



LIVING THE CHANGE

3-MONTHS REPORT 2010

/// AUGUSTA

Technologie AG

KEY FIGURES

CONSOLIDATED INCOME STATEMENT IN EUR THOUSAND - GROUP	Q1 2010	Q1 2009
Sales revenues	26,939	23,913
Gross profit	11,812	9,960
Gross margin	43.8%	41.7%
EBITDA	4,512	3,271
EBITDA margin	16.7%	13.7%
EBIT	3,780	2,597
EBIT margin	14.0%	10.9%
EBT	3,703	2,338
Taxes	-1,235	-838
Tax rate	33.3%	35.8%
Period profit before DCO	2,468	1,465
Period profit after DCO	1,927	1,895
Earnings per share in EUR	0.33	0.19
Shares outstanding (average) in thousand	7,592	7,592

CONSOLIDATED INCOME STATEMENT IN EUR THOUSAND - SENSORS	Q1 2010	Q1 2009
Sales revenues	17,901	17,460
Gross profit	6,757	6,573
Gross margin	37.7%	37.6%
EBITDA	2,292	2,516
EBITDA margin	12.8%	14.4%
EBIT	1,860	2,133
EBIT margin	10.4%	12.2%

CONSOLIDATED INCOME STATEMENT IN EUR THOUSAND - VISION	Q1 2010	Q1 2009
Sales revenues	9,038	6,453
Gross profit	5,113	3,377
Gross margin	56.6%	52.3%
EBITDA	3,003	1,391
EBITDA margin	33.2%	21.6%
EBIT	2,715	1,115
EBIT margin	30.0%	17.3%

OTHER KEY FIGURES IN EUR THOUSAND - GROUP	Q1 2010	2009
Total assets	145,447	142,439
Noncurrent assets	79,393	88,420
Current assets	66,054	54,019
– thereof cash and cash equivalents and other current financial assets	32,664	20,986
Equity	99,304	95,370
Equity ration	68.3%	67.0%
Net liquidity	8,011	-4,591
Working Capital	24,032	23,634
Closing price (Xetra) in EUR	11.76	10.87
Enterprise Value (EV)	81,270	87,115
Number of employees (headcount)	524	578
Return on Capital Employed (ROCE)	3.7%	7.7%

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Dear Shareholders and Friends of AUGUSTA,

AUGUSTA built upon the positive business performance already begun at the end of 2009 and began fiscal year 2010 with an encouraging solid development. The strategic realignment towards an integrated technology group, which we have been pursuing for some three years now, has led to the successful management of the economic crisis and created the prerequisites for above-average growth in the niche markets we address. We have also made important progress in the strategic restructuring of the Group. Through the successful sale of our business area „Logistics Automation“ we were able to generate further funds for strategic purchases and are now focusing more strongly on the growth strategy in [Sensors](#) and [Vision Technology](#). Particularly in these areas, we are benefiting from the revival in demand which has established itself since the end of 2009. We see growth impulses in both segments with regard to new orders and sales revenues that are coming from Asia and North America in particular. The new orders – as in the previous quarter – are above that of sales revenues, a sign that this positive development will continue through the course of 2010.

The first quarter of 2010 was characterized by the following developments:

- / With the sale of DLoG GmbH, we have moved out of the logistics automation business area. In the future, we will focus more strongly on the two high-margin segments [Sensors](#) and [Vision](#) (previously: Controls). This will be accordingly presented in segment reporting in the future.
- / As at 31 March 2010, consolidated [sales revenues](#) were 12.7 percent up from the previous year (EUR 23.9 million) at EUR 26.9 million. The Vision Technology sector in particular was able to rebound to new strength through new product designs and strong growth in business with GigE cameras.
- / [Incoming orders](#) in the first quarter were at EUR 33.5 million and have more than doubled compared with the first quarter 2009 (EUR 16.6 million). The trend towards rising incoming orders since the fourth quarter of 2009 has thus been reinforced and indicates robust sales development over the further course of 2010.
- / Based on the strong increase in incoming orders, [orders on hand](#) rose as of the end of the first quarter of 2010 by 27.8 percent to EUR 45.3 million (March 31, 2009: EUR 35.5 million).
- / The Group's cumulative [gross margin](#) came to 43.8 percent (41.7 percent) after three months. Besides the increase in margin due to the development of new products in the previous year and the optimization of manufacturing costs, the end of lower margin DLoG business is having a positive effect.
- / After EUR 4.5 million in the first quarter, [earnings before interest, tax, depreciation and amortization \(EBITDA\)](#) were around 38.0 percent up on the comparable year earlier value



Managing Board of AUGUSTA: Arno Pätzold, Chief Development Officer (left), Amnon F. Harman, Chief Executive Officer (center) and Berth Hausmann, Chief Financial Officer (right)

(EUR 3.3 million). The **EBITDA margin** improved to 16.7 percent (previous year: 13.7 percent). The **EBIT margin** at 14.0 percent (previous year: 10.9 percent) is also already in the medium-term target corridor again, which is due to the structural measures introduced in 2009.

- / Due to the higher business volume and the development of buffer stocks due to bottlenecks of supplier materials, **working capital** rose by around EUR 3 million to EUR 24.0 million. However, we are expecting a below-average increase in working capital for the overall year of 2010 in comparison to sales.
- / Due to the inflow of funds from the DLoG sale amounting to some EUR 12.9 million, our **cash and cash equivalents** have increased considerably in the first quarter and are now at EUR 32.7 million (December 31, 2009: EUR 21.0 million). The Group's net liquidity on 31.3.2010 amounted to EUR 8.0 million, the equity ratio rose slightly to 68.3 percent (31.12.2009: 67.0 percent).
- / **Earnings per share** improved to EUR 0.33 (previous year: EUR 0.19 per share) after three months.
- / The **share price** rose in the first quarter of 2010 by 8.4 percent and on 31 March 2010 was at EUR 11.76. The AUGUSTA share thus developed better than the DAX or TecDAX in the first quarter.

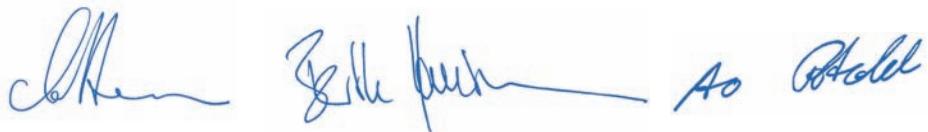
Beside the positive development in the first quarter, we would like to inform you about the upcoming **Annual General Meeting** on May 12, 2010 in Munich. The Annual General Meeting must decide on the supplementary motion from two principal shareholders to dismiss the existing AUGUSTA Supervisory Board and to elect a new Supervisory Board. You will find all information to do with the Annual General Meeting on the Company website www.augusta-ag.com under the heading Investor Relations.

Dear Shareholders,

We created the basis for future growth and an above-average rise in profitability after the revival of the markets in 2010 through the expansion of our sales activities in North America and Asia, the introduction of product novelties and through targeted structural cost measures in 2009. A large amount of economic data indicates the end to the financial and economic crisis and growth, above all in the emerging economies of Asia. Estimates concerning economic dynamism in the industrial countries are nonetheless estimated as rather moderate for this year and the next. Further risks result from the sustained discussions and uncertainties with regard to the financial strength of states within the European Union, above all Greece.

