Annual Financial Statement 2007

RÜCKER AG

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Group Management Report
of Rücker Aktiengesellschaft
for the Financial Year from
January 1, 2007 to December 31, 2007

I. Course of Business

The Rücker Group's customers are international Groups of the automotive, aviation and electronics industries as well as their suppliers. All of these rely on our quality and experience. We provide them within the globally acting network of the Rücker Group with our competences, which are being continually developed further. The Rücker Group's course of business in the year 2007 was formed by the positive situation of incoming orders from the automotive industry. Sales rose from 166.1 million Euro during the year 2006 by 1.7 % to 168.9 million Euro in the year 2007. The economic activity, developing positively globally and within Germany, also had distinctive positive influence on the awarding activities of the automotive industry. The aviation industry benefited from the demand for new aircrafts. However, some large-scale projects were postponed with the effect that during the year 2007 expenses for development in total were reduced discernibly with the corresponding effects on the company's business. The sales in the automotive business rose by 21.1 % to 132 million Euro, the sales in the aviation business dropped by 41.7 % to 30.3 million Euro.

During the financial year 2007 the result of last year was exceeded, the EBIT was improved from 8.2 million Euro in the year 2006 to 9.3 million Euro in the year 2007. The EBITDA rose from 15.7 million Euro in the previous year to 16.1 million Euro in the reporting year.

II. Market and Competition

The market for development services evolved differently in the two industries during the reporting year. In the automotive segment there was a total increase of sales in the year 2007 by 21.1 % as compared to 2006, in the segment aviation the decrease was 41.7 %.

The market of automotive industries is extremely competitive. The competition in the segments served by the Rücker Group intensified further and is increasingly marked by company co-operations and takeovers. However, with our international positioning we think we are well guarded to meet these increased challenges successfully in the future, too. We were able to extend the segment of automotive. Our aim is to spur the national and international expansion of the Rücker AG further and to establish the company even better in the leading group of international development service providers.

The market for engineering services within the automotive industry is marked by high potentials for growth resulting from the increasing multitude of models and the increased share of outsourced services.

All in all the volume of R & D within the German automotive industry is estimated at about 16 billion Euro, the major part of this still being processed by the manufacturers themselves. Here, the business for the Rücker Group was improved discernibly. It is with 2,528 employees (including the subcontractors) one of the leading providers in Europe and can use this know-how at the customers for new orders.

The market opportunities in the segment of aviation are positive because of the predicted passenger numbers. The tourism industry, for example, is expected to grow within the next 10 years twice as fast as the global economy, mainly because of the developments in China and India and because of the considerable need to replace aircrafts with high fuel consumption by new more economic low-noise models. During the next 20 years a demand for more than 28.000 new planes with market value of 2,800 billion US$ is calculated. New models of aircrafts will lead to increased development efforts and thus to increased operating grade of our employees, although there may be variations in the degree of activity in the short run.

A distinct reduction of sales in the year 2007 was caused by the postponement of some large-scale projects with the corresponding negative effects on sales, income and activity with the Rücker Group as well as in the whole industry. Furthermore, the low market volume led to a clear increase in competition with corresponding negative effects on the gross margin. We assume that this decrease is limited in time and that from the middle of 2008 on business will grow again and the price level will be back to normal.

The main business of the Rücker Group is based on framework contracts. On this foundation projects are processed revolvingly. Therefore the backlog of orders at a certain point in time can be no indicator for the future volume of sales. The dynamism of new models in the branches served rather indicates growing business in the two years to come.

Within the branches served by the Rücker Group there is an especially high competition if there are postponements of order volumes. The market for development services is still being operated by many suppliers. The market shares of these companies are, as well as those of the Rücker Group, within the single-digit percent margin.

III. Focus of Investment

During the year 2007 we further invested into the extension of the IT infrastructure and into test facilities (3.0 million Euro as opposed to 3.9 million Euro in the year 2006).

IV. Research and Development

Research and Development play a major role within the industries in which the Rücker Group operates. Therefore we were again integrated into research and development projects of our customers in the year 2007.

The Rücker companies are certified according to the following standards:

DIN EN ISO 9001, DIN EN ISO 9100, DIN EN ISO/IEC 17025, SS EN ISO 14001

Additionally during 2007 we received the EASA (European Aviation Safety Agency) certification for the Rücker Aerospace GmbH, which opens new market volumes for us as a development company.

V. Business Development / Results of Operations

The sales within the Rücker Group rose during the past financial year from 166.1 million Euro to 168.9 million Euro. This means an increase of 1.7 %.

The customers of the automotive segment continued to outsource development services. A decrease occurred in the segment aviation. The whole development confirms the adopted strategy of virtual services and internationalization as well as the expansion of important future-oriented divisions.

The Group result (EBIT) for 2007 is about 9.3 million Euro. With an increase of 13.8 % it grew much stronger than the sales. The reason is the expanded business as well as the clearly reduced expenses for selling and administration (by a total of 2.4 million Euro).

The Group net profit as of December 31, 2007 was about 4.5 million Euro, 37.0 % more than in the year 2006 (3.3 million Euro). This disproportionately high improvement resulted from the improved financial results as well as from the reduced Group tax load ratio.

The average number of employees clearly increased during the year. As at balance sheet date the Group had 2,528 employees (including subcontractors).

Within the top selling segment of automotive design the growth was 21.1 %. The reason for this was the increased demand of some customers. Renowned automobile manufacturers announced large model offensives for the coming years. External developers like the Rücker Group benefit from the fact that the automobile manufacturers cannot cope with this swelling number of models and vehicle derivatives using only their internal capacities. However, at the time less than half of the total volume is outsourced by the automobile manufacturers to external developers. There is a clear potential for future growth. New models are used by the manufacturers to fortify market shares and to win new markets. Additionally there is a shortening of development cycles, since the intervals between the market launch of a model and its replacement by a new one become incrementally shorter. For Rücker AG short development cycles mean a further rise in demand for development services.

The sales within the aviation business fell during the past financial year by 41.7 % from 51.9 million Euro to 30 million Euro in the year 2007. Project postponements of Airbus, EADS and other manufacturers and suppliers played a role here. Some projects were shifted from the year 2007 into the year 2008, which will cause sales revenues not before the second half of 2008, according to our estimation.

During the year 2007 the Rücker Group achieved 83.3 % of its sales within the Euro zone after 87.9 % in the year 2006. The reason for this movement is the discernibly accretive business in Sweden, Brazil and Korea.

The share of the automotive division in the total sales during the business year was at about 78.1 % (132.0 million Euro), the share of the aviation segment was 17.9 % (30.3 million Euro).

The increase of sales and results was accompanied by an improvement of the EBIT margin. It rose from 4.8 % in the year 2006 to 5.5 % in the year 2007. The improvement of the net yield was from 2.0 % to 2.7 %.

VI. Net Assets and Financial Position

The balance sheet total of the Rücker Group was with 87.2 million Euro (previous year 87.0 million Euro) almost identical. The tangible fixed assets were 20.7 million Euro (previous year 22.9 million Euro) caused by the fact that depreciation exceeded investments. The intangible assets, mostly software, fell for the same reason by 1.5 million Euro. The deferred taxes on the assets side were reduced by 1.2 million Euro mainly because of the reduced rates for income taxes introduced with the tax reform 2008. The liquid funds in the amount of 16.8 million Euro (previous year: 12.1 million Euro) were increased because of the positive cash flow mainly caused by increased balances with a factor by 4.6 million Euro.

The shareholders' equity increased from 30.1 million Euro to 32.8 million Euro. This increase was mainly caused by the net profit of 2007. The pension commitments dropped from 5.1 to 3.1 million Euro, mainly because of the adjustment of the dicount rate. With an equity ratio of 37.6 % the Rücker Group has a solid structure of the balance sheet, both in the segment-specific comparison as well as compared to other middle market stocks.

The financing of the Group is being secured by the use of factoring, leasing, bank lines and the positive cash flow from current business activities.

The operating cash flows climbed as compared to 2006 by 2.0 million Euro to 10.4 million Euro. Overall the cash and its equivalents were increased during the year be 4.6 million Euro.

The bank lines were granted to a large extent in blank. The collateral provided for real estate based financing are presented within the notes. In the course of the factoring the corresponding receivables are being sold to the financing institutes. With leasing liabilities the respective commodities serve as collateral. The terms of the financial liabilities are presented within the notes. The management analyzes the terms of certain financing instruments and cares for timely prolongation as far as these means are further needed.

Because of the conservative / conventional structure of the financing policy there are no material changes in the market prices of the financing instruments. The same goes for the currency risks, since the company operates mostly (83.3 %) in the Euro area and the currency risks are mainly set off, because outside of the Euro area the respective national currency is used for both billing and payment.

VII. Opportunities and Risks for the Future Development

Even if the Rücker Group is also oriented towards other industries besides automotive and aviation, the largest part of the sales is still being generated with customers from these segments. Should these customers cut down their expenses for research and development or their investments, the Rücker Group would be subject to additional pressure of prices and the capacity utilization would be affected. With a then possible planning variance also the income situation of the company could be influenced negatively.

Negative effects may also occur from the dependency on a small number of customers, in case a customer defers projects or grants them to competitors. The managing board reacts to this with flexible resources and appropriate customer management. Furthermore the strong expansion of the aviation segment created a second supporting leg by which possible cycles are partially leveled out.

The company's development could be infringed by problems with the recruitment of qualified personnel since it is difficult to find engineers who can be employed for the customer orders. This situation is allowed for by improved applicants' marketing and the organization of the applicant's data base (also internationally).

For factoring, leasing and the bank lines applies that there is an immanent risk of interest changes. The management guarantees that the mix of interest rates lies between short-term, medium-term and long-term levels, so that risks of changing interest rates have little influence on the results for the year. As opposed to the previous year the long-term financing was slightly increased on the expenses of the short-term financing. Further risks would occur if credit lines would not be prolonged. The reaction to this is an appropriate banking management and the generation of a positive cash flow which would allow to achieve the corresponding liquidity. Another balancing of risks is the result from the financing from different sources. Overall the short- and long-term financial and bank liabilities were increased by about 0.2 million Euro. Opposed to this is the boost in liquidity by 4.6 million Euro.

The customer risks mentioned above existed already in the previous year and became partially real in the year 2007. The managing board took actions to minimize the effects: transition to flexible employees, training and transfer into other operating units, adjustment of the fixed costs, improvements of the recruiting system. A quantification of the risks is not possible because of the uncertainty of occurrence and the existing instruments to counteract.

In order to be able to take countermeasures against the outlined risks we implemented in the year 2000 in the whole Group a risk management system, which was further improved in the year 2007. This system is integrated into our current reporting system. All operating units domestic and abroad report on a monthly basis deviations from the business plan as well as newly occurring risks together with an assessment of these. This is an integrated process between operating unit, Group controlling, managing board and supervisory board. Important risks are being reported to the managing board who in turn informs the supervisory board at the overrun of certain threshold values in order to be able to take countermeasures timely. These countermeasures are the opening of new potentials with existing customers, acquisition of new customers and transition to flexible resources.

Opportunities are in the multitude of planned new models in the segments of aviation and automotive which might lead to a clear increase of the volume.

VIII. Remuneration System

Members of the managing board receive a fixed monthly salary and a variable bonus depending on the profit situation. The bonus is calculated as a percentage of the EBIT for the year.

Additionally there are insurances for members of the managing board against accidents, for legal expenses and a business liability insurance.

Furthermore they will receive an employer’s pension and they have a company car at their disposal.

