

6-MONTH REPORT 2008



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Dear Shareholders and Friends of AUGUSTA,

In the first half of 2008 we were able to exhibit continued strong growth despite the difficult economic environment. The positive trend shows once again that we are on the right track with our **operating business** and our focus on sensor systems and automation technology. We have realigned ourselves as a leading technology group in global niche markets and are amongst the top five providers in the respective market segment with all our product groups.

In the first half of 2008 the major financial **key performance indicators** of the group developed very satisfactorily in comparison to the prior year:

- / It was possible to increase the Group's revenues from EUR 57.22 million in the previous year to EUR 63.09 million – an increase in turnover of 10.3 percent.
- / Earning before interest and taxes also increased from EUR 8.62 million in the previous year to EUR 9.53 million (+10.6 percent). The EBIT margin in the first half of 2008 thus came to 15.1 percent.
- / The earnings per share increased to EUR 0.83 (prior year: EUR 0.61 per share).
- / Incoming orders were at EUR 58.52 million in the previous year, and now at EUR 61.30 million (+4.7 percent). Booked business also increased and came to EUR 43.99 million after EUR 38.52 million in the previous year (+14.2 percent).
- / Net liquidity at the end of the first half-year reached a value in the amount of EUR 10.92 million.

Also from a **strategic point of view** we have achieved further progress:

With the sale of the **Dr. Keil Group** in April, we have conclusively adjusted our portfolio and are now displaying a clear profile with our two business fields on the capital market.

Within the context of our communicated buy-and-build strategy, we were able to significantly expand our global market positioning in the area of digital cameras for industrial image processing with the acquisition of the Canadian company **Prosilica Inc.**. While our subsidiary AVT is a world market and innovation leader in the area of FireWire, Prosilica is among the market leading providers of GigE cameras. With the acquisition of the young, dynamic company exhibiting above average profits, we have at our disposal a unique product offer in the industry. Three factors in particular were decisive for our decision:



Amnon F. Harman, CEO (left), and Berth Hausmann, CFO (right)

- / We are gaining a new technology and thus have immediate access to the quickly growing GigE market.
- / We are expanding our end customer structure, but can also better serve our existing market segments with a broader technological base.
- / We are strengthening our sales activities in the most important target markets worldwide, in particular in North America and Asia.

The acquisition of Prosilica has brought us a good step forward in our growth strategy. In the future we intend to make one to two acquisitions per year in the areas of sensor systems and microsystem technology as well as in vision technology.

Dear Shareholders, we can be very pleased with what has been achieved so far. Nonetheless, we are attentively observing the risks in the economy and the trends in the capital markets in order to be able to react early on to potential impacts on the business activity of AUGUSTA. Unfavorable dollar/euro exchange rates and the resulting price pressure, investment restraint on the part of our customers and the associated project postponements as well as a consolidation in our target markets, such as in the medical technology sector, are the greatest challenges for us for the mid term.

Despite these gloomy market circumstances we confirm the revenue and earnings prognosis for this year from our operating business. Due to acquisitions we raise our forecast for Group sales to EUR 130 to 132 million (formerly 127 to 129) and for the EBIT of the Group to EUR 19 to 21 million (formerly 18 to 20).

Amnon F. Harman
Chief Executive Officer

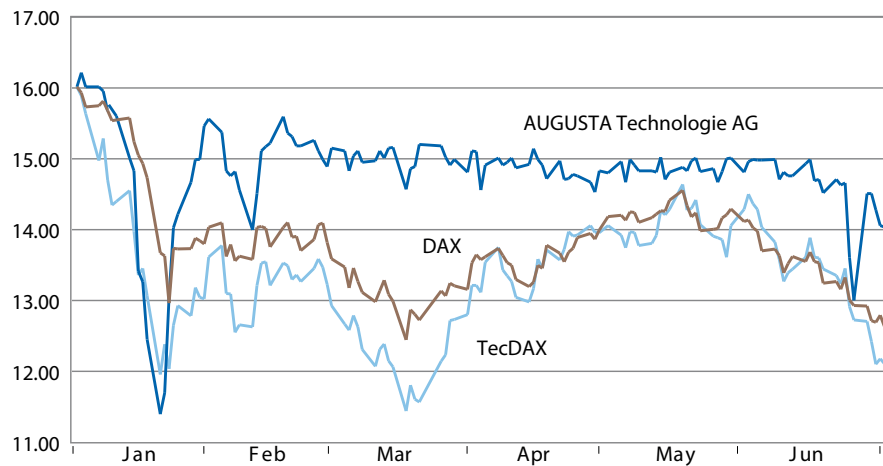
Berth Hausmann
Chief Financial Officer

Performance of the AUGUSTA share

The gloomy headlines published in connection with the subprime crisis in the past six months have repeatedly sparked sharp falls in prices on the stock markets. In the second quarter of 2008 in particular, the German stock markets took heavy losses on balance. While the markets were initially still recovering from their March low and were able to report some promising upturns up to the middle of May, they were subsequently marked by steep drops in prices and high volatility. Weak cyclical indicators, more negative reports from the banking sector, constantly rising oil prices and persisting fears over inflation were the principal depressive factors.

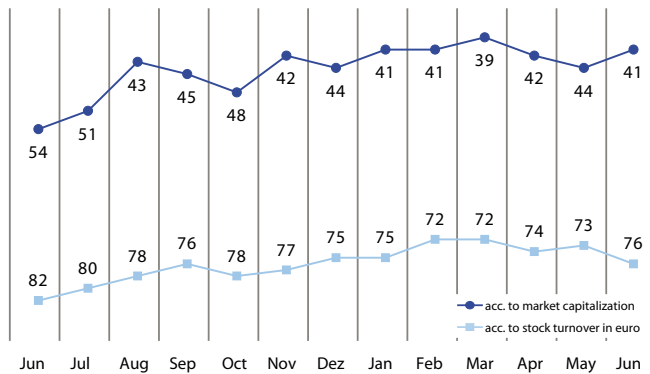
At times, the otherwise very stable AUGUSTA share price was not able to resist the downward stock market trend in the volatile capital market climate. In the wake of the market slump, its price temporarily fell to EUR 13.00 in the course of the day at the end of June. However, compared with the TecDax or the Dax, the AUGUSTA share fared much better. High profitability, fast-growing target markets, the share buyback program and also the dividend payment of EUR 1.20 per share due to be distributed in the coming year, make the AUGUSTA share an attractive and high-yield investment.