We are conscious of the risks for our business and are carefully monitoring events. We are nonetheless convinced that the strategic realignment of AUGUSTA and the internal strength of the group also enable a continuation of solid business performance. We are thus revising our guidance for 2010 upwards, also because of the very positive development for the first quarter and April of 2010: We are expecting sales revenues ranging between EUR 100 and 110 million (formerly: EUR 95 to 105 million) and EBITDA of EUR 14 to 18 million (formerly: EUR 14 to 16 million) for fiscal year 2010.

Our objective is thus to continue concentrating our work on our strategic corporate goals and on the further development of the AUGUSTA Group. The operational and financial development in the first quarter of 2010 shows that we have taken the right path. We will continue to pursue it consistently.

Three handwritten signatures in blue ink, arranged horizontally. The first signature is on the left, the second in the middle, and the third on the right.

Amnon F. Harman
CEO

Berth Hausmann
CFO

Arno Pätzold
CDO

Performance of the AUGUSTA share

For many investors, 2009 was a successful year on the stock exchange. The essential reasons for this were high liquidity, which due to low interest rates was again invested in stocks, and the hope for overcoming the recession, which nonetheless produced significant exchange gains despite the initially intense exchange distortions over the course of 2009. Financial markets have returned to normalcy since the end of 2009, and in the first quarter of 2010 the previously-intact upwards movement came to a halt. Concerns about high national debt – in Europe, Greece above all – the regulation of the financial sector and the exit strategies of the central banks were the reasons for the subdued performance. However, the emerging economic recovery, in particular Asian countries with strong consumption, led to share markets remaining stable up until now despite a few minor setbacks. Therefore, the export-oriented industry production within the Euro zone was able to post the highest jump since 1990 at the beginning of the year. Many important economic projections, such as the Ifo business climate index, underscore the positive economic picture and the general expectation of a recovery in Germany. Crucial for the sustainability of the recovery are further improvements in private consumption, a further increase in business investment behavior and the timing of monetary and fiscal policy exit strategies. A clear statement as to whether the financial and economic crisis has been genuinely overcome is currently impossible. The greatest risks for a setback, as currently seen by experts, lie in the worsening of the creditworthiness of individual states.

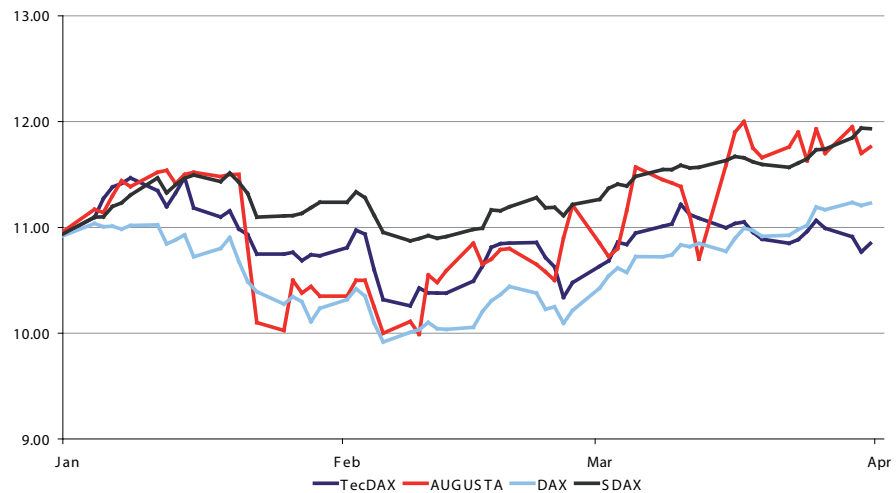
Share prices in the medium term may well rise further, due to increasing corporate gains or alternatively because of the lack of investment alternatives due to very low money and capital market interest rates. The technology sector ranks highest in the favor of investors. The innovative power and short investment cycles in this sector ensure that turnover can accumulate more rapidly than in other industries. Across all industries, the basic situation of companies – their sales figures, cash flows and earnings – may well remain the determining factor in terms of the equity market trend.

Share price development

While the DAX posted a slight plus in the first quarter of 2010, the TecDAX remained almost at the same level, with slight movements up and down. Only the SDAX posted a clear plus, and added just under 10 percent since the start of the year.

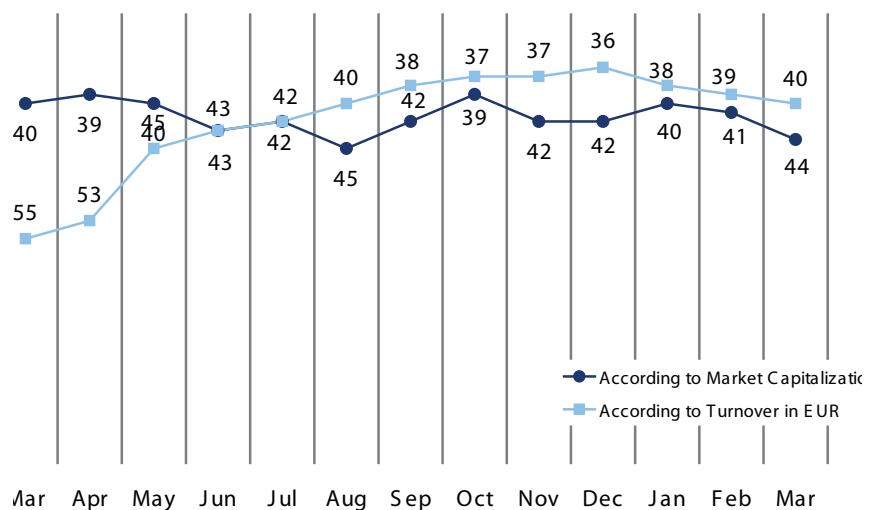
The AUGUSTA share was able to post solid growth in the first quarter. While it still stood at EUR 10.87 at the end of the year on December 31, 2009, it closed the first quarter on March 31, 2010, at EUR 11.76, a plus of around 8 percent.

AUGUSTA SHARE PRICE COMPARED TO DAX, TECDAX AND SDAX



In the TecDAX ranking, AUGUSTA shares are ranked 40 (previous year: 55) in terms of share trading volume. After the free-float market capitalization, the AUGUSTA share ranked 44 (previous year: 40). Despite relative price gains as to the TecDAX, the AUGUSTA was unable to further improve its ranking in the first quarter of 2010. This was due to the fact that larger equities were more in demand on the TecDAX during this period. Year-on-year, the development of trading volume in particular was nonetheless quite satisfactory.

TECDAX POSITIONING: RANKING OF THE AUGUSTA SHARE



Dividend payment in the amount of 30 euro cents per share in 2010

As already communicated in the 2009 Annual Report, AUGUSTA would like shareholders to participate in the Company's positive development, and it will distribute a dividend of roughly 30 percent of the Group's net income. However, this will always be decided based on the financing requirements of upcoming acquisitions. For fiscal year 2009, AUGUSTA will propose at the Annual General Meeting that a dividend of 30 euro cents per share be paid out.