Contracts for the directors have a fixed term of 3 to 5 years.

The remuneration of the members of the supervisory board is regulated as follows: An ordinary member of this board receives 15,000.00 Euro per year, the deputy chairman receives 1.5 times this salary and the chairman of the supervisory board the double amount. Furthermore each member receives 300 Euro per 0.01 Euro of distributed dividend.

Former members of the executive or the supervisory boards receive no payments except for the pension payments to former directors.

Options or subscription rights as well as other remunerations with long term incentive effects effect were not granted in the year 2007.

The stock option plan started in the year 2000 is expired. The option granted to active members of the managing board in the course of that plan are presented within the notes to the consolidated financial statements.

For the organs of the company there is an additional D & O insurance.

IX. Additional Information according to the Übernahmerichtlinien-Umsetzungsgesetz (Implementing Law on Acquisition of Standards)

1. The subscribed capital of the Rücker AG was 8,379,194 Euro as at December 31, 2007. It is divided into 8,379,194 individual bearer shares without nominal value. The share in the capital stock allotted to each individual share was 1.00 Euro as at December 31, 2007.

2. The managing board does not know of any limitations of the voting rights.

3. The chairman of the managing board (including Nosta GmbH) carries 58.5 % of the shares in the company . No other share ownership of more than 10 % of the capital stock is known.

4. As far as the managing board knows there are no shares with special rights.

5. As far as employees are participated in the capital they are not subject to any kind of voting right control.

6. The articles of incorporation provide for the supervisory board to appoint the members of the managing board. The statutory provisions of sections 84 and 85 AktG (German Stock Corporation Law) do apply. Changes of the articles of incorporation require the resolution of the general meeting of the shareholders. The provisions of sections 179 – 181 AktG do apply. The articles of incorporation provide for the supervisory board to resolve changes of the articles of incorporation concerning only the form. Resolutions concerning a change of the articles of incorporation require a majority of three quarters of the stock capital represented at the general meeting of the shareholders.

7. The managing board is authorized to increase the stock capital of the company, with the approval of the supervisory board, until June 30, 2011 by 4 million Euro at most by means of issuing new shares. The company is authorized to acquire own shares until December 11, 2008. This authorization is limited to the acquisition of 837,919 shares. These resolutions of the shareholders' meeting of June 12, 2007 are laid out in detail within the management report.

8. There is no company's agreement subject to the condition of a change of control subsequent to a takeover bid.

9. There is no compensation agreement with the members of the managing board or the employees in the case of a takeover bid.

X. Perspectives

The global economy, which grew strongly in the years 2006 and 2007, might be impeded in growth during the years 2008 and 2009 as compared to previous years because of the subprime crisis originating from the USA within the mortgage financing. Some automotive markets are saturated (USA, partially Europe), so there is low or no growth to be expected considering sales numbers. However, this saturation should be more than compensated by the growth in newly industrializing countries. The sales of commercial aircrafts, too, indicate a clearly positive development fed by the threshold countries and the developing countries.

It is important for the big manufacturers of automobiles and aircrafts, who are our customers, to further plan products which can be sold successfully in the world market. This has strong influence on their demand of development capacities, which the Rücker Group among others offers, domestically and abroad.

After the increase of the result in the year 2007 it is our goal for 2008 and 2009 to further expand the business of the whole company on the basis of the existing structure and to expand the existing customer relations nationally and internationally. Further investments into hardware and software are intended to expand the company's technological top position.

As far as the trend to outsource development services continues and the laid out risks concerning the order placing habits of the manufacturers are not being realized we expect a positive development of sales and, with corresponding cost management, an improvement of the income situation, too.

XI. Subsequent Events

After the balance sheet date there were no material new developments which should be reported.

XII. Declaration of the Managing board of the Rücker AG according to Section 312 (3) AktG (German Stock Corporation Law)

We declare concludingly that our company received an appropriate consideration out of all legal transactions considering the circumstances known to us at the moment of conclusion. No measurements were taken or omitted which would have discriminated our company.

Wiesbaden, March 12, 2008

Rücker Aktiengesellschaft

....	....
Wolfgang Rücker	Jürgen Vogt
-Director-	-Director-

Rücker Aktiengesellschaft, Wiesbaden

Consolidated Financial Statements for the Financial Year from January 1 to December 31, 2007

Consolidated Balance Sheet

			Dec. 31, 2007 kEUR	Dec. 31, 2006 kEUR
A	1	Intangible assets	11,172	12,716
A	2	Property, plant and equipment	20,704	22,929
A	3	Financial assets	1,352	704
A	4	Deferred tax assets	3,035	4,226
		Non-current Assets	**36,263**	**40,575**
A	5	Inventories (Work in progress)	16	1
A	6	Trade receivables	21,844	21,382
A	7	Other receivables	10,442	11,130
A	8	Current recoverable income taxes	482	256
A	9	Cash and Cash Equivalents	16,784	12,135
A	10	Prepaid expenses	1,337	1,563
		Current Assets	**50,905**	**46,467**
		ASSETS	**87,168**	**87,042**
P	1	Issued capital	8,379	8,379
P	2	Capital reserves	14,686	14,651
P	3	Treasury shares	-158	-54
P	4	Other comprehensive income	-43	-864
P	5	Retained earnings	9,701	7,909
P	6	Minority interests	215	83
		Shareholders' Equity	**32,780**	**30,104**
P	7	Financial liabilities	13,872	12,655
P	8	Provisions for pensions	3,117	5,095
P	9	Government grants long term	13	37
P	10	Other Provisions	839	749
P	11	Deferred tax liabilities	395	453
		Non-current Liabilities	**18,236**	**18,989**
P	12	Current financial liabilities	9,855	10,875
P	13	Trade payables	5,324	6,985
P	14	Other liabilities	16,690	16,849
P	15	Income tax liabilities	1,316	1,830
P	16	Government grants current	25	29
P	17	Provisions	772	280
P	18	Deferred income and other commitments	2,170	1,101
		Current Liabilities	**36,152**	**37,949**
		SHAREHOLDERS' EQUITY AND LIABILITIES	**87,168**	**87,042**

Rücker Aktiengesellschaft, Wiesbaden

Consolidated Financial Statements for the Financial Year from January 1 to December 31, 2007

Consolidated Income Statement

		2007 kEUR	2006 kEUR
G1	**Sales**	**168,919**	**166,141**
G2	Cost of sales	-140,998	-137,148
	Gross profit	**27,921**	**28,993**
G3	Other operating income	4,861	5,999
G4	Selling expenses	-4,030	-5,570
G5	General and administrative expenses	-17,559	-18,447
G6	Other operating expenses	-1,872	-2,545
G7	Losses from goodwill impairment	0	-240
	Operating result (EBIT)	**9,321**	**8,190**
G8	Financial result	-2,487	-2,759
	Result before income taxes	**6,834**	**5,431**
G9	Income taxes	-2,336	-2,149
	Profit after income taxes	**4,498**	**3,282**
	Profits attributable to shareholders of the parent company	4,278	3,413
	Profit (losses) attributable to minority interests	219	-131

	2007	2006
Average Number of Shares (basic)	8,359,032	8,318,886
Earnings per Share in EUR (basic)	0.51	0.41
Average Number of Shares (diluted)	8,393,286	8,338,674
Earnings per Share in EUR (diluted)	0.51	0.41

Rücker Aktiengesellschaft, Wiesbaden

Consolidated Financial Statements for the Financial Year from January 1 to December 31, 2007

Statement of Recognized Income and Expense

	2007	2006
Exchange differences on translation of foreign subsidiaries	-76	-20
Fair value measurements of available-for-sale securities	2	12
Exchange differences on translation of net investments in a foreign operation		
Actuarial gains and losses from defined benefit plans and other employee benefits	895	27
Income and expense recognized directly in equity	**821**	**19**
Profit after income taxes	4,498	3,282
Recognized income and expense	**5,319**	**3,301**

Rücker Aktiengesellschaft, Wiesbaden

Consolidated Financial Statements for the Financial Year from January 1 to December 31, 2007

Consolidated Cash Flow Statement

			2007 kEUR	2006 kEUR
1.		Profit after income taxes	4,498	3,282
2.	+/-	Depreciation, amortization and impairment losses	6,800	7,465
3.	+/-	Change in provisions	567	-140
4.	+/-	Other financial expense	463	2,291
5.	-/+	Gains/Loss from the disposal of intangible assets and property, plant and equipment	125	50
6.	-/+	Change in assets carried as working capital	300	-6,544
7.	+/-	Change in other liabilities carried as working capital	-2,360	1,925
8.	**=**	**Cash Flow from operating activies (Total of 1 to 7)**	**10,393**	**8,329**
9.		Proceeds from disposal of property, plant and equipment	291	800
10.	-	Cash outflows for investments in property, plant and equipment	-2,093	-2,737
11.	+	Proceeds from disposal of intangible assets	102	148
12.	-	Cash outflows for investments in intangible assets	-910	-1,182
13.	+	Proceeds from disposal of financial assets	233	1,239
14.	-	Cash outflows for inestments in financial assets	-203	-533
15.	-	Cash outflows for investments in fully consolidated subsidiaries and business units	0	-74
16.	**=**	**Cash Flow from investing activities (Total of 9 to 15)**	**-2,580**	**-2,339**
17.		Proceeds from equity contributions	186	228
18.	-	Cash outflow to Company's Owners and Minority Interests	-2,829	-2,525
19.	+	Proceeds from issue of Bonds and from the Raising of (Financial-) Credits	7,084	2,211
20.	-	Payments from the Redemption of Loans and (Financial-) Credits	-7,604	-5,992
21.	**=**	**Cash Flow from financing activities (Total of 18 to 20)**	**-3,163**	**-6,078**
22.		**Net increase (decrease) in cash and cash equivalents (Total of 8, 16, 21)**	**4,650**	**-88**
23.	+/-	Effect of changes of exchange rate, consolidated group, valuations on cash and cash equivalents	-1	24
24.	+	Cash and cash equivalents, at the beginning of the year	12,135	12,199
25.	=	**Cah and cash equivalents, at the end of the year (Total of 22 to 24)**	16,784	12,135

Additional Information:

Interest Paid:	1,659	1,703
Taxes on Income Paid:	1,667	562
Interest received:	152	138
Received Taxes on Income:	172	163

Rücker Aktiengesellschaft, Wiesbaden

Consolidated Financial Statements for the Financial Year from January 1, 2007 to December 31, 2007

Notes to the Consolidated Financial Statements

A - Description of Business Activities

The Rücker AG, Kreuzberger Ring 40, 65205 Wiesbaden (Germany), (hereinafter referred to as "Rücker AG" or "company") offers worldwide development services by means of virtual design for companies of the automotive, components supplying, aviation and the electronics industries. The locations are mainly in Germany. However, the Rücker Group is also represented in many countries of Europe, Asia and North and South America.

B - General

The consolidated financial statements of Rücker AG, Wiesbaden, as of December 31, 2007 were prepared in accordance with the regulations under commercial law as set forth in § 315 a HGB (Handelsgesetzbuch - German Commercial Code) as well as with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). All International Financial Reporting Standards (IFRS) effective for the financial year 2007 as well as all International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly Standing Interpretations Committee (SIC), were applied in the form adopted for use by the European Union.

The group currency is Euro (EUR). The consolidated financial statements were prepared in thousand Euro. All amounts are stated in thousand Euro (kEUR) if not stated otherwise.

