

Economic crisis is less severe for AUGUSTA than in rest of industry

- **Despite declines in revenue (-17.1%), stable gross margin (39.5%) and two-digit EBIT margin (11.2%)**
- **Incoming orders in Q2 above Q1 (+24.4%)**
- **Significantly improved working capital and solid balance sheet structure**
- **Modification of guidance due to recession**

Munich, August 13, 2009. The global economic and finance crisis still has almost all industries in its grip in the second quarter of 2009. AUGUSTA Technologie AG (ISIN DE000A0D6612) has been able to meet the ongoing impact of the global recession better than others in its industry, due to its good market positioning and the contemporary implementation of its measures to reduce costs. Despite expected declines in revenue in the second quarter, profitability was still in the two-digit range. At EUR 52.29 million, **consolidated sales revenues** were 17.1 percent down in the first half of the year from the same period of the previous year (EUR 63.09 million). **The gross margin** fell by 18.8 percent to EUR 20.67 million (previous year: EUR 25.44 million). Nevertheless, the **gross margin** remained high at 39.5 percent (previous year: 40.3 percent). **Earnings before interest and taxes (EBIT)** were reduced to EUR 5.85 million (previous year: EUR 9.53 million). Despite lower revenues, the EBIT margin remained in the two-digit range with 11.2 percent. Although accumulated **incoming orders**, at EUR 46.33 million, were below that of the previous year (EUR 61.31 million), incoming orders were nonetheless clearly recovering in Q2 compared to Q1 (+24.4 percent). At the end of the half-year, **order backlog** came to EUR 38.80 million (previous year: EUR 43.99 million).

"Despite the crisis, we have shown in the first half of the year that we can respond quickly to changed market conditions. We continue to work extremely profitably despite lower revenues. This is due to our clear focus and leading market position in the sensors and automation technology business. That allow us to manage the crisis considerably better than many of our competitors," says Amnon Harman, CEO of AUGUSTA.

Both Segments Maintained Profitability in the Two-digit Range

In the **Sensors** division revenues came to EUR 32.96 million in the first half of the year, which corresponds to a decline of 16.5 percent compared to the previous year (EUR 39.46 million). Despite a decline in the EBIT to EUR 3.72 million (previous year: EUR 6.39 million), the EBIT margin continued in the two-digit range at 11.3 percent (previous year: 16.2 percent).

At EUR 19.34 million, sales revenues in the **Controls** division were 18.2 percent down on the very high previous year's figures (EUR 23.63 million). The operating result (EBIT) declined year-on-year (EUR 4.80 million) to EUR 3.30 million. The EBIT margin continued in the high two-digit range with 17.1 percent (previous year: 20.3 percent).

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Stable Balance Sheet Structure

At EUR 26.98 million, working capital improved by EUR 4.88 million compared to the previous quarter. Despite the dividend payment in May of 2009, AUGUSTA has a high equity ratio of 66.1 percent and cash and cash equivalents of EUR 16.23 million. "All in all, we are meeting the crisis from a position of balance-sheet strength. The maintenance of our balance-sheet strength and liquidity continue to be priority objectives in this difficult environment. This allows us to invest in our future projects with continued high commitment," says Berth Hausmann, CFO of AUGUSTA. The cash flow from operating activities attained EUR 4.21 million (previous year: EUR 4.76 million).

Modifying the 2009 Guidance, but Two-digit Profitability

The previous forecast for 2009 was based on a recovery of the global economy and a strong rise in incoming orders during the second half of 2009. These assumptions can no longer be sustained, due to the current situation. Instead, AUGUSTA is expecting a continuation of the recession into the year 2010, such that the forecast has to be modified in response to the global economy. Revenues are expected in a target corridor of EUR 104 to 110 million, with an EBIT of EUR 10 to 13 million. "We have to pay the economy its due and modify our forecast. We are continuing to strive for two-digit operating profitability despite the continuation of the recession. We are making use of the crisis to optimize internal structures and to focus on strategic projects and new developments of products in order to go forward out of the crisis strengthened for the future and to set new standards with innovative solutions as a market leader in our niche markets," says Harman with regard to the outlook.

Key figures AUGUSTA Group

In EUR million	H1 2009	H1 2008	Change
Sales revenues			
Group	52.29	63.09	-17.1%
Sensors	32.96	39.46	-16.5%
Controls	19.34	23.63	-18.2%
EBIT			
Group	5.85	9.53	-38.6%
Holding costs	-1.14	-1.64	-30.5%
Sensors	3.72	6.39	-41.9%
Controls	3.30	4.80	-31.2%
Key figures			
Net income for the period according to DCO	3.69	6.62	-44.3%
Profit per share in EUR	0.49	0.83	-41.3%
Booked business	46.33	61.31	-24.4%
Orders on hand	38.80	43.99	-11.8%

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The Company

AUGUSTA Technologie AG is an integrated technology group with a focus on the niche markets of sensor and automation technology.

In the **Sensors** division, the company develops, produces and sells sensor systems for customer-specific applications. The product portfolio ranges from the sale of individual pressure sensors to the development of complex sensor and measuring systems. The main areas of application are medical technology, industrial plant construction, the automotive industry, and the aviation and aerospace industries.

The company's **Controls** division delivers solutions for process flow automation and quality management. The application areas range from industrial image processing to automation solutions for logistics and special vehicles.

AUGUSTA's sales revenues totaled EUR 127.13 million in fiscal year 2008, with earnings before interest and tax (EBIT) of EUR 18.84 million.