Annual General Meeting

This year's Annual General Meeting is taking place in Munich on May 12, 2010, at 11:00 a.m. On March 31, 2010, the agenda for the Annual General Meeting was published in the electronic Federal Gazette and in a nationwide authorized journal for stock market announcements. A supplementary motion from two principal shareholders – Lincoln Vale and DAH Beteiligungsgesellschaft mbH, who had shortly before pooled their votes, totaling around 27 percent – was received for addition to the agenda. The supplementary motion was also made available to the public in the electronic Federal Gazette and in nationwide authorized journals for stock market announcements. This supplementary motion demands the dismissal of the three Supervisory Board members currently serving. At the same time, three new members from the ranks of the petitioning shareholders are being proposed for election. The Annual General Meeting and thus you as shareholders of the company must now decide on this motion. A 50-percent majority of the voting capital present at the Annual General Meeting is required for this.

You will find all information to do with the Annual General Meeting on the Company website www.augusta-ag.com under the heading Investor Relations/2010 Annual General Meeting.

A SUMMARY OF THE AUGUSTA STOCK

ISIN	DE000A0D6612
Market segment	Prime Standard
Trading segment	Technology Prime-Setor Industrial
Indices	CDAX/Prime All Share/Technology All Share
Date of initial listing	May 5, 1998
Number of shares issued	8,435,514
High / low (52 weeks)*	12.20 EUR/7.15 EUR
Closing rate as of March 31, 2010*	11.76 EUR
Market capitalization as of March 31, 2010*	EUR 99.20 million
Earnings per share as of March 31, 2010	0.33 EUR
Dividend per share in 2009	0.30 EUR

* Xetra closing rates

Business and overall environment

The recovery of the global economy is continuing; the financial and economic crisis of 2008 and 2009 seem to have been gradually overcome. The world economy will expand again in 2010 and 2011 by a good 4 percent after the slump in last year. The momentum in the different regions is quite varied. While the growth potential in the emerging countries, especially Asia, is still high, it is still an open question in the industrialized countries whether a return to a self-supporting upturn will succeed in the short term. Here, the recovery has not yet been consolidated and is largely supported by the expansive monetary and fiscal policy. In the USA the economic programs and the expansive monetary policy will strengthen economic recovery until mid-2010. In Europe the recovery is not homogeneous. The national economies in Germany, France and the Netherlands are growing, while the economic impetus in countries such as Spain, Italy, Portugal and Greece is weak. The problem areas in Germany remain weak domestic demand and mechanical and construction engineering. However, new orders have increased since the start of the year and exports are continuing to recover. According to the ifo Index, companies are looking to the future with confidence. Economic recovery is nonetheless expected to be rather moderate.

While we are now already observing the return of positive growth trends in some of AUGUSTA's target sectors, such as the electronics industry, medical technology and traffic technology, other key AUGUSTA sales markets are still up against the capital investment restraint from the financial and economic crisis. **Machine and plant engineering** was and is the worst hit by the economic downturn. In some sub-segments, the negative rate amounted to up to 40 percent. After a renewed fall in orders in January, there was an upward movement for orders here as well in later months in 2010. The VDMA (Verband Deutscher Maschinen- und Anlagenbau – German Association of Machine Tools and Plant Engineering) is expecting consolidation at a low level for 2010. The mood in the **automotive industry** is also slowly brightening.

After a sharp decline of around 30 percent in 2009, **vision technology** slowly returned to its growth course. The VDMA is expecting an increase in turnover in 2010 of around 5 percent. Customers' requirements for cost cuts, quality assurance, productivity increases and security are unbroken over all sectors. New fields of application are opening up further market potential.

The **sensors and measurement systems sector**, whose sales revenues fell by around 17 percent in 2009, is showing a similar picture. According to the AMA (Association for Sensor Technology e.V.), sales growth of around 5 percent is also expected here in 2010. Growth will mainly be driven by the trend towards more sensors, which are used in a large number of products. Sensors are the key component of numerous technical products in all application areas, such as medical technology, vehicles, industrial goods through to environmental protection and life science.

Medical technology was fairly stable in the crisis year, and was even able to post slight increases in sales of up to 4 percent. Growth rates of over 7 percent are expected for 2010.

In comparison with many of its competitors, AUGUSTA mastered the crisis in 2009 extremely profitably. AUGUSTA was able to benefit from the gradual recovery in our sales markets due to its focus on sensors and vision technology and in the first quarter of 2010 it disproportionately increased sales revenues and profitability in particular compared to the overall market.

Sales revenues and earnings development

DLoG GmbH was deconsolidated as of 28 February 2010, and is presented under “non-continued business units” in the total cost calculation. The previous year’s figures are shown without DLoG for comparability reasons.

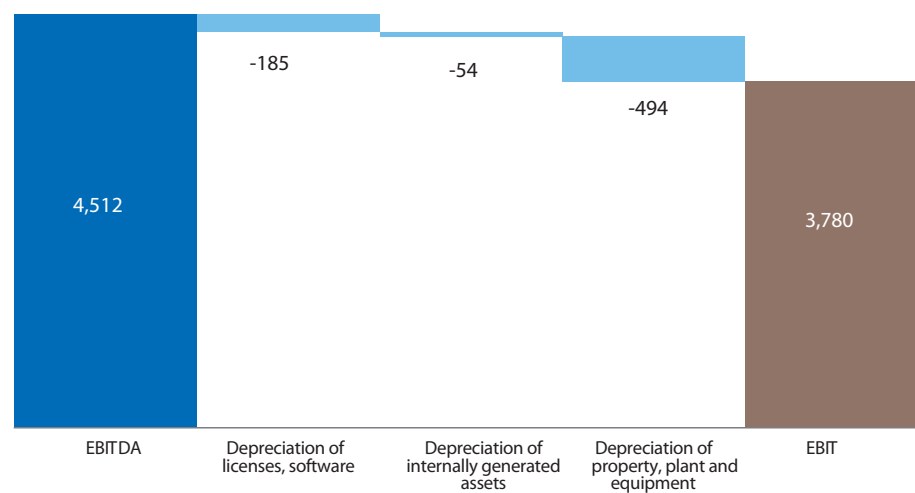
The cumulative **sales revenues** of the AUGUSTA Group were EUR 26.94 million and thus 12.7 percent above the comparable period of the previous year (EUR 23.91 million). This positive trend already became apparent in the fourth quarter of 2009. The growth driver was the camera business in particular.

The **gross profit** increased by 18.6 percent compared to the previous year (EUR 9.96 million) to EUR 11.81 million. At 43.8 percent, the gross margin was higher than the previous year (41.7 percent). This is due to the successful launch of the products newly developed in the previous year and the optimization of manufacturing costs as well as the deconsolidation of logistics automation.