Initial application of standards, interpretations and amendments to standards and interpretations in the financial year

IAS 1 (rev.) – Presentation of Financial Statements - Disclosures of Capital

IFRS 7 – Financial Instruments: Disclosures

IFRIC 7 – Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies

IFRIC 8 – Scope of IFRS 2

IFRIC 9 – Reassessment of Embedded Derivates

IFRIC 10 – Interim Financial Reporting and Impairment

Standards, interpretations and amendments issued but not yet adopted

The IASB issued the following standards, interpretations and amendments of existing standards which are not effective yet and which were not applied voluntarily by Rücker AG for the financial year 2007. The application of these IFRS requires that they are adopted in the course of an IFRS adoption procedure (endorsement) by the EU.

IFRS 8 – Operating Segments

The standard shall be applied for financial years beginning on or after January 1, 2009. This standard has already been adopted by the EU.

Amendment to IAS 1 – Presentation of the Financial Statements: A Revised Presentation

The provisions of IAS 1 are effective for financial years beginning on or after January 1, 2009.

Amendment to IAS 23 – Borrowing Costs

The provisions of IAS 23 are effective from January 1, 2009.

IAS 27 (revised) – Consolidated and Separate Financial Statements – and IFRS 3 (revised) – Business Combinations

The provisions of the revised standards shall be applied for financial years beginning on or after January 1, 2009.

IFRIC 11 – IFRS 2 - Group and Treasury Share Transactions

The interpretation shall be applied for financial years beginning on or after March 1, 2007.

IFRIC 12 – Service Concession Rights

The interpretation shall be applied for financial years beginning on or after January 1, 2008.

IFRIC 13 – Customer Loyalty Programmes

The interpretation shall be applied for financial years beginning on or after July 1, 2008.

IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The interpretation shall be applied for financial years beginning on or after July 1, 2008.

The adoption the the standards, interpretations and amendments stated above is not expected to have a material impact on the presentation of Ruecker AG's results of operations, financial position or cash flow. The presentation of the segment reporting will be simplified by the adoption of IFRS 8.

C - Accounting Policies

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are measured at cost amortized on a straight-line basis over their useful lives. The useful lives of intangible assets are 3 to 7 years, of buildings 25 years and of furniture and office equipment 3 to 20 years.

Rücker AG tests for impairment regularly and considers all events or circumstances indicating an impairment and requiring a new estimation of the useful lives. Except for the goodwill all intangible assets of the company are amortized.

Computer software developed or acquired for internal use is amortized over the estimated useful life, which is, as a rule, not longer than seven years.

Research and development costs

Costs of research are recognized as expenses when they are incurred. Costs of development are capitalized as intangible assets at cost, if the requirements of IAS 38 are met. The costs comprise all costs directly attributable to the process of development as well as reasonable parts of the development-related overhead. Amortisation is calculated on a straight-line basis over the estimated live of the products developed.

Within the Rücker Group the above refers solely to expenses for software development. For this Rücker applies, under consideration of IAS 38.57, analogously the SOP 98-1 ("Accounting for the Costs of Computer Software Developed or Obtained for Internal Use"), which is to be applied according to US-GAAP, and capitalizes the cost for software development incurred as soon as the research phase is finished and the technical feasibility is ensured. Disclosure within the balance sheet is made under intangible assets.

Since 2004 no such circumstances occurred any more.

Goodwill

IFRS 3 in accordance with IAS 36 “Impairment of Assets“ (revised 2004) and IAS 38 “Intangible Assets“ (revised 2004) was applied for the first time during the financial year 2004 for goodwill. The required impairment test was made as of January 1, 2004 (IFRS opening balance sheet) and subsequently annually on December 31. The impairment test was made by comparison of the carrying amount of the cash generating units with its recoverable amount. The recoverable amount of the cash generating units is the higher of either fair value less costs to sell or value in use (discounted cash flows of a cash generating unit). The recoverable amount was calculated based on its fair value less costs to sell. For this purpose the DCF-method was applied.

For the calculation of the fair values of the goodwills the company has also to consider material projections of future cash flows as well as of the discount rate in future periods. The number of years of future cash flows and the discount rate were determined based on relevant market data. The projection of future cash flows is based on the company’s budgets and the current business plans for the next three financial years. Previous experiences as well as future expectations are taken into consideration. The terminal value is calculated based on adjusted cash flows beyond the three year period. The discount rate after taxes as of December 31, 2007 was 9.44 % (previous year: 9.34 %) per year.

Impairment of Assets

Tangible and intangible assets (except for goodwill) are depreciated or amortized on a regular basis. If matters or circumstances indicate that the carrying value of an asset might be less than its recoverable amount this asset is examined for impairment. An impairment loss is realized if the carrying value of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use of an asset.

The fair value less costs to sell is the amount realizable from a sale at generally accepted market terms, less cost of realization. The value in use is the present value of the estimated future cash flows expected from the continual usage of the asset and its disposal at the end of its effective life. The recoverable amount is established for each individual asset, or, if this is not possible, for the cash generating unit to which the asset belongs.

Finance Lease

Leased assets are recognized as assets and liabilities in the consolidated balance sheet of the lessees if substantially all the risks and rewards incidental to ownership are transferred (finance lease). In the balance sheet the company recognizes finance leases as assets and liabilities with equal amounts. This is the fair value of the leased item at the commencement of the lease term or the present value of the minimum lease payments, whichever is lower. The depreciation method and usefull lives of the capitalized assets correspond to those of comparable assets acquired. The liabilities for leased assets corresponding to the assets are disclosed under other liabilities. The finance charges included in the lease payments are allocated to each period during the leas term and included in the income statement.

As far as substantially all the risks and reward incidental to ownership remains with the lessor (operating lease), the leased items are presented in the balance sheet of the lessor. The lease payments are recognised as expenses.

Financial Instruments

The “financial instruments“ of Rücker include liquid funds, available-for-sale financial assets, trade receivables, trade payables, other debts and liabilities from finance lease contracts. The accounting treatment according to IAS 39 is explained under the respective item.

Financial instruments are classified either as financial assets or financial liabilities with the initial entering according to the economic content of the contractual agreement.

Financial instruments are classified as follows according to IAS 39 and IFRS 7:

- held-to-maturity investments
- held for trading
- loans and receivables
- available-for-sale
- liabilities at costs
- financial assets or financial liabilities at fair value through profit or loss

Financial assets with fixed or determinable payments and fixed terms, which the company intends and is able to keep until their final maturities are being classified as financial investments to be “held to maturity“. Financial assets or liabilities mainly acquired to gain profits from short term price fluctuations were currently not classified as financial assets “held for trade“.

Available for sale investments are financial assets which are not derivative, but classified as “available for sale” and which are not (a) loans and receivables or (b) investments held to maturity or (c) financial assets or liabilities valued at attributable current market values affecting operating result. These were not existent as at balance sheet date.

Held to maturity investments are presented as long term assets except if they are due within 12 months after the balance sheet date. Financial assets held for trading are shown as short term assets. Financial assets available for sale are classified as short term assets if they are due within 12 months after the balance sheet date.

When a financial asset is recognised initially it is measured at cost which correspond to the fair value of the consideration given; transaction cost are included. Financial assets available for sale or those held for trading are measured in subsequent years at their fair values without any deduction of transaction costs that may incur on sale and at their quoted price at balance sheet date.

Gains and losses arising from the valuation of a financial asset available for sale with its fair value are recorded directly in equity less deferred taxes, until the financial asset is realized, called in or otherwise disposed of or until for this financial asset an impairment was determined. At this time the cumulative gain or loss, previously recognized in equity is recognized in profit or loss of the period. Changes in the fair value of financial assets held for trading are recognized in profit or loss. Held-to-maturity investments are measured at amortised costs using the effective interest method.

Market Value of Financial Instruments

The company determines the fair value of financial instruments based on the following methods and assumptions:

Cash and cash equivalents

The carrying value of cash and cash equivalents disclosed within the balance sheet corresponds to their market value.

Investments held as fixed assets

The valuation of marketable debt and equity securities is based on the corresponding quoted prices.

Long- and short-term loan capital

Short term liabilites are valued at their repayment amount. The discounting of long-term financial commitments of Rücker AG is made by the loan capital rates for comparable credit transactions.

Cash Equivalents

The company treats all liquid financial assets, including all receivables due to call from factoring companies with an initial term of up to three months as cash equivalents.

Factoring

Certain trade receivables are being transferred to factoring companies which are not related with Ruecker group. The total risk of default is being transferred to the factor, too.

As far as the requirements of IAS 39.20 are met the trade receivables are removed from the balance sheet and other receivables from the factoring company are recognised.

Derivative Financial Instruments

According to IAS 39 all derivative financial instruments are to be disclosed at fair value at balance sheet date, irrespective of their purpose or of the intention in which they were agreed.

As far as the financial instruments used are effective cash flow hedges within the framework of a hedging relationship according to the regulations of IAS 39, the fluctuations of the current value do not affect the period result during the term of the derivative product.

As far as the financial instruments do not qualify as effective hedge according to IAS 39 all fluctuations of the current value affect immediately the statement of profit and loss.

The group's hedging policy is to exclusively stipulate derivative products for the hedging of interest and currency risks. As at December 31, 2007 there were no hedges for risks from interest- or foreign currency transactions within the Rücker Group.

Foreign Currency Sensitivity

If the Euro was 10 % stronger compared to foreign currencies, the result for the period would have been 3,992 kEUR, with 10 % less it would have been about 4,714 kEUR.

Inventories (Work in Progress)

Among the inventories working hours for service orders not yet charged are being disclosed (work in progress).

Borrowing costs are not included into the production cost of inventories but recorded as expenses during the respective period.

Trade Receivables and Other Receivables

Trade receivables and other receivables are capitalized at acquisition cost respectively considering value adjustments at the lower market value. With the establishment of the valuation adjustment the managing board relies on its knowledge of the customers' payment behavior, previous experiences and other indications.

Prepaid Expenses

Prepaid expenses are payments before the balance sheet date being expenses for a certain time after that date and from which a future benefit is expected.

Pension Commitments

The valuation of pension commitments bases on the present value of potential pension method for defined benefit plans in accordance with IAS 19. The recording of actuarial gains and losses under consideration of deferred taxes is set off against the equity not affecting operating results. The interest share from the changes of the pension commitments is disclosed within the group income statement within the net interest income.

Government Grants

Investment allowances and subsidies are being accrued. The dissolution is made according to the assumed effective life of the assets concerned and in favor of the other operating income. Investment subsidies are connected to a series of requirements. These will be met, according to the current knowledge of the company.

Other Provisions and Accruals

Tax accruals and other provisions and accruals are made according to IAS 37, as far as from a past event a current legal or actual commitment toward third parties arises which probably leads to a future outflow of assets and if this outflow can be assessed reliably.

Long term provisions with a remaining term of more than one year are disclosed at their performance amount discounted to the balance sheet date.

Liabilities

Liabilities are disclosed at their repayment amount.

Deferred Income

Deferrals refer to inflows before the balance sheet date, which are income for a certain time after that date.

Tax Accrual and Deferral

Deferred taxes are being capitalized according to the asset-and-liability-method. With this, future tax effects of differences between the valuations within the tax balance sheet and the consolidated balance sheet, tax loss carry forwards and amounts creditable against future tax liabilities are being capitalized as deferred taxes. Claims and liabilities of deferred taxes are valued at the tax rate valid at time when the temporary accounting differences will presumably invert. The effects of changes in tax rates on the calculated deferred taxes will be entered affecting net income within the period in which the respective change will become legally effective.

