

9-MONTH REPORT 2009



/// AUGUSTA

Technologie AG

IFRS Key Figures

INCOME STATEMENT IN EUR 000	Q3 2009	Q3 2008	9M 2009	9M 2008
Consolidate sales revenues	24,819	30,846	77,112	93,938
EBITDA	2,704	5,418	10,180	16,147
Depreciation, amortization and impairment losses	-802	-772	-2,425	-1,973
EBIT	1,903	4,646	7,754	14,172
EBT	1,415	4,737	6,677	14,170
Taxes	-594	-1,595	-2,130	-4,414
Tax rate	42.0%	33.7%	31.9%	31.2%
Profit from continued operations	821	3,169	4,547	9,756
Profit from continued operations, after taxes	0	-5	-35	29
Profit period according to DCO	821	3,164	4,512	9,785
Minority interest	-11	-16	-54	-69
Period profit according to DCO and after third party share	810	3,148	4,458	9,716
Earnings per share from continued operations	0.11	0.41	0.60	1.23
Shares outstanding (average) in thousand	7,592	7,811	7,592	7,930
Treasury shares in thousand	844	694	844	694
BALANCE SHEET IN EUR 000				
			09/30/2009	12/31/2008
Total assets			141,830	148,877
Non-current assets			90,469	88,188
Current assets			51,361	60,689
- thereof cash and cash equivalents and other current financial assets			16,854	21,926
Equity			94,809	98,639
Liabilities			47,021	50,238
Equity ratio			66.8%	66.3%
Net debt			8,973	-1,241
Working Capital			27,059	31,340
OTHER KEY FIGURES				
	Q3 2009	Q3 2008	9M 2009	9M 2008
EBITDA margin	10.9%	17.6%	13.2%	17.2%
EBIT margin	7.7%	15.1%	10.1%	15.1%
Return on sales (RoS), based on EBT	5.7%	15.4%	8.7%	15.1%
Return on capital employed (RoE), based on EBT	1.5%	4.8%	7.0%	14.3%
Total equity ratio, based on EBT	1.0%	3.2%	4.7%	9.6%
Return on capital employed (ROCE)	1.6%	3.9%	6.6%	12.0%
Number of employees	603	605	603	605
Personnel expenses / sales revenues	30.9%	27.0%	31.0%	25.7%
Closind share price (Xetra) in EUR			9.57	13.80
Enterprise Value (EV) in EUR 000			81.63	103.71

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Dear Shareholders and Friends of AUGUSTA,

We are currently experiencing the following paradox: since the first quarter of this year the stock markets have recovered worldwide and have led to share prices being on a real high. In the hope of an early economic recovery, the previously withdrawn liquidity is being channeled back into the equities markets. On the other hand, the customers in our target markets have reacted less optimistically. Investment volume and order placing is still well below the previous year's figures. This applies not only to AUGUSTA, but to all competitors in our target markets. On a positive note, we conclude that the economic crisis did not gain any further momentum in the third quarter. As regards our target markets, we assume that the crisis is bottoming out and in certain segments we are already seeing a slight increase in the order situation. However, we do not see at the moment a structural and sustained upturn in the sensor systems and automation technology markets.

- / As at September 30, 2009, consolidated sales revenues were cumulatively 17.9 percent down on the previous year (EUR 93.94 million) at EUR 77.11 million. Our revenue decline is not as pronounced as in our sensor and automation technology target markets, which are mainly characterized by medium to long-term investment decisions. In the third quarter revenues were slightly higher than the second quarter (EUR 24.68 million) at EUR 24.82 million.
- / The group's cumulative gross margin came to 38.3 percent (previous year: 40.5 percent) after nine months. We were able to counteract the massive price pressure in the market by optimizing production costs.
- / Earnings before interest and taxes (EBIT) totaled EUR 7.75 million after nine months, down by 45.3 percent year-on-year (previous year: EUR 14.17 million). Despite one-time restructuring expenses in the field of microsystems technology of just under EUR 800,000 in the third quarter, the EBIT margin as of September 30, 2009, could be maintained in the two-digit range at 10.1 percent. Owing to the one-time special effects, the EBIT in the third quarter was lower than the previous quarter (EUR 2.74 million) at EUR 1.90 million. After adjusting for the one-time restructuring costs, the EBIT was at the level of the previous quarter.
- / The accumulated incoming orders as at September 30, 2009, came to EUR 70.01 million (previous year: EUR 93.83 million). Incoming orders in the third quarter at EUR 23.98 million were lower than the previous quarter (EUR 25.50 million), which was positively influenced by two large orders totaling EUR 2.5 million. Overall we have noticed a stabilization of incoming orders with a slight growth trend. Order backlog also stabilized at EUR 38.52 million at the level of the previous quarter (EUR 38.80 million).
- / The development of working capital, which came to EUR 27.06 million at the end of the reporting period, was also positive; an improvement compared to the 2008 year-end by EUR 4.28 million. We will be continuing the optimization process in the fourth quarter.
- / We also still have sufficient cash and cash equivalents, which came to EUR 16.85 million as of September 30, 2009 (previous year: EUR 21.93 million). The Group's equity ratio remained at a high level at 66.8 percent.



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

- / Earnings per share reached a figure of EUR 0.60 (previous year: EUR 1.23 per share) after nine months.
- / In the course of general stock market developments and the stable trend of AUGUSTA, the share price has developed very positively. In the third quarter the share gained EUR 1.93 or 27.6 percent and even outperformed the TecDAX and SDAX benchmark indexes. Therefore, our share has reconnected with the market.

In terms of the underlying economic situation the development of the AUGUSTA group was satisfactory in the nine-month period. The global decline in demand poses special challenges for us this year. We reacted by optimizing our cost base. The result is reflected in reduced production costs and a reduction in costs in operative areas. Despite these savings, we further increased our focus on developing new products and clinching new orders rather than restricting it. This has already led to the strengthening of our market position. Thanks to our high-quality product portfolio, our good positioning amongst sales partners and end customers as well as an increase in the new acquisition of projects and customers during the crisis we have been able to gain key market shares in our niche markets. As a result of this positioning we differentiate ourselves from the competition and were thereby able to guarantee a continued good operative result in the two-digit margin range.