Earnings before interest, tax, depreciation and amortization (EBITDA) came to EUR 4.51 million as of March 31, 2010, and were therefore 38.0 percent up from the previous year (EUR 3.27 million). It proved possible to increase the EBITDA margin by 3 percentage points to 16.7 percent (previous year: 13.7 percent). **Earnings before interest and taxes (EBIT)** increased considerably compared to the previous year (EUR 2.60 million) and came to EUR 3.78 million; an increase of 45.6 percent. The EBIT margin was correspondingly again in the sought-for target corridor at 14.0 percent (previous year: 10.9 percent). Short-time work has been halted in all parts of the company since the end of 2009. The lower operative costs through structural adjustments and measures for increasing efficiency which were stringently implemented last year have already made themselves felt as a margin increase.

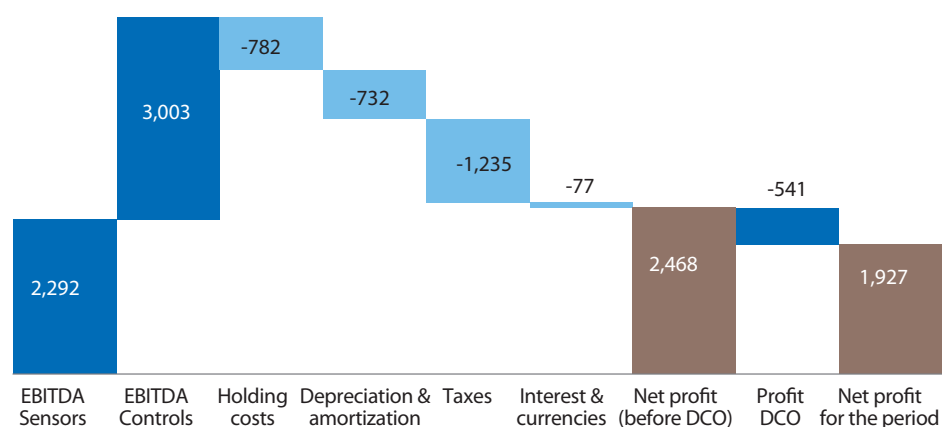
The holding costs were higher than the previous year’s level (EUR 638 thousand) at EUR 782 thousand. The increase resulted from the strengthening of the personnel structure and from intensified M&A activities.

RECONCILIATION OF EBITDA TO EBIT TEUR



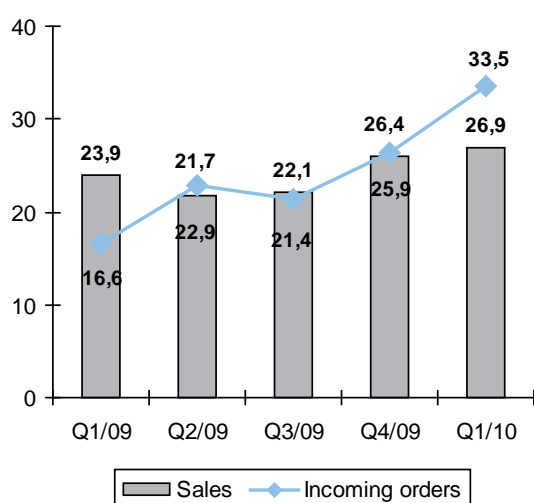
At EUR 2.47 million, the **net profit for the period before DCO** also posted a sharp increase compared to the previous year (EUR 1.47 million). Almost unchanged remained net income for the period after DCO as at the reporting date at EUR 1.93 million (previous year: EUR 1.90 million). Earnings per share amounted to EUR 0.33 (previous year: EUR 0.19 per share) in the first three months.

RECONCILIATION OF NET PROFIT FOR THE PERIOD IN TEUR



Incoming orders increased considerably in the first three months, and at EUR 33.47 million were 102.2 percent higher than in the year-earlier quarter (EUR 16.56 million). The book-to-bill ratio, i.e. the ratio of new orders to turnover, stood at 1.24 and thus continued the positive trend since the fourth quarter 2009.

DEVELOPMENT OF SALES AND INCOMING ORDERS BY QUARTER IN EUR MILLION



Orders on hand correspondingly rose to EUR 45.33 million as at March 31, 2010 and were therefore 27.8 percent higher than the previous year (EUR 35.47 million). The increase in new orders and orders on hand signals sales growth in the further course of 2010 as well.

As of March 31, 2010, the key performance indicators for the Group were as follows:

Key Group Figures

IN EUR MILLION	Q1 2010	Q1 2009	CHANGE
Sales revenues	26.94	23.91	+12.7%
Gross profit	11.81	9.96	+18.6%
Margin	43.8%	41.7%	
EBITDA	4.51	3.27	+38.0%
Margin	16.7%	13.7%	
EBIT	3.78	2.60	+45.6%
Margin	14.0%	10.9%	
EBT	3.70	2.34	+58.4%
Margin	13.7%	9.8%	
Incoming orders	33.47	16.56	+102.2%
Orders on hand	45.33	35.47	+27.8%

Development of the segments

The **Sensors** division comprises the Sensortechnics Group, to which ELBAU Group and Klay Instruments B.V. belong, as well as HE System Electronic for the domain of sensor systems and microsystems technology. Dewetron GmbH is also consolidated in the Sensors segment with its mobile measuring systems.

After feeling the impact of the reluctance to invest especially among customers in industry and the electronics sector at the beginning of the previous year, **Sensortechnics** has been able to benefit from a revival since the end of 2009, which stabilized further in the first quarter of 2010. The main sales segment medical technology gained in strength again after a short period of restraint in the middle of last year. The crisis year 2009 was used to react to new invitations to tender and projects with newly developed, customer-specific sensor systems in the field of medical and measurement technology. By doing so, the range of new sensors was extended in the field of pressure, flow, humidity and filling levels. Examples of acquired system projects in the area of medical technology are a widely-used capacitive level sensor and a new humidity sensor for incubators in the care of premature newborns.

ELBAU GmbH has acquired more new projects since the middle of last year, especially in the fields of energy, environmental and safety technology and building and air-conditioning technology. Elbau has especially benefited from the renewed rise in use of capacity in the area of order development and completion in microsystems technology. The production facility in Singapore that began operations in November has started to produce sensors developed in house as planned. Production volume will be ramped up in the second half of the year. In addition, orders with average numbers of pieces for pressure sensors for the automobile industry and for the area of automation are now being qualified for production in Singapore.

An increased demand from the automobile and consumer goods industry has also made itself felt in the case of **HE System Electronic** since the fourth quarter of 2009. Existing framework agreements are being reactivated and the number of new projects in demand is rising. This trend already led to a slightly positive quarterly result in the first quarter of 2010.

Dewetron GmbH was hit by the crisis with a time lag in the domain of **mobile measurement** systems. Although two large orders had a positive effect on revenue and earnings in the first quarter of 2009, this could not be compensated for in full in the first quarter of 2010.

In total the Sensors division generated sales revenues of EUR 17.90 million; a slight increase of 2.5 percent compared to the previous year (EUR 17.46 million). At 37.7 percent, the gross margin was at the previous year's level (37.6 percent).

