | 5,126 |
| EBIT margin in % | 13.4% | 11.7% | 13.7% | 11.2% |
| EBT | 4,682 | 2,240 | 8,384 | 4,578 |
| Taxes | -1,442 | -587 | -2,677 | -1,460 |
| Tax rate in % | 30.8% | 26.2% | 31.9% | 31.9% |
| Period profit before DCO | 3,241 | 1,654 | 5,707 | 3,118 |
| Period profit after DCO | 3,232 | 1,794 | 5,157 | 3,692 |
| Earnings per share in EUR | 0.43 | 0.22 | 0.75 | 0.41 |
| Shares outstanding (average) in thousand | 7,592 | 7,592 | 7,592 | 7,592 |

| SENSORS | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 |
|---|---|---|---|---|
| Sales revenues | 19,929 | 15,495 | 37,830 | 32,955 |
| Gross profit | 6,784 | 5,190 | 13,541 | 11,763 |
| Gross margin in % | 33.9% | 33.5% | 35.7% | 35.6% |
| EBITDA | 2,464 | 1,964 | 4,755 | 4,480 |
| EBITDA margin in % | 12.3% | 12.7% | 12.5% | 13.6% |
| EBIT | 2,039 | 1,583 | 3,899 | 3,716 |
| EBIT margin in % | 10.2% | 10.2% | 10.3% | 11.2% |

| VISION | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 |
|---|---|---|---|---|
| Sales revenues | 12,089 | 6,155 | 21,127 | 12,608 |
| Gross profit | 6,828 | 3,197 | 11,941 | 6,574 |
| Gross margin in % | 56.4% | 51.9% | 56.5% | 52.1% |
| EBITDA | 3,968 | 1,753 | 6,971 | 3,145 |
| EBITDA margin in % | 32.8% | 28.5% | 33.0% | 24.9% |
| EBIT | 3,627 | 1,462 | 6,342 | 2,576 |
| EBIT margin in % | 30.0% | 23.8% | 30.0% | 20.4% |

| OTHER KEY GROUP FIGURES | 06/30/2010 | 12/31/2009* |
|---|---|---|
| Total assets | 149,155 | 142,439 |
| Noncurrent assets | 80,566 | 88,420 |
| Current assets | 68,589 | 54,019 |
| – thereof cash and cash equivalents and other current financial assets | 30,984 | 20,986 |
| Equity | 102,122 | 95,370 |
| Equity ratio in % | 68.5% | 67.0% |
| Net liquidity | 7,843 | -4,590 |
| Working Capital | 27,618 | 23,634 |
| Closing price (Xetra) in EUR | 11.50 | 10.87 |
| Enterprise Value (EV) | 79,465 | 87,115 |
| Number of employees (headcount) | 532 | 509 |
| Return on Capital Employed (ROCE) | 7.5% | 8.3% |

* Key balance sheet items as of December 31, 2009 include the DLoG GmbH, which was sold in the first quarter 2010

# Dear Shareholders and Friends of AUGUSTA,

Since the end of last year, AUGUSTA has remained firmly on its growth trajectory, recording excellent business results for the first half of 2010. The vision and sensor technology markets in which we are active in have recovered from the crisis to a large extent. As the AUGUSTA Group becomes increasingly international, we benefit from growth in their market segments on a global scale. As a result, business has accelerated substantially, over the last six months and we have improved our market position. In the second quarter of 2010 sales, incoming orders and profitability in particular increased over the very good levels achieved in the first quarter of 2010, coming in considerably higher versus the first half of last year.

Summary of results:

/ At EUR 59.0 million, consolidated sales revenue for the first half was up 29 percent versus one year ago (45.6 million euros). The year-on-year difference for Q2 was even more dramatic, with sales up 48 percent to EUR 32.0 million (Q2 2009: EUR 21.6 million), beating even the solid first quarter of 2010. The camera business in the Vision segment contributed substantially to the Group's performance, with sales doubling.

/ Incoming orders were up an impressive 77 percent at the end of the first half to a cumulative EUR 69.9 million (H1 2009: EUR 39.5 million). Quarter-on-quarter, incoming orders rose 59 percent to EUR 36.5 million (previous year: EUR 22.9 million). The steady increase led to a book-to-bill ratio of 1.2 for the first half, solidifying expectations for robust sales in the second half of 2010.

/ At the end of H1 2010 order book was up 39.9 percent to EUR 51.2 million (previous year: EUR 36.6 million).

/ Gross margin rose to 43.1 percent for the first half of 2010 (previous year: 40.2 percent). Gross margin widened, particularly for vision technologies, due to cost-optimized newly developed products and strong demand.

/ Group profitability increased faster than sales. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose 48 percent to EUR 9.6 million (previous year: EUR 6.5 million) for an EBITDA margin of 16.3 percent (previous year: 14.2 percent). EBITDA climbed 58 percent in Q2 2010 to EUR 5.1 million, reaching pre-crisis levels for operating profits.

/ Working capital was higher at the end of H1 at EUR 27.6 million (12/31/2009: EUR 21.1 million). This increase was proportional to the sales growth. Working capital will be reduced in the second half of 2010.

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

/ Cash and cash equivalents total EUR 31.0 million despite distributing a dividend and paying off debt (December 31, 2009: EUR 21.0 million). The Group held net liquidity of EUR 7.8 million at the end of the quarter under review; the equity ratio rose to 68.5 percent, which is an outstanding level for a German midmarket company.
/ Earnings per share increased sharply to EUR 0.75 at the end of H1 2010 (H1 2009: EUR 0.41 per share).
/ The AUGUSTA share performed well in a volatile market environment relative to the indices (DAX, TecDAX), closing out the first-half at EUR 11.50, up 6 percent versus the end of 2009.

Leading indicators are signaling that the global economy will continue to recover in 2010, subject to reversals. The basic conditions for growth in our niche markets are thus still intact, giving cause for cautious optimism.

Nothing has changed regarding our long-term growth strategy as a result of the crisis. The long-term process of evolving into a leading technology corporation, sharply focused on doing business in our specific growth markets, remains the core of all of our operations. Innovative products and process improvements will ensure the Group's ability over the medium term to grow organically and profitably at a fast pace. Emerging from a phase of consolidation, we will now also be pursuing acquisitions in attractive growth niches to expand our business. Our short-term objective is to attain our targets for 2010.

In view of a large increase in incoming orders and high order backlog we are raising our guidance for 2010. For 2010 we now estimate sales to come in between EUR 112 and 120 million and EBITDA between EUR 17 and 20 million.

We see ourselves as well-positioned for the future given our current market position, international business orientation, innovative product portfolio and outstanding service.

| | | |
|---|---|---|
| Amnon F. Harman | Berth Hausmann | Arno Pätzold |
| CEO | CFO | CDO |

## Performance of the AUGUSTA share

The sharp recovery of the world's stock markets in 2009 presaged the economic recovery now underway. Shares broke out of The stock market's previously-unbroken upwards trend came to a halt at the start of 2010 however, given mounting fears of a renewed sell-off and national debt problems around the world and in certain European countries in particular. The markets have thus been reacting nervously to unexpected news since the start of the year.

Among the factors jeopardizing global economic recovery are concerns over a significant loss of momentum once the impact of economic stimulus packages plays itself out and looser monetary policies are gradually abandoned. Analysts do not yet consider the recovery to be self-sustaining.

Since termination of the correction phase in early 2010, most economic indicators have pointed toward a continued recovery for equity markets: the revival of the global economy has continued this year – propelled mainly by emerging markets – at a projected growth rate of approximately 4%. The economic recovery is proceeding more slowly in industrialized nations. US economic output is estimated to increase by around 3%, benefiting from the expansive monetary policy still in place and economic stimulus packages. Analysts estimate growth of around 2% for the Eurozone, with Germany and France evidently leading the way out of the crisis; Greece, Ireland, Spain and Portugal however will be struggling with their structural problems for a long time.