We will not rest on our achievements. We are concentrating our efforts on safeguarding existing customer potential and achieving a targeted and accelerated entry into new regions and markets. Besides further organic development, we are also pursuing acquisitions, which are necessary to complement our product portfolio and to enter new niche markets. Despite the additional cost of the instituted restructuring in our microsystems technology area, we are sticking to our communicated forecast for fiscal year 2009 and the two-digit operative profitability. An economic recovery with a corresponding increase in revenues should lead to increased gross margins and a disproportionate rise in EBIT due to the measures introduced so far. Consequently, we are expecting AUGUSTA to regain the financial strength it enjoyed prior to the crisis quicker than the market as a whole.

Amnon F. Harman
Chief Executive Officer

Berth Hausmann
Chief Financial Officer

Performance of the AUGUSTA Stock

The recovery of the leading indicators and a still high level of liquidity in the capital markets have strongly stimulated the stock markets over the last few months. Equally the quarterly results of many large companies have to date largely been better than was expected by analysts. This development does not stem from the still weak revenues trend and the sparse order books, but rather from cost reductions in virtually all corporate structures. The profit forecasts of analysts have thereby been considerably exceeded in some cases.

Similar to the US, the development have been stimulated by encouraging economic data in Europe too. The German economy has gained ground after a steep slump in the first quarter of 2009. Following the sharp fall in the Ifo Business Climate Index through to spring 2009, there has been a continuous recovery since April 2009. However, politicians and economists are warning about too great euphoria. They still see considerable and transparent risks for economic development. The low point in the industry has bottomed out and the economy is recovering very slowly at a low level, but analysts are unanimous that the stock market is currently anticipating a very positive macroeconomic trend for 2010. For a sustained upswing on the stock markets, it is vital that companies have to publish better business forecasts for 2010, in order to show that increases in earnings can again be achieved more through growth and not just through cost cuts.

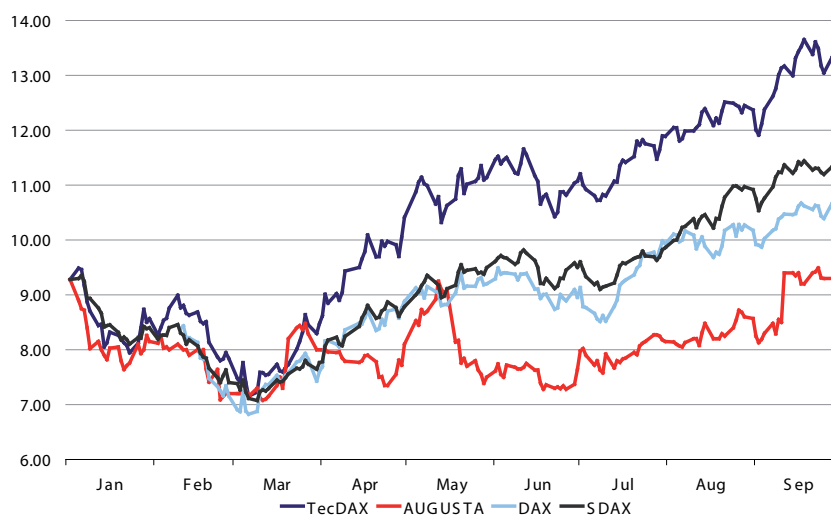
In the meantime the DAX quoted at the mark of over 5,000 points and the TecDAX at around 780 points. In the third quarter the small- and mid-cap companies did slightly better than the large caps. Thus, the TecDAX gained 20.9 percent in the third quarter and the SDAX 20.3 percent, whereas the DAX posted growth of 18.0 percent.

The AUGUSTA share was also able to recover strongly in the third quarter. Whilst it still stood at EUR 7.64 at the end of the half-year on June 30, 2009, it closed the third quarter on September 30, 2009, at EUR 9.57, a plus of 27.6 percent. This positive trend is attributable to an increased interest in AUGUSTA, which was especially generated by increased targeting of investors at road shows and capital market conferences. Press reports have also increased continuously over the last few months. Last but not least, the medium-term corporate strategy combined with very satisfactory company figures have also contributed to this trend.

The increased demand for AUGUSTA shares is also reflected in the trading volume. Whilst the average trading volume per day still stood at 10,753 shares in the first quarter, this rose

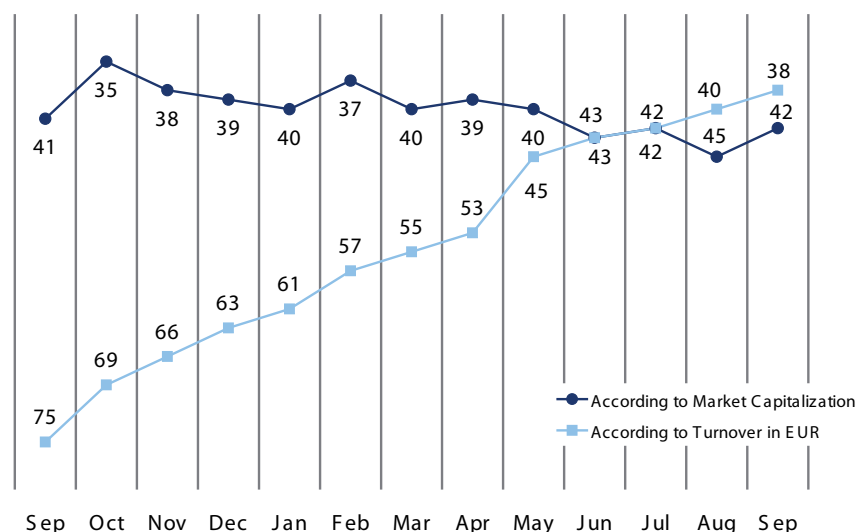
in the second quarter to 69,464. This increase was caused by the higher interest of investors due to the dividend statement of EUR 1.20 per share, which was paid on May 18, 2009, after the Annual General Meeting. In the third quarter the trading volume could be maintained at 30,303 shares per day.

AUGUSTA SHARE PRICE COMPARED TO DAX, TECDAX AND SDAX



Compared to the TecDAX, which represents the 30 largest small and mid-cap shares in the technology sector, the AUGUSTA share ranked 38 (previous year: 75) measured in terms of share trading volume at the end of September. In terms of free-float market capitalization the AUGUSTA share ranked 42 (previous year: 41). In the small- and mid-caps sector the AUGUSTA share is therefore characterized by an above-average high liquidity and is still favorably rated with a price-earnings ratio (PER) of less than 10 according to analysts' studies. Companies which are now still regarded as undervalued and have come through the crisis with a high level of profitability and a sound balance sheet structure are now especially being considered by long-term-oriented investors. Those market players who have missed out on the price rally since the start of March and the entry to rock-bottom prices are placing more and more value on long-term development prospects. This could also have a positive effect on the AUGUSTA share price in the future.

