LIVING THE FUTURE

6-MONTH REPORT 2011

AUGUSTA

Technologie AG

KEY FIGURES IN EUR THOUSAND

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Q2 2010	Q2 2011	HY 2010	HY 2011
Sales revenues	32,019	39,513	58,957	79,891
Gross profit	13,580	16,597	25,391	33,610
Gross margin	42.4%	42.0%	43.1%	42.1%
EBITDA	5,078	6,691	9,590	13,527
EBITDA margin	15.9%	16.9%	16.3%	16.9%
Depreciation	-779	-1,667	-1,512	-3,009
EBIT	4,298	5,023	8,078	10,518
EBIT margin	13.4%	12.7%	13.7%	13.2%
EBT	4,682	4,426	8,384	9,030
EBT margin	14.6%	11.2%	14.2%	11.3%
Taxes	-1,442	-1,322	-2,677	-2,707
Tax rate	30.8%	29.9%	31.9%	30.0%
Net income for the period before PPA depreciations	3,456	3,751	6,080	7,673
Earnings per share in EUR before PPA depreciations	0.46	0.49	0.80	1.01
Net income for the period	3,236	3,027	5,675	6,219
Earnings per share in EUR	0.43	0.40	0.75	0.82
Shares outstanding (average)	7,592	7,606	7,592	7,599

KEY FIGURES BALANCE SHEET	12/31/2010	06/30/2011
Total assets	168,133	201,021
Non-current assets	90,098	115,473
Current assets	78,035	85,547
- thereof cash and cash equivalents and other current financial assets	34,821	27,731
Equity	106,546	109,525
Equity ratio	63.4%	54.5%
Net debt	-10,382	19,944
Working Capital	31,448	41,768
Closing share price in EUR (Xetra)	15.70	18.56
Enterprise Value (EV)	108,812	162,217

OTHER KEY FIGURES	HY 2010	HY 2011
Incoming orders	69,936	86,459
Order book	51,194	65,567
Number of employees	532	767

Dear Shareholders and Friends of AUGUSTA,

We were able to continue on our growth path in the first half of 2011. After a very strong first quarter in 2011, the second quarter followed the positive trend, although with lower momentum. The catch-up effects seen since 2009 in the recovery of the economic crisis now no longer play a role. In submarkets, the extremely high growth rates of recent quarters have dropped back to pre-crisis levels. However, the volume of incoming orders for the Group has reached record highs, partly due to acquisitions.

Our Sensors and Vision segments followed different development trends. The sensor technology business, which is characterized by steadily increasing long-term orders, saw fast growth. The Vision segment significant expansion of business was achieved through organic growth and two acquisitions. The performance of the second quarter suggests that sales revenues and incoming orders for the business will stabilize at a high level for the rest of the year. The acquisitions in the Vision segment were an ideal complement to our current activities, allowing us to secure significant growth potential for the long term.

Below is an overview of the most important operational key figures and events for the first half of 2011:

/ Consolidated sales revenues rose in cumulative terms in the first half of 2011 to EUR 79.9 million, up 36 percent on the same period of the previous year. In the second quarter 2001, sales revenues were up 23 percent on the previous year at EUR 39.5 million. These are above-average growth rates for the Group. We are expecting growth to continue on levels usual for the industry in the second half of 2011.

/ Our incoming orders climbed to EUR 86.5 million for the period ending June 30, 2011 and, at that level, were up 24 percent on the previous year. Order book increased around 28 percent up to the end of the first half of 2011 to EUR 65.6, of which EUR 41.1 million for delivery in 2011, giving us good visibility for the months ahead. We already have over 77 percent of our projected sales revenues covered for the fiscal year 2011, so that we are expecting robust growth in sales revenues up to the end of the year despite the economic risks.

/ The gross margin stood at solid 42.1 percent. The slight decline of the gross margin compared with the previous year (43.1 percent) is due to the initial consolidation of the newly acquired companies, as well as increases in the price of raw materials and supplies and the resulting higher cost-of-sales ratio. We are anticipating a gross margin of over 40 percent at the end of the year.

/ We once again succeeded in increasing our operational profitability to revenues at a over-proportional rate. EBITDA (Earnings before interest, taxes, depreciation and amortization) was up 41 percent on the previous year to EUR 13.5 million, pushing the EBITDA margin up to 16.9 percent (previous year: 16.3 percent).

/ Working capital rose to EUR 41.8 million for the period ending June 30, 2011. The increase resulted on the one hand from acquired companies (+ EUR 7.2 million). On the other, we increased our stocks to ensure supply security and avoid bottlenecks in the

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)

procurement of electronic components. This was done mainly to avoid risks of supply shortages with our suppliers and reduce delivery times for our own customers. We intend to reduce working capital in the second half.

/ Despite the acquisition of VDS Vosskühler and the dividend distribution in May 2011, our cash and cash equivalents at the end of the first half stood at a high level at EUR 27.7 million. Due to external financing for the LMI acquisition to the tune of around EUR 20 million, net debt came at EUR 19.9 million at the end of the reporting period. The equity ratio was 54.5 percent. There is still financial leeway for strategic investment and future acquisition projects.

/ Earnings after taxes grew to EUR 6.2 million for the period ending June 30, 2011, a rise of around 10 percent. Earnings per share stood at EUR 0.82 at the end of the first half of 2011. The positive development is reflected in the share price in the first half of 2011: the AUGUSTA share climbed 18 percent to EUR 18.56 within the first half of 2011. So far, the share has thus performed much better in the first six months 2011 than various relevant benchmark indices (DAX, TecDAX, SDAX).

/ Our shareholders had reason to be satisfied, not only with share price performance but also with the dividend of EUR 0.45 per share distributed after our Annual General Meeting in May 2011.

/ The acquisition of VDS Vosskühler in January 2011 allowed us to expand our camera business to include infrared, X-ray and high-speed technologies. The acquisition of LMI Technologies in April 2011 served to extend our system business to include optical 3D measurement. Overall, the two acquisitions allowed us to make considerable strides in technological expertise and tap into new regional and vertical markets and customer groups.

Focus still on growth

Economists are expecting growth to slacken and macroeconomic risks to increase in the remainder of the year. The risks include the lingering debt crisis in Europe, spiraling debt and a weak labor market in the US, upheaval in parts of the Arab world and the aftermath of the disaster in Japan. The global situation is also having an impact on the AUGUSTA business. We are currently expecting business in the Sensors segment to continue to perform very well in the second half of 2011. Due to a slowing down in incoming orders in the Vision segment, we anticipate more moderate organic growth in sales revenues in this area, in line with the general market trend. Nonetheless, we will still be able to report above-average growth in the Vision segment thanks to growth in sales revenues and profit from the acquired companies.

Some of our main tasks for the second half of 2011 include integrating the acquired companies and tapping into the resulting short-term and long-term synergy effects. We also intend to focus on new regional and vertical markets. Stepping up our activities in Asia will guarantee us long-term growth in sales revenues and profitability. Based on our strong market position and well-filled order book, despite current market risks, we are in a position to confirm our guidance for 2011 with sales revenues ranging from EUR 153 to 163 million and EBITDA from EUR 27 to 30 million.

AUGUSTA is already one of the world's leading companies in the Vision segment. We are the world's number 1 manufacturer of cameras with FireWire interfaces and the world's number 2 manufacturer of digital cameras for machine vision. Based on acquisitions of the recent months, the next phase in the company's development has now begun: our transformation into the world's leading vision house. We are focusing on further acquisitions for this purpose which will allow us to make strides as product and system provider of vision technologies in the markets of industrial image processing and monitoring.

At the same time, sales revenues and profitability have continued to perform better in the Sensors segment and we are making very good progress with the transformation from a value-added distributor into a manufacturer of sensors and sensor systems. Expanding our own product range and forming new strategic technological partnerships will continue to be the focus of our development in this segment.

We consider ourselves well-positioned for the future, given our strong positioning in high-growth niche markets, an innovative product portfolio and excellent customer service.

Thank you for your trust.

A. Harman

Amnon F. Harman
CEO

Berth Hausmann
CFO

Arno Pätzold
CDO

The AUGUSTA share

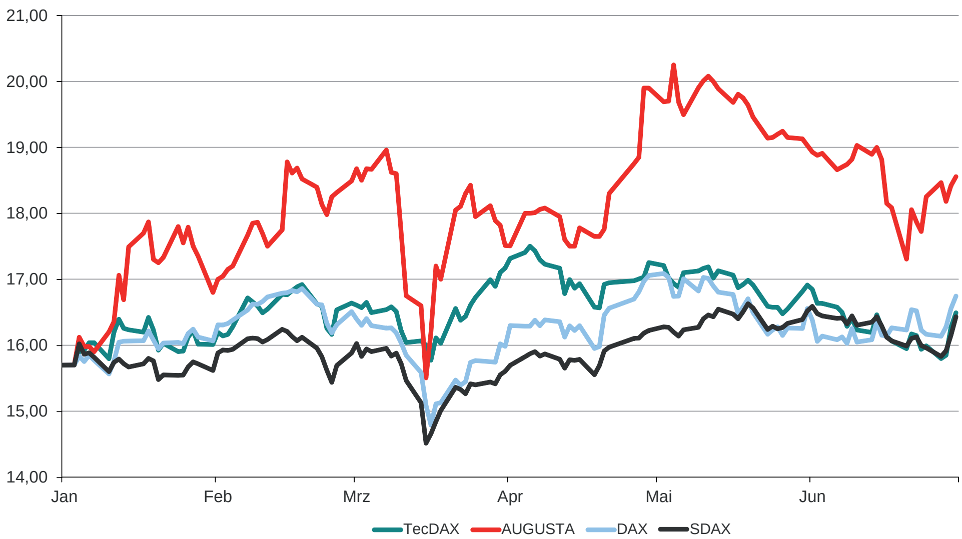
Following a modest start to 2011, global stock markets have been fluctuating in an environment dominated by political unrest in North Africa and the Middle East, the disaster in Japan, and the high levels of national debt in the US and in some Eurozone countries. Even though these factors give rise to a certain amount of uncertainty, the context for shares remains positive. Good corporate data and positive macroeconomic early indicators are providing the basis for a slow but steady upward movement. Contrary to the trend in 2010, stocks from industrialized countries have so far done better in 2011 than their counterparts from emerging markets.

