



ANNUAL REPORT 2007



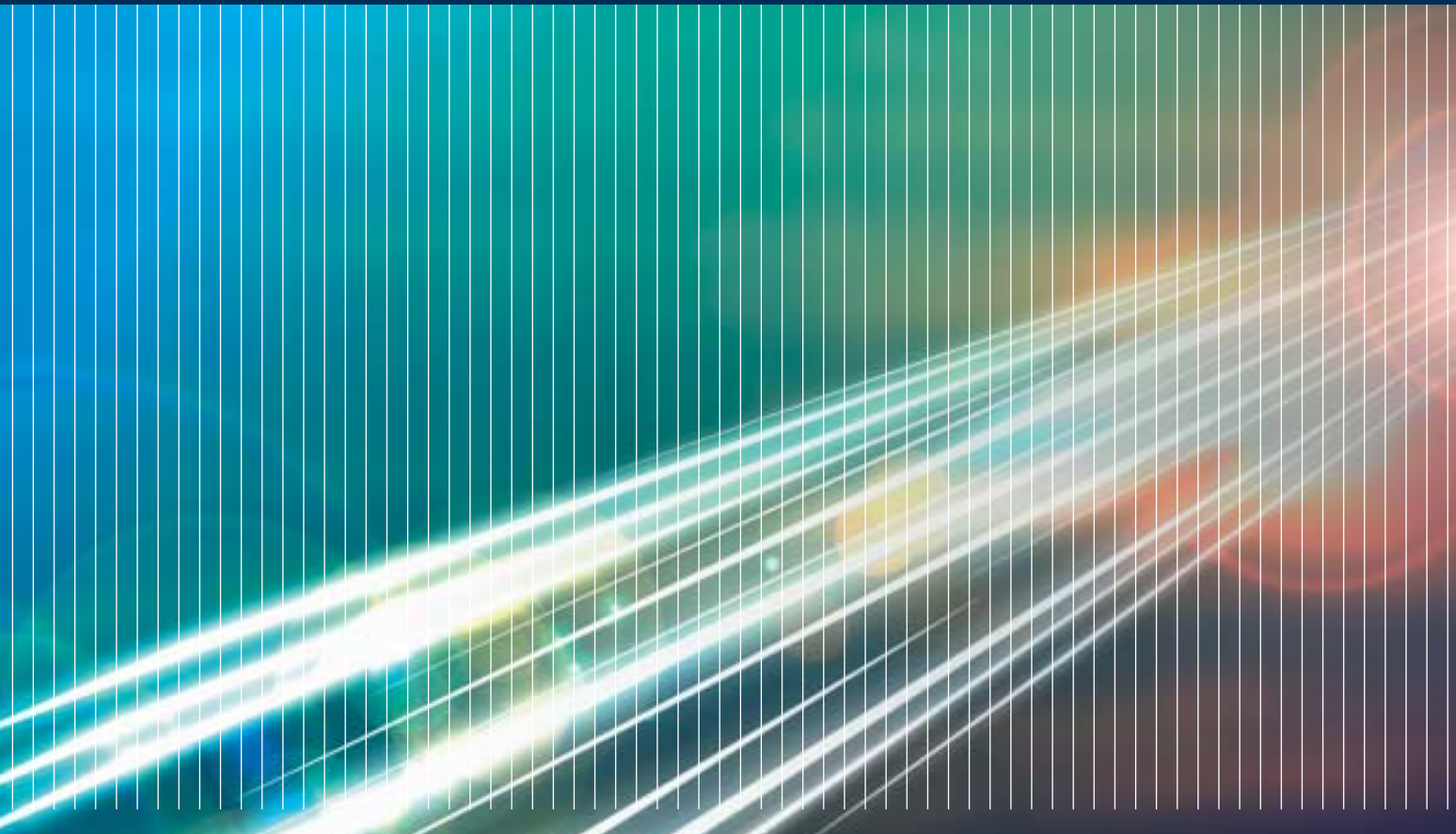
SMART SOLUTIONS TO DRIVE THE FUTURE

At a Glance – Consolidated Key Figures

The consolidated financial statements of the years 2003 to 2007 were drawn up pursuant to the International Financial Reporting Standards (IFRS).