AUGUSTA SHARE PRICE COMPARED TO DAX AND TECDAX



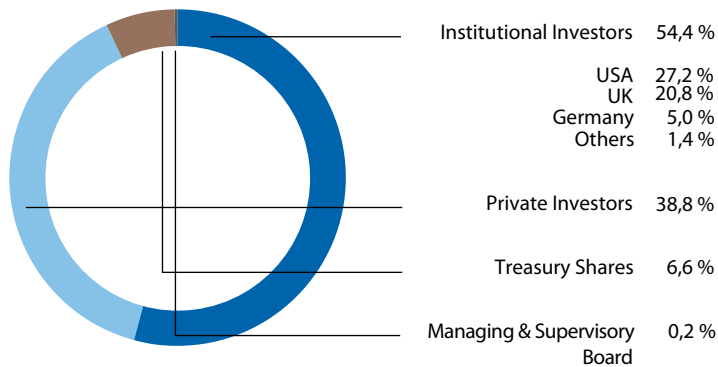
The wait-and-see approach of investors and the uncertain market climate also led to a significant decline in trading volumes across the whole market. After a decline in the number of AUGUSTA shares traded in the first five months, the trading volume picked up considerably in June and July. In the German Stock Exchange rankings list, the AUGUSTA share was able to improve considerably on the previous year. Compared with the TecDax, which represents the 30 largest small and mid cap shares in the technology sector, the AUGUSTA share came in 76th place in terms of share trading volumes (same half-year of 2007: 82). After the free-float market capitalization, it climbed to 41st place (same half-year of 2007: 54).

TECDAX POSITIONING: RANKING OF THE AUGUSTA SHARE



The shareholder structure largely remained stable in the first half-year. The investment company, Lincoln Vale, which with 14.2 percent of shares was already AUGUSTA's largest single shareholder at the end of the 2007 fiscal year, reported on April 1 that its share was now 15.2 percent. With a current free float of 93.41 percent, the spread of share capital as per the end of March is as follows:

SHAREHOLDERS STRUCTURE



In order to continue to add to its list of investor contacts and build on existing contacts, AUGUSTA is regularly represented at capital market conferences and actively seeks dialog with new potential investors. The Managing Board presented the company at roadshows in February in Vienna, at the end of April in Frankfurt and at the start of July in Edinburgh and London.

The aim of all these activities is to present the business model and strategic alignment to private and institutional investors and the press alike in as transparent a way as possible, and to raise AUGUSTA's profile on the capital market.

General meeting supports course taken by the company

At this year's General Meeting on May 9, 2008, which was held in Munich for the first time in the immediate vicinity of our office building, all resolutions were passed by the shareholders present, with the consent of at least 99.95 percent. In addition to discharges for the Managing and Supervisory Boards, the re-election of members of the Supervisory Board for a further five years and the approval of the launch of a share option program were amongst the most important resolutions passed by the General Meeting.

Share option program

On May 9, 2008, the General Meeting approved the creation of conditional capital of to up to EUR 843,551.00 for the launch of a share option program. A share option model was developed with a view not only to linking management compensation to AUGUSTA share appreciation, but also tying managers to the company long-term, and therefore further boosting AUGUSTA's competitiveness. On July 7, 2008, the first tranche was issued to members of the Managing Board, the managing directors of individual subsidiaries and specific managers at a price of EUR 14.63.

A SUMMARY OF THE AUGUSTA STOCK

| | |
|--|---|
| ISIN | DE000A0D6612 |
| Transparency standard | Prime Standard |
| Trading segment | Technology Prime-Sektor Industrial |
| Indexes | CDAX/Prime All Share/Technology All Share |
| Date of initial listing | May 5, 1998 |
| Number of shares | 8,435,514 |
| High / low (52 weeks)* | 17.53 Euro/11.40 Euro |
| Closing rate as of June 30, 2008* | 14.50 Euro |
| Market capitalization as of June 30, 2008* | 122.3 Mio. Euro |
| Earnings per share as of June 30, 2008 | 0.83 Euro |

* Xetra closing rates

Capital Development

On June 30, 2008, the **SHARE CAPITAL** of AUGUSTA Technologie AG totaled EUR 8,435,514, as before. It is made up of 8,435,514 ordinary shares, each with a notional value of EUR 1.00.

With the authorization of the General Meeting, AUGUSTA Technologie AG can purchase treasury shares worth up to ten percent of share capital. The company has been making use of this right since August 1, 2007, and is planning to buy back up to ten percent of the share capital in total via the stock exchange.

As of the reporting date, June 30, 2008, the company holds a stock of 555,758 shares as **TREASURY SHARES** (corresponding to 6.59 percent of share capital). Of these, 550,759 come from shares bought back via the stock exchange at the average price of EUR 15.77. The total volume of buybacks so far since the launch of the program has been EUR 9.68 million as of the reporting date. The number of **SHARES OUTSTANDING** on the reporting date was 7,879,756. The average number of shares outstanding in the first six months of 2008 ran to 7,998,585. These form the basis for calculating earnings per share.

Sales Revenues and Earnings Development

AUGUSTA was able to build on the positive development in the first quarter also in the second quarter. Last but not least, the company is also increasingly benefiting from the progressive integration of the individual subsidiaries amongst each other and the resultant synergies and potential.