Despite slackening growth in global early indicators, industry experts expect a further rise in stock prices for the second half of 2011 due to the encouraging performance of corporate earnings throughout the world. Meanwhile this upward trend has slowed by an intensification of conflict in Northern Africa and the Middle East and in particular of the debt crisis in Europe and the US. Further risks are a clear increase in inflation and a more restrictive economic policy in China.

Share price development

AUGUSTA shares significantly outperformed the market in the first half of 2011. The price climbed by about 18 percent in the first half of the year, from EUR 15.70 as at December 31, 2010, to EUR 18.56 as at June 30, 2011. The AUGUSTA share thus outperformed all major comparative indexes. The leading German index, the DAX, gained 8 percent, while the SDAX, made up of small-cap companies, and the TecDAX, which comprises the largest technology stocks, were both able to add 5 percent. The price is currently hovering in between EUR 15 and EUR 16 because of the uncertain capital market environment.

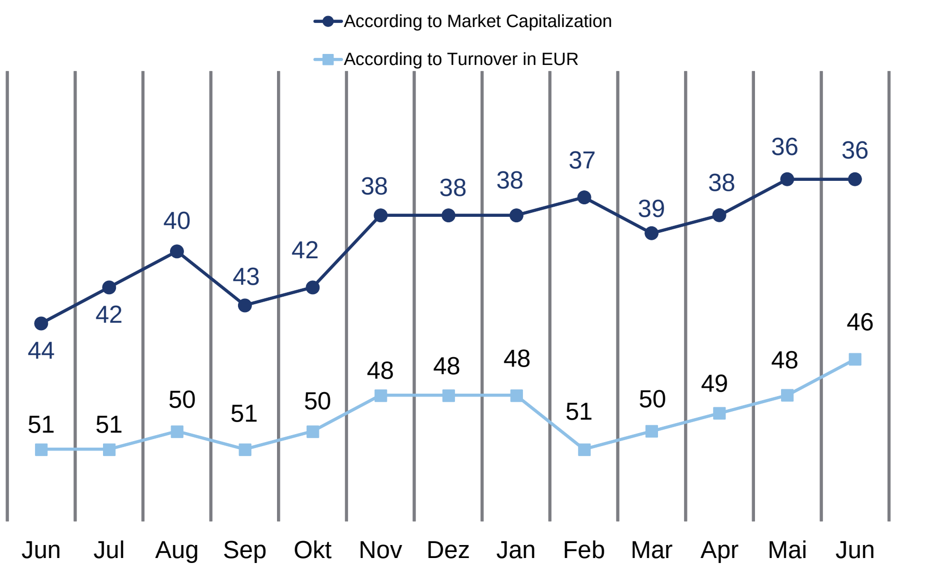
AUGUSTA SHARE PRICE COMPARED TO DAX, TECDAX AND SDAX



TecDAX ranking

AUGUSTA shares have improved their position significantly in the TecDAX ranking within the last year. Measured by trading volume, it rose 5 places to be ranked 46 (previous year: 51). Under free float market capitalization, the AUGUSTA share achieved a ranking of 36, moving up by 8 places compared to the previous year. Strategically sensible acquisitions in the Vision segment and the proposed organic growth should boost interest in AUGUSTA shares while further improving the trading volume and market capitalization.

TECDAX POSITIONING: RANKING OF THE AUGUSTA SHARE



Dividend payment in the amount of EUR 0.45 per share

In addition to the share price increase, we would also like our shareholders to benefit from the company's success. We proposed the payment of a dividend to the Annual General Meeting on May 12, 2011, for the third time in a row, which we paid out after the Annual General Meeting. The dividend of EUR 0.45 is in line with our long-term policy of distributing about 30 percent of the group's net profit. This dividend payment does not hinder us from rolling out further investment and acquisition projects in 2011.

IR activities and shareholder structure

This year we also intensified our investor relations work with regard to roadshows and capital market conference. In addition to the financial centers in Germany (Frankfurt, Hamburg, Stuttgart, Dusseldorf), we also held presentations increasingly outside Germany (Vienna, Luxembourg, London and Paris) to expand our shareholder base. There was an exceptional amount of interest at all the events. Our goal is to continue being perceived by existing and potential investors as an attractive investment with above-average growth and earnings potential.

AUGUSTA has a very stable and broad shareholder structure. In addition to numerous relatively small institutional and private investors, we now have three major shareholders, each of which hold more than 3 percent of the share capital. Lincoln Vale has reduced its position of more than 15 percent to its current level of 8.7 percent in the first half of 2011. DAH Beteiligungsgesellschaft continues to hold 9.6 percent. A new stakeholder since June 2011 is the Spanish investor group EQMC, which holds at least 5.6 percent according to notifications. In addition, 9.9 percent of the stock is held by AUGUSTA as treasury shares.

Annual General Meeting approved all agenda items

On May 12, 2011, the Annual General Meeting of AUGUSTA was held in Munich, Germany. The Supervisory Board and the Managing Board informed the shareholders about the past financial year 2010 and the expectations for the future. Subsequently, the resolutions outlined in the agenda were adopted.

With more than 95 percent affirmative votes, the Annual General Meeting agreed to the dividend payment as well as to all other agenda items, such as the appointment of our auditors, necessary amendments to the Articles of Association, and the adjustment of our share option conditions. All in all, the shareholders were very satisfied with the past financial year and with business development.

Exercise of stock options, increase in share capital and issue of the fourth tranche

The stock options issued in 2009 were eligible for exercise for the first time after the 2011 Annual General Meeting. A total of 75,600 options were available for conversion, of which 73,600 stock options (97.35 percent) could be exercised by the Managing Board, managing directors and employees, and converted at an exercise price of EUR 8.08. The next exercise window opens after publication of the 9-month report in November 2011.

The Company's share capital increased by 73,600 shares, from 8,435,514 to 8,509,114 shares, with the exercise of the stock options. The capital reserve increased accordingly by EUR 521,088.

Furthermore, the fourth and last tranche of the stock option program launched in 2008 was issued after the 2011 Annual General Meeting in June. The tranche comprises 133,900 options, of which 64,000 options were allocated to the managing directors and 72,400 options to other employees in key positions. The value of the option was calculated at EUR 3.07 in an expert opinion taking into account the required parameters. The issue price was EUR 19.45.

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	8,509,114
High/low (52 weeks)*	EUR 20.88/EUR 12.35
Closing share price as of June 30, 2011*	EUR 18.56
Market capitalization as of June 30, 2011*	EUR 157.9 million
Earnings per share as of June 30, 2011	EUR 0.82
Dividend per share	EUR 0.45

* Xetra closing price

Consolidated Management Report

Business and overall environment

The upturn in the global economy has noticeably slowed down following the economic recovery seen in 2010. The earthquake disaster in Japan, excessive indebtedness in the US, the restrictive monetary and fiscal policies in emerging markets and the sovereign debt situation in the Eurozone have all had a negative impact on global growth. The prospects for further global expansion at a lower level remains intact. Following the boom, analysts expect a moderately growing economy. For 2011 and 2012 the IMF reckons on global growth of around 4 percent per year.

The earthquake disaster in Japan remains something that the global economy can cope with, since the prospects are robust for emerging markets in particular.

In the USA the early indicators are pointing to a slowdown in economic recovery, although not to a recession. Rising corporate earnings and investments should stimulate future economic performance. At present it is the burden of debt in particular that is putting pressure on recovery.

The Eurozone continues to present a split picture. While the economy in Germany is flourishing, the debt crisis especially in Ireland, Portugal and Greece is dampening sentiment. The mix of weak growth, rising inflation and high level of debt could adversely affect economic recovery in the months ahead.

The leading indicators in Germany suggest that the economic upturn will continue with a decline in momentum. The German economy is benefiting from the strong recovery in world trade and the increasing impetus of domestic demand.

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

After a very strong first quarter in 2011, AUGUSTA is also experiencing a decline in growth rates in its target markets. The basic conditions for growth in AUGUSTA's key markets are nevertheless still intact.

The upturn in the automotive industry is continuing despite the impact of the situation in Japan. Positive momentum is currently coming from high levels of exports and from the electromobility sector.