		2003	2004	2005	2006	2007
Sales (gross)	in mn. €	362.6	439.5	244.4	283.1	229.5
Sales (net)	in mn. €	348.8	423.8	232.3	272.5	223.0
– Sales Germany	%	5.3	10.1	13.3	11.7	11.3
– Sales Rest of Europe	%	31.4	30.1	36.5	30.2	28.6
– Sales Americas	%	21.3	24.3	20.1	28.0	32.1
– Sales Asia	%	40.3	33.7	24.4	27.5	25.9
– Sales Africa/Australia		1.7	1.8	5.7	2.6	2.1
Order intake	in mn. €	382.7	417.6	248.7	319.0	203.8
Order backlog (31.12.)	in mn. €	90.4	56.7	60.9	81.5	55.8
EBIT	in mn. €	68.4	72.6	2.1	4.0	1.1
EBIT margin	%	19.6	17.1	0.9	1.5	0.5
Earnings before taxes	in mn. €	70.9	73.9	3.3	4.3	1.6
Net profit	in mn. €	44.5	46.8	7.3	11.1	3.0
Operating cash flow	in mn. €	18.4	49.1	8.3	9.0	-3.6
– in % of net sales		5.3	11.6	3.6	3.3	-1.6
Tangible assets	in mn. €	15.8	13.9	12.9	22.3	12.5
Financial assets	in mn. €	13.0	31.2	31.2	31.2	76.8
Current assets	in mn. €	256.9	284.9	238.8	248.2	212.1
Shareholders' equity	in mn. €	227.1	249.6	255.5	274.7	293.3
Equity ratio	%	69.4	63.0	71.0	69.1	66.1
Balance sheet total	in mn. €	327.0	396.0	359.9	397.6	443.9
Research & Development	in mn. €	16.3	22.8	19.4	23.5	25.6
– in % of net sales		4.7	5.4	8.4	8.6	11.5
Employees (31.12.)		599	736	636	796	764
Weighted average shares outstanding, basic		36,986,738	36,769,485	35,065,241	34,941,929	35,610,088
Weighted average shares outstanding, diluted		36,986,738	36,769,485	35,065,241	35,015,262	37,194,844
Stock price at year-end	€	16.70	12.90	14.50	12.13	6.97
Earnings per share	€	1.20	1.27	0.21	0.35	0.05

BLU-RAY AND SOLAR – WILL DRIVE THE FUTURE



STANGL
Semiconductor Equipment AG
A MEMBER OF THE SINGULUS GROUP

SINGULUS 

The third generation of

OPTICAL DISCS





There was a decisive turn in the competition for the optical disc format of the future at the beginning of 2008.

The fiscal year 2006 and also 2007 were still materially characterized by the big uncertainty with respect to which format will prevail internationally.

The result was a restraint on part of the disc producers in terms of new equipment expenditure.