As far as the realization of deferred taxes is more on the improbable side the lower attributable current value will be capitalized.

Claims and liabilities of deferred taxes are entered into the balance sheet as long term assets, respectively liabilities. They are not being discounted.

Treasury Shares

The capitalization of treasury shares is made on the base of the acquisition cost method, in which the acquisition costs are deducted openly from the equity. Income from the sale of treasury shares is allocated to the capital reserves not affecting operating result. Losses from the sale of treasury shares up to the amount of formerly capitalized income are set off against the capital reserves. Exceeding losses are set off against the net profit for the year.

Sales Revenues

Income from the service business were entered according to IAS 11 regarding the degree of completion of the business as at balance sheet date, if:

a) the amount of income can be assessed reliably;

b) it is sufficiently probable that the economic benefit from the business will flow into the company;

c) the degree of completion as at balance sheet date is determined reliably;

d) the cost incurred for the business and those expected until the complete performance are determined reliably.

Contingent Liabilities and Claims

Contingent liabilities are not disclosed within the consolidated financial statements. They are stated within the notes, except if the possibility of an outflow of resources with economic benefit is very unlikely.

Contingent Claims are not disclosed within the consolidated financial statements. However, they are being stated within the notes if the inflow of economic benefit is likely.

Estimations and Assumptions

The preparation of the financial statements in conformity with the IFRS requires estimations and assumptions by the management. These affect the amounts disclosed within the balance sheet, the disclosure of contingent claims and liabilities at closing date and the disclosure of income and expenses during the period under report. The actual result may differ from these estimations and assumptions.

Stock Option Plan

Employee participation schemes are capitalized at the time of granting according to IFRS 2 (share-based payment) at the attributable current market value. The Rücker AG applies IFRS 2 for the first time to stocks, stock options and other equity instruments granted after November 7, 2002 and which were not yet exercisable at the date of the standard’s entering into force (January 1, 2005).

The market value of the option rights issued during the years 2000 to 2002 was established at the moment of issue according to the Black-Scholes-option price model.

D – Principles of Consolidation and Consolidated Group

Principles of Consolidation

The consolidated financial statements comprise the Rücker Aktiengesellschaft and its subsidiaries.

The results of the subsidiaries are being included into the consolidated financial statements from the respective moment of acquisition on.

The **capital consolidation** is made under application of the acquisition method. A resulting difference on the assets side will be, as far as possible, attributed to the acquired assets and liabilities. A further difference will be disclosed as goodwill. Into the IFRS opening balance sheet as at January 1, 2004 were included, according to IFRS 1, the goodwill from the previous US-GAAP consolidated financial statements as at December 31, 2003. Since the goodwill is disclosed in the respective national currency the consolidation causes minor differences between the IFRS and the formerly applied US Generally Accepted Accounting Principles (US-GAAP). The adopted goodwill values were subject to an impairment test.

In the course of the **consolidation of debt** receivables and liabilities are being cancelled. Within the consolidated statement of profit and loss the expenses and the income are disclosed after the setting off of inter group processes.

Inter-group gains and losses are being eliminated in the course of the **elimination of intermediate results.**

Deferred taxes are being calculated on consolidation effects.

Currency Translation

Transactions and reserves in foreign currency

Transactions in foreign currency are translated at the current market price at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the current market price at balance sheet date. Translation differences from the translation of balance sheet items are recorded within the statement of profit and loss.

Annual financial statements of foreign participations

The functional currency of all foreign subsidiaries is the respective national currency.

The translation of foreign, not Euro-based financial statements, was made as follows:

The shares in consolidated companies and the equity capital are capitalized at historic prices, all other assets, the provisions and liabilities as well as accruals and deferrals are capitalized at the respective market price on reporting day. Income and expenses are translated at the annual average market price. Resulting translation differences are disclosed under a separate item within the shareholders' capital.

The exchange rates of important currencies as compared to the Euro changed as follows:

1 EUR		Price at balance sheet date		Middle market price	
		12/31/2007	12/31/2006	12/31/2007	12/31/2006
Switzerland	CHF	1.6547	1.6069	1.6427	1.5729
China	CNY	10.7524	10.2793	10.4178	10.0095
Czech Republic	CZK	26.6280	27.4850	27.7655	28.3416
Mexico	MXP	15.9820	14.2730	14.9690	13.6860
Poland	PLN	3.5935	3.8310	3.7837	3.8959
Brasil	BRL	2.5954	2.8104	2.6640	2.7308
Sweden	SEK	9.4415	9.0404	9.2501	9.2545
Romania	RON	3.6077	3.3835	3.3353	3.5258
South Korea	KRW	1,377.9600	1,224.8100	1,272.9822	1,198.5663
Slovakia	SKK	33.5830	34.4350	33.7745	37.2342
USA	USD	1.4721	1.3170	1.3705	1.2556

Consolidated Group

The group of consolidated companies comprises the following associated companies:

Company	Corporate Seat	Capital Share in %
Rücker GmbH	Wiesbaden, Germany	100.0
Rücker Akademie	Wiesbaden, Germany	100.0
Rücker EKS GmbH	Weingarten, Germany	53.1
Rücker Aerospace GmbH	Hamburg, Germany	100.0
VR-Leasing Malakon GmbH & Co Immo. KG	Eschborn, Germany	85.0
Rücker do Brasil Ltda.	Sao Bernardo do Campo, Brazil	100.0
Rücker Vehicle Design (Shanghai) Co.,Ltd.	Shanghai, China	100.0
Rücker France SARL	Toulouse, France	100.0
Rücker Automotive France SAS	Paris, France	100.0
Rücker Italia S.R.L.	Robassomero, Italy	100.0
Rücker Korea Ltd.	Inchon, South Korea	90.0
Star Design de Mexico S.A. de C.V.	Mexico City, Mexico	100.0
Rücker Ges.m.b.H.	Graz, Austria	100.0
Wolfgang Rücker Ges.m.b.H.	Wien, Austria	100.0
Rücker Beteiligungs-GmbH	Wien, Austria	100.0
Rücker Polska Sp. z oo	Warsaw, Poland	100.0
Rucker Design S.R.L.	Iasi, Romania	100.0
Rücker Nord AB	Gothenburg, Sweden	100.0
Rücker GmbH	Arbon, Switzerland	100.0
Rücker SR spol. s r.o.	Bratislava, Slovakia	100.0
Rücker Lypsa S.L.	Barcelona, Spain	100.0
Rücker CR spol. s r.o.	Mlada Boleslav, Czech Republic	100.0
Star Design of Alabama Inc.	Birmingham, USA	100.0
Silver AeroSpace B.V.	Haarlem, Holland	80.0

Companies included at acquisition cost:

Company	Corporate Seat	Capital Share in %
Star Design (UK) Ltd.	Cambridge, Great Britain	99.9
CGP Cabin Production Group GmbH	Hamburg, Germany	100.0

The subsidiaries included at acquisition cost are not material for the presentation of the net worth, the financial and income situation of the group.

The Rücker GmbH and the Rücker Aerospace GmbH call upon the exemption according to § 264 (3) HGB.

E- Explanations on the Balance Sheet

A 1 Intangible Assets

The goodwill was initially created with the acquisition of the following companies:

	Dec. 31, 2007 kEUR	Dec. 31, 2006 kEUR
Rücker Nord	4,266	4,453
Rücker Lypsa	4,547	4,547
	8,813	9,000

The change of goodwill of Rücker Nord results from differences from currency translation.

Consolidated fixed asset movement schedule in kEUR

The development of the intangible assets (stated in kEUR) is as follows:

	Acquired and internally generated software	Goodwill	Total
Cost			
At January 1, 2006	16,600	19,823	36,423
Changes in the composition of the group	3	240	243
Additions	1,447	0	1,447
Disposals	-502	0	-502
Currency translation	61	204	265
At December 31, 2006	**17,609**	**20,267**	**37,876**
Additions	923	0	923
Disposals	-1,658	0	-1,658
Currency translation	79	-262	-183
At December 31, 2007	**16,953**	**20,005**	**36,958**
Accumulated amortization			
At January 1, 2006	12,088	10,986	23,074
Additions	2,097	240	2,337
Disposals	-344	0	-344
Currency translation	52	41	93
At December 31, 2006	**13,893**	**11,267**	**25,160**
Additions	1,990	0	1,990
Disposals	-1,363	0	-1,363
Currency translation	74	-75	-1
At December 31, 2007	**14,594**	**11,192**	**25,786**
Net carrying amounts			
At December 31, 2006	**3,716**	**9,000**	**12,716**
At December 31, 2007	**2,359**	**8,813**	**11,172**
Amounts included for Finance lease			
At December 31, 2006	**257**	**0**	**257**
At December 31, 2007	**161**	**0**	**161**

Consolidated fixed asset movement schedule in kEUR

A 2 Property, plant and equipment

The development of tangible assets (stated in kEUR) was as follows:

	Land, leasehold rights and buildings	Technical equipment, plant and machinery	Other equipment, fixtures and furnitures	Construction in progress	Total
Cost					
At January 1, 2006	14,186	1,919	33,397	79	49,581
Changes in the composition of the group	0	0	131	0	131
Additions	0	72	4,110	16	4,198
Disposals	-286	-36	-4,398	-71	-4,791
Currency translation	25	8	69	0	102
At December 31, 2006	**13,925**	**1,963**	**33,309**	**24**	**49,221**
Additions	0	69	2,679	58	2,806
Disposals	-1	0	-3,335	0	-3,336
Reclassifications	0	0	24	-24	0
Currency translation	22	5	64	0	91
At December 31, 2007	**13,946**	**2,037**	**32,741**	**58**	**48,782**
Accumulated depreciation					
At January 1, 2006	2,821	1,132	20,701	0	24,654
Changes in the composition of the group	0	0	92	0	92
Additions	444	175	4,509	0	5,128
Disposals	0	-30	-3,621	0	-3,651
Currency translation	5	5	59	0	69
At December 31, 2006	**3,270**	**1,282**	**21,740**	**0**	**26,292**
Additions	395	231	4,184	0	4,810
Disposals	0	0	-3,108	0	-3,108
Currency translation	9	5	70	0	84
At December 31, 2007	**3,674**	**1,518**	**22,886**	**0**	**28,078**
Net carrying amounts					
At December 31, 2006	**10,655**	**681**	**11,569**	**24**	**22,929**
At December 31, 2007	**10,272**	**519**	**9,855**	**58**	**20,704**
Amounts included for Finance lease					
At December 31, 2006	**0**	**122**	**3,381**	**0**	**3,503**
At December 31, 2007	**0**	**82**	**2,381**	**0**	**2,463**

A 3 Financial Assets

	2007 kEUR	2006 kEUR
Other financial assets	1,108	428
Available-for-sale securities	198	226
Shares in affiliated companies, not consolidated	45	45
Lendings to third parties	1	5
	1,352	704

Other financial assets are mainly claims from subsidies.