Accumulated earnings before interest and taxes (EBIT) at the end of the reporting period were EUR 1.86 million in the Sensors division. Compared to the previous year (EUR 2.13 million) this amounts to a drop of 12.8 percent. This fall is due to the start-up costs for the

production facility in Singapore and a weaker first quarter for Dewetron compared to the previous year. The EBIT margin continued in the high two-digit range with 10.4 percent (previous year: 12.2 percent).

Incoming orders stood at EUR 20.33 million in the first three months, a sharp drop compared to the previous year (EUR 12.23 million) of 66.3 percent. In addition to order completion in the field of electronics and Microsystems technology, customers from the medical technology sector are also increasingly releasing their investment budgets. Orders on hand stood at EUR 36.13 million as of March 31, 2010, and were therefore 24.6 percent higher than the previous year (EUR 29.00 million). This will be the basis for further growth in revenue and earnings in the subsequent quarters of 2010.

Key Figures for Sensors

IN EUR MILLION	Q1 2010	Q1 2009	CHANGE
Sales revenues	17.90	17.46	+2.5%
Gross profit	6.76	6.57	+2.8%
Margin	37.7%	37.6%	
EBITDA	2.29	2.52	-8.9%
Margin	12.8%	14.4%	
EBIT	1.86	2.13	-12.8%
Margin	10.4%	12.2%	
EBT	1.90	1.94	-2.1%
Margin	10.6%	11.1%	
Incoming orders	20.33	12.23	+66.3%
Orders on hand	36.13	29.00	+24.6%

Following the sale of the logistics automation division, the segment was renamed Controls in **Vision**. The Vision segment comprises the Allied Vision Technologies Group (AVT).

AVT was hard hit by the crisis at the beginning of 2009, as customers from the construction and mechanical engineering sector in particular, as well as manufacturing hardly placed any new orders. However, AVT was already able to again gradually increase its sales at the end of 2009. The first quarter of 2010 showed a renewed demand for industrial cameras based on the FireWire interface and an above-average increase in sales in the GigE segment (medical technology, industry and traffic technology). The demand for cameras with a GigE interface also continued during the crisis and ensured continuous growth of over 20 percent. AVT was thus able to further extend its market position compared to its rivals during the crisis and concentrate on new product designs. On the basis of these newly-developed products with attractive price points, AVT was able to post significant growth rates again in the first quarter of 2010.

The vision technology segment is particularly focusing on extension of business Southeast Asia. AVT set up a sales office in Singapore in mid March 2010 in order to concentrate more

intensively on the promising Asian market. The establishment of AVT Asia Ltd. represents another milestone within the framework of the global internationalization strategy after the successful establishment of the AVT subsidiary in the USA (AVT Inc.) in 2006 and the acquisition of AVT Canada Inc. in 2008. In the Asia/Pacific region, AVT is already represented by 11 distributors in 12 countries. Despite the economic crisis, AVT was able to considerably expand its market presence in this region last year. The AVT subsidiary in Singapore will consolidate the service activities for existing partners and customers locally. The current positive market trend in Asia will be an engine for sales growth in 2010.

The **Logistics Automation** division was sold to the Advantech Group for EUR 12.85 million. In financial year 2009 DLoG generated sales revenues of around 13 million euros and remained profitable despite the crisis. AUGUSTA is underscoring its consistent strategic orientation towards the two areas of sensor systems/microsystems technology and vision technology by the sale of DLoG. DLoG was deconsolidated as of February 28, 2010 and the previous year's figures were adjusted accordingly.

After the sale of DLoG, AUGUSTA's automation activities will focus on vision technologies. Sales revenue in the Vision segment stood at EUR 9.04 in the first three months and increased by 40.1 percent compared to the previous year (previous year: EUR 6.45 million). The gross margin increased to 56.6 percent compared with 52.3 percent in the previous year. The trend towards new attractively-priced products with improved production costs is making itself felt here.

The operating result (EBIT) at the end of the reporting period stood at EUR 2.72 million, and was thus 143.1 percent higher than the previous year (EUR 1.12 million).

New orders increased massively compared to the previous year (EUR 4.36) to EUR 13.14 million. Both interface technologies (FireWire and GigE) contributed to this positive trend. Orders on hand came to EUR 9.20 million, an increase of 42.3 percent compared to the previous year (EUR 6.46 million). This will be the basis for further growth in the remaining quarters of 2010.

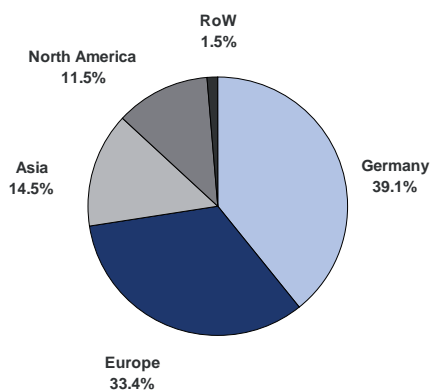
Key Figures for Vision

IN EUR MILLION	Q1 2010	Q1 2009	CHANGE
Sales revenues	9.04	6.45	+40.1%
Gross profit	5.11	3.38	+51.4%
Margin	56.6%	52.3%	
EBITDA	3.00	1.39	+115.8%
Margin	33.2%	21.6%	
EBIT	2.72	1.12	+143.5%
Margin	30.0%	17.3%	
EBT	2.59	1.07	+143.1%
Margin	28.7%	16.5%	
Incoming orders	13.14	4.36	+201.4%
Orders on hand	9.20	5.73	+42.3%

Internationalization

Internationalization is central to AUGUSTA’s expansion strategy. Sales revenues generated outside Europe already stood at around 25 percent at the end of 2009. In the first quarter of 2010, the share of turnover outside Europe increased further to around 28 percent. We are also pushing ahead with shifting the sales revenues of sensors and vision. Efforts will also be made to increase the share of turnover in North America and Asia in the future, in order to ensure a reduction of individual regional market risks.

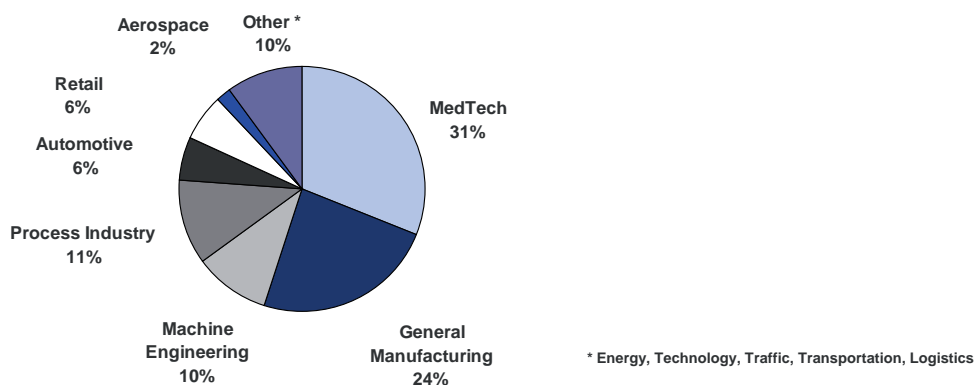
SALES REVENUES BY REGION IN PERCENT



Sales revenues by customer

As a result of the sale of the logistics automation division the percentage of Group sales generated in the retail sector has fallen and increased in the field of medical technology by contrast. AUGUSTA is still concentrating on broad diversification of its sales sectors to counteract potential economic risks. Customer structure is also highly diversified; no customer currently has a share of more than 3 percent in Group turnover.