The German machine and plant engineering sector continue to grow. A comparison indicates that incoming orders were around 20 percent higher than in the same quarter of the previous year. Just a few months ago, however, these levels were up to 50 percent. Despite growth rates remaining good in Germany, abroad there was only a lateral movement at a high level. Materials bottlenecks at suppliers are putting increasing pressure on sentiment. Although the production output estimate for 2011 expects to see a gain of 14 percent, this would still put machine engineering 6 percent below the peak year of 2008 by the end of 2011. The electrical engineering industry, an important supplier to machine engineering, is feeling the effects of the cyclical materials bottlenecks with particular intensity. Imports from Japan have dropped by 10 percent. Despite this, the sector was able to continue its expansion course, with incoming orders around 10 percent higher than in the previous year.

The market for medical technology remains optimistic. Following growth of some 9 percent in 2010, the industry association SPECTARIS is anticipating equally strong growth in 2011, driven particularly by rising demand for healthcare services, technical progress and demographic trends.

The robotics and automation market is also continuing its growth trajectory, according to the VDMA. There are several reasons for the worldwide rise in demand for automation technology. In addition to the cost-efficiency of the equipment, a major factor is increasing product quality. Manufacturers of robotics and automation equipment not only see great potential in the major export markets such as China or South Korea in 2011, but also within their own country. The pent-up demand in Eastern Europe and the BRIC states has a positive impact in this area. Following growth of 21 percent in the previous year, continued high level of growth in excess of 15 percent is anticipated for 2011.

In the market segments addressed by AUGUSTA, applications based on sensor systems and machine vision technologies play a special role. Further recovery is expected in these technology segments following the crisis year 2009.

In Germany, the machine vision market recovered in record time following the crisis in 2009, posting growth of 32 percent in 2010. This strong upward movement was driven primarily by exports to Asia and the US. The machine vision sector is also recording high levels of incoming orders in the current year. The industry association VDMA expects a positive development for

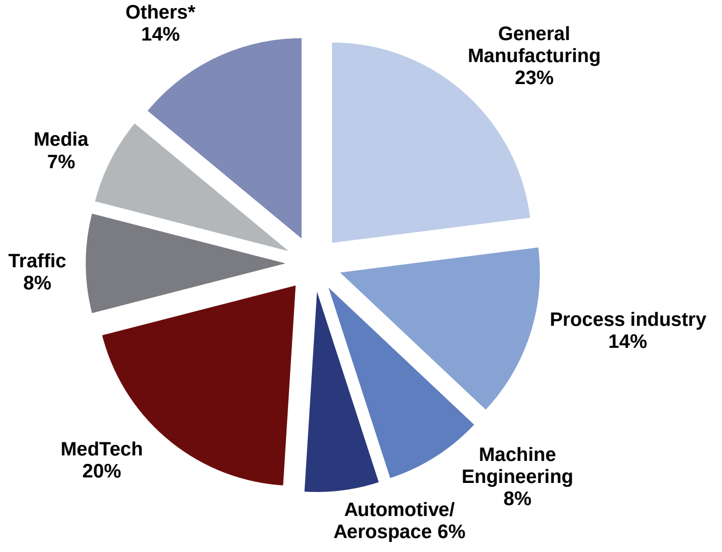
Germany, while growth of roughly 10 percent is expected worldwide. The performance of the camera segment is a major driver in the rapid recovery. The increasing standardization of interfaces is making it easier to deploy machine vision cameras in every field of application. Technological innovation and the resulting higher capabilities are also providing a stimulus to the camera business. As a sector of the future, the machine vision sector is also constantly opening up new fields of application even beyond industrial production, such as in security, surveillance, traffic systems and environmental technology. In addition to new vertical markets, innovative 3D applications are increasingly driving growth.

Suppliers of sensor systems and measurement technology were able to report growth of around 32 percent in 2010. As a result, this segment was above the pre-crisis level even before the turn of the year 2010/2011. For 2011, the trade association for sensor systems AMA is expecting further solid growth of around 13 percent, such that the sector is again approaching pre-crisis levels of growth. In particular, the enhanced willingness of companies to invest in this area (+26 percent as compared with 2010) is impacting positively on future development.

AUGUSTA customer structure

AUGUSTA's business is spread across a number of niche markets with industrial and non-industrial customers. Classification by different markets allows us to compensate for economic fluctuations.

REVENUE SPLIT BY CUSTOMER IN PERCENT AS OF JUNE 30, 2011



* Retail, Science, Energy, Technology, Logistics

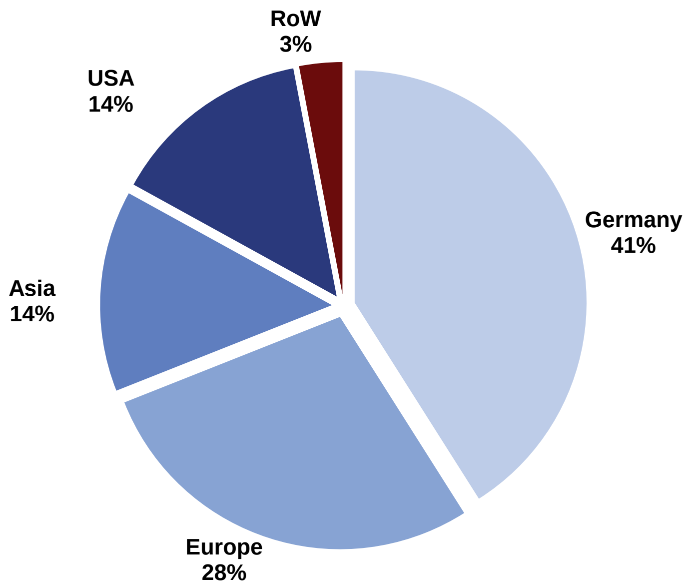
Our targeted customer groups can basically be divided into three sectors: 1. Conventional industrial applications such as machine engineering, manufacturing industry or the process industry. 2. New and non-industrial applications such as medical technology, media/entertainment, agriculture, climate and energy technology, and 3. Traffic and security technology. In these three sectors we are pursuing the objective of continuously expanding our customer sectors through innovation and customer-specific solutions.

Internationalization

In recent years we have continuously expanded our market position in the US and Asia, where we have grown faster than in Europe. Meanwhile, we generate more than 30 percent of our revenue volume outside of Europe and have now set up production and sales subsidiaries in all regions of the world.

Our business in Europe posted stable performance in the first half of 2011, with Germany providing most of the growth. The upward trend of the last 18 months has lost momentum in Asia, where a cooling off can be felt, especially in the semiconductor industry. The disaster in Japan has not adversely affected our business at Group level to any appreciable extent, neither on the purchasing side nor on the sales side. The market segments we address in the US have performed better than expected, in spite of the weak general economic conditions, the high level of national debt and the discontinuation of stimulus programs. Our goal is to continue growing internationally, either organically or inorganically, and to expand our market positioning regionally with existing and new products.

REVENUE SPLIT BY REGION IN PERCENT AS OF JUNE 30, 2011



Revenues and earnings development

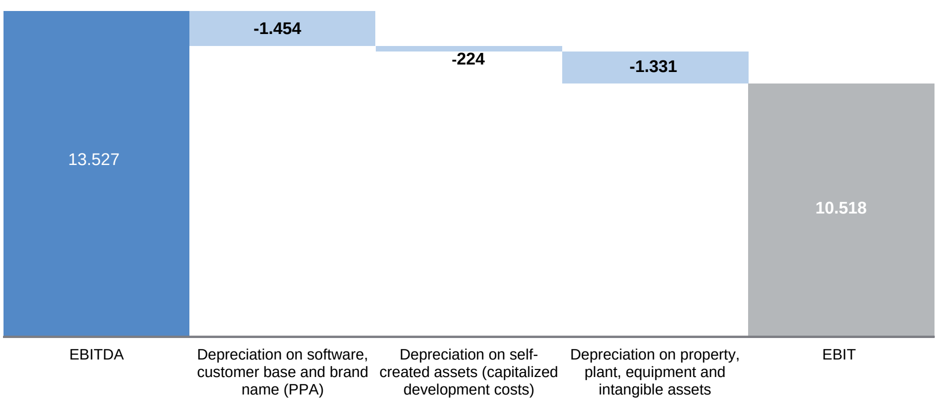
Following the very strong first quarter 2011, the positive trend also consolidated for AUGUSTA in the second quarter, although with less momentum. While the performance of the Vision segment stabilized at a high level, the late cyclical Sensors business once again grew significantly.

Cumulatively, consolidated sales revenues climbed to EUR 79.89 million, an increase of 35.5 percent over the prior year (EUR 58.96 million). Year for year, quarterly sales revenues went up by 23.4 percent to EUR 39.51 million (prior year: EUR 32.02 million). Revenues in the first half of the year include EUR 7.70 million from the acquired companies P+S Technik, VDS and LMI, which had not been included in the previous year. Consequently, organic growth was 22.5 percent in the first half of 2011.

Gross profit rose by 32.4 percent to EUR 33.61 million (previous year: EUR 25.39 million) as of June 30, 2011, amounting to a gross margin of 42.1 percent (previous year: 43.1 percent). Year over year, the quarterly gross profit increased by 22.2 percent to EUR 16.60 million (prior year: EUR 13.58 million). This represents a gross margin of 42.0 percent for the second quarter of 2011 (prior year: 42.4 percent). The slight decline in gross margin is attributable to the initial consolidation of newly-acquired companies, price increases in raw materials, consumables, and supplies due to allocations, combined with the resulting somewhat higher cost-of-sales ratio. We will continue to strive for a gross margin of more than 40 percent on the basis of innovative and customer-specific products as well as excellent customer service.