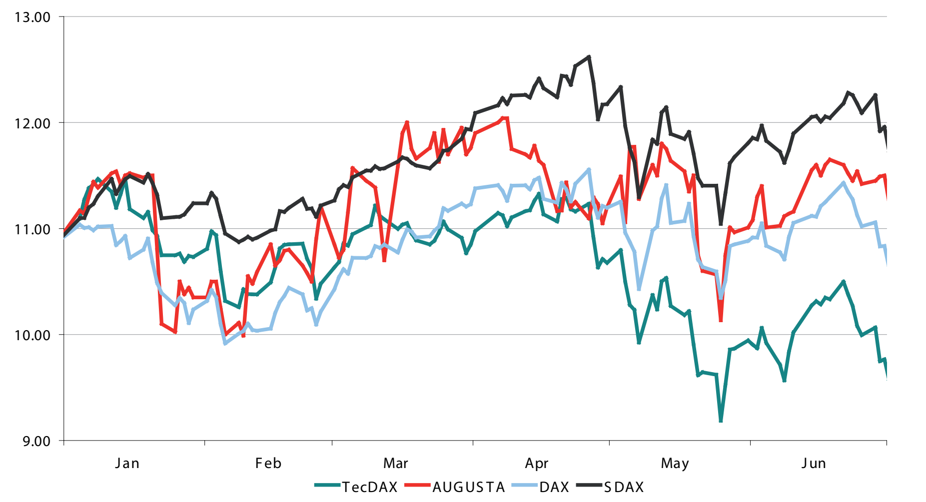
Tremendous liquidity, partly consisting of investors' large cash holdings on the sidelines combined with a lack of investment alternatives due to low money market and bond yields are an argument in favor of rising stock prices over the medium term. Additionally, valuations are relatively low, both historically and relative to investing in government bonds. In view of the implemented restructuring measures and the expected economic recovery, analysts see corporate profits rising substantially this year, and modestly next year. Many cyclical firms however, are still estimating earnings far below the record levels of recent years.

## Share price development

While the DAX finished the first half of 2010 roughly at the same level as going into the year, the TecDAX declined roughly 10%, while the SDAX rose 10%.

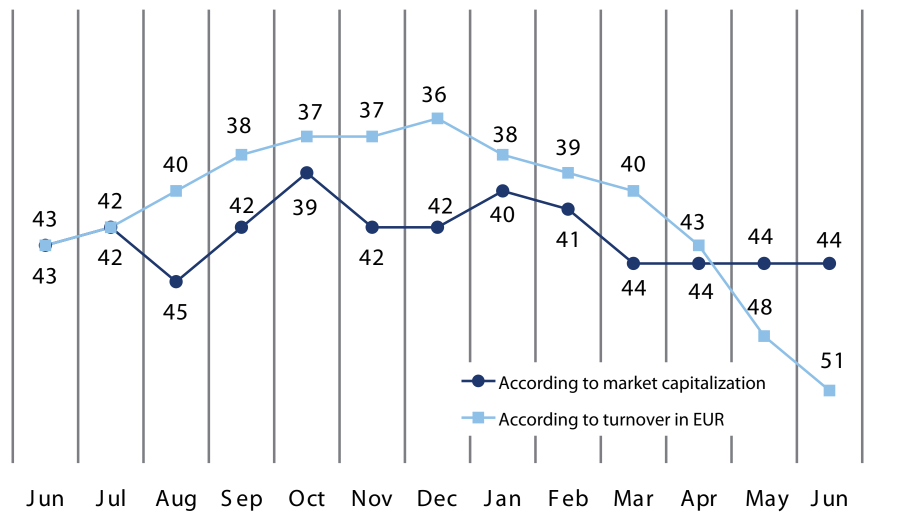
AUGUSTA shares gained solidly in the first half of 2010, up from a year-end level of EUR 10.87 at December 31, 2009 to close in trading at € 11.50 on June 30, 2010, a gain of roughly 6 percent. AUGUSTA shares thus outperformed both the DAX and TecDAX for the first half of 2010. AUGUSTA shares are currently showing greater stability than the broader market, trading at around € 13.

## AUGUSTA SHARE PRICE COMPARED TO DAX, TECDAX AND SDAX




In the TecDAX ranking, AUGUSTA shares are ranked 51 (previous year: 43) in terms of share trading volume, though volume fell noticeably after the May 2010 Annual General Meeting. Sales revenue has been rising again since July. After the free-float market capitalization, the AUGUSTA share ranked 44 (previous year: 43). Despite outperforming the TecDAX, AUGUSTA's ranking did not further improve in the course of the year. This was due to the fact that larger equities were more in demand on the TecDAX during this period.

## TECDAX POSITIONING: RANKING OF THE AUGUSTA SHARE



## Dividend payment in the amount of €30 cents per share in 2010

We pursue a policy of steady dividend distributions as part of our shareholders' participation in the growth of our business. Our announced dividend target is 30% of consolidated net income. We considered a somewhat higher dividend distribution appropriate since we did not make any acquisitions in the recession-plagued year of 2009, and paid out a 30 cent per share dividend after the Annual General Meeting in May 2010, amounting to roughly 51% of 2009 net profits and representing a dividend yield of nearly 3%.

## Annual General Meeting

The AUGUSTA Annual General Meeting was held in Munich for the third time on May 12, 2010. Some 150 shareholders attended the meeting to hear the Management Board's report on the company and to discuss key choices for company strategy. The main issue at this year's Annual General Meeting involved a supplementary motion added to the agenda submitted by the major shareholders Lincoln Vale and DAH Beteiligungsgesellschaft mbH, calling for a reconstitution of the Supervisory Board. The inclusion of this motion on the agenda led to the issue being put up for discussion and resolution among shareholders.

Following an explanation of business development and prospects at AUGUSTA and an in-depth general debate, the shareholders in attendance voted on the agenda items concerned. This involved the dismissal of the Supervisory Board in office up until then and a new three-man Supervisory Board for AUGUSTA being elected. The election of the new Supervisory Board members occurred with a majority of around 80% of the votes present, with roughly 44% of voting capital in attendance.

The reconstituted AUGUSTA Supervisory Board is composed of the following three individuals, whose appointments began on May 12, 2010:

/ Mr. Adi Seffer (Chairman of the Supervisory Board), Frankfurt
/ Dr. Hans Liebler (Deputy Chairman of the Supervisory Board), Munich, and
/ Dr. Rainer Marquart (Supervisory Board member), Mannheim.

Dr. Liebler and Dr. Marquart are representatives of our major shareholders Lincoln Vale and DAH Beteiligungsgesellschaft mbH. Mr. Adi Seffer is an attorney and partner in the law firm Heymann & Partner in Frankfurt, and was elected to the Supervisory Board as an independent representative.

All other agenda items were approved by a broad majority at the Annual General Meeting, including a standing authorization for buying back company shares and 30 cent dividend distribution. Overall, the shareholders expressed their satisfaction with AUGUSTA's operating activities and performance.

A SUMMARY OF THE AUGUSTA SHARE

| | |
|---|---|
| ISIN | DE000A0D6612 |
| Market segment | Prime Standard |
| Trading segment | Technology Prime-Sektor 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)* | 13.20 EUR/7.75 EUR |
| Closing rate as of June 30, 2010* | 11.50 EUR |
| Market capitalization as of June 30, 2010* | EUR 97.01 million |
| Earnings per share as of June 30, 2010 | 0.75 EUR |
| Dividend per share in 2010 | 0,30 EUR |

* Xetra closing rates

# CONSOLIDATED MANAGEMENT REPORT

## Business and overall environment

The global economy is expanding more rapidly than expected, and the quarters ahead will bring further recovery, although at a more restrained pace. Economists are projecting roughly 4 percent growth for 2010 and 2011.