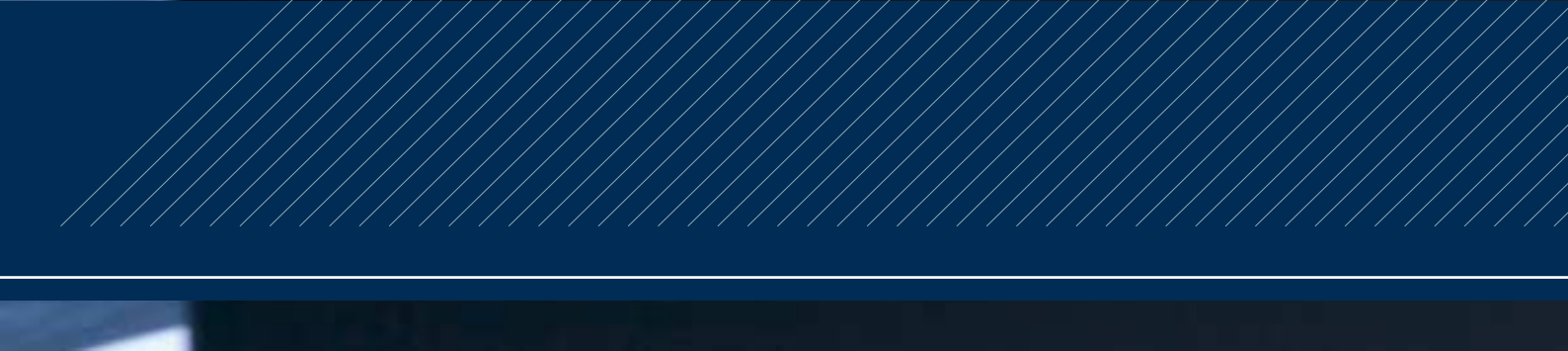
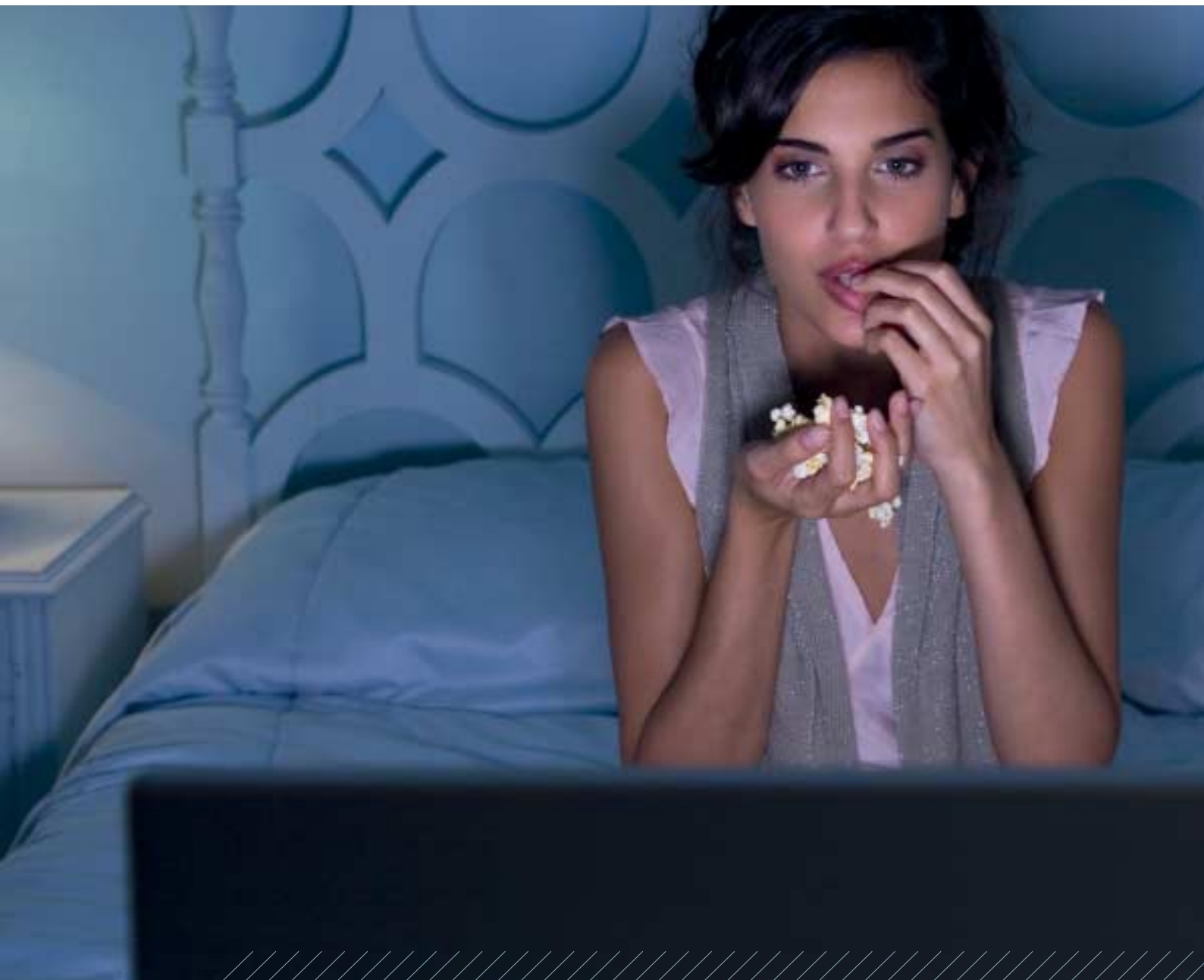