SALES REVENUES BY CUSTOMER IN PERCENT



M&A Activities and Financing

The sales revenues of DLoG of EUR 12.85 are utilized in the framework of the focused buy-and-build strategy.

The M&A sector was also strengthened with the appointment of Arno Pätzold as the third Director and Chief Development Officer. Acquisition issues are now to be given special emphasis again within the scope of AUGUSTA's expansion strategy. The acquisitions pipeline is predominantly filled with privately-managed North American companies. Interest in strategic partnerships, which very low during the crisis, is returning. Dialogue with a few selected companies is intensifying.

Development of key balance sheet items

As of March 31, 2010, the **balance sheet total** increased slightly compared to the end of the year, and stood at EUR 145.45 million (December 31, 2009: EUR 142.44 million).

On the assets side the goodwill fell due to the deconsolidation of DLoG to EUR 56.00 million (December 31, 2009: EUR 63.44 million), which corresponds to 56.4 percent of equity (year-end: 66.5 percent).

At EUR 79.39 million, **non-current assets** were lower than the figure at the year-end (EUR 88.42 million). In the first quarter, working capital posted an increase of around EUR 3 million to EUR 24.03. This increase is on the one hand seasonal, but, on the other hand, stocks had to be built up due to the actual and expected increase in sales. The increase in working capital will be disproportionately small compared to sales over financial year 2010. The days of working capital (DWC) stood at 81 days like at the year-end, while the days of sales outstanding (DSO) improved slightly to 43 days (December 31, 2009: 44 days).

As a result of the sale of DLoG, **cash and cash equivalents** and marketable securities increased as of March 31, 2010 to EUR 32.66 million (December 31, 2009: EUR 20.99 million).

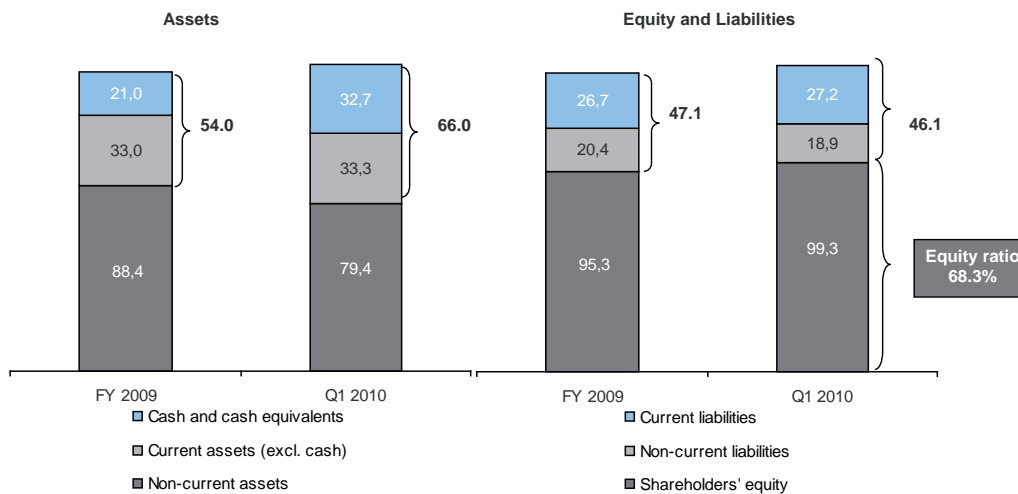
On the **liabilities side**, **shareholders' equity** rose slightly to EUR 99.30 million (December 31, 2009: EUR 95.37 million). Correspondingly the equity ratio rose as of March 31, 2010 to 68.3 percent (year-end: 67.00 percent). Net liquidity came to EUR 8.01 million (December 31, 2009: net debt of EUR 4.59 million).

Current liabilities rose slightly in the first quarter to EUR 27.21 million (December 31, 2009: 26.68 million), whereas non-current liabilities at EUR 18.93 million were slightly below the level at the year-end (EUR 20.39 million).

AUGUSTA's very solid balance-sheet ratios improved further in the first quarter of 2010. They are proof that the Group's finances and balance sheet are sound, which simultaneously offers scope for further external growth.

KEY DATA BALANCE SHEET IN EUR MILLION	Q1 2010	FY 2009	CHANGE
Goodwill	56.00	63.44	-11.7%
Cash and cash equivalents and other current financial assets	32.66	20.99	+55.6%
Total assets	145.45	142.44	+2.1%
Net liquidity	8.01	-4.59	-
Enterprise Value	81.27	87.12	-6.7%
Equity ratio	68.3%	67.0%	-

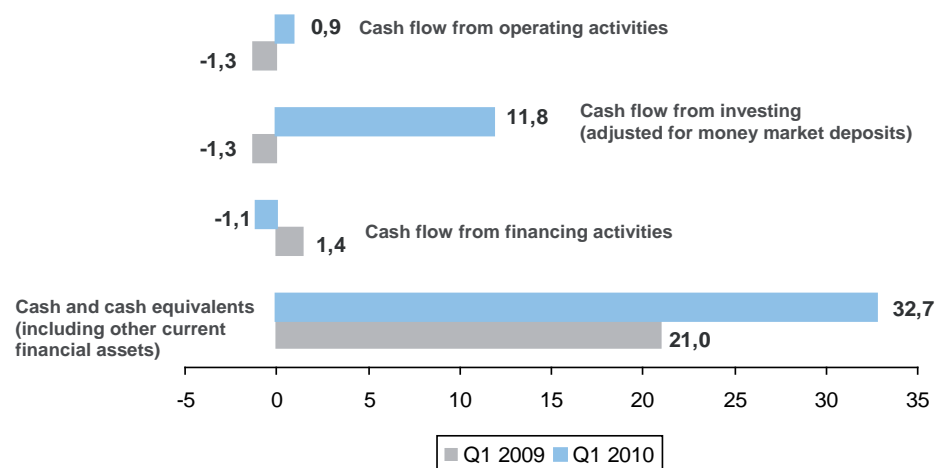
BALANCE SHEET IN EUR MILLION



View of cash flow

Cash flow from operations at the end of the first quarter was positive, despite the build-up of working capital and came to EUR 0.92 million (previous year: EUR 1.34 million). The cash flow from operations in 2010 will be under the level of the 2009 financial year. The cash flow from investing activities stood at EUR 11.82 million at the end of the quarter (previous year: EUR 3.78 million). This high figure is due to the sale of DLoG.