The emerging countries are providing a crucial stimulus in which global trade has considerably revived after a quick and recently accelerating economic rebound. The emerging countries are now playing an increasingly significant role in global trade as a result of the economic crisis.

In industrialized nations, the economic recovery persists despite the austerity measures announced to shore up state finances. In the US, the recovery is gaining breadth thanks to rising capital expenditure, production output and consumer spending. Economic growth in Europe is centered in Germany and France. The Ifo business climate index, Germany's primary economic barometer, has regained significant territory, despite the problems that have come to the fore in certain southern European countries since the spring of 2009. The outlook for incoming orders and exports is considered favorable.

The positive general trend is benefiting AUGUSTA's relevant industries accordingly. The medical and traffic technology businesses have been much more active since the fourth quarter of 2009, and starting in the early 2010 the hard-hit automotive and machine and plant engineering have been gaining momentum. Incoming orders for machine and plant engineering were up by a good 25% year-on-year during the period January through June. The VDMA (German Association of Machine Tools and Plant Engineering) expects the "pace to let up", although the production output estimate for 2010 has been raised to 3 percent. The crisis appears to be over for the automotive industry, thanks to strong demand from the merging countries.

The machine vision industry has undergone needed consolidation in the year of crisis. New application fields are opening up additional market potential, especially non-industrial applications like security, traffic and medical technology, but also in entertainment, sports and scientific research. Growth is being driven by customers' needs for cost-cutting, quality control, and enhanced productivity and security. Sales in Germany are expected to increase from 5 to 9 percent in 2010, and even to 11 percent in Europe as a whole.

Sensor technologies are essential in every industrial sector, making them a useful indicator for the overall economy. After three quarters of growth in a row, the economy can be said to have recovered, and analysts estimate roughly 5 percent sales growth for the industry in 2010.

Medical technology has emerged from the economic crisis largely unscathed. After a slight decline in sales in 2009, the Spectaris industry association projects substantial 6 percent growth for 2010, 7 percent internationally. This stability derives from a high capacity for innovation and low indebtedness among industry players, plus relatively steady demand from the healthcare sector.

In the second quarter of 2010, AUGUSTA picked up where it left off in Q1, enjoying an above-average recovery in its markets. In addition to general market developments, structural adjustments and last year's product initiative boosted sales, incoming orders and profitability.

## Sales revenues and earnings development

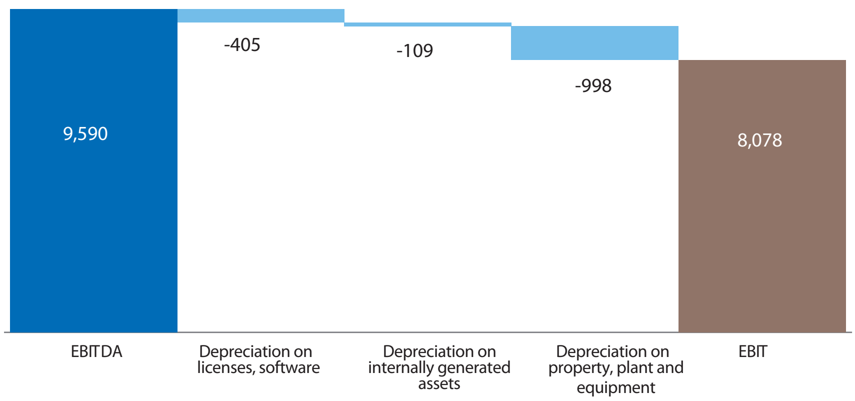
Consolidated sales revenues rose to 58.96 million euros, an increase of 29.4 percent versus the previous year (45.56 million euros). The camera business in the Vision segment contributed substantially to the Group's performance, since even the companies that suffered considerably in the crisis restored sales to pre-crisis levels. Revenue for the quarter was up 47.9 percent year-on-year to 32.02 million euros (Q2 2009: 21.65 million euros).

Gross profit rose sharply by 38.5 percent to EUR 25.39 million euros (H1 2009: EUR 18.34 million), for a gross margin of 43.1 percent at the half-year mark (H1 2009: 40.2 percent). Comparing Q2 to last year, gross profit increased 62.1 percent to EUR 13.58 million (previous year: EUR 8.38 million). The Q2 2010 gross margin thus came to 42.4 percent (Q2 2009: 38.7 percent). Gross margins are under slight pressure right now due to materials availability issues, a sudden increase in production costs and the stronger US dollar.

Year-on-year earnings growth outpaced sales growth. Earnings before interest, tax, depreciation and amortization (EBITDA) came in 47.8 percent higher year-on-year at 9.58 million euros (H1 2009: 6.49 million euros). EBITDA margin widened to 16.3 percent (H1 2009: 14.2 percent). For Q2 EBITDA increased 57.9 percent year-on-year to 5.07 million euros (Q2 2009: 3.22 million euros).

Earnings before interest and taxes (EBIT) were likewise up 57.6 percent at June 30, 2010 to EUR 8.07 million (H1 2009: 5.13 million euros) for an EBITDA margin of 13.7 percent (H1 2009: 11.2 percent). The Q2 EBIT result of 4.29 million euros represents a 70.0 percent increase versus the previous year (Q2 2009: 2.53 million euros). Halfway through 2010, the AUGUSTA Group has already returned to pre-crisis profitability levels.

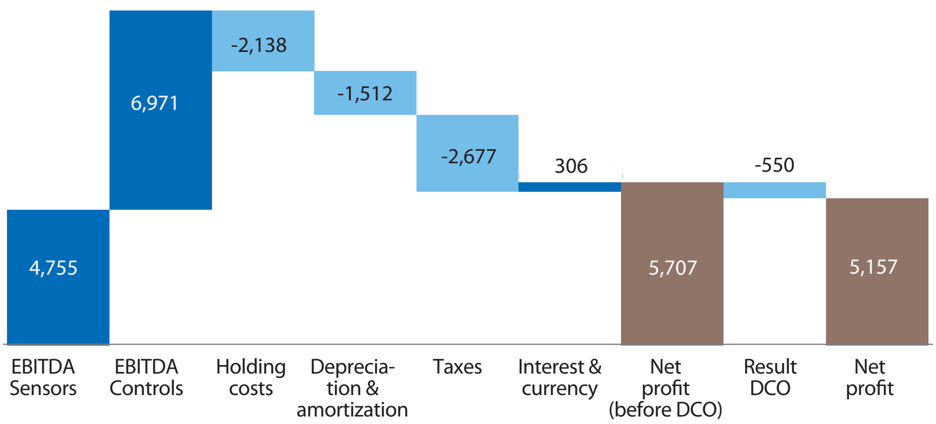
## RECONCILIATION OF EBITDA TO EBIT IN EUR THOUSAND




Holding costs had risen to 2.15 million euros as of June 30, 2010 (previous year: 1.14 million euros). This figure includes one-time expenses of around 0.5 million euros reflecting additional costs connected with this year's Annual General Meeting, personnel related costs connected with the share option program and increased M&A activities.

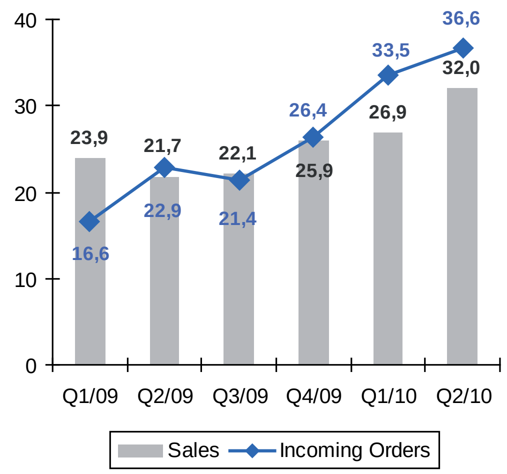
Net income from continued operations for the period was also up sharply year-on-year to EUR 5.71 million (H1 2009: EUR 3.12 million). Earnings per share of EUR 0.75 were recorded at the half-year mark (H1 2009: EUR 0.41).