TM

Blu-ray Disc

“Hollywood” has decided

BLU-RAY IS THE WINNER



In the competition for the succession of the DVD the Blu-ray Disc format achieved the breakthrough in January 2008. Warner Bros.' decision to change over to the Blu-ray camp announced during the CES Fair 2008 in Las Vegas had a massive impact on the sector. In the end, Warner's decision prompted Toshiba to give up the HD DVD format. Accordingly, the Blu-ray standard supported by SONY and Panasonic will prevail as the successor of the DVD.

The widely spread DVD format does not provide sufficient capacity to store the higher data volume of high-definition movies. The higher definition means a significantly improved picture quality, which is accentuated by modern flat-screen TVs. The penetration of so-called HDTVs has increased substantially in the past years and renowned research companies such as "Understanding & Solutions" expect this growth to continue at an even faster rate.

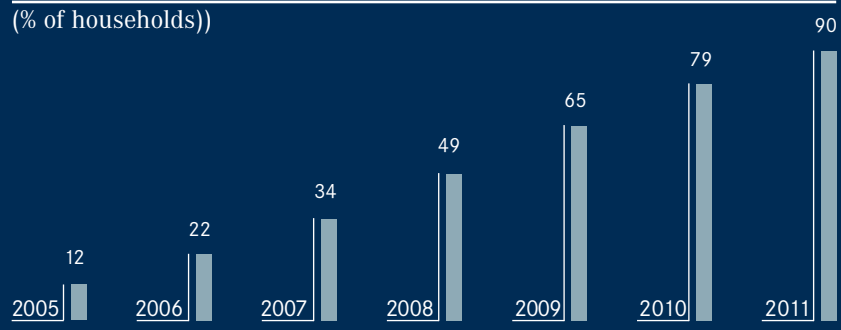






Households with HDTV sets, US

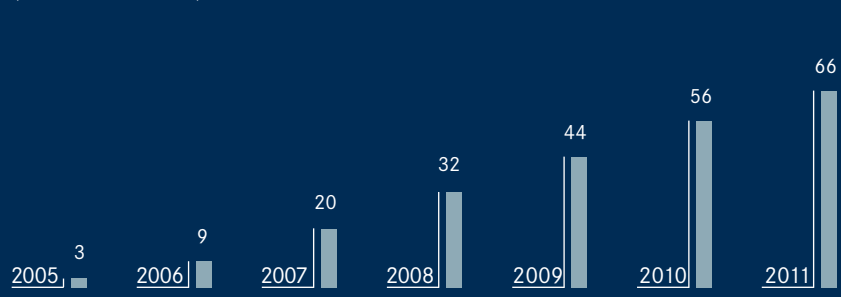
(% of households)



Source: Understanding & Solutions, January 2008

Households with HDTV sets, Europe

(% of households)



Source: Understanding & Solutions, January 2008

An additional area of application for the DVD successor is the storage of music and data. The Blu-ray Disc (BD) with a dual layer is able to store a data volume of up to 50 gigabyte. In contrast, a standard DVD has a data capacity of 9.4 gigabyte.

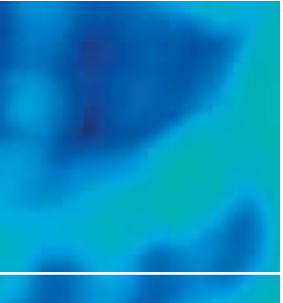
According to a study performed by the market research company Techno Systems Research the production of Blu-ray Discs will almost triple in 2008 compared with 2007.



Expectations 2008:

START OF BLU-RAY MACHINE INVESTMENTS





Following Warner's and Toshiba's decisions the project activities in the Blu-ray Disc segment have increased substantially.