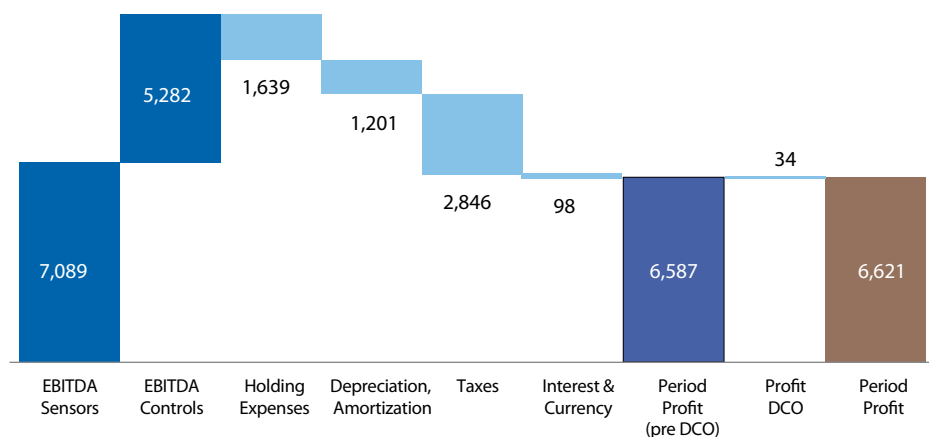
In the first half of 2008, **SALES REVENUES** of the AUGUSTA Group rose to EUR 63.09 million. In comparison to the previous year (EUR 57.22 million), it was thus possible to raise revenues by 10.3 percent. **GENERAL AND ADMINISTRATIVE EXPENSES** increased from EUR 4.89 million in the previous year to EUR 4.94 million as of June 30, 2008, while the subsidiaries above all invested in the areas of development, sales and marketing in order to expand their position in the respective target markets and to secure future growth. It was possible to reduce the Holding costs in comparison to the previous year (EUR 1.76 million) despite increasing acquisition activities and their associated costs by around 7 percent, putting them at EUR 1.64 million.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA) also rose by 10.9 percent compared to the previous year (EUR 9.68 million) to EUR 10.73 million. **EARNINGS BEFORE INTEREST AND TAXES (EBIT)** reached EUR 9.53 million. Compared to the previous year (EUR 8.62 million) EBIT growth was thus 10.6 percent. The EBIT margin in the first half-year thus came to 15.1 percent. **EARNINGS BEFORE TAXES (EBT)** also clearly improved and with EUR 9.43 million was above the comparable previous year value (EUR 8.31 million) by 13.6 percent.

EARNINGS FROM CONTINUING OPERATIONS achieved EUR 6.59 million (previous year: EUR 5.19 million): a significant increase over the prior year of 26.9 percent. The contribution to earnings of the discontinued operations came to EUR 34,000 (prior year: EUR -80,000). With the sale of the Dr. Keil Group as of April 1, 2008, the last discontinued business area was sold and the restructuring of the portfolio was concluded.

The **NET INCOME FOR THE PERIOD** after the discontinued business areas with EUR 6.57 million was above the previous year value (EUR 5.09 million) by 28.9 percent. The earnings per share before third party interests came to EUR 0.83 (previous year: EUR 0.61 per share).

VISUALIZATION OF THE PERIOD PROFIT



As of the first half of 2008 the major assessment figures are thus represented as follows:

| KEY FIGURES GROUP IN EUR MILLIONS | HALF YEAR 2008 | HALF YEAR 2007 | CHANGE |
|-----------------------------------|----------------|----------------|--------|
| Sales revenues | 63.09 | 57.22 | 10.3 % |
| EBITDA | 10.73 | 9.68 | 10.9 % |
| Margin | 17.0 % | 16.9 % | |
| EBIT | 9.53 | 8.62 | 10.6 % |
| Margin | 15.1 % | 15.1 % | |
| EBT | 9.43 | 8.31 | 13.6 % |
| Margin | 15.0 % | 14.5 % | |
| Incoming orders | 61.30 | 58.52 | 4.7 % |
| Order book | 43.99 | 38.52 | 14.2 % |

Development of the Segments

While the Controls segment was able to note a disproportionate increase in revenue and earnings, the Sensors segment developed according to plan. In total, all operating core values in both segments were above the comparable previous year values.

In the **SENSORS** segment, which includes the areas of sensor systems and microsystem technology as well as mobile measuring systems, AUGUSTA produces and sells sensor systems for customer-specific applications. The companies consolidated within the Sensors division are the Sensortechnics Group with the companies Elbau and Klay as well as the companies HE System Electronic and Dewetron, while above all, customers from the medical technology sector, from industry, from the automobile sector as well as the aeronautics technology, are served.

The product area [sensor systems and microsystems technology](#), in which the Sensortech Group and HE System Electronic are consolidated, is the largest division of the AUGUSTA Group, generating around half of group sales. Application-specific solutions in the areas of pressure and flow sensor systems as well as performance electronics are the focus of business activities here.

Research and development activities were intensified since the third quarter of 2007 by the integration of Elbau into the Sensortech Group. In this connection, the Sensortech Group is driving its own development of sensors. Already at the end of last year, the first newly developed family of low-pressure sensors, the HC series, was successfully launched on to the market. The HC family, as the platform for customer-specific total solutions, is being implemented and demanded worldwide in the meantime in the area of medical technology, in heating and cooling technology as well as in industrial measurement engineering. Additional new product developments in the area of gas sensor technology for medical and building engineering and of microsystem engineering are currently in the design phase. The increase in development activities are reflected in the cost structure.

It was also possible for HE System Electronic to further expand its system business in the second quarter of 2008. A braking system developed specifically for one customer for rail traffic will still be successfully put into production this year. Another project, „the intelligent and highly integrated power module“ for controlling industrial applications is also about to go into production. Also in medical device technology, the company was able to get the commitment for a large order with a new blood pressure sensor.

In the product area of [mobile measuring systems](#) the subsidiary Dewetron was able to raise its sales revenue and incoming orders in all sales regions in the first half of 2008. In addition to the launch of the new product line “Power Measurement” and the commitment for a large order from aeronautics engineering, work is being done on another large order from the new target sector, the energy sector. Business development was influenced positively above all through the strategic aligning of the target markets in Asia and the USA. Thus the increase in shares in Dewetron Inc. was an important step for the international market positioning and processing of this market. With its own production capacities on site, Dewetron is increasingly more independent from US dollar fluctuations in the US market.