TECDAX POSITIONING: RANKING OF THE AUGUSTA STOCK



Shareholder Structure

The shareholder structure has changed considerably in the course of the year due to the increased targeting of investors and the high trading volume. Apart from two funds, all other investors hold less than three percent of the share capital. Merrill Lynch completely cut its package of over 5 percent in the third quarter. AUGUSTA welcomes this development, as the broader shareholder base provides more stability and the new investors, especially smaller funds, are medium- to long-term-oriented and have invested in the new strategic orientation. In connection with the increased trading volume AUGUSTA is gaining in attractiveness as a "liquid" share with reduced block risks.

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)*	10.40 EUR/6.50 EUR
Closing rate as of September 30, 2009*	9.57 EUR
Market capitalization as of September 30, 2009*	81.6 EUR million
Earnings per shares as of September 30, 2009	0.60 EUR

* Xetra closing rates

Underlying Economic Situation

The global economy is only recovering slowly from the worst crisis in the last 60 years. After many leading indicators were in free fall until the first quarter of 2009, a gradual stabilization process has taken place since the spring of this year. Companies have cut their stocks, so that a new stocking cycle has begun. However, the strongest impetus is coming from abroad. The rise in the Ifo Business Climate Index since April 2009 confirms persistently high expectations of stabilization also in Germany, but the prevailing assessment by market experts is that the economic recovery will be slow. Therefore, the recession is not over yet, they predict that economic output will not reach the level which existed at the beginning of 2006 until the end of 2010. In addition, without government support, the economy will scarcely manage a recovery under its own steam in 2010.

This year plant and machine engineering will shrink by over 20 percent compared to the previous year. Incoming orders and industrial production are still deep in the red. No company from the machine engineering sector is expecting a revenue level similar to that which existed before the crisis by 2012. Manufacturing industry and automation technology are expecting similar declines. The VDMA (Verband Deutscher Maschinen- und Anlagenbau – German Association of Machine Tools and Plant Engineering) is expecting a drop of around 30 percent in 2009 for vision technology. After 10 years of continuous growth sectoral revenues would therefore be at the same level as 2003. The semi-conductor and electronics industry is battling with the most drastic fall in demand in its history. A similar picture is emerging in the sensors and measurement engineering sector, whose revenues have continuously been shrinking since the third quarter of 2008. So far the medical technology and aerospace industry have proven to be quite stable. However, an investment backlog for new products of over EUR 25 billion is also estimated in the medical technology sector. Domestic demand is still stable thanks to government-funded economic programs. Weakening exports are causing more problems. The planned health reform in the US is leading to uncertainty and caution when making investment decisions.

The companies in the AUGUSTA group adjusted to the deteriorating market conditions early on. Against the backdrop of declining sectoral revenues worldwide, AUGUSTA has been able to cope with the crisis profitably so far, in contrast to its competitors, and further expand its market position in its respective niche markets.

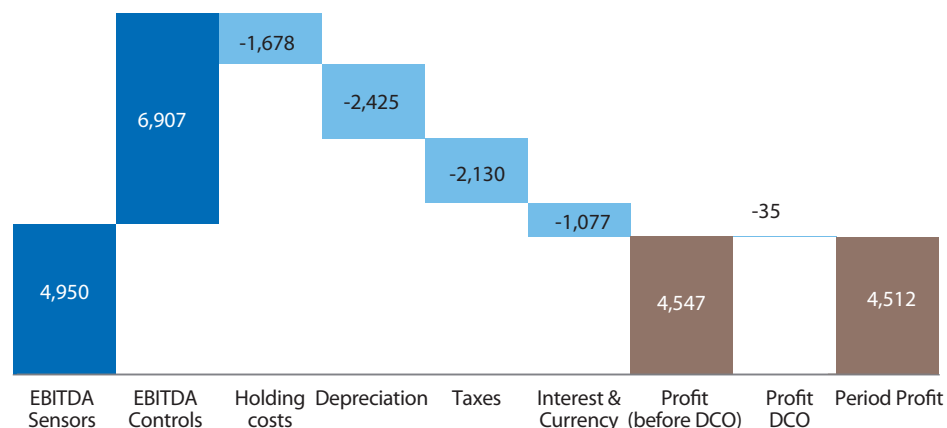
Sales Revenues and Earnings Development

In total, the consolidated SALES REVENUES of the AUGUSTA Group were EUR 77.11 million and thus 17.9 percent below the comparable period of the previous year (EUR 93.94 million). In the third quarter revenues were slightly higher than the level of the previous quarter (EUR 24.68 million) at EUR 24.82 million. Even so, a sustainably positive trend cannot be inferred over all the companies.

GROSS PROFIT was 21.4 percent down on the previous year (EUR 38.05 million) at EUR 29.91 million and the gross margin was also below the previous year's figure (40.5 percent) at 38.8 percent. The gross margin remained high due to the optimization of production costs in terms of both materials and personnel. The fall in the gross margin in the third quarter to 37.3 percent is mainly due to the one-time restructuring costs within microsystems technology (especially with regard to HE System Electronic) and the low revenue level of mobile measuring systems (Dewetron Group).

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA) came to EUR 10.18 million as of September 30, 2009, and was therefore 37.0 percent down on the previous year (EUR 16.15 million). **EARNINGS BEFORE INTEREST AND TAX (EBIT)** fell by 45.3 percent to EUR 7.75 million (previous year: EUR 14.17 million). Measures for increasing efficiency in the area of microsystems technology (especially HE System Electronic) required one-time expenditure of just under EUR 800,000 in the third quarter. Thus, the EBIT margin was temporarily reduced by one percentage point to 10.1 percent. However, it was still within the profit expectations in the two-digit range. The EBIT in the third quarter at EUR 1.90 million was lower than the previous quarter (EUR 2.74 million). Adjusting for the one-time special effects, the level of the previous quarter was reached.

VISUALIZATION OF THE PERIOD PROFIT IN EUR 000



All product areas of the AUGUSTA Group have been able to reduce their minimum sales volumes to achieve a balanced result through the implemented cost measures. Despite the acquisitions with regard to mobile measuring systems (Dewetron Group) and vision technology (AVT Group) the cost level of the respective group was virtually regained prior to

the acquisition. The integration of the acquired companies is on track and the existing cost synergies have been rigorously implemented. The holding costs at EUR 1.68 million have been drastically cut compared to the previous year (EUR 2.07 million).