SINGULUS TECHNOLOGIES already possesses many years of experience in the work area Blu-ray Disc due to the exclusive cooperation with the format developer SONY starting in 2005. Several Blu-ray Disc production machines were already installed at the major, independent disc producers in the US as well as in Europe and Asia. This also applies to equipment for the production of prerecorded as well as once-recordable and rewritable discs. The demand from Europe and Asia shows that the Blu-ray Disc will not only play an important role in the former main market US, but that the Blu-ray Disc will be present globally.

For the further development of the Blu-ray production machine for the manufacturing of dual layer Blu-ray Discs with 50 gigabyte storage capacity SINGULUS TECHNOLOGIES has closely worked together with SONY DADC.





Since the end of 2007 the new dual layer production technology is presented to key customers. At the end of February 2008 the new machine BLULINE II was presented to around 300 guests from all over the world during SINGULUS' internal fair at the company's main site in Kahl am Main. The global market penetration of the Blu-ray Disc will successfully continue in 2008. Players and game consoles are available at attractive retail prices in the meantime. Nearly all new films produced by Hollywood are also published in the Blu-ray Disc format. Correspondingly, SINGULUS TECHNOLOGIES expects considerable growth for the Blu-ray Disc activities in the year 2008.





Acquisition of the Blu-ray Disc operations from Oerlikon

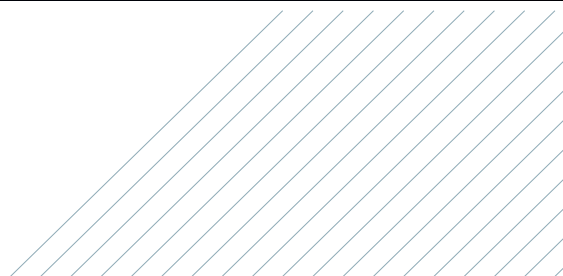
With this strategic acquisition at the beginning of 2008 SINGULUS TECHNOLOGIES took over the entire Blu-ray Disc activities as well as the support of all the Blu-ray production lines already delivered by Oerlikon. With the acquisition of the Blu-ray Disc equipment operations from Oerlikon the currently developing business opportunities can be utilized to an even greater extent.

For SINGULUS TECHNOLOGIES this means an additional strengthening of the market leadership and an improvement in the good position for Blu-ray.



SINGULUS enters the booming

SOLAR TECHNOLOGY MARKET



MARKET



The capacity of the globally forecast new installations for photovoltaic systems are set to nearly grow five times from 2.6 GW (gigawatt) in 2007 to 13 GW in 2010. Germany will continue to be in the top position with 3.2 GW, closely followed by the US with 2.5 GW (Study LBBW, August 2007). The market of photovoltaics continues to develop rapidly.

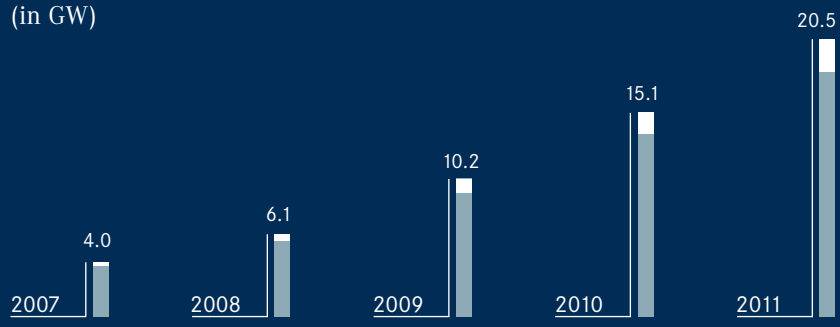
In view of these growth rates, which other market observers even believe to be conservative, in the next couple of years, a tremendous boost for investment in plant and equipment for new solar factories is expected. The steadily increasing demand of consumers and at the same time the reductions of market prices for solar cells demanded by the German Renewable Energies Act (EEG) call for a more efficient, industrial mass production of the end products in the future.





Solar: Production of cells and modules

(in GW)



Source: Photon Consulting, Autumn 2007

■ Thin-Film ■ Crystalline Silicon

With the acquisition of 51 % of the shares in the STANGL Semiconductor Equipment AG (STANGL) SINGULUS TECHNOLOGIES achieved the direct market entry into the rapidly growing solar market in the summer of 2007.