OVERVIEW OF CASH FLOW IN EUR MILLION



Employees

As of March 31, 2010, the AUGUSTA Group employed 524 full-time members of staff, which is slightly less than the level of the previous year (532 employees). Both figures have been adjusted to allow for DLoG staff (around 70 employees). In the Sensors division 385 people were employed (previous year: 399) and in the Vision division 134 (previous year: 133). Growth is currently being managed with temporary staff in the area of production and safeguarded long term in the areas of product management, development and sales with the key selective recruitment of new personnel.

Significant development after the reporting date of March 31, 2010

AUGUSTA received a supplementary motion from two large shareholders to be added to the agenda, requesting the dismissal of the existing AUGUSTA Supervisory Board and the reelection of a new Supervisory Board. Shareholders must make a decision on this at the Annual General Meeting on May 12, 2010. A fifty-percent majority of the present voting capital at the Annual General Meeting is required. No other significant developments took place after March 31, 2010.

Prospects: dividend and increase in guidance

The worst recession for over 60 years appears to be over. However, it is unclear how sustainable the economic recovery will be. In the worst case scenario, there will be a relapse and a repeated fall in economic growth in the second half of the year.

Nevertheless, the new orders received in the first quarter of 2010 and the strong order book are putting us in a confident mood. The long-term prospects in our niche markets remain intact. The successes of our intensive sales and development activities last year and the optimization of cost structures and the procurement processes were crucial to increasing efficiency and earnings power in the first quarter of 2010. We are thus assuming that we will grow in 2010 as much as the markets we are addressing.

At the Annual General Meeting on May 12, 2010 we propose that payment of a **dividend of EUR 0.30 per share** be voted. This dividend payment should on the one hand allow shareholders to participate in the successful handling of the economic crisis in 2009 and the stable financial situation. On the other hand, a dividend payment on this scale will enable us to implement the planned investment projects in 2010 and to further accelerate the growth course through strategically important acquisitions.

The very positive trend, especially in terms of the new orders received in the first quarter of 2010 and in April 2010, have caused us to adjust our guidance for 2010 upwards. For 2010, we expect **sales revenues** ranging between **EUR 100 and 110 million** and **EBITDA** of **EUR 14 to 18 million**.

	FY 2009	INITIAL FORECAST 2010 (03/18/2010)	NEW FORECAST 2010 (05/05/2010)
Sales revenues	EUR 93.5 million	EUR 95-105 million	EUR 100-110 million
EBITDA	EUR 12.0 million	EUR 12-16 million	EUR 14-18 million

Balance Sheet as of March 31, 2010

ASSETS IN EUR THOUSAND	03/31/2010	12/31/2009
Non-current assets		
Intangible assets, net	7,310	8,291
Goodwill, net	56,003	63,441
Property, plant and equipment, net	12,545	13,183
Non-current financial assets, net	653	650
Deferred tax assets	1,122	857
Other non-current assets	1,760	1,998
Total non-current assets	79,393	88,420
Current assets		
Inventories	17,512	17,573
Trade accounts receivables, net	12,613	12,799
Receivables from related parties	47	174
Current financial assets	16	15
Non-current financial assets held for sale	0	0
Tax account receivables	1,333	1,285
Prepaid expenses and other current assets	1,807	1,202
Cash and cash equivalents	32,726	20,971
Total current assets	66,054	54,019
Total assets	145,447	142,439

TOTAL ASSETS IN EUR THOUSANDS	03/31/2010	12/31/2009
Shareholders' equity		
Share capital	8,436	8,436
Capital reserves	55,679	55,679
Earnings reserves	30,000	30,000
Currency translation	2,766	701
Revaluation reserves	-558	-548
Retained earnings	15,938	14,041
Treasury shares	-13,166	-13,166
Minority interest	209	227
Total shareholders' equity	99,304	95,370
Non-current liabilities		
Long-term loans, excluding current portion	12,722	14,134
Non-current post-employment benefit obligation	810	799
Other non-current provision	205	277
Deferred tax liabilities	3,343	3,473
Other non-current liabilities	1,853	1,703
Total non-current liabilities	18,933	20,386
Current liabilities		
Trade accounts payable	6,093	6,738
Short-term loans and current portion of long-term loans	11,930	11,443
Other current financial liabilities	1,347	1,515
Liabilities held for sale	0	0
Income tax provisions and liabilities	1,035	480
Other current provisions	3,616	2,858
Other current liabilities	3,189	3,649
Total current liabilities	27,210	26,683
Total equity and liabilities	145,447	142,439

Consolidated Statement of Comprehensive Income

IN EUR THOUSAND	Q1 2010 01/01-03/31/2010	Q1 2009 01/01-03/31/2009
Sales revenues		
Products	26,920	23,908
Services	19	6
	26,939	23,914
Cost of sales		
Products	-15,127	-13,955
Services	0	0
	-15,127	-13,955
Gross profit	11,812	9,959
Selling & marketing expneses	-3,436	-3,403
Research & development expenses	-1,581	-1,474
General & administrative expenses	-2,685	-2,229
Depreciation of goodwill	0	0
Ohter income / expenses	-330	-258
Profit from operations	3,780	2,595
Net interest income / expnese	-347	-289
Foreign currency exchange gains / losses	270	61
Depreciation of financial assets	0	0
Other financial assets	0	-31
Net financial costs	-77	-259
Proft before tax	3,703	2,336
Income tax expenses	-1,235	-873
Profit from continued operations	2,468	1,463
Result from discontinued operations after tax	-541	432
Consolidated profit for the period	1,927	1,895

IN EUR THOUSAND	Q1 2010 01/01-3/31/2010	Q1 2009 01/01-3/31/2009
Profit / loss attributable to minority interest	-28	-19
Consolidated profit for the period after minority interest	1,899	1,876
Currency adjustments	2,065	252
Changes in derivative investments	-14	-260
Taxes on other total revenue	3	73
Additions third party share (after currency adjustment)	28	-64
Other total revenue net of tax	2,083	1
Total revenue	3,981	1,877
Earnings per share (diluted and andiluted) in EUR	0.33	0.19
Weighted average shares outstanding in thousand	7,592	7,592

Consolidated Cash Flow Statement

IN EUR THOUSAND	3/31/2010	3/31/2009
Cash and cash equivalents at the beginning of the period	20,986	13,859
Consolidated profit for the period	1,926	1,896
Depreciation and amortization	801	792
Other non-cash expenses	389	-16
Increase (-)/decrease (+) in inventories	-2,158	-321
Increase (-)/decrease (+) in trade receivables	-1,772	-620
Increase (+)/decrease (-) in trade payables	871	418
Increase (-)/decrease (+) in deferred tax assets and liabilities	5	151
Increase (+)/decrease (-) in provisions	1,555	154
Increase (-)/decrease (+) in other non-current and current assets	-695	187
Increase (+)/decrease (-) in other non-current and current liabilities	-7	-3,985
Net cash flows from operating activities	915	-1,344
Payments to acquire intangible assets	-604	-449
Payments to acquire property, plant and equipment	-101	-629
Payments to acquire non-current financial assets	-3	-246
Proceeds from sale of intangible assets	0	0
Proceeds from sale of property, plant and equipment	0	0
Proceeds from sale of non-current financial assets	0	0
Short-term disposition in restricted cash	0	5,044
Proceeds from sale of DLoG	12,532	0
Proceeds from sale of Dewetron Slovenia	0	59
Net cash flows from investing activities	11,824	3,779
Free cash flow	12,739	2,435
Change in short-term debt	319	1,235
Change in long-term debt	-1,412	298
Proceeds from (+) and payments to (-) shareholders	-51	0
Dividend payments to minority interests	0	-87
Cash flows from financing activities	-1,144	1,446
Cash flow	11,595	3,881
Effect of exchange rate changes on cash and cash equivalents	160	42
Cash and cash equivalents at end of period	32,741	17,782
Composition of financial resource fund	32,741	17,782
Cash and cash equivalents	32,726	15,833
Less restricted cash	0	-3,000
Money market funds	15	4,949