EARNINGS BEFORE TAXES (EBT) came to EUR 6.68 million as of September 30, 2009, and were therefore clearly down from the previous year (EUR 14.17 million). At EUR 4.46 million, the **NET INCOME FOR THE PERIOD** also had to post a sharp fall compared to the previous year (EUR 9.72 million). The **EARNINGS PER SHARE** amounted to EUR 0.60 (previous year: EUR 1.23 per share) in the first nine months.

Accumulated **INCOMING ORDERS** came to EUR 70.01 million, a drop of 25.0 percent compared to the previous year (EUR 93.38 million). Incoming orders in the third quarter at EUR 23.98 million were slightly lower than the previous quarter (EUR 25.50 million). The second quarter was positively influenced by a large order in each of the two segments. The order level has stabilized at a low level; a slight increase in orders is expected in the coming months due to the low stocks in the supply chain. **ORDER BACKLOG** stood at EUR 38.52 million as of September 30, 2009, and was therefore 12.4 percent lower than the previous year (EUR 44.00 million). There were still no order cancellations but the activation of individual framework agreements was merely deferred. The trend towards short-term order placing by customers is persisting. More and more agreements on targets without fixed framework agreements are also being placed, which is having a corresponding effect on order backlog.

As of September 30, 2009, the key performance indicators for the Group were accordingly as follows:

Key Group Figures

IN EUR MILLION	Q3 2009	Q3 2008	9M 2009	9M 2008	CHANGE
Sales revenues	24.82	30.85	77.11	93.94	-17.9%
Gross profit	9.25	12.67	29.91	38.05	-21.4%
Margin	37.3%	41.1%	38.8%	40.5%	
EBITDA	2.70	5.42	10.18	16.15	-37.0%
Margin	10.9%	17.6%	13.2%	17.2%	
EBIT	1.90	4.71	7.75	14.17	-45.3%
Margin	7.7%	15.3%	10.1%	15.1%	
EBT	1.42	4.79	6.68	14.17	-52.9%
Margin	5.7%	15.5%	8.7%	15.1%	
Order income	23.98	32.08	70.01	93.38	-25.0%
Order backlog	38.52	44.00	38.52	44.00	-12.4%

Development of the Segments

The **Sensors** division comprises the Sensortech Group, to which ELBAU GmbH and Klay Instruments belong, as well as HE System Electronic for the area of sensor systems and microsystems technology, and Dewetron GmbH in the area of mobile measuring systems.

Whilst **Sensortech** sensed the hesitation of customers in the first half of the year, especially from the areas of machine engineering and measurement engineering sectors, restrained demand also occurred in the area of medical technology in the third quarter, as expected.

The Sensortech Group is working at full speed on new developments and new customer projects within the scope of invitations to tender. In addition to its pressure and flow sensors, which have already been successfully introduced on the market, Sensortech has also developed a moisture sensor; this is an absolute product novelty, since this physical variable had never been measured by the company's sensors before. Further developments, such as the newly developed CLC series for measuring levels of liquids open up the possibility of intensifying existing customer relations and carving out new market segments. The CLC sensors, with their touch-free measuring method, guarantee high precision and complete sterility. These sensors are being used in medical technology, e.g. dialysis, but also in the chemical and pharmaceutical industry, biotechnology and the food and beverage industry. The biggest challenge in this market remains the global price pressure, which Sensortech is countering with individual solutions at a high technical level.

After a weak second quarter, the business development of **ELBAU GmbH** is again heading up. New applications and increased product replenishment on the part of customers from the energy, environment and security technology as well as building and air-conditioning technology sectors have led to a duplication of customer enquiries. These projects indicate that business development bottomed out in the third quarter of 2009. ELBAU GmbH also pushed ahead with developing the production site in Singapore in the third quarter. In mid November the production of own-developed sensors will start in Singapore as planned.

HE System Electronic has still hit the hardest by the recession. The strong orientation towards the automobile and consumer goods industry has led to the level of incoming orders lagging well behind that of the previous year. As a result of the persisting weak demand the capacities of HE System Electronic were adjusted to the new demand level in the third quarter, which led to one-time restructuring costs of just under EUR 800,000 and adversely affected the Group's EBIT in the third quarter of 2009 accordingly.

Dewetron GmbH was stable in the area of mobile measuring systems in the first half of the year. This was especially due to two large orders in the US and Hong Kong. The weak revenues trend in the third quarter will be overcompensated by the strong fourth quarter, which is engaged by the existing order situation. One challenge is the availability of electronic components in the fourth quarter, which will particularly make itself felt this year in the low stocks held by distributors and manufacturers.

In total the **Sensors** division generated sales revenues of EUR 47.69 million; a drop of 18.7 percent compared to the previous year (EUR 58.65 million). At 34.0 percent, the gross margin was lower than the previous year (36.1 percent). In this case the restructuring expenses for HE, the build-up of Singapore production and the low revenue level of Dewetron are especially having an effect.

Accumulated earnings before interest and taxes (EBIT) at the end of the reporting period were EUR 3.82 million in the Sensors division. Compared to the previous year (EUR 9.27 million) this equals a drop of 58.8 percent. As a result of the one-time special effects with regard to HE of just under EUR 800,000 the EBIT was in the one-digit range of 8.0 percent (previous year: 15.8 percent). At the end of the fourth quarter an EBIT margin in the two-digit range is expected again.

Incoming orders stood at EUR 43.85 million in the first nine months, a drop compared to the previous year (EUR 57.65 million) of 23.9 percent. Incoming orders at EUR 15.51 stabilized in the third quarter at virtually the same level as the previous quarter (EUR 16.11 million). Incoming orders are very difficult to judge due to the further increase in the placement of short-term orders for non-specified sales volumes. Orders on hand stood at EUR 43.85 million as of September 30, 2009 (previous year: EUR 57.65 million).

Key Figures Sensors

IN EUR MILLION	Q3 2009	Q3 2008	9M 2009	9M 2008	CHANGE
Sales revenues	14.74	19.19	47.69	58.65	-18.7%
Gross profit	4.48	7.15	16.24	21.20	-23.4%
Margin	30.4%	37.3%	34.0%	36.1%	
EBITDA	0.47	3.22	4.95	10.32	-52.0%
Margin	3.2%	16.8%	10.4%	17.6%	
EBIT	0.10	2.88	3.82	9.27	-58.8%
Margin	0.7%	15.0%	8.0%	15.8%	
EBT	-0.27	2.74	2.90	8.78	-66.9%
Margin	-1.8%	14.3%	6.1%	15.0%	
Order income	15.51	21.00	43.85	57.65	-23.9%
Order backlog	31.31	33.54	31.31	33.54	-6.6%

The **Controls** division comprises the Allied Vision Technologies Group (AVT) in the field of vision technology, as well as DLoG GmbH in the field of logistics automation.