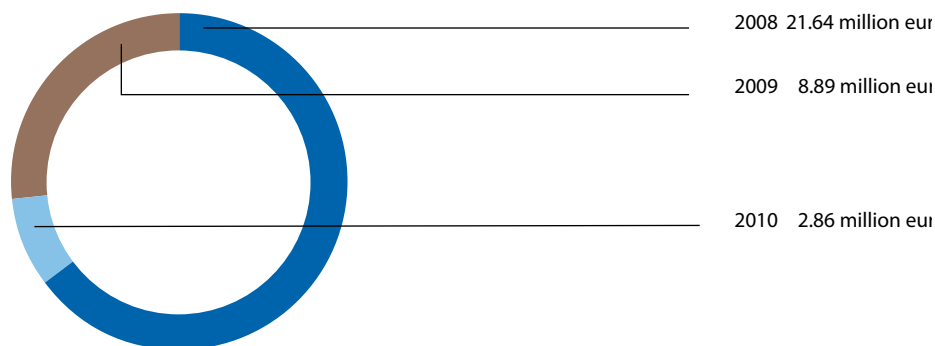
In total, the Sensors division generated sales revenues in the amount of EUR 39.46 million, which corresponds to an increase of 5.8 percent over the previous year (EUR 37.32 million).

Earnings before interest and taxes (EBIT) also increased in the first half of 2008 and with EUR 6.39 million was 4.8 percent above the comparable value the previous year (previous year: EUR 6.10 million). The EBIT margin was thus at 16.2 percent.

| KEY DATA SENSORS IN EUR MILLION | HALF YEAR 2008 | HALF YEAR 2007 | CHANGE |
|---------------------------------|----------------|----------------|--------|
| Sales revenues | 39.46 | 37.32 | 5.8 % |
| EBITDA | 7.09 | 6.72 | 5.6 % |
| Margin | 18.0 % | 18.0 % | |
| EBIT | 6.39 | 6.10 | 4.8 % |
| Margin | 16.2 % | 16.3 % | |
| EBT | 5.96 | 5.86 | 1.8 % |
| Margin | 15.1 % | 15.7 % | |
| Incoming orders | 36.65 | 38.03 | -3.6 % |
| Order book | 33.39 | 31.81 | 5.0 % |

Incoming orders were slightly below that of the previous year (EUR 38.03 million) with EUR 36.65 million. In contrast, booked business increased to EUR 33.39 million, this being an increase over the previous year (EUR 31.81 million) of 5.0 percent.

ORDER BOOK SENSORS



In the **CONTROLS** segment, AUGUSTA develops and produces solutions for the automation and quality management of process cycles. The focus here lies on industrial production processes of medical device technology and partial processes of supply chain management. The application areas range from vision technology to automation solutions for logistics and special vehicles. Customers from the areas of industry, medical device technology, trade and technology are served. The companies consolidated within the Controls division are DLoG and the Allied Vision Technologies (AVT) Group, to which Prosilica will also belong in future.

The subsidiary AVT is among the five largest manufacturers of digital cameras worldwide in the segment of **Vision Technology**. AVT was able to further expand on this leading position with its recently launched new camera family “Stingray”, which was already successfully marketed in the second quarter. Despite high competitive and price pressure and a difficult market environment in the USA, the market for vision technology continues to excel by its high demand. In particular

on the medical device technology market, AVT has positioned itself extremely successfully and was able to conclude another large order in the second quarter. In June 2008 AVT presented the complete FireWire product line on its new stand concept at the Vision Show East in Boston. The company used this trade show – an extremely important one for the digital camera segment – to make new, promising and international customer contacts.

The market position of AVT when it comes to digital camera systems is significantly strengthened through the acquisition of the Canadian company Prosilica Inc. While AVT is a world market and innovation leader in the area of the FireWire interface, Prosilica is among the market leading providers of GigE cameras. The acquisition of the GigE technology makes it possible for the AVT Group to expand its end customer segments and will lead to synergy effects in the areas of sales, purchasing and development. In addition, AVT gains an international flexibility when it comes to production through the global production structure and can reduce currency risks in the future.

In the **logistics automation** segment, DLoG GmbH is No. 5 worldwide in the market for so-called vehicle-mounted terminals. In order to further expand this market position and to increase its competitiveness also in additional vertical markets, DLoG is continually expanding its product portfolio in the terminal systems area. In the second quarter, the company was able to gain further key customers for customer-specific developments. Within logistics automation DLoG was also able to win a high-volume, global tendering which includes product deliveries and services in Europe but also in North America and Asia.

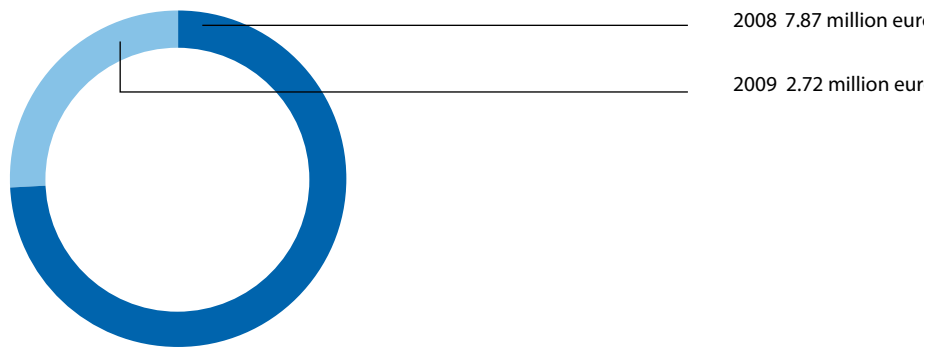
Revenue was able to exhibit strong growth in the Controls segment through the extremely positive business development of all companies. Sales revenues rose by 18.7 percent and achieved EUR 23.63 million (previous year: EUR 19.91 million).

The operational result also developed positively and at the end of the half-year was at EUR 4.80 million, an increase of 11.6 percent over the previous year (EUR 4.30 million). The EBIT margin was thus at 20.3 percent.

| KEY DATA CONTROLS IN EUR MILLION | HALF YEAR 2008 | HALF YEAR 2007 | CHANGE |
|----------------------------------|----------------|----------------|--------|
| Sales revenues | 23.63 | 19.91 | 18.7 % |
| EBITDA | 5.28 | 4.72 | 12.0 % |
| Margin | 22.4 % | 23.7 % | |
| EBIT | 4.80 | 4.30 | 11.6 % |
| Margin | 20.3 % | 21.6 % | |
| EBT | 4.75 | 4.23 | 12.5 % |
| Margin | 20.1 % | 21.2 % | |
| Incoming orders | 24.66 | 20.49 | 20.3 % |
| Order book | 10.59 | 6.71 | 57.8 % |

Incoming orders from the Controls segment noted very strong growth. With an increase of 20.3 percent over the previous year (EUR 20.49 million), incoming orders reached EUR 24.66 million at the end of the first half-year. The booked business increased from EUR 6.71 million in the previous year to EUR 10.59 million – an increase corresponding to 57.8 percent. We therefore expect a positive continuation of the turnover development for the second half-year as well.