## RECONCILIATION OF NET PROFIT FOR THE PERIOD IN EUR THOUSAND



Incoming orders are an important indicator of revenue development, which at the end of H1 totaled 69.94 million euros, substantially driven by the Vision segment, up 77.2 percent year-on-year (H1 2009: 39.47 million euros). Q2 incoming orders were up 59.3 percent year-on-year to 36.47 million euros (Q2 2009: 22.89 million euros). The book-to-bill ratio, i.e. the ratio of new orders to sales, was 1.2 at the end of the first half, indicating the positive trend will definitely continue in the months ahead.

## DEVELOPMENT OF SALES AND INCOMING ORDERS BY QUARTER IN EUR MILLION




Order book was thus considerable at June 30, 2010, up 39.9 percent year-on-year to 51.19 million euros (H1 2009: 36.58 million euros). Roughly 36.4 million euros of this total (appr. 71 percent) represents an order backlog from 2010.

As of June 30, 2010, the key performance indicators for the Group were as follows:

## Key Group Figures

| IIN EUR MILLION | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 | CHANGE |
|---|---|---|---|---|---|
| Sales revenues | 32.02 | 21.65 | 58.96 | 45.56 | +29.4% |
| Gross profit | 13.58 | 8.38 | 25.39 | 18.34 | +38.5% |
| Margin | 42.4% | 38.7% | 43.1% | 40.2% | |
| EBITDA | 5.08 | 3.22 | 9.59 | 6.49 | +47.8% |
| Margin | 15.9% | 14.9% | 16.3% | 14.2% | |
| EBIT | 4.30 | 2.53 | 8.08 | 5.13 | +57.6% |
| Margin | 13.4% | 11.7% | 13.7% | 11.2% | |
| EBT | 4.68 | 2.24 | 8.38 | 4.58 | +83.1% |
| Margin | 14.6% | 10.3% | 14.2% | 10.0% | |
| Incoming orders | 36.47 | 22.89 | 69.94 | 39.47 | +77.2% |
| Order book | 51.19 | 36.58 | 51.19 | 36.58 | +39.9% |

## Development of the segments

The Vision segment is composed of the Allied Vision Technologies GmbH and its subsidiaries (AVT).

AVT gained further market share in the second quarter of 2010, seeing a sustained increase in activity across all markets and regions. Industrial manufacturers and equipment/machinery makers are now placing orders again. Demand from non-industrial customers, such as medical and traffic technology providers, has risen faster than the overall pace of economic recovery. As the market leader in sales of FireWire cameras, AVT is benefiting strongly from the upturn. GigE camera sales are a major growth driver for AVT, which are primarily used in new vision technology applications demanding requirements in terms of data volume and transmission rates. GigE cameras are thus accounting for a steadily increasing percentage of total AVT sales.

The full integration of AVT Canada (formerly Prosilica) serves to optimize product development, purchasing, distribution and production worldwide, to capture more market share.

Sales are up across all AVT's regional markets, with the most growth coming from Asia. This stems from the use of optical sensors in large infrastructure projects and rising demand for digital cameras in machinery and equipment manufacturing, in electro-technology and industrial manufacturing. Pricing pressures have diminished somewhat in the face of vibrant demand, so that AVT has been able to keep prices mostly stable.

In the Vision division, sales of 21.13 million euros were recorded for the first half, up 67.6 percent year-on-year (H1 2009: 12.61 million euros). Q2 sales nearly doubled year-on-year to 12.09 million euros (Q2 2009: 6.15 million euros). Gross margin increased to 56.5 percent at the close of H1 2010 versus 52.1 percent one year ago.

Profitability improved substantially, with EBITDA up 121.7 percent to 6.97 million euros (previous year: 3.14 million euros) and the operating result (EBIT) up 146.2 percent to 6.34 million euros (previous year: 2.58 million euros). EBITDA margin is now at 33.0 percent, and EBIT margin at 30.0 percent (previous year: 24.9 and 20.4 percent respectively).

Incoming orders similarly surged to 27.28 million euros, a 145.1 percent year-on-year increase (previous year: 11.13 million euros). Orders on hand came to EUR 11.47 million, an increase of 71.1 percent compared to the previous year (EUR 6.70 million). Roughly 66 percent of orders on hand stem from 2010. With a book-to-bill of 1.3 in the first half 2010, the foundation has been laid for more powerful growth in the months ahead.

## Key Figures Vision

| IN EUR MILLION | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 | CHANGE |
|---|---|---|---|---|---|
| Sales revenues | 12.09 | 6.15 | 21.13 | 12.61 | 67.6% |
| Gross profit | 6.83 | 3.20 | 11.94 | 6.57 | +81.7% |
| Margin | 56.4% | 51.9% | 56.5% | 52.1% | |
| EBITDA | 3.97 | 1.75 | 6.97 | 3.14 | +121.7% |
| Margin | 32.8% | 28.5% | 33.0% | 24.9% | |
| EBIT | 3.63 | 1.46 | 6.34 | 2.58 | +146.2% |
| Margin | 30.0% | 23.8% | 30.0% | 20.4% | |
| EBT | 3.49 | 1.17 | 6.09 | 2.23 | +172.8% |
| Margin | 28.9% | 18.9% | 28.8% | 17.7% | |
| Incoming orders | 14.14 | 6.77 | 27.28 | 11.13 | +145.1% |
| Order book | 11.47 | 6.70 | 11.47 | 6.70 | +71.1% |

In the Sensor and Microsystems Technology (SMST) business, the Sensortechnics Group is back on track for growth. Medical technology is now exhibiting significant growth, and the process industry remains robust. Demand for sensors and microsystem electronics (SMST) from customers in industrial and equipment/machinery manufacturing further rose and stabilized in the second quarter of 2010, coming after a steep decline last year. Several new projects in the medical technology, energy, security, entertainment and automotive industries have boosted orders on hand.

Sensor developed in-house are accounting for a steadily increasing percentage of total sales revenue. The range of new sensors was extended in 2009 to include pressure, flow, humidity and filling level applications. In May 2010 the Sensortechnics Group presented three innovative high-precision pressure sensors at the Sensor + Test trade fair in Nuremberg. These include, for example, a stainless steel sensor optimally suited for measuring pressure over an extended temperature range and digital output signals. Some of the main applications are in industrial control and regulating, medical and measurement technology. Further progress was thus made toward the strategic goals of supplier independence and creating value through sensor products.

HE System Electronic has recovered considerably from the sharp drop in business in 2009. Order inflow from customers in the automotive/rail, consumer goods, energy and medical technology industries is increasing, and major projects securing long-term growth are underway. The systems business is thus increasingly contributing to overall HE System Electronic sales.

In mobile measurement systems, Dewetron GmbH's results for the first of 2010 were in line with the previous year, despite the effect last year of two large orders valued together at around 2 million euros. Customer base expanded further in 2010 on very strong business from Germany and Europe and the reviving Asian market, while the US market is showing economic weakness, in sharp contrast to last year. The increase in incoming orders, the full project pipeline and high level of orders on hand point towards improved results in the second half of 2010.

The Sensors division generated total sales of EUR 37.83 million, up 14.8 percent year-on-year (H1 2009: EUR 32.95 million). For the quarter sales were up 28.6 percent year-on-year to 19.93 million euros (Q2 2009: 15.49 million euros). At 35.7 percent, gross margin was at the previous year's level (35.6 percent).

EBITDA rose by 6.2 percent to 4.76 million euros (previous year: 4.48 million euros). Earnings before interest and taxes (EBIT) of EUR 3.90 million were recorded for the period under review. EBIDTA and EBIT margin are in the double-digits at 12.5 and 10.3 percent respectively). Earnings increased at a lower rate than sales due to start-up costs for the Singapore production facility and slightly weaker first-half results for Dewetron year-on-year. For the second half of 2010 we anticipate substantially higher year-on-year earnings.