The third quarter was the most successful this year for **AVT**. Above all the Asia business and sales in the US picked up significantly in the third quarter. Demand impetus is still coming from GigE cameras. In this context the integration of Prosilica Inc., Canada, has now been nearly fully completed. The renaming of Prosilica Inc. to Allied Vision Technologies Canada, Inc. will take place in November 2009. The integration of the worldwide sales channels and the entire procurement organization as well as the full harmonization of the different products and brands has been completed in the meantime. This is also reflected in a further increase in the share of GigE sales and an improved cost situation. AVT's and Prosilica's entire product portfolio was already presented under the brand umbrella of AVT at the most important trade fair in the industry VISION at the beginning of November 2009.

Overall, in the crisis, the vision technology market is characterized by a strong price pressure, in which AVT – where possible – does not participate. AVT's strategy is to focus on innovative products that offer a higher customer benefit, so that a high margin is justified. International sales efforts and a regular presence at trade fairs and at customers are the basis for sustained corporate success. AVT is especially convincing in the crisis due to the high quality of the cameras, customer orientation, the worldwide presence and the development competence. The compulsion to cut costs on the part of customers has accelerated the demand for industrial cameras, simpler integration into customer applications and for low-priced products. Whilst competitors have had to make drastic cuts due to the economic crisis, AVT has invested in technical innovations and the associated reduction of material and production costs. At the VISION in Stuttgart at the beginning of November AVT presented five new product innovations in one go, including the fastest GigE vision camera and the smallest FireWire camera in the world. The Stingray camera was also presented, which has already been successfully launched – so far only with a FireWire interface, but now for the first time with a GigE vision interface. New application areas have opened up for AVT through the acquisition of Prosilica. There is considerable growth potential in the area of traffic monitoring and security on the basis of the GigE interface, which extends beyond traditional vision technology. In these areas AVT is working on developing standard products and tailored solutions for customers.

In the third quarter **DLoG GmbH** was unable to decouple itself from the general restrained demand in the field of logistics automation. However, the very early and flexible adjustment of cost structures have provided a substantial cushion against the downturn, so that DLoG will come through the crisis profitably in contrast to many of its competitors. Besides an outstanding customer pipeline, the very good positioning in the case of current invitations

to tender lead one to assume that business development will increase considerably from 2010. The Asian market promises strong growth potential. In this case DLoG developed its own distribution capacities at the beginning of the year and initial orders were generated directly. DLoG was also able to conclude a partner agreement with a globally active sales partner specializing in Asia. DLoG will thereby secure faster market entry to the still little developed, but strongly growing Asian market.

Total revenues in the **Controls** division stood at EUR 29.42 million in the first nine months; a drop of 16.6 percent compared to the previous year (EUR 35.29 million). In total the gross margin fell slightly compared to the previous year and stood at 46.5 percent (previous year: 47.6 percent). The gross margin increased again in the third quarter and came to 47.3 percent (second quarter: 46.0 percent).

The operating result (EBIT) at the end of the reporting period stood at EUR 5.66 million, therefore 21.6 percent lower than the previous year (EUR 7.21 million). As a result of the rigorous adjustment of the cost structures the EBIT margin came to 19.2 percent (previous year: 20.4 percent). The EBIT margin in the third quarter rose significantly compared to the second quarter (18.2 percent) to 23.3 percent. It is also expected that the introduced measures for improving profit and cutting costs will be continued.

In total incoming orders came to EUR 26.16 million (previous year: 35.73 million) after nine months. At EUR 8.47 million, incoming orders in the third quarter were less than the previous quarter (EUR 9.39 million); the second quarter was positively influenced by a large order. Order book came to EUR 7.27 million, a drop of 31.0 percent compared to the previous year (EUR 10.46 million). As in the Sensors division, orders were also placed at very short notice in the Controls division, with a trend towards subdividing orders and order volume.

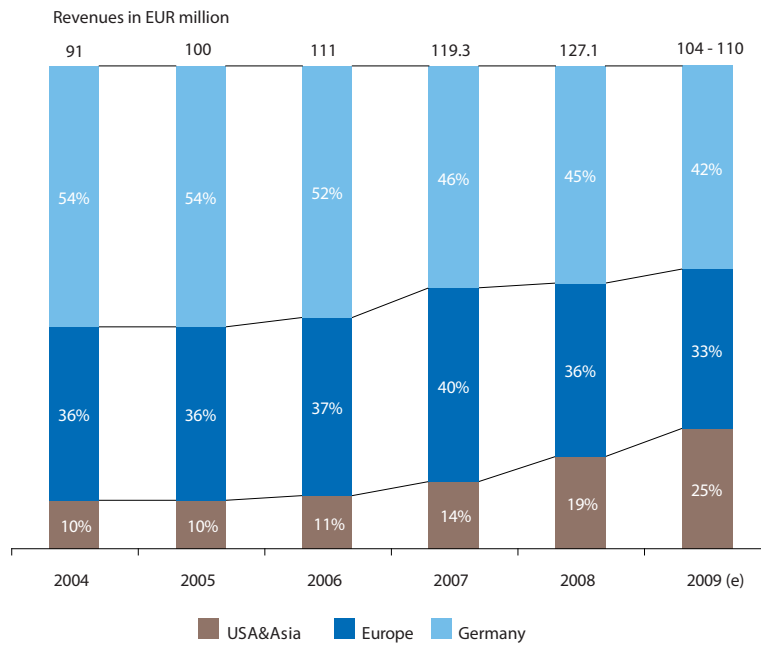
Key Figures Controls

IN EUR MILLION	Q3 2009	Q3 2008	9M 2009	9M 2008	CHANGE
Sales revenues	10.08	11.66	29.42	35.29	-16.6%
Gross profit	4.77	5.45	13.67	16.79	-18.6%
Margin	47.3%	46.8%	46.5%	47.6%	
EBITDA	2.77	2.75	6.91	8.04	-14.0%
Margin	27.5%	23.6%	23.5%	22.8%	
EBIT	2.35	2.40	5.66	7.21	-21.5%
Margin	23.3%	20.6%	19.2%	20.4%	
EBT	2.16	2.38	5.08	7.13	-28.7%
Margin	21.5%	20.4%	17.3%	20.2%	
Order income	8.47	11.07	26.16	35.73	-26.8%
Order backlog	7.22	10.46	7.22	10.46	-31.0%

Internationalization

Internationalization is progressing further for all group companies, whether through acquisitions, own distribution activities, partnerships or subsidiaries in the respective countries. Overall revenues were increased in 2009 in the US and Asia, despite the recession. These sales markets will also represent the key growth areas of the AUGUSTA Group in the future.