Consolidated fixed asset movement schedule in kEUR

The development of the financial assets was as follows:

	Lendings to third parties	*Other financial assets*	*Available-for-sale securities*	*Shares in affiliated companies*	*Total*
Cost					
At January 1, 2006	*1.102*	*0*	*101*	*148*	*1.351*
Additions	188	428	3	0	619
Disposals	-1.199	0	-37	-3	-1.239
Reclassifications	-86	0	165	0	79
Currency translation	0	0	4	0	4
December 31, 2006	***5***	***428***	***236***	***145***	***814***
Additions	203	867	0	0	*1.070*
Disposals	-206	-187	-24	0	*-417*
Reclassifications	0	0	0	0	*0*
Currency translation	-1	0	-9	0	*-10*
December 31, 2007	***1***	***1.108***	***203***	***145***	***1.457***
Accumulated amortization					
At January 1, 2006	*0*	*0*	*29*	*0*	*29*
Additions	0	0	0	100	100
Valuation not affecting operating result	0	0	-19	0	-19
December 31, 2006	***0***	***0***	***10***	***100***	***110***
Valuation not affecting operating result	0	0	-5	0	*-5*
December 31, 2007	**0**	**0**	**5**	**100**	***105***
Net carrying amounts					
At December 31, 2006	**5**	**428**	**226**	**45**	**704**
At December 31, 2007	**1**	**1.108**	**198**	**45**	**1.352**

A 5 Inventories (Work in progress)

	2007 kEUR	2006 kEUR
Work in progress	16	1

A 6 Trade Receivables

Receivables are valued at nominal value less allowances for doubtful accounts.

	2007 kEUR	2006 kEUR
Gross trade receivables	25,780	25,500
Individual value adjustments	-3,937	-4,118
General allowances	1	0
	21,844	21,382

	2007 kEUR	2006 kEUR
Age structure of the net receivables:		
up to 30 days	20,014	18,938
up to 60 days	1,194	1,341
up to 90 days	197	607
older than 90 days	439	496

The development of allowances was as follows:

	kEUR
At January 1, 2006	2,949
Consumption and reversal	-223
Additions	1,392
At December 31, 2006	4,118
Consumption and reversal	-378
Additions	197
At December 31, 2007	3,937

A 7 Other Receivables

	2007 kEUR	2006 kEUR
Other receivables from third parties	10,419	11,111
Other receivables from affiliates	23	19
	10,442	11,130

A 9 Cash and Cash Equivalents

	2007 kEUR	2006 kEUR
Cash in hand	40	66
Bank balances	9,871	9,051
Receivables from the factor due on first request	6,873	3,018
	16,784	12,135

P 1 - P 6 Issued Capital

The issued capital of Rücker AG is EUR 8,379,194 as of December 31, 2007. It has not changed compared to the previous year. It is divided into 8,379,194 individual no-par-value bearer shares. Every share grants one voting right.

The part of the capital stock attributed to the individual share as at December 31, 2007 is EUR 1.00.

Authorized Capital

The managing board is authorized by the articles of incorporation and depending on the supervisory board's approval to increase the company's nominal capital until June 30, 2011 by up to 4,000,000 (four million) Euro by issuing if new bearer shares denominated for the bearer against contribution in kind or in cash once or several times.

Furthermore, the managing board is authorized depending on the supervisory board's approval in the course of a utilization once or several times of the nominal capital to

a) to exclude the shareholders' subscription right for contribution in kind with a capital increase;

b) to exclude the shareholders' subscription right for contribution in cash or in kind with a capital increase for the purpose of the acquisition of companies or participations in companies; the acquisition of a company or of a participation may only be made if the subject of the target company is substantially within the frame of the company's purpose according to § 5 (1) of the articles of incorporation or within the well understood interest of the company,

c) to exclude the shareholders' subscription right in order to exempt possible residual amounts with the determination of subscription ratios.

Contingent Capital

Associated with the creation of a stock option plan the special meeting of shareholders resolved on March 27, 2000 a contigent increase in authorised capital (contigent capital I) up to 615,000 EUR, divided in up to 615,000 individual bearer shares, by issuing new shares. In the financial years from 2000 until 2002 three tranches with overall 611,300 subscription rights were issued. 382,425 of these right expired until December 31, 2007.

Capital Reserves

The group's capital reserves contain mainly the capital reserve of the Rücker AG, issuing the shares in the course of the initial public offer and stock swap with the acquisition of subsidiaries, additions and distribution of subscribed capital and into the revenue reserves as well as the valuation of own shares and share options.

Retained Earnings

The retained earnings comprise the net results of former years and the profit of the current year as well as the negative shares of minority shareholders.

Treasury Shares

The general meeting of shareholders authorized the managing board on June 20, 2006 with the approval of the supervisory board

- to use the currently company owned 94,428 pieces of own shares (individual bearer shares with no nominal value) to service the stock option plan Rücker 2000
- to acquire shares for the company until December 19, 2007 for the legally approved purposes, especially in order to do the following under exclusion of the subscription right of the shareholders
    - offer these to third parties in the course of business mergers or the acquisition of companies or parts of companies or participations;

- service claims in the delivery of shares in connection to the stock option plan Rücker 2000. As far as own shares are intended to be transferred to members of the company’s managing board the decision on this remains with the supervisory board;
- sell these with the supervisory board’s approval at a price not materially below the stock market price of the company’s shares at the time of sale
- call them in without the requirement of a further shareholders’ resolution. The authorization may be executed wholly or in parts.

The authorization is limited to the acquisition of 837,919 shares with a proportionate share in the capital stock of 837,919 Euro (10 % of the capital stock). The authorization may be executed wholly or in installments, once or several times, in the pursuit of one or several purposes. The authorization may not be used by the company for the purpose of trading in own shares. The authorization comes into effect on June 21, 2006 and is valid until December 19, 2007.

The general meeting of shareholders authorized the managing board on June 12, 2007

- to acquire shares for the company until December 11, 2008 for the legally approved purposes, especially in order to do the following under exclusion of the subscription right of the shareholders
    - offer these to third parties in the course of business mergers or the acquisition of companies or parts of companies or participations;
    - service claims in the delivery of shares in connection to the stock option plan Rücker 2000. As far as own shares are intended to be transferred to members of the company’s managing board the decision on this remains with the supervisory board;
    - sell these with the supervisory board’s approval at a price not materially below the stock market price of the company’s shares at the time of sale, or
    - call them in without the requirement of a further shareholders’ resolution.
- The authorization is limited to the acquisition of 837,919 shares with a proportionate share in the capital stock of 837,919 Euro (10 % of the capital stock). The authorization may be executed wholly or in installments, once or several times, in the pursuit of one or several purposes. The authorization may not be used by the company for the purpose of trading in own shares. The authorization comes into effect on June 13, 2007 and is valid until December 11, 2008.

At the balance sheet date there were 19,348 treasury shares in the possession of the group.

Statement of Changes in Shareholders' Equity from January 1, 2006 to December 31, 2007

According to IFRS (in kEUR)

	Issued Capital Number of shares	Issued Capital amount	Capital Reserves	Treasury Shares	Other comprehensive income	Retained Earnings incl. carryforwards	Minority Interest	Total Equity
Balance at January 1, 2006	**8,379,194**	**8,379**	**15,153**	**-784**	**-883**	**7,161**	**102**	**29,128**
Profit after income taxes		0	0	0	0	3,413	-131	3,282
Dividends		0	0	0	0	-2,485	0	-2,485
Income and Expenses not Recognised within P&L								
Market Valuation of Securities		0	0	0	19	0	0	19
Share Deferred Taxes (Securities)		0	0	0	-7	0	0	-7
Actuarial Gains/Losses Pensions		0	0	0	41	0	0	41
Share of Deferred Taxes Actuarial Gains/Losses Pensions		0	0	0	-14	0	0	-14
Difference Amount from Currency Translation		0	0	0	-20	0	0	-20
Other Changes								
Distribution to Minority Shareholders		0	0	0	0	0	-40	-40
Addition negative Minority Shares Rücker Korea		0	0	0	0	0	-28	-28
Reclassification of negative Minority Shares		0	0	0	0	-180	180	0
Servicing of Employee Stock Options with Treasury Shares		0	0	228	0	0	0	228
Loss from Disposal of Treasury Shares		0	-502	502	0	0	0	0
Balance at December 31, 2006	**8,379,194**	**8,379**	**14,651**	**-54**	**-864**	**7,909**	**83**	**30,104**
Profit after income taxes		0	0	0	0	4,279	219	4,498
Dividends		0	0	0	0	-2,505	0	-2,505
Income and Expenses not Recognised within P&L								
Market Valuation of Securities		0	0	0	3	0	0	3
Share Deferred Taxes (Securities)		0	0	0	-1	0	0	-1
Actuarial Gains/Losses Pensions		0	0	0	1,519	0	0	1,519
Share of Deferred Taxes Actuarial Gains/Losses Pensions		0	0	0	-624	0	0	-624
Difference Amount from Currency Translation		0	0	0	-76	0	0	-76
Other Changes								
Distribution to Minority Shareholders		0	0	0	0	0	-68	-68
Reclassification of negative Minority Shares		0	0	0	0	19	-19	0
Acquisition of Treasury Shares		0	0	-255	0	0	0	-255
Servicing of Employee Stock Options with Treasury Shares		0	0	186	0	0	0	186
Profit from Disposal of Treasury Shares		0	35	-35	0	0	0	0
Balance at December 31, 2007	**8,379,194**	**8,379**	**14,686**	**-158**	**-43**	**9,701**	**215**	**32,780**

P 7 Long Term Financial Liabilities and Other Financial Liabilities

	2007 kEUR	2006 kEUR
Loans from banks	12,222	9,874
Loans from third parties	141	510
Leasing liabilities intangible fixed assets	70	157
Leasing liabilities tangible fixed assets	1,439	2,114
	13,872	12,655

Development from January 1 to December 31, 2007 of the long-term and short-term bank liabilities and other financial liabilities.

	At January 1, 2007 kEUR	Addition	Repayment	At December 31, 2007 kEUR
Loans from banks	18,397	7,074	5,045	20,426
Loans from third parties	1,153	0	675	478
Leasing liabilities intangible fixed assets	260	14	106	168
Leasing liabilities tangible fixed assets	3,720	712	1,777	2,655
	23,530	7,800	7,603	23,727

	of which short term	of which long term
Loans from banks	8,204	12,222
Loans from third parties	337	141
Leasing liabilities intangible fixed assets	98	70
Leasing liabilities tangible fixed assets	1,216	1,439
	9,855	13,872

Development from January 1 to December 31, 2006

	At January 1, 2006 kEUR	Addition	Repayment	At December 31, 2006 kEUR
Loans from banks	19,447	2,134	3,184	18,397
Loans from third parties	1,691	459	997	1,153
Leasing liabilities intangible fixed assets	57	239	36	260
Leasing liabilities tangible fixed assets	4,395	1,454	2,129	3,720
	25,590	4,286	6,346	23,530

	of which short term	of which long term
Loans from banks	8,523	9,875
Loans from third parties	643	509
Leasing liabilities intangible fixed assets	103	157
Leasing liabilities tangible fixed assets	1,606	2,114
	10,875	12,655

The repayment of the liabilities will develop as follows according to the current knowledge:

	Book value 12/31/2007 kEUR	Cash-Flow 2008 Repayment kEUR	Cash-Flows 2009 to 2011 Repayments kEUR	Cash-Flows 2012 to 2016 Repayments kEUR
Loans from banks	20,426	8,204	6,024	6,198
Loans from third parties	478	337	141	0
Leasing liabilities intangible fixed assets	168	98	70	0
Leasing liabilities tangible fixed assets	2,655	1,216	1,253	186
	23,727	9,855	7,488	6,384
Interest on loans from banks - fixed		75	130	45
Interest on loans from banks - variable		84	158	125

P 12 Current Financial Liabilities

	2007 kEUR	2006 kEUR
Loans from banks	8,204	8,523
Leasing liabilities intangible fixed assets	98	103
Leasing liabilities tangible fixed assets	1,216	1,606
Loans from third parties	337	643
	9,855	10,875

Maturity of Long Term Financial Liabilities

	2007 kEUR	2006 kEUR
Year n + 2	4,383	3,065
Year n + 3	1,761	1,516
Year n + 4	1,343	1,165
Year n + 5	1,133	818
Subsequent years	5,252	6,091
	13,872	12,655

Thereof Maturity of Long Term Leasing Liabilities

	2007 kEUR	2006 kEUR
Year n + 2	844	1,083
Year n + 3	448	636
Year n + 4	31	359
Year n + 5	17	13
Subsequent years	169	180
	1,509	2,271

Among the loans from banks (short and long term) there is a credit for real estate in the amount of kEUR 6,382, repayable in monthly installments of kEUR 65 and at an interest rate of 5.27 % per year.