Incoming orders surged to 42.65 million euros, a roughly 50 percent year-on-year increase (previous year: 28.34 million euros). Orders on hand totaled EUR 39.72 million at the close of the half, up 32.9 percent year-on-year (EUR 29.88 million). Roughly 73 percent of orders on hand stem from 2010. In view of the incoming orders situation and a book-to-bill ratio of 1.1 in the first half 2010, the Sensors business is poised for further growth in the second half of 2010.

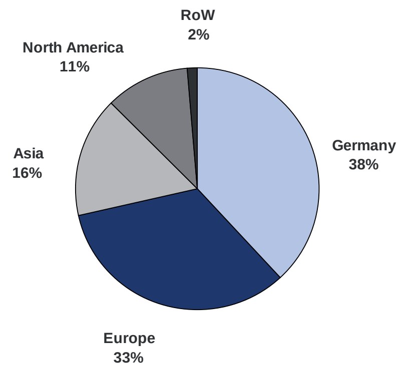
### Key Figures Sensors

| IN EUR MILLION | Q2 2010 | Q2 2009 | H1 2010 | H1 2009 | CHANGE |
|---|---|---|---|---|---|
| Sales revenues | 19.93 | 15.49 | 37.83 | 32.95 | +14.8% |
| Gross profit | 6.78 | 5.19 | 13.54 | 11.76 | +15.1% |
| Margin | 33.9% | 33.5% | 35.7% | 35.6% | |
| EBITDA | 2.46 | 1.96 | 4.76 | 4.48 | +6.2% |
| Margin | 12.3% | 12.7% | 12.5% | 13.6% | |
| EBIT | 2.04 | 1.58 | 3.90 | 3.72 | +4-9% |
| Margin | 10.2% | 10.2% | 10.3% | 11.2% | |
| EBT | 2.12 | 1.23 | 4.02 | 3.17 | +26.8% |
| Margin | 10.6% | 7.9% | 10.6% | 9.6% | |
| Incoming orders | 22.32 | 16.11 | 42.65 | 28.34 | +50.5% |
| Order book | 39.72 | 29.88 | 39.72 | 29.88 | +32.9% |

## Internationalization

At the close of H1 2010, a good 29 percent of sales were generated outside Europe. Asia is accounting for an increasing percentage of sales, while demand from the US has slowed somewhat, though here too sales are expected to pick up in the second half. Going forward our marketing, development, procurement and production activities will remain focused on the Asia and North America regions.

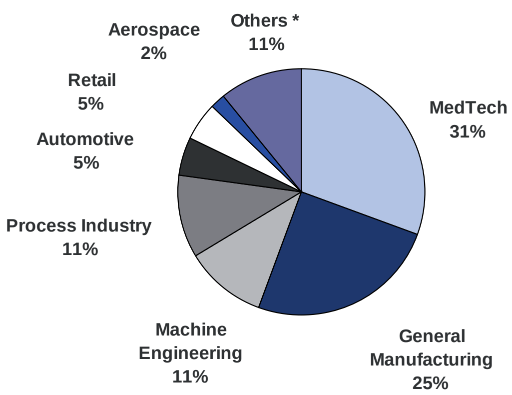
SALES REVENUES BY REGION IN PERCENT




## Sales revenues by customer

A diversified array of customer industries reduces economic risk, and at this time no single customer accounts for more than 3 percent of consolidated sales. The biggest growth industries are currently medical technology and new niche markets such as traffic, climate and energy technology.

SALES REVENUES BY CUSTOMER IN PERCENT




* Energy, Technology, Traffic, Transportation, Logistics

## M&A activities and financing

Acquisitions are a focus in 2010, in parallel with organic business expansion. Our outstanding balance sheet and superb operating basis give us the necessary financial leeway. Our principal acquisition targets are in vision technology, which is to say the entire range of applications for optical sensors, where growth rates outpaced the overall sensors market. This market segment is also extremely fragmented, presenting attractive acquisition opportunities in which we can capitalize on our market position and know-how, especially in vision technology. Global trends like healthcare improvement, heightened security requirements and increasing automation also pose major market opportunities. We are very interested in and pursuing strategic partnerships, advancing our talks with potential acquisition candidates.

## Development of the key balance sheet items

As of June 30, 2010, the balance sheet total increased slightly compared to the end of the year, and stood at EUR 149.15 million (December 31, 2009: EUR 142.44 million). Looking at assets, goodwill was lower at EUR 57.14 million due to the deconsolidation of DLoG (December 31, 2009: EUR 63.44 million), amounting to roughly 56 percent of equity (fiscal year-end: 66.5 percent).

Non-current assets were down at fiscal year-end to 80.57 million euros (2009: 88.42 million euros), while current assets rose to 68.59 million euros (December 31, 2009: 54.02 million euros). Working capital rose to 27.62 million euros at the end of H1 2010 (December 31, 2010: 21.1 million euros). This increase since year-end reflects higher business volume and increased inventories in response to supply bottlenecks, affecting the Sensors segment in particular. The increase in working capital was proportional to the sales growth. The 79 days of working capital (DWC) recorded in the second quarter 2010 improved over one year (second quarter 2009: 89 days).

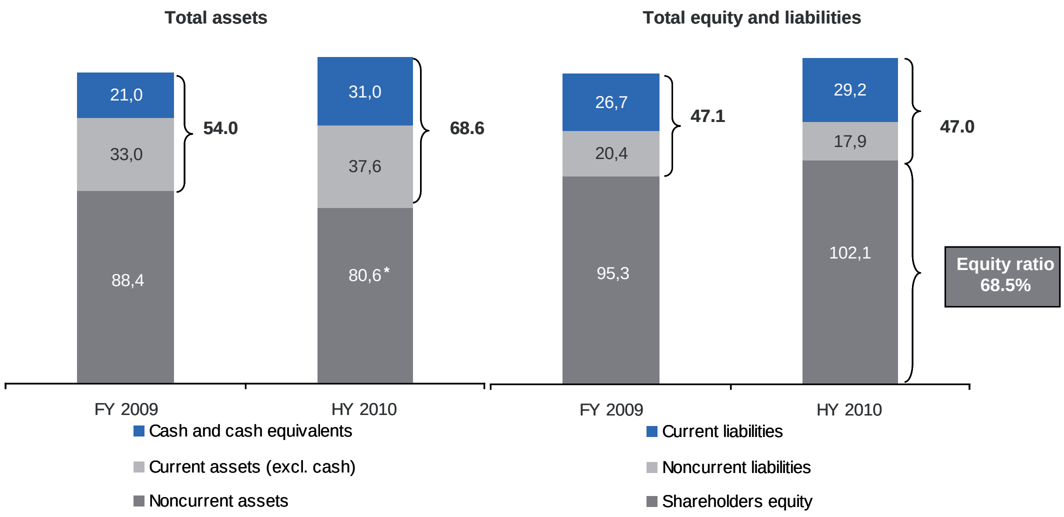
The level of cash and cash equivalents and marketable securities was higher as of June 30, 2010 at EUR 20.99 million (December 31, 2009: EUR 30.98 million). The sale of DLoG in the first quarter generated cash proceeds of approximately 12.5 million euros, but 2.3 million euros in dividends were distributed in the second quarter. Additionally, debts were redeemed in the amount of 2.6 million euros.

Looking at liabilities and equity, the latter rose to EUR 102.12 million (December 31, 2009: EUR 95.37 million). Correspondingly the equity ratio rose as of June 30, 2010 to 68.5 percent (year-end: 67.0 percent). Net liquidity at the end of the first half totaled EUR 7.84 million (December 31, 2009: net debt of EUR 4.59 million).