Our earnings before interest, tax, depreciation and amortization (EBITDA) increased by 41.1 percent to EUR 13.53 million, thus outperforming the revenue increase (previous year: EUR 9.59 million). The EBITDA margin climbed to 16.9 percent (previous year: 16.3 percent). The acquired companies contributed EUR 0.89 million to the improvement. Year over year, the quarterly EBITDA increased by 31.8 percent to EUR 6.69 million (prior year: EUR 5.08 million).

RECONSILITATION OF EBITDA TO EBIT IN EUR THOUSAND



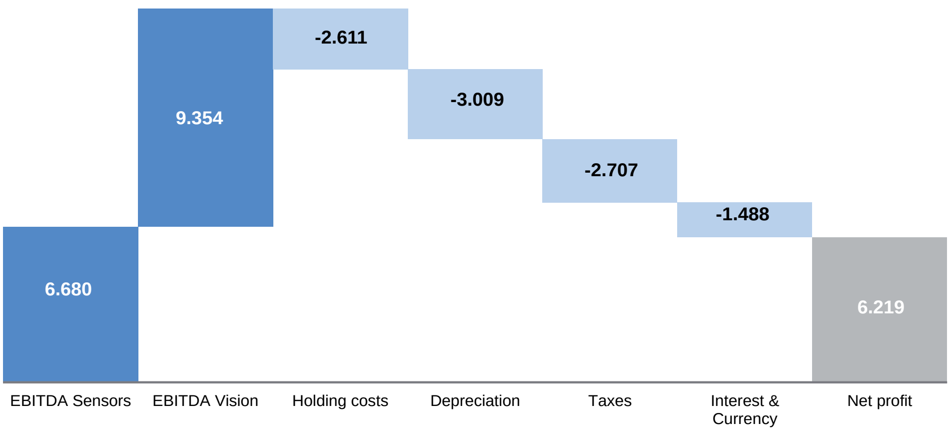
As of June 30, 2011, depreciation and amortization climbed to EUR 3.01 million as compared with the previous year's level of EUR 1.51 million. Apart from the depreciation of assets, as well as property, plant and equipment, this figure also includes the amortization of license, software and brand names (purchase price allocation – PPA) which rose to EUR 1.45 million due to acquisitions made (previous year: EUR 0.41 million).

Earnings before interest and taxes (EBIT) also improved. As of the end of the first half of 2011, EBIT amounted to EUR 10.52 million (previous year: EUR 8.08 million), an increase over the previous year of 30.2 percent. The EBIT margin thus stood at 13.2 percent (previous year: 13.7 percent). The decline in EBIT margin compared to the previous year is basically due to the higher PPA depreciation. In the second quarter of 2011 we obtained EBIT of EUR 5.02 million, corresponding to growth of 16.9 percent over the previous year (prior year: EUR 4.30 million).

Operational holding costs amounted to EUR 2.61 million as of June 30, 2011 (prior year: EUR 2.14 million). The higher cost structure is attributable to the intensified acquisition activities in the first half of the year and to imputed personnel expenses due to the share option program.

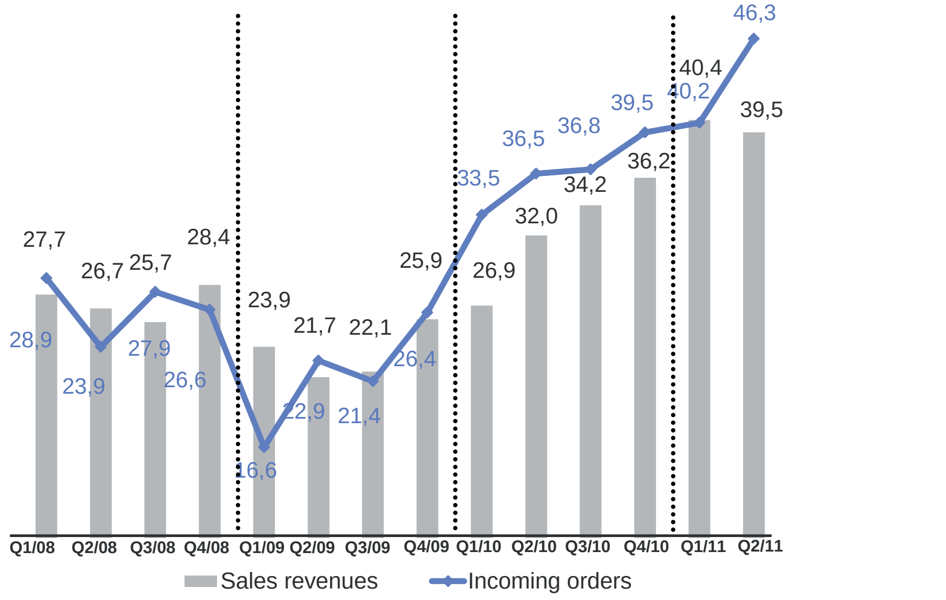
AUGUSTA acquisition activities affect the Group's net income for the period and the earnings per share due to the depreciation from PPA. Despite the higher level of amortizations, net income for the period from continued operations at EUR 6.22 million improved by 9.6 percent (previous year: EUR 5.68 million). The earnings per share rose correspondingly strongly to EUR 0.82 (previous year: EUR 0.75). Excluding the PPA depreciation, the net income for the period would come to EUR 7.67 million, resulting in earnings per share of EUR 1.01.

RECONSILIATION OF NET PROFIT FOR THE PERIOD IN EUR THOUSAND



Incoming orders performed positively, ending the first half of 2011 at EUR 86.46 million, 23.6 percent above the previous year's figure (prior year: EUR 69.94 million). Visibility for the months ahead has risen due to strong demand, particularly from major OEM customers in the Sensors segment who increasingly place long-term framework orders. At Group level we expect the robust performance to continue, with decreasing growth rates for the second half of 2011. The book-to-bill ratio (incoming orders to sales) stands at a very high level greater than 1 as at mid-year.

DEVELOPMENT OF SALES AND INCOMING ORDERS BY QUARTER IN EUR MILLION



Based on a persistently high level of incoming orders, order book rose as of June 30, 2011, to EUR 65.57 million, up by 28.1 percent over the previous year's level (EUR 51.19 million), in which an order value of around EUR 41.14 million (approx. 63 percent) of the order book is attributable to the year 2011.

As of June 30, 2011, the key performance figures for the Group were as follows:

Key Group Figures

IN EUR MILLION	Q2 2010	Q2 2011	HY 2010	HY 2011	CHANGE
Sales revenues	32.02	39.51	58.96	79.89	+35.5%
Gross profit	13.58	16.60	25.39	33.61	+32.4%
Gross margin	42.4%	42.0%	43.1%	42.1%	
EBITDA	5.08	6.69	9.59	13.53	+41.1%
EBITDA margin	15.9%	16.9%	16.3%	16.9%	
EBIT	4.30	5.02	8.08	10.52	+30.2%
EBIT margin	13.4%	12.7%	13.7%	13.2%	
Incoming orders	36.47	46.29	69.94	86.46	+23.6%
Order book	51.19	65.57	51.19	65.57	+28.1%

Development of the segments

The Vision segment encompasses Allied Vision Technologies GmbH (AVT), P+S Technik GmbH (P+S) and LMI Technologies Inc., which was acquired with effect from May 1, 2011. VDS Vosskühler GmbH has also numbered among AVT subsidiaries since January 1, 2011.

The growth dynamics in the Vision segment have lost momentum. While growth rates rose disproportionately with the economic upturn in the previous year, this year we expect growth rates similar to pre-crisis levels, i.e. 8 to 12 percent. In the second half of 2011, AUGUSTA will see positive supplementary effects on sales revenues and incoming orders due to the acquisitions.

AVT grew both organically and inorganically in the first half of 2011 and gained market share. Regionally, the US market is developing according to plan. In Europe, Germany remains the pillar of business development. In Asia, particularly in China, a cooling off can be felt in the semiconductor industry. In addition, the large orders for traffic technology placed last year in China will not return to the same extent in 2011. We plan to expand our regional presence locally in order to deal more intensively with the strategically important market in Asia.

Due to higher delivery times at the end of 2010 we invested in inventories. Delivery times have now returned to pre-crisis levels, with a positive impact on our ability to supply and on customer satisfaction.

Since January 2011, VDS Vosskühler has been fully consolidated into AVT. This acquisition has enabled AVT to enhance its product portfolio to include short- and long-wave infrared cameras, X-ray cameras as well as a broad range of digital cameras for special applications. The integration of VDS Vosskühler into the AVT Group is proceeding according to plan. Synergies are being generated in purchasing, development topics and in marketing. While it has so far been the case that German OEM customers in the fields of automation, medical technology and security have been the chief recipients of VDS products, international customers can now also be targeted better through integration into the AVT Group. AVT also gains important OEM customers.

Effective May 1, 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 and is already one of the world's leaders in the field of 3D laser triangulation (optical 3D measurement). 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 a leading market position.

3D systems expand and complement AUGUSTA's current product portfolio. The targeted market is expected to grow at over 20 percent per year on a sustainable basis.

Integration of LMI into the Vision segment is going as planned. We anticipate short-term synergies between AVT and LMI mainly from the joint utilization of the direct and indirect sales channels and with regard to component procurement. In the medium term we see development synergies in relation to image quality, image resolution and image processing.