ORDER BOOK CONTROLS



Internationalization

The average annual growth of the AUGUSTA core business areas in the past five years was about 9 percent in Germany, 12 percent in Europe and almost 30 percent in Asia and North America. This was far above the respective growth rates of these markets and clearly shows that the future target markets more and more will lie outside Germany and Europe. The market share abroad is to grow further in the future both organically and also through acquisitions in order thus to align the added value chain more globally and to enable the procurement, production and assembly in local markets. Through the takeover of Prosilica the market presence in North America and Asia is now to be considerably expanded for the Vision Technology business. Currently, the sales distribution by region looks like the following:

SALES BY REGION



M&A activities

AUGUSTA is concentrating on the expansion of its sales and technology competence with further acquisition plans, but also on the development of the added value chain both at home and abroad. The goal is to implement one to two acquisitions per year in the areas of sensor systems and microsystem technology as well as in vision technology in the future.

Despite the cooling of the world economy and declining capital markets, there still is a high assessment level with these acquisition goals in the attractive market segments. AUGUSTA is pursuing the goal of becoming the global market leader in the niche markets of sensor systems and vision technology through acquisitions. The managing board is therefore proceeding strategically and selectively with the acquisition plan and is making sure – taking the synergy effects into consideration – that they are value-creating, even at a high price level.

Development of the Key Balance Sheet Items

At the end of the first half-year the **BALANCE SHEET TOTAL** compared to the end of the fiscal year had increased slightly and was at EUR 129.51 million (December 31, 2007: EUR 127.33 million).

The **TOTAL ASSETS** increased in the first half-year compared to the end of fiscal year 2007 and came to EUR 66.31 million (December 31, 2007: EUR 64.63 million). Based on higher warehouse inventories and lower liabilities the **WORKING CAPITAL** also rose in the first half-year, reaching EUR 30.48 million (December 31, 2007: EUR 25.92 million). Accordingly, the days of working capital (DWC) rose in comparison to the end of the fiscal year to 88 days (December 31, 2007: 79 days).

CASH AND CASH EQUIVALENTS decreased compared to December 31, 2007, (EUR 20.66 million) by 2.7 percent to EUR 20.10 million. This slight decline is due in particular to the current share buy-back program as well as the rise in working capital.

CURRENT LIABILITIES decreased at the end of the half-year to EUR 23.07 million (December 31, 2007: EUR 24.54 million). **NONCURRENT LIABILITIES** increased compared to the end of fiscal year 2007 (EUR 8.15 million) and came to EUR 8.80 million as of June 30, 2008. **NET LIQUIDITY** at the end of the half-year came to EUR 10.92 million (December 31, 2007: EUR 11.75 million).

| KEY DATA BALANCE SHEET IN EUR MILLION | HALF YEAR 2008 | FY 2007 | CHANGE |
|--|----------------|---------|---------|
| Goodwill | 51.17 | 50.53 | 1.3 % |
| Cash, cash equivalents, and securities | 20.10 | 20.66 | -2.7 % |
| Total assets | 129.51 | 127.33 | 1.7 % |
| Net liquidity | 10.92 | 11.75 | -7.1 % |
| Enterprise value | 103.34 | 119.71 | -13.7 % |
| Equity ratio | 75.4 % | 74.3 % | 1.4 % |

CASH FLOWS FROM OPERATING ACTIVITIES from continuing operational areas increased to EUR 4.76 million (previous year: EUR 5.05 million).

Employees

The AUGUSTA Group had 556 employees at the end of the first half-year. This corresponds to a growth of around 16.6 percent compared to the previous year (previous year: 477 employees). Through the further development in the technology company, AUGUSTA created additional jobs, above all, in the sales, product management and development areas when compared year on year.

In the Sensors segment, 378 people were employed as of the cut-off date (previous year: 328 employees). There were 172 in the Controls segment (previous year: 141 employees), and in the Group headquarters in Munich the number of employees had gone down to 6 (previous year: 8 employees).

Significant Developments after the Reporting Date of June 30, 2008

On July 1, 2008, AUGUSTA sold 100 percent of its shares in Dr. Keil Informationstechnologie GmbH & Co. KG retroactively to April 1, 2008. This concluded the sale of weak margin companies and those not counting toward the core business.

After the authorization of the General Meeting on May 9, 2008, for the creation of conditional capital, on July 7, 2008, the first tranche of the share option program was issued to the members of the Managing Board, the managing directors and the management of the subsidiaries at a price of EUR 14.63.

On August 1, 2008, AUGUSTA took over the Canadian company Prosilica Inc. through its subsidiary AVT. This fast growing company with above-average profits is among the leading providers in its area with its core competence in the area of high-performance cameras with Gigabit Ethernet interface (GigE), and thus optimally complements the FireWire technology of AVT. The acquisition was 100 percent debt financed. This also demonstrates the trust in the company management that has been won back and the financial strength of AUGUSTA on the part of the finance market. Despite the gloomy financing environment, it was possible to agree on attractive conditions for this acquisition with the finance partners of AUGUSTA.

Outlook

Besides the weak US dollar, which clearly impedes the price and competitive situation in the US-dollar markets, investment restraint in the USA and Europe is accompanying the weakening of the growth dynamics. Also to be observed is a rise in the price of raw materials, which influences manufacturing costs. Continuous productivity measures in the production environment are partially compensated by this. A further negative trend for AUGUSTA is the sustained consolidating in

the medical device technology sector, which has already led to a postponement of new projects and a lag in incoming orders. Even if these current market trends influence the mid-term development and could possibly lead to flatter growth in turnover in the second half-year, we reinforce once again our guidance for 2008, based on the operating business of AUGUSTA.