Current liabilities rose to EUR 29.15 million in the first half (December 31, 2009: 26.68 million), while non-current liabilities were below the level at fiscal year-end (EUR 20.39 million) at EUR 17.89 million.

| KEY DATA BALANCE SHEET IN EUR MILLION | H1 2010 | H1 2009 | CHANGE |
|---|---|---|---|
| Goodwill | 57.14 | 63.44 | -9.9% |
| Cash and cash equivalents and other current financial assets | 30.98 | 20.99 | +47.6% |
| Total assets | 149.15 | 142.44 | +4,7% |
| Net liquidity | 7.84 | -4.59 | - |
| Enterprise Value | 79.46 | 87.12 | -8.8% |
| Equity ratio | 68.5% | 67.0% | - |

BALANCE SHEET IN EUR MILLION

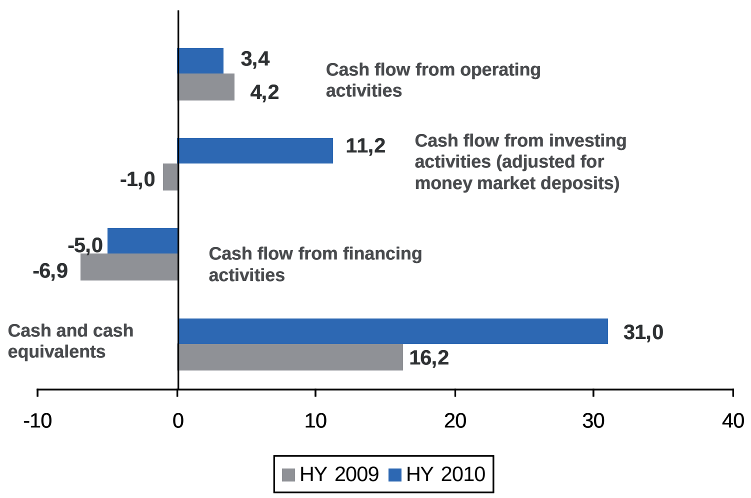



## View of cash flow

Cash flow from operating activities came to EUR 3.42 million at the end of the first half, despite the sales related build-up of working capital (H1 2009: EUR 1.34 million). Cash flow from investing activities was EUR 11.16 million at the close of the half (H1 2009: EUR -2.89 million), reflecting the sale of DLoG in the first quarter.

Cash flow from financing activities was EUR -5.00 million as of June 30, 2010 (previous year: EUR -7.65 million), this figure including the 2.3 million euro dividend distribution and 2.4 million to pay down outstanding debt.

OVERVIEW OF CASH FLOW IN EUR MILLION



## Employees

As of June 30, 2010, the AUGUSTA Group employed 532 full-time employees, slightly fewer than in the previous year (540 employees). In the Sensors division 393 people were employed (previous year: 401) and in the Vision division 134 (previous year: 134). Temporary personnel are being employed in production to accommodate surging demand. It is planned to hire permanent employees in product management, development and distribution in particular.

## Significant developments after the reporting date of June 30, 2010

No material changes have occurred after the closing date of June 30, 2010.

## Outlook – cautious optimism

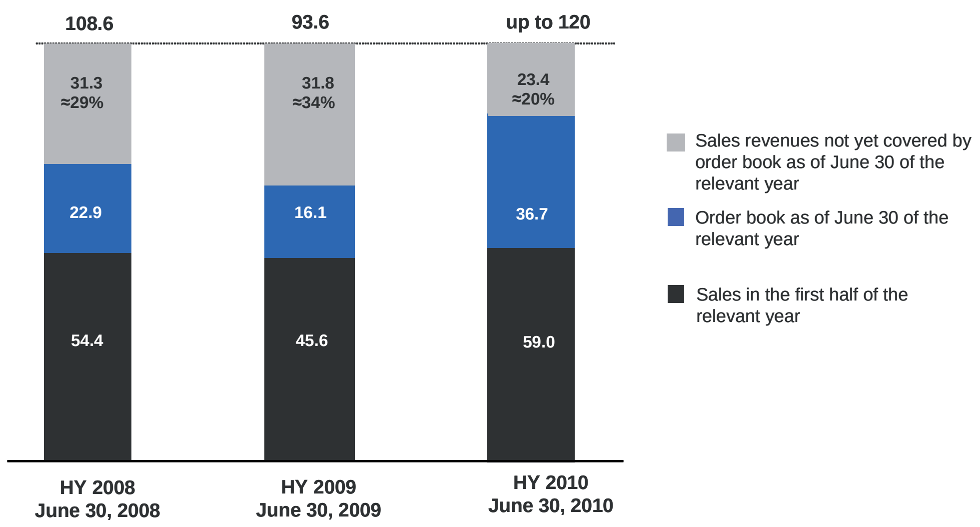
The present mood in the German business sector is of cautious optimism as to the prospect for sustained economic growth. Analysts foresee continued slight growth this year at a lower rate, and moderate economic growth in 2011.

We grew substantially in both of our divisions in the first half of 2010, especially the Vision segment. Incoming orders were higher than expected in each segment, and our order book – now filled with new framework agreements and customers – gives us great confidence. Recovery is being seen across nearly all regions and customer industries. It is not very likely however that growth rates will remain at the levels seen in the first half of 2010. The short-term outlook for the AUGUSTA Group is for business to remain stable.

We are upwardly revising our guidance for 2010 in view of results thus far and the volume of orders on hand, estimating sales within a corridor of 112 – 120 million euros and EBITDA between 17 and 20 million euros.

| | 2009 | INITIAL FORECAST 2010 (05/05/2010) | NEW FORECAST 2010 (08/05/2010) |
|---|---|---|---|
| Sales revenues | EUR 93.5 million | EUR 100-110 million | EUR 112-120 million |
| EBITDA | EUR 12.0 million | EUR 14-18 million | EUR 17-20 million |

Sales revenues are already covered by 80% to reach the new forecast 2010 up to EUR 120 million.




We laid the groundwork for profitable growth in 2009, and are already seeing the impact of measures implemented during the year of crisis. Innovative products, further expansion of our distribution and service activities and building our business in foreign markets are on our agenda for 2010 – and we are extremely well-prepared for keeping growth going on into 2011.

# Balance Sheet as of June 30, 2010

| ASSETS IN EUR THOUSAND | 06/30/2010 | 12/31/2009 |
|---|---|---|
| Non-current assets | | |
| Intangible assets, net | 7,550 | 8,291 |
| Goodwill, net | 57,144 | 63,441 |
| Property, plant and equipment, net | 12,662 | 13,183 |
| Non-current financial assets, net | 402 | 650 |
| Deferred tax assets | 1,049 | 857 |
| Other non-current assets | 1,758 | 1,998 |
| Total non-current assets | 80,566 | 88,420 |
| Current assets | | |
| Inventories | 20,493 | 17,573 |
| Trade accounts receivables, net | 14,390 | 12,799 |
| Receivables from related parties | 40 | 174 |
| Current financial assets | 15 | 15 |
| Non-current financial assets held for sale | 0 | 0 |
| Tax account receivables | 540 | 1,285 |
| Prepaid expenses and other current assets | 2,134 | 1,202 |
| Cash and cash equivalents | 30,977 | 20,971 |
| Total current assets | 68,589 | 54,019 |
| Total assets | 149,155 | 142,439 |

| EQUITY AND LIABILITIES IN EUR THOUSAND | 06/30/2010 | 12/31/2009 |
|---|---|---|
| Shareholders' equity | | |
| Share capital | 8,436 | 8,436 |
| Capital reserves | 55,853 | 55,679 |
| Earnings reserves | 30,000 | 30,000 |
| Currency translation | 4,405 | 701 |
| Revaluation reserves | -507 | –548 |
| Retained earnings | 16,888 | 14,041 |
| Treasury shares | –13,166 | –13,166 |
| Minority interest | 214 | 227 |
| Total shareholders' equity | 102,122 | 95,370 |
| Non-current liabilities | | |
| Long-term loans, excluding current portion | 11,535 | 14,134 |
| Non-current post-employment benefit obligation | 821 | 799 |
| Other non-current provisions | 215 | 277 |
| Deferred tax liabilities | 3,595 | 3,473 |
| Other non-current liabilities | 1,720 | 1,703 |
| Total non-current liabilities | 17,886 | 20,386 |
| Current liabilities | | |
| Trade accounts payables | 7,266 | 6,738 |
| Short-term loans and current portion of long-term loans | 11,606 | 11,443 |
| Other current financial liabilities | 1,280 | 1,515 |
| Liabilities held for sale | 0 | 0 |
| Income tax provisions and liabilities | 1,096 | 480 |
| Other current provisions | 4,012 | 2,858 |
| Other current liabilities | 3,886 | 3,649 |
| Total current liabilities | 29,146 | 26,683 |
| Total equity and liabilities | 149,155 | 142,439 |