LMI has a workforce of some 77 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 at attractive terms. The earn-out payments will be made from the company's operating cash flow. We expect LMI Technologies Inc. to contribute some EUR 10 million to revenues in 2011 (May to December) with an EBITDA margin of more than 20 percent.

P+S Technik GmbH is not benefitting from the strong growth associated with the digitalization of the film industry. This is due principally to delays in developing the next generation of digital movie cameras. The market launch of the new products scheduled for the second half of 2011 is crucial to the future success of the company.

Sales revenues in the Vision segment rose by 50.7 percent compared to the previous year to EUR 31.84 million (previous year: EUR 21.13 million). The aggregate share of sales attributable to the acquired companies P+S Technik, VDS and LMI, which had not been included in the previous year, amounted to EUR 7.70 million, with organic growth at 14.3 percent.

The gross margin as of June 30, 2011, declined to 52.6 percent as compared with a level of 56.5 percent in the previous year. The decline in gross margin can mainly be put down to the consolidation of P+S Technik 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 Vosskühler GmbH, the profitability of the Vision segment remains very high. At EUR 9.35 million, EBITDA increased by 34.2 percent over the previous year's level (EUR 6.97 million), with the EBITDA share of the acquired companies totaling EUR 0.89 million. Cumulatively, the EBITDA margin came to 29.3 percent (previous year: 33.0 percent). While LMI and VDS generated an EBITDA margin topping 20 percent, the profitability of P+S Technik was below expectations due to the delayed market entry of the new products. Operating earnings after depreciation and amortization (EBIT) rose 13.5 percent to EUR 7.20 million (previous year: EUR 6.34 million) for an EBIT margin of 22.6 percent (previous year: 30.0 percent). The EBIT was adversely affected by the PPA depreciation on the acquired companies amounting to EUR 1.45 million.

The value of incoming orders as of the end of June 2011 amounted to EUR 31.14 million, up by 14.1 percent over that of the previous year (previous year: EUR 27.28 million). Distributors' storage facilities are full and demand for cameras is increasingly returning to normal. In the camera business, we expect incoming orders to recede slightly in the second half of 2011. The value of order book as of June 30, 2011, stood at EUR 12.91 million (previous year: EUR 11.47 million). Around 65 percent of the order book are attributable to the year 2011.

Key Figures Vision

IN EUR MILLION	Q2 2010	Q2 2011	HY 2010	HY 2011	CHANGE
Sales revenues	12.09	15.50	21.13	31.84	+50.7%
Gross profit	6.83	7.95	11.94	16.78	+40.5%
Gross margin	56.4%	51.2%	56.5%	52.6%	
EBITDA	3.97	4.52	6.97	9.35	+34.2%
EBITDA margin	32.8%	29.1%	33.0%	29.3%	
EBIT	3.63	3.35	6.34	7.20	+13.5%
EBIT margin	30.0%	21.6%	30.0%	22.6%	
Incoming orders	14.14	16.05	27.28	31.14	+14.1%
Order book	11.47	12.91	11.47	12.91	+12.5%

Growth in the Sensors segment remains uninterrupted. The rising demand covers almost every industry and sales region.

The Sensors and Microsystems Technology (SMST) segment continues to benefit exponentially from the economic upswing and is outperforming both the previous year and projections in terms of sales, earnings and incoming orders. Growth at the Sensortechnics Group is driven by the sensors and systems developed in-house, whose share in sales is growing continuously. Cooperation with technology partners will also be stepped up in order to expand the product range, in addition to the company's own development activities.

Business at ELBAU GmbH has performed very well. Existing and new major customers from the fields of film and medical technology are again placing long-term high-volume framework orders, while demand for optoelectronics is rising steadily.

The crisis in 2009 delayed development of the low-cost production in Singapore. The output of the production facility in Singapore has been increasing steadily since mid-2010. On the one hand, sensors developed in-house, particularly pressure and flow sensors, are produced here for high-volume orders. On the other, high-volume system orders are processed in Singapore and customers from the Asian region are served. Break-even for low-cost production in Singapore is expected by the end of 2011.

The biggest impetus at HE System Electronic is from existing major customers, who are increasingly placing new long-term framework agreements. In addition to made-to-order production of power electronics and sensor technology products for existing customers engaged in mechanical engineering and retail, a number of new projects were acquired in the past 12 months.

The generally positive trend in this sector was also demonstrated at SENSOR + TEST, the most important leading trade fair for sensors, measurement and testing technology, which was held in Nuremberg in June 2011. The number of visitors and the interest in the event were significantly higher than before the crisis year 2009. The Sensors subsidiaries have made use of the trade fair to introduce themselves to professionals in the field and to present their product innovations.

The challenge faced by the Sensors segment is to cut delivery times while at the same time reducing working capital. These delivery times have increased due to rising demand for sensors and microsystem technology. Temporary workers are currently used to bridge the increased need for production labor in order to ensure that delivery deadlines are met.

In the mobile measuring systems segment, Dewetron GmbH was able to accelerate growth in its main sales regions of Germany, China and the US. The sales territories in Europe and Asia that are covered by distributors performed well in parallel with the economic recovery. The large number of incoming orders in the second quarter and the solid order book give us reason to expect a strong second half of the year.

Overall, revenue and profitability were again increased in the Sensors segment. Cumulative revenues rose by 27.0 percent to EUR 48.05 million (previous year: EUR 37.83 million). At 34.9 percent, the gross margin was slightly below that of the previous year (35.7 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.

The Sensors segment has become more profitable owing to a below-average increase in structural expenses. EBITDA increased disproportionately in relation to revenues by 40.5 percent, standing at EUR 6.68 million at the end of the first half of 2011 (previous year: EUR 4.76 million). Earnings before interest and taxes (EBIT) grew even more, reaching EUR 5.85 million, about 50.2 percent more than in the previous year (EUR 3.90 million). The EBITDA and EBIT margins were clearly in the two-digit range and up on the corresponding prior-year figures at 13.8 and 12.1 percent respectively (previous year: EBITDA margin 12.5 percent, EBIT margin 10.3 percent).

The level of incoming orders and visibility have risen sharply in comparison with the previous year. Incoming orders totaled EUR 55.32 million as of June 30, 2011, approximately 29.7 percent over the previous year (previous year: EUR 42.65 million). The order book at the end of the first half-year amounted to EUR 52.66 million, an increase of 32.6 percent year-on-year (previous year: EUR 39.72 million). 62 percent of the order book concern the year 2011.

Key Figures Sensors

IN EUR MILLION	Q2 2010	Q2 2011	HY 2010	HY 2011	CHANGE
Sales revenues	19.93	24.01	37.83	48.05	+27.0%
Gross profit	6.78	8.67	13.54	16.83	+24.3%
Gross margin	33.9%	35.9%	35.7%	34.9%	
EBITDA	2.46	3.39	4.76	6.68	+40.5%
EBITDA margin	12.3%	14.0%	12.5%	13.8%	
EBIT	2.04	2.90	3.90	5.85	+50.2%
EBIT margin	10.2%	12.0%	10.3%	12.1%	
Incoming orders	22.32	30.24	42.65	55.32	+29.7%
Order book	39.72	52.66	39.72	52.66	+32.6%

M&A activities and financing - Focus on Vision Technologies

Due to available liquidity, better access to debt capital and competitive positioning, many companies now see themselves as market consolidators. Corporate ambitions to expand are already leading to intense competition for acquisitions. At the same time, company valuations have increased.

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 machine vision market, it is our strategic aim to become the global leader in the vision technologies sector.

This year we have acquired two companies that complement our Vision activities exceptionally well. In January 2011 we acquired VDS Vosskühler GmbH. Our subsidiaries AVT and VDS complement each other perfectly in terms of technology, manufacturing processes, customer base, and sales structure. These fulfill the essential requirements for a successful collaboration and future growth, especially overseas. Operationally we plan to merge both companies with retroactive effect to January 2011.

LMI Technologies was acquired with effect from May 1, 2011. This underpins our strategic aim of being a world-leading „Vision House". LMI Technologies is an innovative provider of optical 3D sensor solutions and is already one of the world's leaders in the field of 3D laser triangulation (optical 3D measurement) in defined niche markets. The integration of LMI into the AUGUSTA Group in the course of the year will enable us to tap synergies between AVT and LMI in terms of technology, procurement and distribution.

In the Sensors segment the focus is on transformation from a value-added distributor into a manufacturer of sensors and sensor systems. We are making good progress with the in-house development of sensors and establishment of our worldwide manufacturing competence. Organic growth in the Sensors segment is at the forefront, through strategic technology partnerships and extension of our product range developed in-house.

We focus purchases on the Vision segment, with financial leeway available for further acquisition projects in this segment.

Development of the key balance sheet items

The changes in the balance sheet as at December 31, 2010, were mainly due to the first-time consolidation of VDS Vosskühler as of January 1, 2011, and the first-time consolidation of LMI Technologies Inc. with effect from May 1, 2011. The expected earn-out payments for P+S Technik were reduced without any effect on net income based on IFRS, since the delayed market launch of the new generation of digital movie cameras has impaired the original business plan to a considerable extent.