Furthermore there is among the loans from banks an interest subsidized investment loan with a final maturity in the year 2008 and an interest rate of 5.12 % per year and in the amount of kEUR 283.

For the bank loans the group gave the following collateral:

- First mortgages in a total amount of EUR 0.7 million on one piece of land
- Encumbrance of real property in a total amount of EUR 9.0 million on one piece of land
- Encumbrance of real property in a total amount of EUR 1.35 million on one piece of land.

P 8 Provisions for Pensions

The pension commitments exist as follows:

	2007 kEUR	2006 kEUR
As at the end of period	5,895	7,662
Plan assets according to IAS 19	-2,778	-2,567
Provisions for pensions	3,117	5,095

Changes of Pension Commitments

	2007 kEUR	2006 kEUR
As at the beginning of the period (DBO)	7,662	7,252
Current service costs (including interest expenses)	548	528
Paid benefits for plan w/o withdrawn assets	-83	-82
Settlement	-713	0
Actuarial profits	-1,519	-36
As at the end of the period	5,895	7,662

The amount of kEUR 713 refers to a settlement of a defined benefit plan.

The pension benefits are partially secured by liability life-insurance policies. The expected interest of the fund assets corresponds to the minimum interest stated by the insurance company.

Personnel Provision Expenses within the Income Statement

	2007 kEUR	2006 kEUR
Current service costs	222	220
Interest expenses (included within net interest income)	326	308
Personnel expenses of a provident nature including income and refunds	548	528

The personnel expenses are recorded within administrative expenses.

Actuarial Information

	2007	2006	2005
Discout rate	5.50%	4.25%	4.25%
Increase of current pension payments	1.50%	1.50%	1.50%
Calculation base: Guideline table	2005 G	2005 G	2005 G
Trend of income	1.50%	1.50%	1.50%
Employee turnover			
Rücker AG	0.00%	0.00%	13.00%
Rücker GmbH	5.00%	5.00%	7.00%
Rücker Akademie	0.00%	0.00%	0.00%
Aerospace GmbH	11.00%	11.00%	0.00%
Expected interest yield of fund's assets	4.60%	4.10%	4.30%
Active members	116	125	137
Retired expectanices	105	98	90
Persons on old age pensions	40	39	36

The differences between the expected values of the pension expectancies and the pension provisions and their actual values are as follows:

	2008 kEUR	2007 kEUR	2006 kEUR	2005 kEUR	2004 kEUR
Expectancy's present value		5,895	7,662	7,252	5,773
Expectancy's present values expected	6,312	8,064	7,855	6,465	
Deviation		-2,170	-193	787	
Deviation in %		-18.06%	-2.46%	12.87%	
Plan Assets		-2,778	-2,567	-2,764	-2,846
Pension provisions		3,117	5,095	4,488	2,927

The actuarial gains and losses after consideration of deferred taxes developed as follows:

	2007 TEUR
Accumulated actuarial losses at December 31, 2006	-1,700
Related deferred taxes	680
Net at December 31, 2006	-1,020
Adjustment deferred taxes because of changed tax rate 2007	-153
Actuarial profits 2007	1,519
Related deferred taxes	-471
Net actuarial losses at December 31, 2007	-125
Thereof disclosed within recognised income and expenses	-125

The pension payments have the following expected maturities:

	kEUR
Year 2008	88
Year 2009	93
Year 2010	215
Year 2011	242
Years 2012 to 2017	1969
	2,607

P 10 + P 17 Provisions

P 10 Other Long Term Provisions

	2007 kEUR	2006 kEUR
Provisions for employees	543	555
Other provisions and accruals	296	194
	839	749

P 17 Short Term Provisions

	2007 kEUR	2006 kEUR
Provisions for risks of litigation	120	129
Other provisions and accruals	652	151
	772	280

Provisions analysis in kEUR

P 10 Other non-current provisions

	Personell	*Other provisions*	*Total*
At January 1, 2007	***555***	***194***	***749***
Addition	103	122	*225*
Retransfer	-3	0	*-3*
Usage	-107	-38	*-145*
Currency effects	-5	18	*13*
At December 31, 2007	**543**	**296**	***839***
Maturity in 2 to 5 years	416	296	*712*
Maturity after 5 years	127	0	*127*

P 17 Current provisions

	Provisions for risks of litigation	*Other provisions*	*Total*
At January 1, 2007	***129***	***151***	***280***
Addition	0	671	671
Usage	-9	-170	-179
At December 31, 2007	**120**	**652**	**772**
Maturity up to 1 year	120	652	772

P 13 Trade Payables, current

	2007 kEUR	2006 kEUR
Trade liabilities	4,142	4,996
Trade liabilities		
- to affiliated companies, not consolidated	81	109
Liabilities for outstanding invoices		
- for shareholders' meeting	50	50
- for other outstanding invoices	770	1,525
- for year-end works	235	219
Trade liabilities		
- for affiliates	46	86
	5,324	6,985

P 14 Other Liabilities, current

	2007 kEUR	2006 kEUR
Other liabilities to third parties	3,475	3,858
Liabilities other taxes	4,596	4,509
Other liabilities to employees - Holiday	1,894	2,076
Other liabilities to employees - Profit sharing	1,886	1,887
Other liabilities to employees - Overtime	2,724	2,677
Other liabilities to employees - Severance payments	66	26
Other liabilities to employees - Others	734	950
Other liabilities from social security	747	820
Other liabilities to affiliated persons	568	46
	16,690	16,849

A 4 + P 11

Deferred taxes are capitalized for temporary differences between tax balance sheet and IFRS-balance sheet, as well as for accumulated losses brought forward.

The Deferred Tax Assets and Tax Liabilites are attributed to the following Balance Sheet Items:

	Dec. 31, 2007 Assets	Dec. 31, 2007 Liabilities	Dec. 31, 2007 Net
Deferred taxes	kEUR	kEUR	kEUR
Intangible assets	87	50	37
Tangible fixed assets	1	886	-885
Other financial assets	2	18	-16
Inventories	0	220	-220
Trade receivables	214	0	214
Long term bank and other finance liabilities	512	0	512
Pension commitments	289	0	289
Other long term provisions and accruals	83	0	83
Short term bank and other finance liabilities	493	0	493
Trade payables	17	20	-3
Other liabilities	112	0	112
Short term provisions and accruals	479	91	387
Accrued expenses and other commitments	2	0	2
Value adjustments on loans	0	353	-353
Value adjustments on receivables	0	37	-37
Tax loss carryforwards	2,024	0	2,024
Subtotal	4,315	1,675	2,640
thereof eligible for netting out	-1,280	-1,280	0
	3,035	395	2,640

Deferred taxes	Dec. 31, 2006 Assets kEUR	Dec. 31, 2006 Liabilities kEUR	Dec. 31, 2006 Net kEUR
Intangible assets	117	170	-53
Tangible fixed assets	191	1,503	-1,312
Other financial assets	0	135	-135
Inventories	0	384	-384
Trade receivables	279	5	274
Long term bank and other finance liabilities	892	0	892
Pension commitments	952	0	952
Other long term provisions and accruals	0	0	0
Short term bank and other finance liabilities	670	0	670
Trade payables	3	42	-39
Other liabilities	188	0	188
Short term provisions and accruals	681	154	527
Accrued expenses and other commitments	3	0	3
Tax loss carryforwards	2,190	0	2,190
Subtotal	6,166	2,393	3,773
thereof eligible for netting out	-1,873	-1,873	0
	4,293	520	3,773

At December 31, 2007 there are tax loss carry forwards in the amount of approx. EUR 6.5 million (previous year: EUR 7.3 million), which can be set off unlimitedly with future taxable profits and for which deferred taxes in the amount of EUR 2.0 million (previous year: EUR 2.2 million) were capitalized.

Further tax loss carry forwards in the amount of EUR 9.8 million (previous year: EUR 9.3 million) exceeding the ones discribed above are currently not usable.

For domestic companies there is a tax rate of 31 % valid (previous year: 40.02 %) according to the corporate tax reform 2008. The foreign tax rates are between 5 % and 35 % (in the previous year: 5 % to 35 %).

Transition from the Expected to the Actual Tax Expenditures

	2007 kEUR	2006 kEUR
Profit before taxes	6,834	5,431
Expected taxes on income	2,790	2,173
Foreign differences caused by tax rate	-925	67
Domestic differences caused by tax rate	650	0
Effects from valuation adjustment goodwill	0	96
Tax free income	-96	-105
Expenses not tax deductible	225	177
Not capitalized deferred taxes on loss carryforwards	55	186
Use of previously not valued loss carry forwards	-181	0
Exercise of stock options during financial year	-61	-59
Tax refunds/payment of taxes for prior years	-158	-185
Tax burden from prior years	70	48
Deferred taxes unrelated to accounting period	0	-73
Others	-33	-176
	2,336	2,149

F - Explanations on the Income Statement

	2007 kEUR	2006 kEUR
Personnel expenses	**106,412**	**103,540**
thereof in cost of sales line G 2	95,054	92,188
thereof in selling expenses line G 4	2,248	2,409
thereof in general and administrative expenses line G 5	9,110	8,943
Cost of materials in cost of sales line G 2	**3,156**	**2,531**
Scheduled depreciation	**6,800**	**7,226**
thereof in cost of sales line G 2	5,856	6,353
thereof in selling expenses line G 4	50	37
thereof in administrative expenses line G 5	894	835
Impairment losses in line G 7	**0**	**240**

The breakdown of depreciation and amortization in intangible assets, tangible assets and other financial assets is shown within the group fixed asset movement schedule.

G 1 Sales

In the following there is an overview of the main customers with whom the company achieves more than 10 % of the sales each:

	2007 kEUR	2006 kEUR
Customer A	27,914	46,026
Customer B	27,097	25,083
Customer C	22,301	25,047
Other customers	91,607	69,985
	168,919	166,141

G 3 Other operating income

	2007 kEUR	2006 kEUR
Rental income	1,996	2,119
Cost transfer trainings	146	594
Income from grants from public authorities	349	419
Income from the retransfer of provisions	10	173
Currency translation profits	308	244
Others	2,052	2,450
Total other operating income	4,861	5,999

G 6 Other operating expenses

	2007 kEUR	2006 kEUR
Losses from the disposal of fixed assets	228	107
Currency translation losses	494	400
Repairs and maintenance	45	49
Other taxes	213	421
Other operating expensed affiliates	771	1,173
Others	121	395
Total other operating expenses	**1,872**	**2,545**

G 8 Financial Result

	2007 kEUR	2006 kEUR
Interest income	205	156
Market price differences on financial assets	4	1
Total financial income	**209**	**157**
Losses from the sale of securities	5	19
Market price differences on financial assets	86	9
Interest expenses for loans from third parties	1,109	1,059
Interest expenses from pensions	326	308
Interest expenses from leasing	264	328
Other financial expenses	906	1,193
Total financial expenses	**2,696**	**2,916**
Financial result	**-2,487**	**-2,759**

G 9 Income Taxes

	2007 kEUR	2006 kEUR
Income taxes	1,792	1,163
Deferred taxes	544	986
Total tax expenses	2,336	2,149

Earnings per Share

The following table shows the calculation of the Earnings per share (basic and diluted):

	2007	2006
Net profit (previous year: net profit) for the year attributable to shareholders (in kEUR)	4,279	3,413
Average number of shares - (basic)	8,359,032	8,318,886
Net earnings per share in EUR	**0.51**	**0.41**
Average number of shares - (diluted)	8,393,286	8,338,674
Net earnings per share in EUR (diluted)	**0.51**	**0.41**

For the calculation of the diluted earnings per share in the year 2007 the treasury-stock-method was applied. Previous year's figures were adjusted accordingly.