# Consolidated Statement of Comprehensive Income

| IN EUR THOUSAND | Q2 2010<br>04/01-06/30/2010 | Q2 2009<br>04/01-06/30/2009 | H1 2010<br>01/01–06/30/2010 | H1 2009<br>01/01–06/30/2009 |
|---|---|---|---|---|
| Sales revenues | | | | |
| Products | 32,002 | 21,654 | 58,922 | 45,561 |
| Services | 17 | -4 | 35 | 2 |
| | 32,019 | 21,650 | 58,957 | 45,563 |
| Cost of sales | | | | |
| Products | -18,439 | -13,273 | -33,566 | -27,225 |
| Services | 0 | 0 | 0 | 0 |
| | -18,439 | -13,372 | -33,566 | -27,225 |
| Gross profit | 13,580 | 8,377 | 25,391 | 18,337 |
| Selling & marketing expenses | -3,822 | -3,014 | -7,257 | -6,417 |
| Research & development expenses | -1,475 | -1,452 | -3,056 | -2,926 |
| General & administrative expenses | -4,538 | -2,104 | -7,223 | -4,333 |
| Depreciation of goodwill | 0 | 0 | 0 | 0 |
| Other income / expenses | 554 | 721 | 224 | 464 |
| Profit form operations | 4,298 | 2,529 | 8,078 | 5,126 |
| | | | | |
| Net interest income / expense | -308 | -62 | -655 | -351 |
| Foreign currency exchange gains / losses | 692 | -142 | 962 | -81 |
| Depreciation of financial assets | 0 | 0 | 0 | 0 |
| Other financial assets | 0 | -85 | 0 | -115 |
| Net financial costs | 384 | -289 | 306 | -548 |
| Profit before tax | 4,682 | 2,240 | 8,384 | 4,578 |
| Income tax expenses | -1,442 | -587 | -2,677 | -1,460 |
| Profit from continued operations | 3,241 | 1,654 | 5,707 | 3,118 |
| Result from discontinued operations after tax | -9 | 141 | -550 | 574 |
| Consolidated profit for the period | 3,232 | 1,794 | 5,157 | 3,692 |

| IN EUR THOUSAND | Q2 2010<br>04/01-06/30/2010 | Q2 2009<br>04/01-06/30/2009 | H1 2010<br>01/01–06/30/2010 | H1 2009<br>01/01-06/30/2009 |
|---|---|---|---|---|
| Profit / loss attributable to minority interest | -4 | -24 | -33 | -43 |
| Consolidated profit for the period after minority interest | 3,227 | 1,770 | 5,125 | 3,648 |
| Currency adjustments | 1,639 | 317 | 3,703 | 569 |
| Changes in derivative investments | -147 | 38 | -161 | -223 |
| Taxes on other total revenue | 198 | -11 | 202 | 62 |
| Additions third party share (after currency adjustment) | 4 | 24 | 33 | 43 |
| Other total revenue net of rax | 1,694 | 368 | 3,777 | 453 |
| Total revenue | 4,921 | 2,139 | 8,902 | 4,101 |
| Earnings per share (diluted and andiluted) in EUR | 0.43 | 0.22 | 0.75 | 0.41 |
| Weighted average shares outstanding in thousand | 7,592 | 7,592 | 7,592 | 7,592 |

# Consolidated Cash Flow Statement

| IN EUR THOUSAND | 06/30/2010* | 06/30/2009 |
|---|---|---|
| Cash and cash equivalents at the beginning of the period | 20,986 | 13,859 |
| Consolidated profit for the period | 5,157 | 3,625 |
| Depreciation and amortization | 1,513 | 1,619 |
| Other non-cash expenses | 836 | -155 |
| Increase (-)/decrease (+) inventories | -5,333 | 1,212 |
| Increase (-)/decrease (+) in trade receivables | -3,549 | 1,724 |
| Increase (+)/decrease (-) in trade payables | 2,044 | 1,426 |
| Increase (-)/decrease (+) in deferred tax assets and liabilities | 166 | -160 |
| Increase (+)/decrease (-) in provisions | 1,395 | -611 |
| Increase (-)/decrease (+) in other non-current and current assets | -220 | 304 |
| Increase (+)/decrease (-) in other non-current and current liabilities | 1,411 | -4,776 |
| Net cash flow from operating activities | 3,420 | 4,208 |
| Payments to acquire intangible assets | -847 | -919 |
| Payments to acquire property, plant and equipment | -508 | -1,881 |
| Payments to acquire non-current financial assets | -15 | -299 |
| Proceeds from sale of intangible assets | 0 | 0 |
| Proceeds from sale of property, plant and equipment | 0 | 0 |
| Proceeds from sale of non-current financial assets | 0 | 0 |
| Short-term disposition in restricted cash | 0 | 5,044 |
| Proceeds from sale of DLoG | 12,532 | 0 |
| Proceeds from sale of Dewetron Slovenia | 0 | 59 |
| Net cash flow from investing activities | 11,162 | 2,004 |
| Free cash flow | 14,582 | 6,212 |
| Change in short-term debt | -72 | 1,626 |
| Change in long-term debt | -2,599 | 692 |
| Proceeds from (+) payments to (-) shareholders | 0 | 0 |
| Dividend payments to shareholders | -2,324 | -9,197 |
| Cash flow from financing activities | -4,995 | -6,879 |
| Cash flow | 9,587 | -667 |
| Effect of exchange rate changes on cash and cash equivalents | 419 | 42 |
| Cash and cash equivalents at end of period | 30,992 | 13,234 |
| Composition of financial resource fund | 30,992 | 13,234 |
| Cash and cash equivalent | 30,977 | 14,275 |
| Less restricted cash | 0 | -3,000 |
| Money market funds | 15 | 1,959 |

* The balance sheet figures as of December 31, 2009 include the DLoG GmbH. The cash flow statement of the current fiscal year 2010 excludes the assets and liabilities of the DLoG GmbH, which was sold in the first quarter 2010

| IN EUR THOUSAND | 06/30/2010 | 06/30/2009 |
|---|---|---|
| | | |
| Additional disclosures relating to cash flow | | |
| Income taxes paid | 2,536 | 3,081 |
| Income taxes received | 241 | 256 |
| Interest paid | 672 | 547 |
| Interest received | 40 | 272 |
| | | |
| Additional disclosures | | |
| Sale of subsidiaries | | |
| | | |
| Goodwill | 8,880 | 30 |
| Intangible assets | 1,730 | 0 |
| Tanglible fixed assets | 356 | 19 |
| Financial assets | 4 | 0 |
| Active deferred taxes | 0 | 0 |
| Other non-current assets | 239 | 0 |
| Inventories | 2,117 | 0 |
| Trade accounts receivables | 1,958 | 109 |
| Short-term financial assets | 0 | 0 |
| Other short-term assets | 167 | 3 |
| Cash and cash equivalents | 48 | 3 |
| Passive deferred taxes | -397 | 0 |
| Provisions for pension fund liabilities | 0 | 0 |
| Other non-current liabilities | 0 | 0 |
| Trade account payables | -1,516 | -23 |
| Financial liabilities | 0 | -11 |
| Provisions | -303 | 0 |
| Provisions and liabilities from taxes | 0 | 0 |
| Other liabilities | -317 | -35 |
| Minority interest | 0 | 0 |
| Value adjustments from previous year | 0 | 0 |
| Consolidation entries | 6 | 0 |
| Loss on sale (before additional expenses for sale) | -122 | -33 |
| | | |
| Purchase price received | 12,850 | 62 |
| Disposal of liquid funds | -48 | -3 |
| Additional costs for sale | -270 | 0 |
| | | |
| Inflow of funds from sale of company minus liquid funds disposed | 12,532 | 59 |