The EUR 11 million to acquire VDS Vosskühler GmbH was financed using EUR 6 million in own resources and EUR 5 million in debt capital. The purchase price for LMI Technologies Inc. amounting to around USD 40 million was financed through banks using an initial tranche of USD 30 million. The final purchase price depends on the amount of the earn-out components, which are based on the gross profit and EBITDA generated in 2011 and 2012. A corresponding liability was recognized on the basis of the expected earn-out payments.

As of June 30, 2011, the balance sheet total increased compared to the fiscal year-end, due to the consolidation of VDS and LMI, and stood at EUR 201.02 million (December 31, 2010: EUR 168.13 million).

On the asset side, goodwill increased from EUR 57.54 million as at December 31, 2010, to EUR 71.78 million as at the end of the first half of 2011, chiefly due to the LMI acquisition. This corresponds to some 65.5 percent of equity (fiscal year-end: 54.0 percent).

As a result of the consolidation of the two acquired companies at the end of the fiscal year, non–current assets, including intangible assets, increased to EUR 115.47 million (previous year: EUR 90.10 million). Intangible assets increased as a result of purchase price allocations to software, customer base and brand. These assets will be amortized over a period of 8 or 10 years and impair the operating result. At EUR 85.55 million, current assets were higher than at fiscal year-end 2010 (EUR 78.04 million).

Working capital increased to EUR 41.77 million as of June 30, 2011 (December 31, 2010: EUR 31.45 million). The rise in the first half of the year results essentially from the companies acquired in 2011: EUR 2.10 million came from the first-time consolidation of VDS Vosskühler and EUR 5.08 million came from the first-time consolidation of LMI Technologies. AUGUSTA also increased its stocks somewhat, due to high-volume framework agreements and bottlenecks in the procurement of electronic components and image sensors. On a purely organic basis, working capital increased by EUR 3.14 million in the first half of the year, below the comparable level of organic revenue growth.

Days of Working Capital (DWC) rose to 95 days as at the end of the reporting period due to first-time consolidation of the acquisition (previous year: 85 days).

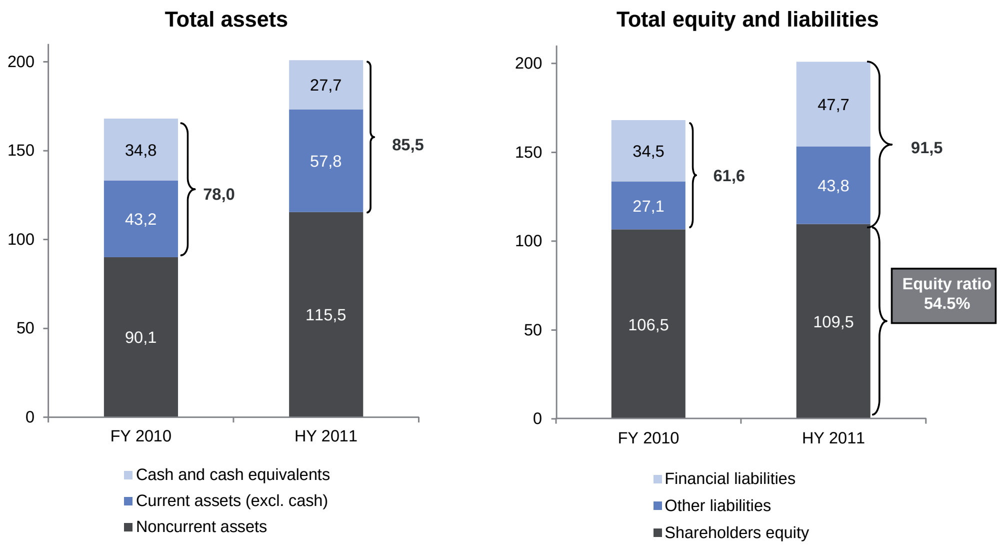
Despite the acquisitions made, paying off debt and the dividend payment following the Annual General Meeting in mid-May 2011, cash and cash equivalents and marketable securities stood at EUR 27.73 million as at June 30, 2011 (December 31, 2010: EUR 34.82 million). The net debt came to EUR 19.94 million as of the closing date. This includes the bank liabilities incurred through the financing of LMI Technologies.

On the equity and liabilities side, equity increased to EUR 109.53 million (December 31, 2010: EUR 106.55 million). The equity ratio as at June 30, 2011, was 54.5 percent due to the acquisitions made and the associated increase in debt capital (end of the fiscal year: 63.4 percent). AUGUSTA continues to hold 843,551 treasury shares valued at EUR 13.17 million, which reduce the equity accordingly. The exercise of stock options led to the creation of 73,600 new shares and the share capital was increased accordingly to 8,509,114 no-par value shares. The capital reserve increased by EUR 0.52 million.

Long- and short-term bank liabilities have risen to EUR 47.68 million, since LMI Technologies was purchased principally using borrowed capital.

KEY BALANCE SHEET ITEMS IN EUR MILLION	FY 2010	HY 2011
Goodwill	57.54	71.78
Cash and cash equivalents and other current financal assets	34.82	27.73
Total assets	168.13	201.02
Net debt	-10.38	19.94
Enterprise Value	108.81	162.22
Equity ratio	63.4%	54.5%

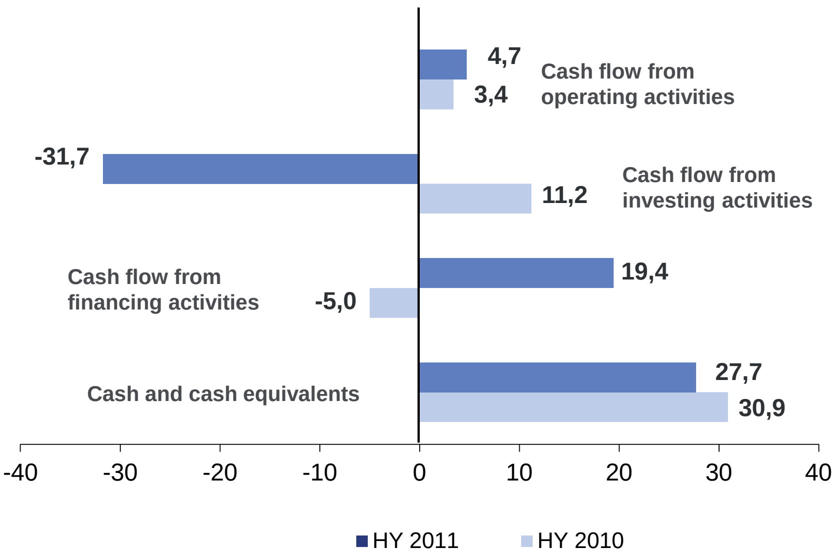
BALANCE SHEET IN EUR MILLION



View of cash flow

Cash flow from operations stood at EUR 4.70 million at the end of the first half of 2011, despite the build-up of working capital and was thus above the previous year's level (previous year: EUR 3.42 million). The cash flow from investing activities stood at EUR -31.67 million as of the end of the reporting period (previous year: EUR +11.16 million). This figure includes the acquisitions made in the first half of the year. As of June 30, 2011, the cash flow from financing activities amounted to EUR +19.38 million (previous year: EUR -5.0 million). In addition to raising debt capital for the acquisitions made amounting to EUR 25 million, financial liabilities were reduced during the first half of 2011 as agreed.

OVERVIEW OF CASH FLOW IN EUR MILLION



Employees

As of June 30, 2011, the AUGUSTA Group had 767 employees, considerably more than in the previous year (532 employees). 37 employees joined the workforce within the scope of the acquisition of P+S Technik in September 2010, 19 employees from the acquisition of VDS Vosskühler in the Vision segment at the start of the year, and 77 employees through the acquisition of LMI Technologies Inc. effective May 2011. Organically, we have hired new employees particularly in distribution, development and production.

The Sensors segment had 458 employees (prior year: 393), while the Vision segment had 306 employees (prior year: 134).

Significant developments after the reporting date of June 30, 2011

No material changes have occurred after the closing date of June 30, 2011.

Outlook – 2011 guidance firmly in our sights

We are currently confident that the economic recovery will continue intact despite the risks addressed in the report and we anticipate organic and inorganic growth in 2011. The basis effect of extremely low prior year figures is now no longer relevant. For this reason we expect the growth rates to level out in the second half of 2011. We are monitoring the market situation very closely in our most important customer sectors and at key customers and distributors in order to identify and counteract sudden negative developments in global sales markets at an early stage.

Organically we have been able to continue our expansion course as expected in the first half of 2011, which saw very strong growth in the first quarter and rather moderate performance in the second quarter. We are more cautious for the second half of 2011 due to the flagging momentum. The picture varies for each of the segments. While we can certainly still expect double-digit revenue growth in the Sensors segment in comparison with the previous year 2010, we expect the growth rates to decline for the camera business in the second half of 2011. However, this decline will be more than compensated by the acquisitions already made. From our current standpoint, we can confirm the guidance given to the capital markets with projected sales revenue in a bandwidth of EUR 153 to 163 million and EBITDA ranging from EUR 27 to 30 million, also taking into account the existing order book.

New product developments, customer-specific solutions and our high degree of customer orientation will assist us to expand and strengthen our market share in our existing target markets and in new markets and regions.

Our strategic goal is to become a top provider in the global vision technology market, in addition to operating a highly profitable sensor business. Against this background we have already acquired two companies that complement our Vision activities exceptionally well and expand our technological competence. This will enable us to grow not only organically but also inorganically and significantly improve our revenue volume and the margin situation for the entire AUGUSTA Group through the expected synergies over the short and medium term.