STANGL is one of the worldwide leading suppliers for equipment for wet-chemical processes and manufactures machines for the production of silicon as well as thin-film solar cells.



SILICON SOLAR TECHNOLOGY

A substantial part of the current business activities at STANGL is focused on the market of crystalline silicon solar technology, which each year grows at about 25%. STANGL has established customer relationships with all major solar cell producers and is participating in many projects in Europe and Asia. STANGL works as a partner for suppliers for turnkey lines as well as a direct supplier of renowned solar cell producers.

SINGULUS TECHNOLOGIES itself will present in Kahl am Main its own vacuum coating machine for the coating of anti-reflective layers in the silicon solar technology by the end of 2008. In March 2008 SINGULUS TECHNOLOGIES partnered up with Q-Cells, the most important solar cell producer worldwide, for the development of this new machine and won the company as a key customer. Q-Cells will significantly contribute its know-how into the development of this machine and put it into operation after qualification. SINGULUS TECHNOLOGIES' machine integration know-how for the automation of CD and DVD production machines is an optimal starting point for the development of highly profitable, fully automated production lines for silicon solar cells.

Combined with the equipment from STANGL, SINGULUS TECHNOLOGIES will then be able to offer two important machine groups with wet-chemical and vacuum coating processes for a production line for crystalline silicon solar cells. The goal is to further expand the globally leading position for production equipment for crystalline solar cells in the next couple of years.

STANGL leading

IN THIN-FILM SOLAR TECHNOLOGY

The market for thin-film solar cells is currently still small compared with the market for crystalline silicon solar technology, but is growing at higher rates.

STANGL offers the machines for the production of thin-film solar cells on the basis of the CIS/CIGS (Copper – Indium – Gallium – Sulfide) technology, which covers the required production steps in the wet-chemical area.

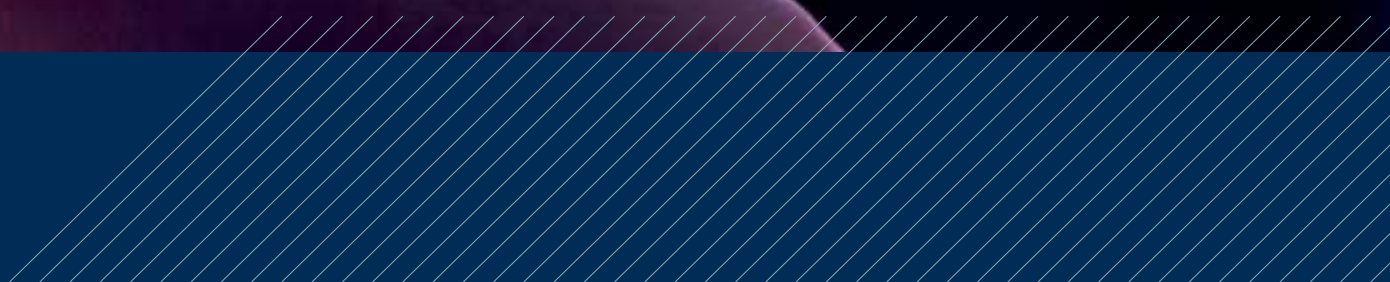
The solar cells manufactured through this technology generate a high energy efficiency compared with solar cells in the thin-film coating segment, which operate on the basis of amorphous silicon or cadmium telluride. Therefore, the CIS/CIGS technology offers a big potential for market leadership in the thin-film solar technology.

In Germany, CIS/CIGS equipment from STANGL is used by Würth Solar for example. This technology was also supplied to the Johanna Solar Technology. Moreover, the first machine with CIS/CIGS technology on plastic foil was delivered to the company Ascent Solar in the US.