G - Segment Reporting

The following presentation gives an overview over regionally achieved sales, over the distribution of fixed assets according to locations of the company, the segment liabilities and the depreciation, amortization and valuation adjustments according to segments.

For the primary segment reporting Rücker chose a geographical segmentation in “Euro“ and “Non Euro“, since the management of the group is based on this segmentation. The income from external customers is disclosed from the geographical point of view, if the location of the customer and the location of the asset differ.

The secondary segment reporting bases on divisions. Rücker is divided into three reporting segments: Automotive, Aviation and Others. The segments Automotive and Aviation, the main performers of the group, comprise development services for the automotive and the aviation industries, consisting mainly of two fields of operation: product development and technical design. Apart from that there are development services in connection with electronic components contained. The segment Others comprises activities in the fields environmental simulation, vehicle safety and software as well as training activities. An exception from this segmentation is the Rücker AG, which was attributed to the field corporate assets, since the assets are used by several segments.

The valuation of the respective earning power and the attribute of resources is based on the EBIT. All amounts to be eliminated on segment level refer to inter group business transactions. The accounting rules observed by the reporting segments correspond to the methods set forth under the explanations of main accounting and valuation methods.

The primary segment reporting is as follows:

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Sales according to the location of assets as at December 31, 2007				
External sales	140,678	28,241	0	168,919
Sales within the group	2,222	6,825	-9,047	0
Segment sales	142,900	35,066	-9,047	168,919
Sales according to the location of assets as at December 31, 2006				
External sales	146,056	20,085	0	166,141
Sales within the group	1,367	7,260	-8,627	0
Segment sales	147,423	27,345	-8,627	166,141

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Sales according to the location of customers as at December 31, 2007				
External sales	142,719	26,200	0	168,919
Segmental result according to location of the assets as at December 31, 2007				
Operating result	4,988	4,333	0	9,321
Financial result				-2,487
Income taxes				-2,336
Consolidated profit for the year				4,498
thereof shareholders				4,279
thereof minority shares				219
Segm. assets as at December 31, 2007	73,083	18,036	-3,951	87,168

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Sales according to the location of customers as at December 31, 2006				
External sales	147,904	18,237	0	166,141
Segmental result according to location of the assets as at December 31, 2006				
Operating result	6,387	1,803	0	8,190
Financial result				-2,759
Income taxes				-2,149
Consolidated profit for the year				3,282
thereof shareholders				3,413
thereof minority shares				-131
Segm. assets as at December 31, 2006	74,812	16,677	-4,447	87,042

Acquisition Costs of the Period for Tangible Assets and Intangible Assets (Investments) until December 31, 2007

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
AC intangible fixed assets	870	53	0	923
AC tangible fixed assets	2,448	358	0	2,806
Additions fixed assets	3,318	411	0	3,729

Acquisition Costs of the Period for Tangible Assets and Intangible Assets (Investments) until December 31, 2006

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
AC intangible fixed assets	1,190	257	0	1,447
AC tangible fixed assets	3,816	382	0	4,198
Additions fixed assets	5,006	639	0	5,645

Additions in foreign currency are translated at average rate of the year.

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Segmental liabilities as at December 31, 2007	50,187	8,151	-3,950	54,388
Segmental liabilities as at December 31, 2006	52,210	9,162	-4,434	56,938

Depreciation and Impairments as at December 31, 2007

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Scheduled depreciation	6,223	577	0	6,800

Depreciation and Impairments as at December 31, 2006

	Euro	Non Euro	Elimination within the group	Group
	kEUR	kEUR	kEUR	kEUR
Scheduled depreciation	6,582	643	0	7,225
Impairment losses	100	240	0	340
Total depreciation	6,682	883	0	7,565

Segmentation According to Divisions – Secondary Segmental Information as at December 31, 2007

	Automotive	Aviation	Others	Group
	kEUR	kEUR	kEUR	kEUR
Segmental sales	131,951	30,302	6,666	168,919
Segmental assets	62,304	9,394	11,002	82,700
Assets not attributed				4,468
Total assets				**87,168**

Segmentation According to Divisions – Secondary Segmental Information as at December 31, 2006

	Automotive	Aviation	Others	Group
	kEUR	kEUR	kEUR	kEUR
Segmental sales	108,918	51,932	5,291	166,141
Segmental assets	56,835	15,442	10,615	82,892
Assets not attributed				4,150
Total assets				**87,042**

Acquisition Cost of the Period for Tangible Assets and Intangible Assets (Investments) in 2007

	Automotive	Aviation	Others	Group
	kEUR	kEUR	kEUR	kEUR
AC intangible fixed assets	562	93	39	694
AC tangible fixed assets	2,447	193	55	2,695
Fixed assets	3,009	286	94	3,389
AC not attributed				340
Additions fixed assets				**3,729**

Acquisition Cost of the Period for Tangible Assets and Intangible Assets (Investments) in 2006

	Automotive	Aviation	Others	Group
	kEUR	kEUR	kEUR	kEUR
AC intangible fixed assets	796	237	68	1,101
AC tangible fixed assets	2,731	1,024	63	3,818
Fixed assets	3,527	1,261	131	4,919
AC not attributed				726
Additions fixed assets				**5,645**

Litigation and Claims for Damages

The company has in the ordinary course of the business litigations. The managing board assumes that these litigations will have probably no material effects on the financial situation of the group or the group result exceeding the already provided for amounts.

Contingencies and other Financial Commitments

Contingencies

The total amount of all contingencies against third parties was as at December 31, 2007 kEUR 0 (previous year: kEUR 270).

Future Minimum Lease Payments for Operating Leasing with Outside Third Parties:

	2007 kEUR	2006 kEUR
Year n + 1	473	366
Year n + 2	304	281
Year n + 3	94	101
Total Minimum Payments for Leasing	**871**	**748**

Events Subsequent to the Balance Sheet Date

After the balance sheet date there were no material new developments which should be reported.

Number of Employees

The number of employees was as at balance sheet date:

	2007 number	2006 number
Employees	2,112	2,072
Employees in management	85	83
	2,197	2,155
Subcontractors and others	331	311
	2,528	2,466

thereof domestic:	1,508	1,591
thereof abroad:	1,020	875

Executive Board

The executive board comprises the following persons:

Wolfgang Rücker, Merchant, Wiesbaden
- Chief Executive Officer (Chairman) -

Jürgen Vogt, Master's Degree in Business Administration, Wiesbaden
- Chief Financial Officer -

Authorized to represent the company are both directors jointly or each one together with an authorized representative.

IAS 24.16 Statement on Remuneration of Members of the Management in Key Positions

Remuneration

	2007 kEUR	2006 kEUR
Salaries and other short term payments	3,158	2,312
Payments after the end of the employment relationship	267	273
	3,425	2,585

The remuneration for the managing board was 1,969 kEUR in the year 2007 (previous year: 1,112 kEUR). The total remuneration for former members of the managing board was 34 kEUR in the year 2007 (previous year: 34 kEUR).

The ordinary shareholders' meeting of the Rücker AG held on June 20, 2006 passed a resolution in the sense of § 286 (5) HGB (German Commercial Code).

The pension provisions for retired members of the managing board are 720 kEUR (previous year: 856 kEUR).

The stock option plan started in the year 2000 is expired. As at December 31, 2007 there were 46,000 option rights issued to active members of the managing board. The attributable current value at the time of the issuing of the option rights was 1.04 € per option right.

Supervisory Board

Name, Function	Profession, Other Assignments
Tomas Mielert -Chairman of the Supervisory Board-	Lawyer, tax consultant, auditor, Frankfurt/Main Further supervisory or advisory assignments: -Ffynnon 23. Vermögensverwaltungs AG, Königstein (Member of supervisory board) - MTV Capital Invest AG, Frankfurt/M. (Chairman of supervisory board) -Comperio AG, Wiesbaden (Chairman of supervisory board) -IMP Computersysteme AG, Berlin (Member of supervisory board)
Dipl.-Ing. Otto Happich - Deputy chairman -	Entrepreneur, Wuppertal Member of the company Johann Knupp, Solingen Partner of the company Metapoint Partners, Peabody, MA, USA Further supervisory or advisory assignments: -Firma Dr. Franz Schneider Kunststoff-werke GmbH & Co. KG (Deputy chairman of advisory board) until December 31, 2007
Dr. Wolfgang Gerhardt MdB	Member of the German House of Parliament Member of the Foreign Committee (Auswärtiger Ausschuss) Chairman of the management board of the Friedrich-Naumann-Foundation Member of the board of trustees of the Foundation Bundespräsident Theodor Heuss Haus Further supervisory or advisory assignments: Hallesche & Alte Leipziger Versicherung, Stuttgart (Member of the advisory board)

The shareholders' meeting held on June 12, 2007 resolved to adjust the remuneration of the supervisory board to the improved situation of the company and to increase it correspondingly and to adjust the articles of incorporation accordingly.

§ 19 (1) and (2) were revised as follows:

1. Each member of the supervisory board receives besides the reimbursement of expenses a fixed annual remuneration in the amount of 15,000 Euro. The chairman of the supervisory board receives the double remuneration, the deputy chairman one and a half times the remuneration.
2. Furthermore, each member of the supervisory board receives a variable remuneration in the amount of 300 Euro per 0.01 Euro of distributed dividend.

The remuneration of the members of the supervisory board was kEUR 104 during the financial year. Consulting services performed by one member of the supervisory board were remunerated in the amount of kEUR 128.

Fees for Statutory Auditors

The fees incurred and recorded during the financial year are kEUR 141 (pr.y.: kEUR 159), for other acknowledgment and assessment services kEUR 40 (pr.y.: kEUR 10), for tax advisory kEUR 0 (pr.y.: kEUR 0) and other advisory services kEUR 12 (pr.y.: kEUR 48).

Declaration of conformity with the German Corporate Governance Code in accordance with § 161 AktG

The Board of Management and the Supervisory Board submitted the mendatory declaration of conformity and made it available to the shareholders on the website of Rücker AG.

Declaration of the Managing Board of Rücker AG according to § 312 (3) AktG

We declare concludingly that our company received an appropriate consideration out of all legal transactions concluded considering the circumstances known to us at the moment of conclusion. No measurements were taken or omitted which would have discriminated our company.

Proposed Appropriation of Profit

Managing board and supervisory board suggest to the general shareholders' meeting to distribute a dividend out of the net profit for the year of the Rücker AG.