From the current perspective, important decisions have already been made in the first half of 2011, both organically and strategically. We are very confident of reaching our sales and profit forecast in 2011.

Balance Sheet as of June 30, 2011

ASSETS IN EUR THOUSAND	12/31/2010	06/30/2011
Noncurrent assets		
Intangible assets, net	15,796	25,145
Goodwill, net	57,539	71,781
Property, plant and equipment, net	13,725	14,530
Noncurrent financial assets, net	351	357
Deferred tax assets	1,146	2,119
Other noncurrent assets	1,541	1,541
Total noncurrent assets	90,098	115,473
Current assets		
Inventories	25,821	34,040
Trade accounts receivables, net	14,391	19,595
Receivables from related parties	192	56
Current financial assets	93	63
Noncurrent financial assets held for sale	0	0
Tax accounts receivables	998	1,650
Prepais expenses and other current assets	1,792	2,653
Cash and cash equinvalents	34,748	27,489
Total current assets	78,035	85,547
Total assets	168,133	201,021

EQUITY AND LIABILITIES IN EUR THOUSAND	12/31/2010	06/30/2011
Shareholders' equity		
Share capital	8,436	8,509
Capital reserves	55,843	56,664
Earnings reserves	34,000	34,000
Currency translation	3,267	2,354
Revaluation reserves	-346	-190
Retained earnings	18,153	20,955
Treasury shares	-13,166	-13,166
Minority interest	359	398
Total shareholders' equity	106,546	109,525
Noncurrent liabilities		
Long-term loans, excluding current portion	11,631	29,498
Noncurrent post-employment benefit obligation	1,509	1,532
Other noncurrent provisions	286	286
Deferred tax liabilities	5,956	6,933
Other noncurrent liabilities	7,717	5,056
Total noncurrent liabilities	27,099	43,305
Current liabilities		
Trade account payables	8,763	11,867
Short-term loans and current portion of long-term loans	12,811	18,177
Other current financial liabilities	381	178
Liabilities held for sale	0	0
Income tax provisions and liabilities	2,700	3,771
Other current provisions	4,413	5,464
Other current liabilities	5,420	8,732
Total current liabilities	34,488	48,190
Total equity and liabilities	168,133	201,021

Consolidated Statement of Comprehensive Income

IN EUR THOUSAND	Q2 2010 04/01-06/30/2010	Q2 2011 04/01-06/30/2011	HY 2010 01/01-06/30/2010	HY 2011 01/01-06/30/2011
Sales revenues				
Products	32,002	39,089	58,922	79,421
Services	17	424	35	470
	32,019	39,513	58,957	79,891
Cost of goods sold				
Products	-18,439	-22,917	-33,566	-46,281
Services	0	0	0	0
	-18,439	-22,917	-33,566	-46,281
Gross profit	13,580	16,597	25,391	33,610
Selling & marketing expenses	-3,822	-5,379	-7,257	-9,841
Research & development expenses	-1,475	-2,424	-3,056	-4,983
General & administrative expenses	-4,538	-3,567	-7,223	-7,526
Other income/expense	554	-203	224	-742
Profit from operations	4,298	5,023	8,078	10,518
Net interest income/expense	-308	-197	-655	-515
Foreign currency exchange gains/losses	692	-400	962	-972
Depreciation on financial assets	0	0	0	0
Other financial assets	0	-1	0	-1
Net financial result	384	-598	306	-1,488
Profit before tax	4,682	4,426	8,384	9,030
Income tax expenses	-1,442	-1,322	-2,677	-2,707
Income from continued operations	3,241	3,104	5,707	6,323
Result from discontinued operations after tax	-9	0	-550	0
Consolidated profit for the period	3,232	3,104	5,157	6,323

IN EUR THOUSAND	Q2 2010 04/01-06/30/2010	Q2 2011 04/01-06/30/2011	HY 2010 01/01-06/30/2010	HY 2011 01/01-06/30/2011
Profit/loss attributable to minority interest	-4	-77	-33	-104
Consolidated profit after minority interest	3,227	3,027	5,125	6,219
Currency adjustments	1,639	19	3,703	-912
Changes in derivate investments	71	55	57	217
Taxes on other total revenue	-20	-16	-16	-61
Additions third party share (after currency adjustment)	4	77	33	104
Other total revenue net of tax	1,694	135	3,777	-652
Total revenue	4,921	3,162	8,902	5,566
Earnings per share (diluted and undiluted) in EUR	0.43	0.40	0.75	0.82
Weighted average shares outstanding in thousand	7,592	7,606	7,592	7,599

Consolidated Cash Flow Statement

IN EUR THOUSAND	06/30/2010	06/30/2011
Cash and cash equivalents at the beginning of the period	20,986	34,763
Consolidated profit for the period	5,157	6,323
Depreciation and amortization	1,513	1,342
Other non-cash expenses	836	300
Increase (-)/decrease (+) in inventories	-5,333	-3,373
Increase (-)/decrease (+) in trade receivables	-3,549	-1,287
Increase (+)/decrease (-) in trade payables	2,044	777
Increase (-)/decrease (+) in deferred tax assets and liabilities	166	-559
Increase (+)/decrease (-) in provisions	1,395	904
Increase (-)/decrease (+) in other noncurrent and current assets	-220	-111
Increase (+)/decrease (-) in other noncurrent and current liabilities	1,411	388
Net cash flow from operating activities	3,420	4,704
Payments to acquire intangible assets	-847	-326
Payments to acquire property, plant, and equipment	-508	-1,149
Payments to acquire noncurrent financial assets	-15	-6
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 disposition in restricted cash	0	0
Proceeds from DLoG sale	12,532	0
Payments from acquisition of subsidiaries, net of purchased cash	0	-30,187
Net cash flow from investing activities	11,162	-31,668
Free cash flow	14,582	-26,964
Change in short-term debt	-72	4,403
Change in long-term debt	-2,599	17,867
Proceeds from (+)/payments to (-) shareholders	0	593
Dividend payments to shareholders	-2,324	-3,481
Cash flow from financing activities	-4,995	19,382
Cash flow	9,587	-7,582
Effect of exchange rate changes on cash and cash equivalents	419	369
Cash and cash equivalents at end of period	30,992	27,552
Composition of financial resource	30,992	27,552
Cash and cash equivalents	30,977	27,489
Less restricted cash	0	0
Money market funds	15	63
Additional discolusres relating to cash flow		
Income taxes paid	2,536	2,288
Income taxes received	241	171
Interest paid	672	691
Interest received	40	55

IN EUR THOUSAND	06/30/2010	06/30/2011
Acquisition of subsidiaries		
Goodwill	0	16,065
Intangible assets	0	17,676
Tangible assets	0	245
Financial assets	0	0
Deferred tax assets	0	742
Inventories	0	4,846
Trade accounts receivables	0	3,919
Other assets	0	1,189
Cash and cash equivalents	0	4,748
Deferred tax liabilities	0	-3,270
Trade account payables	0	-2,328
Financial liabilities	0	-11
Provisions	0	-147
Provisions and liabilities from taxes	0	-683
Other liabilities	0	-190
Minority interest	0	0
Purchase price paid	0	42,800
thereof expected purchase price instalments	0	-7,866
Acquired cash and cash equivalents	0	-4,748
Purchase price paid, net of purchased cash	0	30,187
Sale of subsidiaries		
Goodwill	8,880	0
Intangible assets	1,730	0
Tangible assets	356	0
Financial assets	4	0
Deferred tax assets	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
Deferred tax liabilities	-397	0
Provisions for pension and 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
Loss 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 company sale, net of disposed cash	12,532	0

Consolidated Statement of Changes in Equity

	SUBSCRIBED CAPITAL				
IN EUR THOUSAND	NUMER OF SHARES	AMOUNT	CAPITAL RESERVES	RETAINED EARNINGS	TRANSLATION RESERVE
Status as of January 1, 2010	8,435,514	8,436	55,679	30,000	701
Dividend					
Appropriation to reserves					
Total income			173		3,704
Status as of June 30, 2010	8,435,514	8,436	55,852	30,000	4,405
Status as of January 1, 2011	8,435,514	8,436	55,843	34,000	3,267
Share options		73	521		
Dividend					
Appropriation to reserves					
Total income			300		-912
Status as of June 30, 2011	8,435,514	8,509	56,664	34,000	2,355

REVALUATION RESERVES					
CURRENCY	CASH FLOW HEDGES	NET RETAINED LOSS/ GAIN	TREASURY SHARES	MINORITY INTEREST	TOTAL EQUITY
	-548	14,041	-13,166	227	95,370
		-2,278		-46	-2,324
					0
	41	5,125		33	9,076
	-507	16,888	-13,166	214	102,122
	-346	18,153	-13,166	359	106,546
					594
		-3,416		-65	-3,481
					0
	156	6,218		104	5,866
0	-190	20,955	-13,166	398	109,525

Notes

Explanatory notes to the 6-month report

1. Accounting principles

The 6-month report of AUGUSTA Technologie AG of June 30, 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 this interim financial statement as in the Consolidated Financial Statement of December 31, 2010.