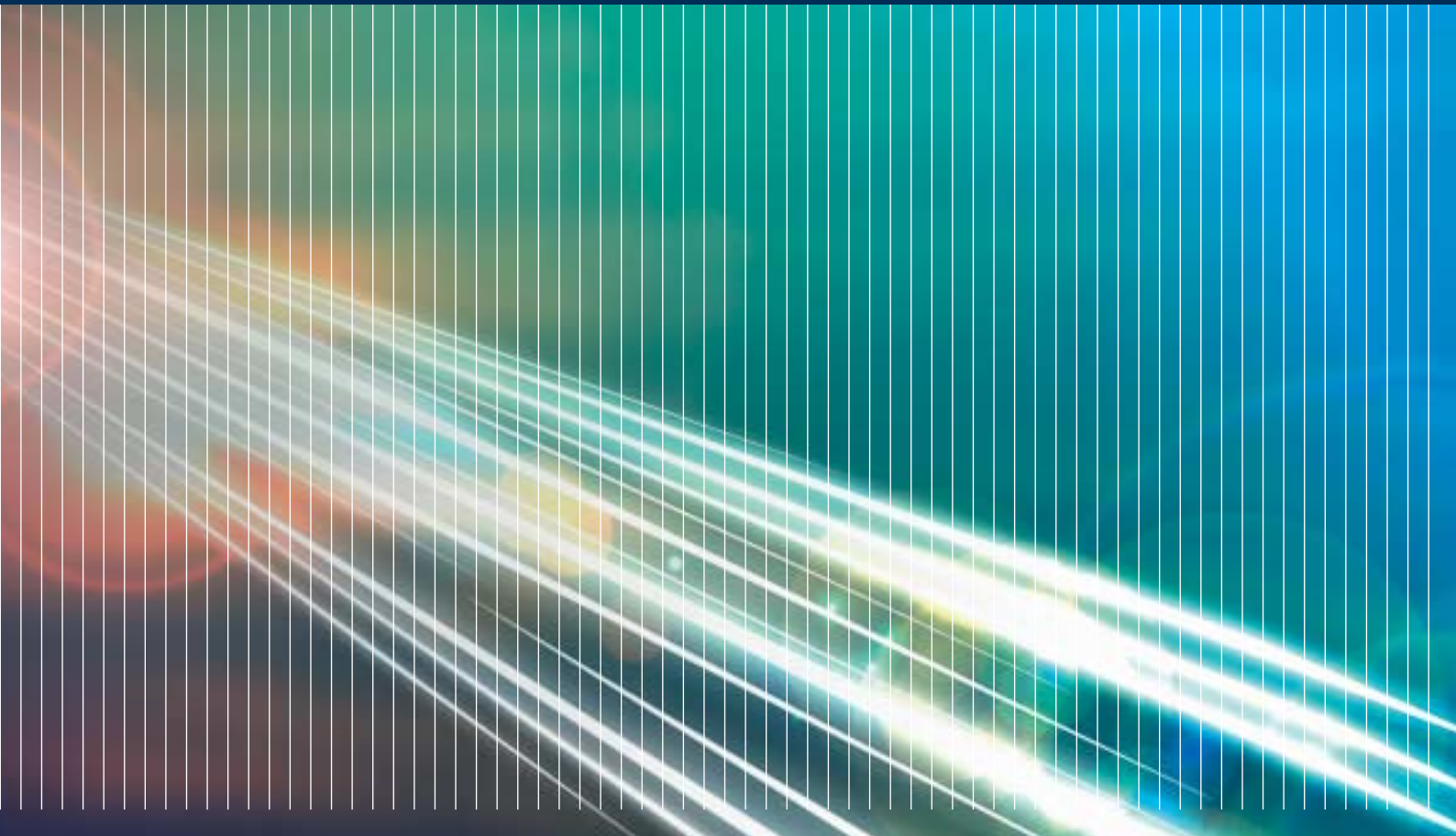
SINGULUS AND STANGL:
A STRONG TEAM IN SOLAR



TECHNOLOGY

STANGL and SINGULUS TECHNOLOGIES will consistently expand the solar activities. Both companies perfectly complement each other in order to be able to offer a broad product range of machines and equipment for the photovoltaics industry in the next couple of years. While STANGL focuses on wet-chemical processes, SINGULUS TECHNOLOGIES' core competence is physical coating technology and the integration of different processing steps in complete, predominantly automated, production lines.

We expect the work area Solar to become one of the most important drivers of growth in the SINGULUS TECHNOLOGIES Group.



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