REVENUES ACCORDING TO REGIONS



M&A Activities and Financing

The acquisition plans of AUGUSTA in the fields of sensor systems and vision technology remain unchanged. The acquisition pipeline is filled with companies that meet the desired investment criteria in terms of industry, market position and future prospects. Many privately managed companies are again willing to have discussions and structure purchase prices with variable price components geared to future corporate development. On the

other hand, it is still difficult to value companies at the moment given the huge economic uncertainty. The price expectations for well managed companies are also still very high. In niche markets which still have large growth potential the valuation multiples have remained high and are considerably higher than the valuation of AUGUSTA. Nevertheless, especially these markets are very interesting for AUGUSTA in the long term.

Development of Key Balance Sheet Items

As of September 30, 2009, the **BALANCE SHEET TOTAL** compared to the year-end decreased and came to EUR 141.83 million (December 31, 2008: EUR 148.88 million). This was mainly caused by the dividend payment in May 2009.

At EUR 90.47 million, **ASSETS** were slightly above the level as of December 31, 2008 (EUR 88.19 million). The successes of intensified financial management were reflected in the **WORKING CAPITAL**. This improved as of September 30, 2009, to EUR 27.06 million and was therefore EUR 4.28 million less than the figure at the year-end (December 31, 2008: EUR 31.34 million). Inventories have been consistently reduced since the start of the year and payment terms for receivables and liabilities have been optimized. AUGUSTA is currently seeing a desire for buffer stock/vendor managed inventories amongst customers. This might have an impact on inventory levels in the medium term.

AUGUSTA continues to have a high **EQUITY RATIO** of 66.8 percent and **CASH AND CASH EQUIVALENTS** of EUR 16.85 million (December 31, 2008: EUR 21.93 million).

The **CURRENT LIABILITIES** were reduced from EUR 30.64 million at the end of fiscal year 2008 to EUR 25.65 million as of September 30, 2009. **NON-CURRENT LIABILITIES** increased slightly compared with the end of the 2008 fiscal year (December 31, 2008: EUR 19.60 million) and amounted to EUR 21.38 million at the end of the reporting period. The increase results from the credit financing of the production site in Singapore. The current and non-current liabilities in total therefore fell by EUR 3.22 million compared to the year-end.

The **NET DEBT** came to EUR 8.97 million as of September 30, 2009 (December 31, 2008: net liquidity of EUR 1.24 million). Besides the dividend payment in the second quarter of 2009, an additional performance-based purchase price payment was due to the former owners of Prosilica in the third quarter of 2009.

In the first nine months the **CASH FLOW** from operating activities amounted to EUR 8.11 million (previous year: EUR 9.18 million). The optimized working capital management played a vital part in this positive trend.

KEY DATA BALANCE SHEET IN EUR MILLION	9M 2009	FY 2008	CHANGE
Goodwill	65.22	64.46	1.2%
Cash, cash equivalents and other current financial assets	16.85	21.93	-23.1%
Total assets	141.83	148.88	-4.7%
Net debt	8.97	-1.24	
Enterprise Value	81.63	69.21	+17.9%
Equity ratio	66.8%	66.3%	+0.9%

Employees

As of September 30, 2009, the AUGUSTA Group employed 603 full-time members of staff, which is slightly less than the level of the previous year (605 employees). Within the context of cost-reduction measures, AUGUSTA reduced its number of employees in comparison to the end of the 2008 fiscal year by 16 employees (December 31, 2008: 619 employees). These figures do not include the reduction of 25 temporary staff, who were virtually cut completely at the beginning of the year. AUGUSTA's staff numbers will also be reduced in the next two quarters with the restructuring of HE System Electronic.

Significant Developments after the Reporting Date of September 30, 2009

No material changes have occurred after the closing date of September 30, 2009.

Prospects: Through the crisis with two-digit profitability

The severe global recession in 2009 is a fact. The lowest point of the economic crisis is probably behind us, but the time when a sustained upturn will occur is uncertain. Growth rates will stay at a low level until at least mid 2010 ("bloodless growth").

It is becoming apparent amongst our group companies that the recession is bottoming out, but we cannot deduce short-term, significant growth for the Group from this. We are expecting a sustained recovery in mid 2010 at the earliest and a stable increase in the upswing in 2011. This will be accompanied by continued strict cost discipline and a further optimization of the production costs for our products. The stability of our gross margin is vital for the attainment of our profitability goals.

As a result of the persisting weak demand we have introduced restructuring measures at one of our companies. The one-time expenses are reproduced in full in the nine-month report.

Owing to the cost and efficiency-increasing measures introduced early on, we are expecting a continuation of the profitability improvements in the fourth quarter, so that we will be keeping AUGUSTA's EBIT margin in the two-digit range in 2009. The last quarter in the fiscal year is the strongest in terms of revenues. We confirm the guidance communicated in the previous quarter, with a revenue level of EUR 104 to 110 million and earnings of EUR 10 to 13 million. For the fourth quarter this means achieving a revenue volume of at least EUR 26.9 million and an EBIT of EUR 2.3 million.

Our target of long-term profitable growth remains unchanged. Research and development is the basis for innovation and therefore the driving force for future profitability. The focus is on strategic further development, increasing efficiency with regard to products, reducing the development time up to market readiness, even greater customer orientation and reducing costs in production. The main objective is to extend our business content to adjoining niche markets and to increase market share in the markets and industries served to date. We shall develop new markets organically and inorganically.

We were able to successfully counteract the weak economy in this difficult year. Now we are positioned better than before the crisis in terms of our customers. The high level of profitability in the crisis year 2009 will see AUGUSTA entering the next upswing phase stronger than ever.