H - Other Information

Capital Management

The group manages its capital with the aim to maximize the income of those involved into the company by optimization of the ratio of equity capital to loan capital. With this it is guaranteed that all group companies may operate under the going-concern-assumption. The aim is to fortify the structure of the equity capital and to facilitate a dividend distribution oriented on the company's situation.

The capital structure of the group consists of equity capital and of loan capital. The equity capital consists of issued stocks, the capital reserves and the revenue reserves.

The managing board examines the capital structure half-yearly. In the course of this examination the capital costs are being analyzed for costs for equity capital and costs for loan capital. On the base of the findings the total capital structure of the group is being adjusted by dividend distributions, issuing of new stocks and stock buybacks and by the raising of new and repayment of existing debts.

The general strategy of the group remained unchanged in comparison to the financial year 2006.

Risk Management

In order to detect risks early there is a unified risk management system within the whole group of the Rücker AG. The system pilots the registration, valuation and reporting of risks and chances. Main aim of the risk management system of the Rücker AG is to guarantee that especially developments or risks threatening the continued existence of the company are being detected by the organs of the company (supervisory board and managing board) and by the operational management as early as possible in order to lastingly secure the continued existence of the company by the timely launching of sufficient measurements. The financial executive is in charge with the central risk management function of the Rücker AG.

The operational management is responsible for the implementation of the risk management process. With this the decentralized company units are responsible for the timely identification, assessment, communication and covering of risks and chances in the place of occurrence. In the course of the monthly reporting both new risks and the change of already registered risks are being reported. Additionally ratios are being analyzed on the base of the monthly financial statements in order to recognize risks early.

Concentration of the Credit Risk

Significant concentrations of the credit risk may occur mainly in connection with means of payment, cash equivalents and receivables. The company invests its liquid funds only with financial institutes of excellent credit standing. Receivables result mainly from sales business with car manufacturers and aviation companies in Germany. Credit is only granted after the examination of the financial situation of the customers; collateral is generally not required. The managing board monitors the risk of default and has made valuation adjustments as far as necessary.

Stock Option Plan

The special meeting of shareholders resolved on March 27, 2000 the "Aktienoptionsplan Rücker 2000" ("Stock option plan Rücker 2000"). This option plan intends the issue of unalienable stock options for up to 615,000 common stocks to members of the managing board of Rücker AG, to members of the management of affiliated companies of Rücker AG and to branch heads and equated managers and to employees in managerial positions of Rücker AG and/or affiliated companies.

The option rights were to be issued until the end of 2003 in three annual tranches. The volume per tranche was limited to 50.0 % of the total volume of the stock option plan. The issue was made in the years 2000, 2001 and 2002.

The exercise of the option rights is possible within five years after the end of the waiting period, which is two years after the allocation of the respectively granted option rights. The managing board may determine a longer waiting period of up to seven years with the consent of the supervisory board. The extension of the waiting period was not made with the option rights granted yet.

The exercise of the option rights is exclusively permitted within one of three possible exercise periods within a calendar year. Each exercise period lasts ten stock exchange work days, beginning with the respectively first stock exchange work day after the day of the ordinary general meeting of the shareholders, the day after the publication of the company data and balance sheet data for the 1st half year and the 3rd quarter of a year. As far as the end of a waiting period falls into an exercise period, this exercise period ends with the tenth stock exchange work day after the end of this waiting period.

The exercise price corresponds to the closing price of the Rücker AG share of stock at the Frankfurt Stock Exchange, Prime Standard, on the day of the granting of the option right by conclusion of the option rights contract, plus a premium of 5.0 % as performance goal. Differing from this corresponds the exercise price for option rights issued before exchange market listing to the initial offering price at introduction of the Rücker AG share of stock into the Frankfurt Stock Exchange, New Market, plus a premium of 10.0 % as performance goal.

The following table shows the stock development of the outstanding option rights during the financial years 2006 and 2007:

	Number of Subscription Rights of Shares of the Rücker AG	Average Exercise Price in EUR
Number as at January 1, 2006	435,083	11.05
Exercised during the Financial Year 2006	75,950	3.00
Forfeited during the Financial Year 2006	45,500	6.16
Number as at January 1, 2007	313,633	13.72
Exercised during the Financial Year 2007	30,400	6.11
Forfeited during the Financial Year 2007	161,908	21.05
Number as at December 31, 2007	121,325	5.83

During the financial years 2003 through 2007 no further option rights were granted.
The following table shows the allocated options as at Decembers 31, 2006 and 2007:

	Pieces of Options	Exercise Price in EUR
Allotted during the Year 2000	208,216	22.00
Allotted during the Year 2001	214,550	6.72
Allotted during the Year 2002	188,534	3.00
Number as at January 1, 2007	611,300	
thereof		
- forfeited	382,425	
- exercised	107,550	
Number as at December 31, 2007	121,325	

Market Value Establishment according to the Black-Scholes-Option Price Model

	As at 2002
Risk free investment rate of interest	5.0%
Expected dividend yield	1.6%
Expected volatility	58%
Expected term	42 months
Market price (Fair Value)	EUR 1.04

During the financial year 2007 the following stock options from the allocation of the year 2002 were exercised. The respective market prices of the shares of stock refers to the exercise day.

	Pieces
18/06/07 exercised Stock Options at the price of 7.52 Euro	800
19/06/07 exercised Stock Options at the price of 7.52 Euro	1,350
15/11/07 exercised Stock Options at the price of 8.95 Euro	1,350
16/11/07 exercised Stock Options at the price of 9.03 Euro	1,500
	5,000

During the financial year 2006 the following stock options from the allocation of the year 2002 were exercised. The respective market prices of the shares of stock refers to the exercise day.

	Pieces
21/06/06 exercised Stock Options at the price of 6.14 Euro	19,700
22/06/06 exercised Stock Options at the price of 6.45 Euro	7,550
23/06/06 exercised Stock Options at the price of 6.30 Euro	5,350
27/06/06 exercised Stock Options at the price of 5.98 Euro	6,300
03/07/06 exercised Stock Options at the price of 6.08 Euro	6,150
04/07/06 exercised Stock Options at the price of 6.12 Euro	2,850
22/08/06 exercised Stock Options at the price of 6.22 Euro	6,500
24/08/06 exercised Stock Options at the price of 6.03 Euro	5,000
31/08/06 exercised Stock Options at the price of 6.00 Euro	15,000
29/11/06 exercised Stock Options at the price of 5.95 Euro	1,550
	75,950

During the financial year 2007 the following stock options from the allocation of the year 2001 were exercised. The respective market prices of the shares of stock refers to the exercise day.

	Pieces
22/06/07 exercised Stock Options at the price of 7.84 Euro	15,000
15/11/07 exercised Stock Options at the price of 8.95 Euro	2,500
16/11/07 exercised Stock Options at the price of 9.03 Euro	4,400
20/11/07 exercised Stock Options at the price of 8.50 Euro	1,500
22/11/07 exercised Stock Options at the price of 8.88 Euro	500
27/11/07 exercised Stock Options at the price of 8.90 Euro	1,500
	25,400

Other Information on Financial Instruments in kEUR

Assets 2007	Fair value	Book value
Cash in hand	40	40
Bank balances	9,871	9,871
Receivables from the factor due on first request	6,873	6,873
Lendings to third parties	1	1
Other financial assets	1,108	1,108
Available-for-sale securities	198	198
Shares in affiliated caompanies, not consilidated	45	45
Trade receivables net from third parties	21,843	21,843
Trade receivables from affiliates	1	1
Other receivables from third parties	10,419	10,419
Other receivables from affiliates	23	23
	50,422	**50,422**

Liabilities 2007	Fair value	Book value
Loans from banks	20,425	20,425
Loans from third parties	239	239
Leasing liabilities intangible fixed assets	1,390	1,286
Leasing liabilities tangible fixed assets	1,920	1,776
Trade liabilities	4,142	4,142
Trade liabilities to affiliated companies, not consilidated	81	81
Liabilities for outstanding invoices		
for shareholders' meeting	50	50
for other outstanding invoices	770	770
for year-end works	235	235
Trade liabilities for affiliates	46	46
Other liabilities to third parties	3,475	3,475
Liabilities other taxes	4,595	4,595
Other liabilities to affiliated persons	568	568
	37,936	**37,688**

Other Information on Financial Instruments in kEUR

Assets 2006	Fair value	Book value
Cash in hand	66	66
Bank balances	8,751	8,751
Receivables from the factor due on first request	3,318	3,318
Lendings to third parties	5	5
Other financial assets	428	428
Available-for-sale securities	224	224
Shares in affiliated caompanies, not consilidated	45	45
Trade receivables net from third parties	21,382	21,382
Trade receivables from affiliates		
Other receivables from third parties	11,111	11,111
Other receivables from affiliates	19	19
	45,349	**45,349**

Liabilities 2006	Fair value	Book value
Loans from banks	18,397	18,397
Loans from third parties	612	612
Leasing liabilities intangible fixed assets	1,880	1,763
Leasing liabilities tangible fixed assets	3,046	2,856
Trade liabilities	4,996	4,996
Trade liabilities to affiliated companies, not consilidated	109	109
Liabilities for outstanding invoices		
for shareholders' meeting	50	50
for other outstanding invoices	1,525	1,525
for year-end works	219	219
Trade liabilities for affiliates	86	86
Other liabilities to third parties	3,857	3,857
Liabilities other taxes	4,509	4,509
Other liabilities to affiliated persons	46	46
	39,332	**39,025**

Related Parties

The chairman of the executive board and a company which is at 100 % in the possession of the chairman of the executive board together own 58.5 % of the 8,379,194 issued stocks. Therefore the chairman of the managing board has dominating influence on the management of the Rücker Group.

Between the group and affiliated companies, respectively persons, the following material business transactions took place:

	kEUR 2007	kEUR 2006
Group with Supervisory Board		
Remuneration and expenses	104	55
Liabilities from remuneration	54	15
Counseling	128	269
Liabilities from counseling	19	86
Short term deferral of outstanding invoices	0	20
Group with Chairman of the Executive Board		
Interest income	6	34
Commission on guaranty	202	359
Rental Troisdorf	26	31
Group with Executive Board		
Income from the disposal of fixed assets	0	1
Other liabilities from remuneration	500	0
Group with Nosta		
Translation services, expense	127	94
Liabilities	0	2
Management conduct of business services	36	144
Liabilties from counseling	0	12
Sale car, income	0	17
Lease car, expense	15	18
Group with Rücker Immo		
Lease	236	247
Income cost transfer telephone	2	4
Receivables from lease	21	9
Liabilities from lease	41	17
Receivables from telephone costs	0	8

The managing board of the Rücker AG authorized the publication of the consolidated financial statements on March 12, 2008.

Wiesbaden, March 2008

Rücker Aktiengesellschaft

Wolfgang Rücker	Jürgen Vogt
- Director -	-Director -

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report 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.

Wiesbaden, March 12, 2008

Board of Management

Wolfgang Rücker - Director -	Jürgen Vogt -Director -

Auditor's Report

We have audited the consolidated financial statements prepared by Rücker AG, Wiesbaden, comprising the balance sheet, the income statement, statement of recognised income and expense, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Wiesbaden, March 12, 2008

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Schumacher
Auditor

Alten
Auditor

Disclaimer

This report contains forward looking statements that reflect the current views of the management with respect to future events. Such statements are subject to risks and uncertainties. Should risks or other uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, Rücker AG's actual results may be materially different from those expressed or implied by such statements. Rücker AG does not assume any obligation to update forward-looking statements to take new information or future events into account because they are based on circumstances from the day of publication.