Due to the acquisition of Prosilica Inc., we are raising our target figures for the current fiscal year as follows despite the flagging growth dynamics of the world economy:

| OUTLOOK 2008 IN EURO MILLION NEW | GROUP | SENSORS | CONTROLS |
|---|--------------|----------------|-----------------|
| Sales revenues | 130-132 | 83-85 | 47-49 |
| EBIT | 19-21 | 12-14 | 9-11 |

| OUTLOOK 2008 IN EURO MILLION AS YET | GROUP | SENSORS | CONTROLS |
|--|--------------|----------------|-----------------|
| Sales revenues | 127-129 | 83-85 | 44-46 |
| EBIT | 18-20 | 12-14 | 8-10 |

Prosilica Inc., which will be consolidated as of August 1, 2008, will positively influence the earnings and income of AUGUSTA in the 2nd half-year.

The following graphic shows that we are right on target with our half-year figures – in reference to the middle bandwidth of the target figures communicated to date.

| COVERAGE HALF YEAR 2008 IN % | GROUP | SENSORS | CONTROLS |
|--|--------------|----------------|-----------------|
| in reference of the middle bandwidth of the target figures communicated to date without acquisition effects in the 1st half-year | | | |
| Sales revenues | 49.3 % | 47.0 % | 52.5 % |
| EBIT | 50.1 % | 49.2 % | 53.4 % |

Sales revenues of the 1st half-year 2007 was at just 48.5 percent at group level.

The evident world-economic cooling off, the increase in prices for raw materials, the unfavorable currency ratios and the affiliated price and competitive situation can also impact the business activity of AUGUSTA for the long term. Currently we are expecting, as we also did last year, a somewhat stronger second half-year. This includes a somewhat lesser increase in sales and earnings in the Sensors segment, while the Controls segment allows us to expect further potential due to the very strong incoming and booked orders.

Risk Report

No changes have come about after the 2007 financial statements, from which new risks could be derived for the Group. Therefore, reference is made to the 2007 annual report for closer details regarding the risk profile of AUGUSTA Technologie AG. Possible risks are elaborated in detail in that report.

IFRS Consolidated Balance Sheet

| ASSETS IN EUR 000 | JUNE 30, 2008 | DECEMBER 31, 2007 |
|---|----------------|-------------------|
| Noncurrent assets | | |
| Intangible assets, net | 2,260 | 2,124 |
| Goodwill, net | 51,169 | 50,529 |
| Property, plant and equipment, net | 11,939 | 11,169 |
| Noncurrent financial assets, net | 942 | 804 |
| Deferred tax assets | 1,017 | 1,650 |
| Other noncurrent assets | 2,760 | 2,822 |
| Total noncurrent assets | 70,087 | 69,098 |
| Current assets | | |
| Inventories | 19,874 | 18,097 |
| Trade account receivables, net | 15,629 | 13,793 |
| Receivables from related parties | 175 | 1,379 |
| Current financial assets | 5,177 | 3,145 |
| Noncurrent assets held for sale | 1,725 | 2,314 |
| Tax account receivables | 742 | 765 |
| Prepaid expenses and other current assets | 1,127 | 1,224 |
| Cash and cash equivalents | 14,975 | 17,511 |
| Total current assets | 59,424 | 58,228 |
| Total assets | 129,511 | 127,326 |

| EQUITY AND LIABILITIES IN EUR 000 | JUNE 30, 2008 | DECEMBER 31, 2007 |
|---|----------------|-------------------|
| Shareholders' Equity | | |
| Share capital | 8,435 | 8,435 |
| Capital reserves | 55,721 | 55,721 |
| Earnings reserves | 23,000 | 23,000 |
| Currency translation | 285 | 279 |
| Revaluation reserves | 0 | -3 |
| Retained earnings | 19,618 | 13,050 |
| Treasury shares | -9,679 | -6,103 |
| Minority interest | 257 | 258 |
| Total shareholders' equity | 97,637 | 94,637 |
| Noncurrent liabilities | | |
| Long-term loans, excluding current portion | 4,064 | 3,741 |
| Noncurrent post-employment benefit obligation | 988 | 958 |
| Other noncurrent provisions | 421 | 312 |
| Deferred tax liabilities | 2,091 | 2,238 |
| Other noncurrent liabilities | 1,238 | 898 |
| Total noncurrent liabilities | 8,802 | 8,147 |
| Current liabilities | | |
| Trade accounts payables | 5,027 | 5,974 |
| Short-term loans and current portion of long-term loans | 5,115 | 5,162 |
| Liabilities to related parties | 6 | 0 |
| Other current financial liabilities | 432 | 413 |
| Liabilities included in disposal groups classified as held for sale | 1,575 | 2,314 |
| Income tax provisions and liabilities | 3,660 | 2,693 |
| Other current provisions | 3,265 | 2,884 |
| Other current liabilities | 3,992 | 5,102 |
| Total current liabilities | 23,072 | 24,542 |
| Total equity and liabilities | 129,511 | 127,326 |

