

PRESS RELEASE

AUGUSTA resolves new strategic focus

- **Technology group to concentrate on sensor and automation technology segments**
- **Medium-term shift to industrial holding company structure**
- **Sale of non-strategic investees**

Frankfurt am Main, March 22, 2007. Following its successful financial restructuring and the complete repayment of its bank liabilities, AUGUSTA Technologie AG (ISIN DE000A0D6612), listed in the Prime Standard, has resolved a new strategic focus. As previously announced, AUGUSTA will concentrate on the core business areas of sensor and automation technology, reported in the newly defined Sensors and Controls segments. The medium-term objective of the new strategy is to develop AUGUSTA Technologie AG into an industrial holding company with a leading market position in the area of Sensors and Controls.

In fiscal year 2006, AUGUSTA Technologie AG's Managing Board conducted a thorough review of the expected long-term growth and earnings potential of the investment portfolio. The analysis indicated that, amongst others, lacking synergies across the portfolio reduce the development potential of the individual companies. Moreover, the prospects for the markets addressed to date varied considerably. In view of this, AUGUSTA has resolved to concentrate on selected market segments that are attractive in the long term, and to shed non-strategic or poorly performing subsidiaries in the near future.

At the same time, the Company intends to drive forward development of the companies in the selected niche markets of sensor and automation technology more intensively than previously. The aim is to generate long-term organic growth that is in excess of the market average and to outpace average sector growth by making strategic acquisitions in specific core technologies.

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- The new **Sensors** segment combines those companies that supply sensor systems for customer-specific applications. Examples of this are individual sensor elements such as pressure sensors in the field of medical technology but also complete test systems for testing prototypes in the automotive and aviation industries. The segment consists of Dewetron Ges.m.b.H., HE System Electronic GmbH & Co. KG and Sensortechnics GmbH.
- The **Controls** segment comprises those AUGUSTA companies that specialize in products for process automation or quality improvement. These are Allied Vision Technologies GmbH and DLoG GmbH.
- As part of the portfolio restructuring, the IT Systems segment – in particular Dr. Keil GmbH & Co. KG and Elektronik-Systeme Lauer GmbH & Co KG – will be put up for sale. The sales are scheduled to be finalized before the end of 2007.
- The long-term growth areas of sensor and automation technology are to be expanded through selective acquisitions as part of a buy-and-build strategy. In particular, purchases are planned in the sensor elements and systems areas and in industrial image processing. In addition to these acquisitions, AUGUSTA is aiming to enter into strategic partnerships.

Amnon F. Harman, Chairman of the Management Board, stated: “We are convinced that the areas of sensor and automation technology offer considerable growth potential and are aiming to secure a leading position in these markets in the medium to long term. This marks the beginning of a new development phase for AUGUSTA. Our strategy is geared firmly towards profitable growth and makes AUGUSTA a more attractive investment than ever in the technology sector.”

In future, portfolio management in the AUGUSTA Group will focus on a closely defined system of performance indicators in order to continually improve the contribution of each individual subsidiary to the performance of the technology group. In this way, AUGUSTA also aims to provide greater transparency for the capital markets, thereby helping to improve analysis and comparability.

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As of the first quarter of 2007, the new Sensors and Controls segments will serve as the basis for consolidated reporting.

The final figures for fiscal year 2006 will be announced with the publication of the Annual Report on March 30, 2007.

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