IFRS Consolidated Balance Sheet

ASSETS IN EUR 000	SEPTEMBER 30, 2009	DECEMBER 31, 2008
Non-current assets		
Intangible assets, net	7,847	7,055
Goodwill, net	65,224	64,461
Property, plant and equipment, net	13,707	12,324
Non-current financial assets, net	1,037	947
Deferred tax assets	651	793
Other non-current assets	2,003	2,608
Total non-current assets	90,469	88,188
Current assets		
Inventories	19,365	22,015
Trade accounts receivables, net	13,129	14,040
Receivables from related parties	137	137
Current financial assets	23	3,393
Non-current assets held for sale	0	0
Tax accounts receivables	982	1,121
Prepaid expenses and other current assets	894	1,450
Cash and cash equivalents	16,831	18,533
Total current assets	51,361	60,689
Total assets	141,830	148,877

EQUITY AND LIABILITIES IN EUR 000	SEPTEMBER 30, 2009	DECEMBER 31, 2008
Shareholders' equity		
Share capital	8,436	8,436
Capital reserves	55,677	55,792
Earnings reserves	30,000	30,000
Currency translation	181	-1,051
Revaluation reserves	-627	-454
Retained earnings	14,098	18,749
Treasury shares	-13,166	-13,166
Minority interest	210	333
Total shareholders' equity	94,809	98,639
Non-current liabilities		
Long-term loans, excluding current portion	14,587	12,301
Non-current post-employment benefit obligation	863	829
Other non-current provisions	247	267
Deferred tax liabilities	3,478	3,555
Other non-current liabilities	2,200	2,647
Total non-current liabilities	21,375	19,599
Current liabilities		
Trade accounts payables	5,435	4,715
Short-term loans and current portion of long-term loans	11,240	8,914
Liabilities to related parties	0	0
Other current financial liabilities	301	772
Liabilities included in disposal groups classified as held for sale	0	0
Income tax provisions and liabilities	481	2,643
Other current provisions	3,186	3,449
Other current liabilities	5,003	10,146
Total current liabilities	25,646	30,639
Total equity and liabilities	141,830	148,877

IFRS Consolidated Income Statement

IN EUR 000	Q3 2009	Q3 2008	9M 2009	9M 2008
Sales revenues				
Products	24,709	30,689	76,655	93,384
Services	110	157	457	554
	24,819	30,846	77,112	93,938
Cost of sales				
Products	-15,570	-18,229	-47,198	-55,885
Services	0	0	0	0
	-15,570	-18,229	-47,198	-55,885
Gross profit	9,249	12,617	29,914	38,053
Sales and marketing expenses	-3,470	-3,906	-10,980	-11,183
Research and development expenses	-1,703	-1,765	-4,920	-5,082
General and administrative expenses	-1,826	-2,595	-6,665	-7,537
Impairment of goodwill	0	0	0	0
Other income /expense	-347	295	405	-79
Profit from operations	1,903	4,646	7,754	14,172
Investment income	0	0	0	0
Net interest income /expense	-306	-37	-666	-134
Foreign currency exchange gains / losses	-114	128	-228	132
Depreciation on financial assets	0	0	0	0
Other financial positions	-68	0	-183	0
Net financing costs	-488	91	-1,077	-2
Profit before tax	1,415	4,737	6,677	14,170
Income tax expense	-594	-1,568	-2,130	-4,414
Result from continued operations	821	3,169	4,547	9,756
Result from discontinued operations after tax	0	-5	-35	29
Consolidated profit for the period	821	3,164	4,512	9,785
Profit / loss contributable to minority interests	-11	-16	-54	-69
Consolidated profit for the period after minority interests	810	3,148	4,458	9,716
Other total revenue				
Translation currency	80	163	224	125
Revaluation reserves				
- Financial instruments	0	0	0	0
- Currency	0	0	0	3
- Cash flow hedges	-13	0	-173	0
Profit / loss contributable to minority interests	11	16	54	69
Adjustment of uncovered hidden reserves in 2008 to the respective exchange currency	430	962	1,008	959
Other total revenue after taxes	508	1,141	1,113	1,156
Total revenue	1,329	4,305	5,571	10,872
Earnings per share (diuted and basic) in EUR	0.11	0.41	0.60	1.23
Weighted average shares outstanding (thousands)	7,592	7,811	7,592	7,930

IFRS Consolidated Cash Flow Statement

IN EUR 000	SEPTEMBER 30, 2009	SEPTEMBER 30, 2008
Cash and cash equivalents at the beginning of the period	13,859	20,656
Consolidated profit for the period	4,346	9,785
Depreciation and amortization	2,054	1,982
Other non-current expenses	-223	165
Increase (-)/decrease (+) in inventories	2,949	-2,667
Increase (-)/decrease (+) in trade receivables	961	-1,143
Increase (+)/decrease (-) in trade payables	770	-914
Increase (-)/decrease (+) in deferred tax assets and liabilities	165	1,008
Increase (+)/decrease (-) in provisions	-283	1,163
Increase (-)/decrease (+) in other non-current and current assets	1,401	3,161
Increase (+)/decrease (-) in other non-current and current liabilities	-4,028	-3,358
Cash flow from operating activities	8,112	9,182
Payments to acquire intangible assets	-1,624	-881
Payments to acquire property, plant and equipment	-2,895	-2,457
Payments to acquire non-current financial assets	-205	-9,584
Proceeds from sale of intangible assets	0	0
Proceeds from sale of property, plant and equipment	63	85
Proceeds from sale of non-current financial assets	0	0
Short-term disposition in restricted cash	8,044	0
Proceeds from sale of Dewetron Slovenia	33	0
Acquisition of Dewetron Inc.	0	60
Acquisition of Prosilica Inc.	0	343
Cash flow from investing activities	3,416	-12,434
Free cash flow	11,528	-3,252
Change in short-term debt	-1,759	-225
Change in long-term debt	2,286	9,765
Proceeds from (+)/payments to (-) shareholders	0	-5,493
Dividend payments to minority interests	-9,197	-60
Cash flow from financing activities	-8,670	3,987
Cash flow	2,858	735
Effect of exchange rate changes on cash and cash equivalents	114	5
Cash and cash equivalents at the end of period	16,831	21,397
Composition of financial resource fund	16,831	21,397
Cash and cash equivalents	16,831	17,282
Money market funds	0	4,115
Thereof net cash from discontinued operations		
Net cash flow from operating activities	0	0
Net cash flow from investing activities	33	403
Net cash flow from financing activities	0	0
Additional cash flow informations		
Income tax paid	-3,486	-1,754
Income tax received	389	0
Interest paid	-969	-470
Interest received	304	349

IFRS Consolidated Statement of Changes in Equity

IN EUR 000	SUBSCRIBED CAPITAL				
	NUMBER OF SHARES	AMOUNT	CAPITAL RESERVES	EARNINGS RESERVES	TRANSLATION CURRENCY
Balance at January 1, 2008	8,435,514	8,436	55,721	23,000	279
Dividend	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Appropriation to / withdrawal from reserves	-	-	-	-	-
Total revenues	-	-	-	-	1,084
Balance at September 30, 2008	8,435,514	8,436	55,721	23,000	1,363
Balance at January 1, 2009	8,435,514	8,436	55,792	30,000	-1,051
Dividend	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Appropriation to / withdrawal from reserves	-	-	-115	-	-
Total revenues	-	-	-	-	1,232
Balance at September 30, 2009	8,435,514	8,436	55,677	30,000	181