The financial statements contained in the report (of June 30, 2011, and December 31, 2010), the income statement (for the first six months of 2011 and 2010 respectively), the cash flow statement (for the first six months of 2011 and 2010 respectively), as well as the change in equity capital statement (for the first six months of 2011 and 2010 respectively) have been drawn up by the Management 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 their registered offices in Osnabrück, through its subsidiary Allied Vision Technologies GmbH. VDS Vosskühler GmbH, founded in 1985, has around 20 employees. VDS sells infrared, X-ray and digital cameras for specialized applications, focusing on OEM customers in industrial automation, medical technology, security and traffic automation. VDS's operations will be integrated into the AUGUSTA subsidiary Allied Vision Technologies, part of the Vision segment. There are plans to merge the companies retroactively to January 2011.

Half of the EUR 11 million purchase price for this acquisition was obtained by the AUGUSTA Group 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 tax liabilities 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 generated EUR 6.6 million in external sales revenues and EUR 1.7 million in earnings in the previous 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	
- Pensions 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

Furthermore, AUGUSTA Technologie AG acquired 100 percent of shares in LMI Technologies Inc. based in Vancouver, Canada as of May 1, 2011. LMI Technologies Inc., founded in 1998, has around 75 employees. LMI Technologies is an innovative supplier of optical 3D sensor solutions and ranks among the world's leading suppliers of 3D laser triangulation (optical 3D measurement). 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 the 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 a good market position.

LMI's operations are being incorporated into AUGUSTA Technologie AG and allocated to the Vision segment.

The amount posted by the Group for the acquisition was USD 46.5 million. That includes a purchase price of around USD 40 million, plus a further USD 6.5 million in cash components (repayment of working capital, cash, posted tax refunds etc.). As of May 1, 2011, a first tranche of almost USD 30 million came from external financing. Furthermore, the purchase price includes a long-term earn-out clause for 2011 and 2012, which is linked to the company's forecasted gross profit and EBITDA. On the basis of the plan data, a relevant liability has been posted based on the company's business plan. Should the actual data differ from the plan data, the purchase price may increase or drop.

Intangible assets from the initial consolidation were recognized in the amount of EUR 11.2 million for technology, the brand and the company's customer base and allocated accordingly in the purchase price allocation. After deducting the deferred tax liabilities of EUR 1.6 million accruing on that amount, there is a remaining goodwill of EUR 10.7 million. The technology and customer base are amortized over a period of eight years, the brand over 10 years.

LMI generated USD 17.4 million in sales revenues and USD 3.6 million in earnings before taxes in the previous year.

As of May 1, 2011, the AUGUSTA Group acquired the following assets and liabilities in the full buyout of LMI (figures in EUR thousand):

LMI TECHNOLOGIES INC.	05/01/2011
ASSETS	
Noncurrent assets	
- Goodwill	12,266
- Intangible assets	11,194
- Property, plant, and equipment	160
- Deferred tax assets	742
Current assets	
- Inventories	2,950
- Trade account receivables	3,630
- Other assets	1,112
- Cash and cash equivalents	4,148
TOTAL ASSETS	36,202
LIABILITIES	
Noncurrent provisions	
- Deferred tax liabilities	1,670
Current liabilities	
- Trade account payables	2,242
- Provisions for taxes	479
- Other current liabilities	11
TOTAL LIABILITIES	4,402

Under consideration of pro-forma information based on the assumption that the companies that were acquired or sold during this year should already have been taken into consideration at the beginning of the 2011 financial year, the business activity of the AUGUSTA Group as of June 30, 2011 would have been as follows:

IN EUR THOUSAND	06/30/2011
Pro-forma sales revenues	86,423
Pro-forma consolidated net profit for the period	9,948
Average number of shares in thousand	7,599
Pro-forma consolidated net profit for the period per no-par share	1.31

3. P+S Technik GmbH

The technology purchased in the context of the acquisition of P+S Technik GmbH needs more extensive adjustment than originally assumed. This realization emerged later in the form of miscalculations in the development of digital film cameras and digital magazines and the shelving of the planned service business model of a scan factory. It will have implications for the business plan assumed at the time of the acquisition. Sales growth and operational profitability are not rising as assumed at the time of the acquisition.

Earn-out payments from the call option will thus also be lower in 2016. Assets and other liabilities have been adjusted accordingly without any effect on net income in accordance with IFRS 3.

The revaluation of P+S Technik GmbH resulted initially in the reduction of goodwill in the amount of EUR 1,129,000 and subsequently in an adjustment of hidden reserves for technology, customer base and brand to the tune of EUR 7,304,000. The adjustment in the amount of undisclosed hidden reserves has resulted in a reduction in deferred tax liabilities of EUR 2,027,000.

4. Segment reporting

AUGUSTA Technologie AG divides its business activities into the segments Sensors and Vision. The Sensors segment includes the two product lines Sensors & Microsystems Technology and Mobile Measuring Systems. The acquired companies, VDS Vosskühler GmbH and LMI Technologies Inc., have been allocated to the Vision segment.

IN EUR THOUSAND AS OF JUNE 30, 2010	Sensors	Vision	Others	DCO	Re- conciliation	Total
External sales	48,054	31,837	-	-	-	79,891
Internal sales	219	49	-	-	-269	0
Gross margin	34.9%	52.6%	-	-	-	42.1%
Depreciation	-826	-2,159	-24	-	-	-3,009
EBIT	5,854	7,195	-2,544	-	13	10,518
Financial result	-644	-457	326	-	-713	-1,488
Result before DCO	4,477	6,055	-3,509	-	-700	6,323
Result DCO	-	-	-	-	-	0
Result after DCO	4,477	6,055	-3,509	-	-700	6,323
Assets	73,424	104,406	69,547	-	-14,577	201,021
Liabilities	33,792	31,163	41,096	-	-14,577	91,495
Goodwill	27,905	43,876	-	-	-	71,781

IN EUR THOUSAND AS OF JUNE 30, 2011	Sensors	Vision	Others	DCO	Re- conciliation	Total
External sales	37,830	21,127	-	-	-	58,957
Internal sales	136	12	-	-	-148	0
Gross margin	35.7%	56.5%	-	-	-	43.1%
Depreciation	-856	-629	-26	-	-	-1,512
EBIT	3,899	6,342	-2,077	-	-86	8,078
Financial result	117	-254	942	-	-499	306
Result before DCO	3,462	5,336	-2,506	-	-585	5,707
Result DCO	-	6,682	-3,997	-3,235	-	-550
Result after DCO	3,462	12,018	-6,504	-3,235	-585	5,157
Assets	68,283	53,468	40,139	-	-12,736	149,155
Liabilities	30,475	15,124	14,085	-	-12,651	47,032
Goodwill	28,419	28,724	-	-	-	57,144

5. Earnings per share

AUGUSTA Technologie AG earnings per share is calculated from the 8,509,114 shares issued, less treasury shares held by AUGUSTA Technologie AG, based on the weighted average for the period under review. On June 30, 2011, AUGUSTA Technologie AG held a total of 843,551 treasury shares. In the first six months of 2011, an average of 7,599,034 shares was in circulation.

6. Statements of Directors' Dealings as of June 30, 2011

In the first six months of 2011, the following notifiable transactions in securities were conducted by company officers.

MANAGING BOARD	DATE	NUMBER	NATURE	SHARE PRICE IN EUR
Amnon F. Harman	06/02/2011	6,500	Exercise of options against cash settlement	18.5543
Berth Hausmann	06/02/2011	5,500	Exercise of options against cash settlement	18.5543
Amnon F. Harman	06/07/2011	6,000	Purchase of shares through exercise of options	8.08
Berth Hausmann	06/08/2011	7,000	Purchase of shares through exercise of options	8.08

On June 30, 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. Tranche: 115,300 subscription rights at an exercise price of EUR 14.63 in 2008
2. Tranche: 161,000 subscription rights at an exercise price of EUR 8.08 in 2009
3. Tranche: 230,400 subscription rights at an exercise price of EUR 11.23 in 2010
4. Tranche: 133,900 subscription rights at an exercise price of EUR 19.45 in 2011

The total number of stock options issued is roughly equivalent to 75.8 percent of the approved program of 843,551 stock options altogether. The options issued from the first tranche and half of the options from the second tranche could no longer be exercised due to non-fulfillment of the exercise conditions (6 percent EBITDA increase excluding acquisition effect), and thus have expired. The other half of the stock options from the second tranche could not be exercised until after the 2011 Annual General Meeting. In total, 75,600 options, of which 73,600 subscription rights (97.35 percent) had been exercised. The next conversion period is after the publication of the quarterly report for the 3rd quarter of 2011.

	NUMBER OF SHARES 06/30/2011	NUMBER OF SHARES 12/31/2010	NUMBER OF SHARE OPTIONS 06/30/2011	NUMBER OF SHARE OPTIONS 12/31/2010
MANAGING BOARD				
Amnon F. Harman	21,500	15,500	35,000	47,500
Berth Hausmann	15,250	8,250	35,000	47,500
Arno Pätzold	3,000	3,000	30,000	30,000
SUPERVISORY BOARD				
Adi Seffer	-	-	-	-
Dr. Hans Liebler	-	-	-	-
Dr. Rainer Marquart	-	-	-	-
TOTAL	39,750	26,750	100,000	125,000

7. Treasury shares

On June 30, 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 06/30/2011	NUMBER OF SHARES 12/31/2010	IN % OF SHARE CAPITAL 06/30/2011
Treasury shares	843,551	843,551	9.9%

8. Decision-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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