# Consolidated Statement of Changes in Equity

| IN EUR THOUSAND | SUBSCRIBED CAPITAL NUMBER OF SHARES | AMOUNT | CAPITAL RE-SERVES | RETAINED EARNINGS | TRANSLATION REESERVE |
|---|---|---|---|---|---|
| Status as of January 1, 2009 | 8,435,514 | 8,435 | 55,792 | 30,000 | -1,051 |
| Share options | | | | | |
| Acquisition of minority shares in Dewetron Deutschland GmbH | | | (115) | | |
| Adjustment of purchase price allocations 2009 | | | | | |
| Dividend | | | | | |
| Appropriation to/ whithdrawal from reserves | | | | | |
| Purchase of treasury shares | | | | | |
| Total income | | | | | 570 |
| Status as of June 30, 2009 | 8,435,514 | 8,435 | 55,677 | 30,000 | -481 |
| | | | | | |
| Status as of January 1, 2010 | 8,435,514 | 8,435 | 55,679 | 30,000 | 701 |
| Share options | | | | | |
| Acquisitions of minority shares in Dewetron Deutschland GmbH | | | | | |
| Dividend | | | | | |
| Purchase of treasury shares | | | | | |
| Total income | | | 173 | | 3,704 |
| Status as of June 30, 2010 | 8,435,514 | 8,435 | 55,852 | 30,000 | 4,405 |

| REVALUATION RESERVES | | | | | |
|---|---|---|---|---|---|
| CURRENCY | CASH FLOW HEDGES | NET RETAINED LOSS/ GAIN | TREASURY SHARES | MINORITY INTEREST | TOTAL EQUITY |
| | -454 | 18,749 | -13,166 | 333 | 98,639 |
| | | | | | 0 |
| | | | | -89 | -204 |
| | | | | | 0 |
| | | -9,197 | | -84 | -9,281 |
| | | | | | 0 |
| | | | | | 0 |
| | -160 | 3,735 | | 44 | 4,189 |
| | -641 | 13,287 | -13,166 | 204 | 93,343 |
| | -548 | 14,041 | -13,166 | 227 | 95,370 |
| | | | | | 0 |
| | | | | | 0 |
| | | -2,278 | | -46 | -2,324 |
| | | | | | 0 |
| | 41 | 5,125 | | 33 | 5,374 |
| | -507 | 16,888 | -13,166 | 214 | 102,122 |

# Notes

## Explanatory notes to the 6-month report

### 1. Accounting principles

The 6-monthly report of AUGUSTA Technologie AG of June 30, 2010 was drawn up in accordance with the Consolidated Financial Statement of December 31, 2009, in compliance with the International Financial Reporting Standards (IFRS). The same accounting, valuation and calculation methods have been used in this interim financial statement as in the Consolidated Financial Statement of December 31, 2009.

The balance sheets (dated June 30, 2010 and December 31, 2009), income statement, cash flow statement and change in equity capital statement (for the first six months of 2010 and 2009 respectively) were drawn up by the Managing Board of AUGUSTA Technologie AG and have not been confirmed by an auditor.

### 2. Consolidated Companies

With effect as of February 28, 2010, DLoG GmbH has been deconsolidated. At the time of the deconsolidation, DLoG had generated close to a balanced result. Discontinued operations accounted for a loss of EUR 541 thousand due to premium payments to the responsible management of DLoG, attorneys' fees connected with the transaction and the performance-linked bonus paid to the M&A advisor, affecting Q1 2010 earnings.

### 3. Segment reporting

AUGUSTA Technologie AG has its business activities organized into two sectors: Sensors and Vision (formerly Controls) the "Controls" business was renamed "Vision" after the divestiture of DLoG GmbH. This better reflects the Group's strategic focus, as there are now only three product areas: sensor and microsystem technology, mobile measuring systems and vision technology.

### 4. Earnings per share

AUGUSTA Technologie AG earnings per share is calculated based on the weighted average for the period under review of shares issued – 8,435,514 – less shares held in treasury by AUGUSTA Technologie AG. On the June 30, 2010 statement date AUGUSTA Technologie AG held a total of 843.551 shares in treasury. The number of outstanding shares for the first six months of 2010 was 7,591,963.

## 5. Statement of Directors' Dealings as of June 30, 2010

In the first six months of 2010, the following notifiable transactions in securities were conducted by company officers.

| MANAGING BOARD | DATE | NUMBER OF SHARES | NATURE | SHARE PRICE IN EUR |
|---|---|---|---|---|
| Arno Pätzold | 01/08/2010 | 3,000 | Purchase | 11.50 |

On March 30, 2010, the following tranches were issued to Managing Board members, managing directors and managers of the AUGUSTA Group from the 2008 stock options program:

1. Tranche: 115,300 stock options at an exercise price of EUR 14.63 in 2008
2. Tranche: 161,000 stock options at an exercise price of EUR 8.08 in 2009
3. 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 can no longer be exercised due to non-fulfillment of the exercise conditions (6 percent EBITDA increase excluding acquisition effect); this also applies to options held by Managing Board members.

| | NUMBER OF SHARES 06/30/2010 | NUMBER OF SHARES 12/31/2009 | NUMBER OF SHARE OPTIONS 06/30/2010 | NUMBER OF SHARE OPTIONS 12/31/2009 |
|---|---|---|---|---|
| MANAGING BOARD | | | | |
| Amnon F. Harman | 15,500 | 15,500 | 60,000 | 50,000 |
| Berth Hausmann | 8,250 | 8,250 | 60,000 | 50,000 |
| Arno Pätzold | 3,000 | - | 30,000 | - |
| SUPERVISORY BOARD | | | | |
| Adi Seffer | - | - | - | - |
| Dr. Hans Liebler | - | - | - | - |
| Dr. Rainer Marquart | - | - | - | - |
| TOTAL | 26,750 | 23,750 | 150,000 | 100,000 |

## 6. Treasury shares

On June 30, 2010 AUGUSTA Technologie AG held a total of 843.551 shares in the company. The shares represented EUR 843.551.00 of the 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 06/30/2010 | NUMBER OF SHARES 12/31/2009 | INTEREST IN SHARE CAPITAL 06/30/2010 |
|---|---|---|---|
| Treasury shares | 843,551 | 843,551 | 10.0% |

## 7. Decision-making bodies of AUGUSTA Technologie AG

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

## Responsibility statement

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

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 fiscal year.

## Risk report

According to the annual financial statement for 2009, no significant changes from which new risks for the Group could be derived have occurred. Reference is therefore made to the 2009 Annual Report for more details on the risk profile of AUGUSTA Technologie AG. It presents potential risks in detail.

## Legal notice

The present report contains forecasts that are based on the opinions of the Managing Board of AUGUSTA Technologie AG and reflect the latter's intentions and assumptions. These forecasts are subject to risks and uncertainties. Many factors, which cannot at present be foreseen, may result in the actual performance and results of AUGUSTA Technologie AG diverging from the above. 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, given the current circumstances. If, however, unforeseen risks should occur, AUGUSTA Technologie AG cannot guarantee that the expressed projections will be fulfilled.

## Financial calendar 2010

| | |
|---|---|
| Publication of the 6-month report 2010 | August 5, 2010 |
| Publication of the 9-month report 2010 | November 4, 2010 |

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