REVALUTATION RESERVES

FINANCIAL INSTRUMENTS	CURRENCY	CF HEDGES	RETAINED EARNINGS	TREASURY SHARES	MINORITY INTEREST	TOTAL EQUITY
-	-3	-	13,049	-6,103	259	94,638
-	-	-	-	-	-55	-55
-	-	-	-	-5,493	-	-5,493
-	-	-	-	-	-	-
-	3	-	9,716	-	69	10,872
-	-	-	22,765	-11,596	273	99,962
-	-	-454	18,749	-13,166	333	98,639
-	-	-	-9,110	-	-87	-9,197
-	-	-	-	-	-	-
-	-	-	-	-	-89	-204
-	-	-173	4,359	-	53	5,471
-	-	-627	13,998	-13,166	210	94,709

Notes

Explanatory Notes to the 9-Month Report

1. Accounting Principles

The 9-month report of AUGUSTA Technologie AG of September 30, 2009, was drawn up in accordance with the Consolidated Financial Statement of December 31, 2008, in compliance with the International Financial Reporting Standards (IFRS). The same accounting, valuation and calculation methods have been used in this interim financial statement as in the Consolidated Financial Statement of December 31, 2008.

The financial statement contained in the report (of September 30, 2009, and December 31, 2008), the income statement (for the first nine months of 2009 and 2008 respectively), the cash flow statement (for the first nine months of 2009 and 2008 respectively) as well as the change in equity capital statement (for the first nine months of 2009 and 2008 respectively) have been drawn up by the Management Board of AUGUSTA Technologie AG and have not been confirmed by an auditor.

2. Consolidated Companies

On January 1, 2009, Dewetron GmbH, with seat in Graz, Austria, increased its share in Dewetron Elektronische Messgeräte GmbH in Wernau, Germany, from 85 percent to 100 percent. Furthermore, Austria-based Dewetron GmbH sold its 100 percent share in DEWETRON d.o.o., Slovenia. Subsequently, Dewetron d.o.o. was deconsolidated as of March 31, 2009.

Due to the restructuring of sales activities, DLoG NC Systemen B.V. with seat in the Netherlands, in which DLoG GmbH has a share of 30 percent, was converted into DNCS B.V. In the future, sales for the Benelux will be assumed by the newly-founded DLoG B.V. in which no investment exists.

3. Segment Reporting

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

4. Earnings per Share

The earnings per share of AUGUSTA Technologie AG are calculated from 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 September 30, 2009, AUGUSTA Technologie AG held a total of 843,551 shares in the company. In the first nine months of 2009 some 7,591,963 shares were in circulation.

5. Statement of Directors' Holdings as of September 30, 2009

In the first nine months of 2009 the following notifiable transactions in securities were conducted by company officers:

MANAGING BOARD	DATE	NUMBER OF SHARES	NATURE	SHARE PRICE IN EUR
Amnon F. Harman	03/23/2009	1,000	Purchase	8.50
	04/17/2009	1,000	Purchase	7.94
	05/28/2009	1,500	Purchase	7.40
Berth Hausmann	03/19/2009	1,250	Purchase	7.70
	03/30/2009	500	Purchase	8.25
	03/31/2009	750	Purchase	8.00
	04/23/2009	1,250	Purchase	7.50

On September 30, 2009, the following tranches were issued to Managing Board members, managing directors and managers of the AUGUSTA Group from the 2008 stock options program:

1. Tranche: 115,300 subscription rights at an exercise price of EUR 14.63 in 2008
2. Tranche: 161,000 subscription rights at an exercise price of EUR 8.08 in 2009

The total of subscription rights issued is equivalent to some 32.8 percent of the approved program of 843,551 subscription rights in total. Half of the issued options from the first tranche is no longer exercisable due to the non-achievement of the exercise conditions (6 percent EBITDA increase without acquisition effect); this is also valid for the options of the Managing Board.

	NUMBER OF SHARES 09/30/2009	NUMBER OF SHARES 12/31/2008	NUMBER OF SHARE OPTIONS 09/30/2009	NUMBER OF SHARE OPTIONS 12/31/2008
MANAGING BOARD				
Amnon F. Harman	15,500	12,000	37,500	25,000
Berth Hausmann	8,250	4,500	37,500	25,000
SUPERVISORY BOARD				
Heinzwerner Feusser	4,999	4,999	-	-
Thomas Krüger	-	-	-	-
Dr. Daniel Wiest	-	-	-	-
Total	28,749	21,499	75,000	50,000

6. Treasury Shares

On September 30, 2009, AUGUSTA Technologie AG held a total of 843,551 shares in the company. The shares represented EUR 843,551.00 of the authorized capital, in which the total authorized capital was divided among 8,435,514 shares each with a nominal value of EUR 1.00.

	NUMBER OF SHARES 09/30/2009	NUMBER OF SHARES 12/31/2008	IN % OF SHARE CAPITAL 09/30/2009
Treasury shares	843,551	843,551	10.0%

7. Decision-Making Bodies of AUGUSTA

The Managing Board consists of Chairman Amnon F. Harman and CFO Berth Hausmann.

Responsibility Statement

Pursuant to section 37y of the WpHG (German Securities Trading Act) in conjunction with section 37w (2) no. 3 of the WpHG (German Securities Trading Act)

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

Risk Report

According to the annual financial statement for 2008, no significant changes have occurred from which new risks for the Group could be deduced. Reference is therefore made to the 2008 Annual Report for more details on the risk profile of AUGUSTA Technologie AG. It presents potential risks in detail.

Legal Notice

The present report contains forecasts that are based on the opinions of the Managing 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 performance 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 and the non-acceptance of newly-introduced products. We are convinced that the expectations in our forecasts are sound and realistic. If however unforeseen risks should occur, AUGUSTA Technologie AG cannot guarantee that the expressed projections will be fulfilled.

Business Calendar 2010

Publication of annual report 2009	March 18, 2010
Publication of 3-month report 2010	May 5, 2010
Annual General Meeting	May 12, 2010
Publication of 6-month report 2010	August 5, 2010
Publication of 9-month report 2010	November 4, 2010

Contact

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