IFRS Consolidated Income Statement

| IN TEUR | Q2 2008 | Q2 2007 | HALF YEAR 2008 | HALF YEAR 2007 |
|---|---------------|---------------|-------------------|-------------------|
| Sales revenues | | | | |
| Products | 30,865 | 27,284 | 62,696 | 56,860 |
| Services | 137 | 176 | 398 | 364 |
| | 31,002 | 27,460 | 63,094 | 57,224 |
| Cost of sales | | | | |
| Products | -18,582 | -16,375 | -37,656 | -35,113 |
| Services | 0 | 0 | 0 | 0 |
| | -18,582 | -16,375 | -37,656 | -35,113 |
| Gross profit | 12,420 | 11,085 | 25,438 | 22,111 |
| Sales and marketing expenses | -3,833 | -3,312 | -7,277 | -6,535 |
| Research and development expenses | -1,853 | -1,049 | -3,317 | -2,202 |
| General and administrative expenses | -2,110 | -2,595 | -4,942 | -4,894 |
| Impairment of goodwill | 0 | -1 | 0 | -1 |
| Other income and expenses | -158 | 11 | -375 | 138 |
| Profit from operations | 4,466 | 4,139 | 9,527 | 8,617 |
| Investment income | -6 | 0 | 0 | 46 |
| Share profit and loss of associates accounted for using the equity method | 0 | 0 | 0 | 0 |
| Net interest income / expense | -41 | -188 | -98 | -361 |
| Foreign currency exchange gains / losses | 24 | -3 | 4 | 7 |
| Depreciation on financial assets | 0 | -3 | 0 | -3 |
| Net financing costs | -23 | -194 | -94 | -311 |
| Profit before tax | 4,443 | 3,945 | 9,433 | 8,306 |
| Income tax expense | -1,303 | -1,419 | -2,846 | -3,113 |
| Result from continued operations | 3,140 | 2,526 | 6,587 | 5,193 |
| Result from discontinued operations after tax | 9 | 55 | 34 | -80 |
| Consolidated profit for the period | 3,149 | 2,581 | 6,621 | 5,113 |
| Profit / loss attributable to minority interest | -36 | -9 | -53 | -19 |
| Consolidated profit for the period after minority interest | 3,113 | 2,572 | 6,568 | 5,094 |
| Result per share (diluted and basic) in EUR | 0.40 | 0.31 | 0.83 | 0.61 |
| Weighted average shares outstanding (thousands), diluted and basic | 7,839 | 8,431 | 7,999 | 8,431 |

IFRS Consolidated Cash Flow Statement

| IN EUR 000 | JUNE 30, 2008 | JUNE 30, 2007 |
|--|---------------|---------------|
| Cash and cash equivalents at the beginning of the period | 20,656 | 17,365 |
| Consolidated profit for the period | 6,621 | 5,113 |
| Depreciation and amortization | 1,201 | 1,060 |
| Other non-cash expenses | 108 | 1,078 |
| Increase (-)/decrease (+) in inventories | -1,396 | -1,589 |
| Increase (-)/decrease (+) in trade receivables | -1,182 | -2,115 |
| Increase (+)/decrease (-) in trade payables | -1,496 | 414 |
| Increase (-)/decrease (+) in deferred tax assets and liabilities | 558 | 982 |
| Increase (+)/decrease (-) in provisions | 520 | 1,122 |
| Increase (-)/decrease (+) in other non-current and current assets | 1,406 | 528 |
| Increase (-)/decrease (+) in other non-current and current liabilities | -1,580 | -1,547 |
| Net cash flows from operating activities | 4,759 | 5,046 |
| Payments to acquire intangible assets | -518 | -567 |
| Payments to acquire property, plant, and equipment | -1,542 | -2,182 |
| Payments to acquire non-current financial assets | -160 | -114 |
| Proceeds from sale of intangible assets | 0 | 0 |
| Proceeds from sale of property, plant, and equipment | 40 | 0 |
| Proceeds from sale of non-current financial assets | 0 | 6,349 |
| Acquisition Dewetron Inc. | 60 | 0 |
| Net cash flows from investing activities | -2,120 | 3,486 |
| Free cash flow | 2,639 | 8,532 |
| Change in short-term debt | -98 | -1,574 |
| Change in long-term debt | 674 | 243 |
| Proceeds from (+) and payments to (-) shareholders | -3,576 | 0 |
| Dividend payments to minority interestees | -60 | -15 |
| Net cash flows from financing activities | -3,060 | -1,346 |
| Cash flow | -421 | 7,186 |
| Effect of exchange rate changes on cash and cash equivalents | -82 | -24 |
| Cash and cash equivalents the at end of period | 20,153 | 24,527 |
| Composition of financial resource fund | 20,153 | |
| Cash and cash equivalents | 14,975 | |
| Money market funds | 5,178 | |

IFRS Eigenkapitalveränderungsrechnung 2008

| IN EUR 000 | SUBSCRIBED CAPITAL | | CAPITAL RESERVES | EARNINGS RESERVES | TRANSLATION CURRENCY |
|---|---------------------|--------------|---------------------|----------------------|-------------------------|
| | NUMBER OF SHARES | AMOUNT | | | |
| Balance at January 1, 2007 | 8,435,514 | 8,435 | 55,721 | 16,986 | 202 |
| Dividend | - | - | - | - | - |
| Sale of treasury stock | - | - | - | - | - |
| Purchase of treasury stock | - | - | - | - | - |
| Appropriation to / withdrawal from reserves | - | - | - | - | - |
| Change in interest held in subsidiaries | - | - | - | - | - |
| Capital increase | - | - | - | - | - |
| Profit / loss for the period | - | - | - | - | - |
| Translation currency | - | - | - | - | 12 |
| Revaluation reserves net of tax | - | - | - | - | - |
| Balance at June 30, 2007 | 8,435,514 | 8,435 | 55,721 | 16,986 | 214 |
| Balance at January 1, 2008 | 8,435,514 | 8,435 | 55,721 | 23,000 | 279 |
| Dividend | - | - | - | - | - |
| Sale of treasury stock | - | - | - | - | - |
| Purchase of treasury stock | - | - | - | - | - |
| Appropriation to / withdrawal from reserves | - | - | - | - | - |
| Change in interest held in subsidiaries | - | - | - | - | - |
| Capital increase | - | - | - | - | - |
| Profit / loss for the period | - | - | - | - | - |
| Translation currency | - | - | - | - | - |
| Revaluation reserves net of tax | - | - | - | - | 6 |
| Balance at June 30, 2008 | 8,435,514 | 8,435 | 55,721 | 23,000 | 285 |

| REVALUATIONS RESERVES | | | | | | | |
|--------------------------|------------|-----------|----------------------|-----------------|----------------------|--|---------------|
| FINANCIAL INSTRUMENTS | CURRENCY | CF HEDGES | RETAINED EARNINGS | TREASURY SHARES | MINORITY INTEREST | | TOTAL EQUITY |
| 2 | -12 | - | 4,232 | -961 | 271 | | 84,876 |
| - | - | - | - | - | -15 | | -15 |
| - | - | - | - | - | - | | - |
| - | - | - | - | - | - | | - |
| - | - | - | - | - | - | | - |
| - | - | - | - | - | - | | - |
| - | - | - | 5,094 | - | 19 | | 5,113 |
| - | - | - | - | - | -5 | | 7 |
| - | -32 | - | - | - | - | | -32 |
| 2 | -44 | - | 9,326 | -961 | 270 | | 89,949 |
| - | -3 | - | 13,050 | -6,103 | 258 | | 94,637 |
| - | - | - | - | - | -54 | | -54 |
| - | - | - | - | - | - | | - |
| - | - | - | - | -3,576 | - | | -3,576 |
| - | - | - | - | - | - | | - |
| - | - | - | - | - | - | | - |
| - | - | - | 6,568 | - | 53 | | 6,621 |
| - | - | - | - | - | - | | 3 |
| - | 3 | - | - | - | - | | 9 |
| - | - | - | 19,618 | -9,679 | 257 | | 97,637 |