IN TEUR	3/31/2010	3/31/2009
Additional disclosures relating to cash flow:		
Income taxes paid	691	2,429
Income taxes received	0	61
Interest paid	357	323
Interest received	10	30
Additional disclosures		
Sale of subsidiaries:		
Goodwill	8,880	0
Intangible assets	1,730	0
Tangible fixed assets	356	19
Financial assets	4	0
Active deferred taxes	0	0
Other non-current assets	239	30
Inventories	2,117	0
Trade accounts receivables	1,958	109
Short-term financial assets	0	0
Other short-term assets	167	3
Cash and cash equivalents	48	3
Passive deferred taxes	-397	0
Provisions for pension fund liabilities	0	0
Other non-current liabilities	0	0
Trade accounts payable	-1,516	-51
Financial liabilities	0	-15
Provisions	-303	0
Provisions and liabilities from taxes	0	0
Other liabilities	-317	-3
Minority interest	0	0
Value adjustments from previous years	0	0
Consolidation entries	6	2
Loss on sale (before additional expenses for sale)	-122	-35
Purchase price received	12,850	62
Disposal of liquid funds	-48	-3
Additional costs for sale	-270	0
Inflow of funds from sale of company minus liquid funds disposed	12,532	59

Consolidated Statement of Changes in Equity

IN EUR THOUSAND	SUBSCRIBED CAPITAL				
	NUMBER OF SHARES	AMOUNT	CAPITAL RESERVES	RETAINED EARNINGS	TRANSLATION RESERVE
Status as of January 1, 2009	8,435,514	8,435	55,792	30,000	-1,051
Share options					
Acquisition of minority shares in Dewetron Deutschland GmbH			(115)		
Adjustment of purchase price allocation 2009					
Dividend					
Appropriation to /whitdrawal from reserves					
Purchase of treasury shares					
Total income					252
Status as of March 31, 2009	8,435,514	8,435	55,677	30,000	-799
Status as of January 1, 2010	8,435,514	8,435	55,679	30,000	701
Share options					
Acquisition of minority shares in Dewetron Deutschland GmbH					
Dividend					
Purchase of treasury shares					
Total income					2,065
Status as of March 31, 2010	8,435,514	8,435	55,679	30,000	2,766

REVALUTATION RESERVES

CURRENCY	CASH FLOW HEDGES	NET RETAINED LOSS/ GAIN	TREASURY SHARES	MINORITY INTEREST	TOTAL EQUITY
	-454	18,749	-13,165	333	98,639
					0
					-115
					0
				-86	-86
					0
					0
	-187	1,878		-64	1,879
	-641	20,267	-13,165	183	100,317
	-548	14,041	-13,165	227	95,370
					0
					0
				-46	-46
					0
	-10	1,898		28	3,981
	-558	15,939	-13,165	209	99,305

Notes

Explanatory notes to the 3-months report

1. Accounting principles

The 3-monthly report of AUGUSTA Technologie AG of March 31, 2010 was drawn up in accordance with the Consolidated Financial Statement of December 31, 2009, 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, 2009.

The financial statement contained in the report (of March 31, 2010, and December 31, 2009), the consolidated statement of comprehensive income (for the first three months of 2010 and 2009 respectively), the cash flow statement (for the first three months of 2010 and 2009 respectively), as well as the change in equity capital statement (for the first three months of 2010 and 2009 respectively) have been drawn up by the Managing Board of AUGUSTA Technologie AG and have not been confirmed by an auditor.

2. Consolidated Companies

With effect as of February 28, 2010, DLoG GmbH has been deconsolidated. At the time of the deconsolidation, DLoG had generated close to a balanced result. Due to premium payments to the responsible management of DLoG, attorneys' fees within the context of the transaction and the performance-linked bonus to the M&A advisor, the loss from the discontinued operations came to EUR 541 thousand.

3. Segment reporting

AUGUSTA Technologie AG divides its business activities into the sectors Sensors and Vision. The former Controls sector was renamed Vision after the sale of DLoG GmbH. The further strategic focus of the Group thus becomes clear, given that there are now two segments with only three product areas

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 March 31, 2010, AUGUSTA Technologie AG held a total of 843,551 shares in the company. In the first three months of 2010 some 7,591,963 shares were in circulation. Earnings per share in the first quarter of 2010 amount to EUR 0.33.

5. Statement of Directors' Dealings as of March 31, 2010

In the first three months of 2010, the following notifiable transactions in securities were conducted by company officers:

MANAGING BOARD	DATE	NUMBER OF SHARES	NATURE	SHARE PRICE IN EUR
Arno Pätzold	1/8/2010	3,000	Purchase	11.50

On March 31, 2010, 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 around 32.8 percent of the approved program of 843,551 subscription rights in total. The options issued from the first tranche can no longer be exercised 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 31/3/2010	NUMBER OF SHARES 31/12/2009	NUMBER OF SHARE OPTIONS 31/3/2010	NUMBER OF SHARE OPTIONS 31/12/2009
MANAGING BOARD				
Amnon F. Harman	15,500	15,500	25,000	50,000
Berth Hausmann	8,250	8,250	25,000	50,000
Arno Pätzold	3,000	-	-	-
SUPERVISORY BOARD				
Heinzwerner Feusser	4,999	4,999	-	-
Thomas Krüger	-	-	-	-
Dr. Daniel Wiest	-	-	-	-
Total	31,749	28,749	50,000	100,000

6. Treasury shares

On March 31, 2010 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 31/3/2010	NUMBER OF SHARES 31/12/2009	INTEREST IN SHARE CAPITAL 31/3/2010
Treasury shares	843,551	843,551	10.0%

7. Decision-making bodies of AUGUSTA

The Managing Board consists of CEO Amnon F. Harman, CFO Berth Hausmann and CDO Arno Pätzold. Mr. Pätzold took up his office as Chief Development Officer as of January 1, 2010.

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 2009, no significant changes have occurred from which new risks for the Group could be deduced. Reference is therefore made to the 2009 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 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 2010

Publication of the 3-months report 2010	May 5, 2010
Annual General Meeting	May 12, 2010
Publication of the 6-months report 2010	August 5, 2010
Publication of the 9-months report 2010	November 4, 2010

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