Notes

Explanatory Notes to the 6-Month Report

1. Accounting Principles

The 6-month report of AUGUSTA Technologie AG as of June 30, 2008 was in accordance with the Consolidated Financial Statement as of December 31, 2007, drawn up in compliance with the International Financial Reporting Standards (IFRS). The same accounting, valuation and calculation methods have been used in this interim financial statement as in the Consolidated Financial Statement as of December 31, 2007.

The financial statement contained in the report (of 31 March 2008 and December 31, 2007), the profit & loss account (for the second quarters of 2008 and 2007 respectively and for the half-year 2008 and 2007), the cash flow statement (for the six months of both 2008 and 2007) as well as the change in equity capital statement (for the six months of both 2008 and 2007) have been drawn up by the Executive Board of AUGUSTA Technologie AG and have not been confirmed by an auditor.

2. Companies Included in the Consolidated Accounts

In the business year 2008, the US subsidiary Dewetron Inc., in which the Graz-based Dewetron acquired a majority holding, was included in the consolidated financial statement for the first time on January 1, 2008. The company was deconsolidated as of July 1, 2008 through the sale of the Dr. Keil Group.

3. Segment Reporting

AUGUSTA Technologie AG divides its business activities between the sectors Sensors and Controls.

4. Earnings per Share

The earnings per share of AUGUSTA Technologie AG are calculated from the issued shares numbering 8,435,514 minus the shares in AUGUSTA Technologie AG owned by the Company itself, with a weighted average for the period under review. On the closing date of June 30, 2008, AUGUSTA Technologie AG owned a total of 555,758 shares in the Company. In the first six months of 2008, some 7,998,585 shares were in circulation.

5. Statement of Directors' Holdings as of June 30, 2008

In the first half-year of 2008, the following notifiable securities transactions were conducted by company officers.

| MANAGING BOARD | DATE | NUMBER OF SHARES | SHARE PRICE IN EUR |
|-----------------|------------|------------------|--------------------|
| Amnon F. Harman | 01/22/2008 | 1,500 | 10.43 |
| | 04/14/2008 | 500 | 14.70 |
| | 04/28/2008 | 500 | 14.50 |
| | 06/27/2008 | 500 | 13.00 |
| | 06/30/2008 | 500 | 14.50 |
| Berth Hausmann | 03/28/2008 | 500 | 14.99 |
| | 05/29/2008 | 264 | 14.98 |
| | 05/29/2008 | 236 | 14.99 |
| | 06/04/2008 | 500 | 14.70 |
| | 06/05/2008 | 1,000 | 14.97 |

On June 20, 2008, there were no AUGUSTA Technologie AG share options for company officers and employees according to disclosures in accordance with § 160 para. 1 of AktG (German Stock Corporation Act). Share options from the 2008 share option program authorized by the General Meeting were issued to members of the Managing Board, managing directors and managers of the AUGUSTA Group on July 7, 2008, after the reporting date.

| | NUMBER OF SHARES 06/30/2008 | NUMBER OF SHARES 12/31/2007 | NUMBER OF SHARE OPTIONS 06/30/2008 | NUMBER OF SHARE OPTIONS 12/31/2007 |
|-------------------------------|-----------------------------------|-----------------------------------|--|--|
| MANAGING BOARD | | | | |
| Amnon F. Harman | 10,000 | 6,500 | - | - |
| Berth Hausmann | 3,500 | 1,000 | - | - |
| SUPERVISORY BOARD | | | | |
| Heinwerner Feusser | 4,999 | 4,999 | - | - |
| Thomas Krüger | - | - | - | - |
| Dr. Daniel Wiest | - | - | - | - |
| Total executive bodies | 18,499 | 12,499 | - | - |

6. Treasury Shares

On June 30, 2008, AUGUSTA Technologie AG owned a total of 555,758 shares in the company. The shares represented 555,758.00 euros of the authorized capital, whereby the total authorized capital was divided among 8,435,514 shares each with a nominal value of 1.00 euro.

| | NUMBER OF SHARES 06/30/2008 | NUMBER OF SHARES 12/31/2007 | INTEREST IN SHARE CAPITAL 06/30/2008 |
|-----------------|--------------------------------|--------------------------------|---|
| Treasury shares | 555,758 | 313,101 | 6.59% |

7. Decision-Making Bodies of AUGUSTA Technologie AG

The Executive Board consists of Amnon F. Harman (CEO) and Berth Hausmann (CFO).

Responsibility Statement

Declaration pursuant to § 37y WpHG in conjunction with § 37w Para. 2 no. 3 WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting; the interim consolidated financial statements provide a valid and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Disclaimer

The present report contains forecasts that are based on the opinions of the Executive Board of AUGUSTA Technologie AG and reflect the latter's intentions and assumptions. These forecasts are subject to risks and uncertainties. Many factors, which cannot at present be foreseen, may result in the actual performances and results of AUGUSTA Technologie AG diverging from the above. These factors may include: Changes in the general economic and commercial situation, changes to interest rates and exchange rates, the non-achievement of efficiency and cost reduction targets, the non-acceptance of newly introduced products. We are convinced that the expectations of our forecasts are sound and realistic. If however unforeseen risks should occur, AUGUSTA Technologie AG cannot guarantee that the expressed projections will be fulfilled.

Financial Calendar 2008/2009

| | |
|---------------------------------------|-------------------|
| Publication of 9-month report | November 13, 2008 |
| Publication of the annual report 2008 | March 19, 2009 |
| Annual General Meeting | May 15, 2009 |

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