

Q04

Report Fourth Quarter 2009

Consolidated Statements IFRS for Fiscal 2009 as of December 31, 2009 (audited)

Optical Disc

Solar



SINGULUS TECHNOLOGIES Headquarters
Kahl, Germany



STANGL Semiconductor Equipment AG
Fürstfeldbruck, Germany

SINGULUS TECHNOLOGIES 2010: turnaround achieved

- Sales forecast met at € 116.6 million
- Business year 2009 closed with loss
- Sales 2009 in the Solar segment almost equal 2008 figures
- Goal for 2010: Break even in EBIT
- Orders for Solar generate optimism
- Positive development of Blu-ray sector grows stronger
- Short-term work ends on March 31, 2010
- SINGULUS back in the TecDAX since March 22, 2010

The year 2009 was a year during which the international economies and financial markets in Europe, North America and Asia were exposed to extreme difficulties. Following the crisis of the US real estate market in 2008 and the breakdown of several major banks the economic expectations for 2009 deteriorated abruptly. The big economies were in the middle of a recession at the end of 2008, whose extent reminded of the Big Depression after World War I. Only the immediate response of governments worldwide with direct participation in the crisis-stricken financial institutions and the initiation of extensive economic stimulus programs resulted in a gradual stabilization of the global financial system. Also the German economy and in particular the machine and engineering sectors were impacted by this adverse development to a great extent.

The Executive Board of the SINGULUS TECHNOLOGIES AG had decided in September 2008 to focus the company exclusively on the segments Optical Disc and Solar in the future. The clear concentration on those two growth areas should result in significantly improved sales and earnings in the coming years. In connection with this SINGULUS sold 100 % of the shares of the HamaTech APE GmbH & Co. KG, Sternenfels, to the SÜSS MicroTec AG (SÜSS), Garching.

The international crisis made the achievement of these goals impossible and substantially negatively impacted the trends in the two core areas Optical Disc and Solar in the year 2009. The business figures of the SINGULUS TECHNOLOGIES AG for 2009 reflect this. Our customers' investment spending was very cautious at the end of 2008 and partly even came to a standstill in 2009. Started projects were postponed and indispensable orders placed as late as possible.



Optical Disc - market and innovation leader

SINGULUS is by far the market leader for production equipment in the optical disc segment. With its mastering system CRYSTALLINE and the replication line BLULINE II SINGULUS is very well equipped for the future growth in the Blu-ray segment and will benefit substantially from this in the coming years.

The company's declared strategy is to remain the global market in this market. On the one hand this means the expansion of intensification of the marketing of the production machines for Blu-ray Disc worldwide. On the other hand, SINGULUS participates in the development of new machine concepts for so-called hybrid Blu-ray Disc, i.e. a combined Blu-ray and DVD. Also for the upcoming market of 3D movies the company will work on ideas for production concepts for Blu-ray Disc with storage volumes of 75 to 100 Gbyte and more. For the recently presented three-dimensional television technology the storage capacity of a dual layer Blu-ray Disc of 50 is not sufficient. Here 75 or 100 Gbyte are required. With other coding algorithms and additional layers the Blu-ray format can achieve higher storage volumes. This will considerably expand the lifecycle of the Blu-ray Disc. SINGULUS will develop the required production machines for this in a timely manner. The latest technologic developments will enable additional new applications for the Blu-ray Disc format in the future. Due to these recent trends we expect substantial growth impulses for our Blu-ray machine activities in 2010 and thereafter.

Solar - transition from provider of individual machines towards system supplier

Until mid-2008 the boom in the solar sector remained intact and was even in a stage of strong overheating. Here, the international economic crisis in 2009 also resulted in deep cuts. SINGULUS used this phase to intensify the development of its solar activities. The final acquisition of the remaining 49 % of STANGL was one of the important prerequisites for SINGULUS to progress the further expansion in the Solar segment.

In the Solar segment SINGULUS cooperates with leading cell producer for the development of new production technology and new machine concepts for improved cell concepts with higher efficiency and lower production costs at the same time. The company's goal is to become a leader for the introduction of new technologies in both the silicon and thin-film solar technology. In the next couple of years SINGULUS will launch a broad product range with new machines for the photovoltaics industry, which will offer manufacturers of both silicon and thin-film solar cells particular cost advantages. In particular during times of cost pressures in the photovoltaics market interest for new machine concepts with lower production costs than in the past increases.

SINGULUS and STANGL will make a transition towards a joint supplier of complete production systems with process know-how and offer such systems in the solar market as soon as 2010. This expansion of the business model was the successful way in the market for optical disc equipment a couple of years ago. The same strategy should also pave the way to success in the Solar segment.

Financial figures Sales and earnings

On an annual comparison sales declined by € 95.5 million from € 212.1 million to € 116.6 million. In the Optical Disc segment sales dropped by € 84.7 million compared with the previous year's level and totaled € 68.8 million as of the end of the period under review. The reasons for the decline in this segment were mainly volume effects. During the year under review sales in the Optical Disc segment were considerably shaped by the prerecorded business with our BLULINE machines as well as replacement and service activities.

The Solar segment predominantly realized sales from the consolidation of the STANGL Semiconductor Equipment AG in the year under review. Overall, sales in the amount of € 36.0 million were achieved. Therefore, sales in the year under review remained



around the previous year's level (previous year: € 37.9 million). In the Semiconductor segment sales declined substantially compared with the prior-year period. In this business division sales declined by € 8.9 million compared with the previous year and amounted to € 11.9 million as of the end of the period under review.

In the fiscal year 2009, Europe (including Germany) was once again our main sales region with a share of total sales of 42.7 % (previous year: 39.4 %). In the year-over-year comparison the Americas' share declined to 23.3 % (previous year: 33.1 %). The region Asia accounted for 32.7 % of sales (previous year: 27.0 %). On a low level, the activities in Africa and Australia increased slightly to 1.3 % of sales (previous year: 0.5 %).

Earnings

The earnings before interest and taxes (EBIT) were negative at € -73.2 million (previous year: € -46.2 million). Adjusted for restructuring and impairment expenses an EBIT in the amount of € -40.3 million resulted (previous year: € 2.0 million). Specifically, the operating result including restructuring charges in the segment Optical Disc was negative at € -59.2 million. Adjusted for the restructuring charges in the amount of € 21.5 million a negative EBIT in the amount of € -37.7 million resulted for this segment. The Solar segment achieved a positive EBIT in the amount of € 0.3 million. This included one-time expenses in the amount of € 1.1 million. Adjusted for this effect this segment posted an operating result in the amount of € 1.4 million. In the Semiconductor segment including one-time charges in the amount of € 10.3 million an EBIT in the amount of € -14.4 million resulted.

The financial result was negative at € -6.1 million and therefore significantly better than in the previous year (previous year: € -8.0 million). This rise is mainly due to decreased interest expenses in connection with the accrued interest of purchase price liabilities from the acquisition of the STANGL Semiconductor Equipment AG as well as the acquisition of the Blu-ray activities from the Oerlikon Balzers AG. On the basis of these facts interest expenses in the overall amount of € 3.1 million were recognized. The other expenses predominantly resulted from interest on loans and credit facilities. This resulted in expenses in the amount of € 1.5 million in the year under review (previous year: € 3.0 million). In contrast, financial income in the amount of € 1.4 million was achieved. This mainly results from short-term investments of liquid funds as well as the income from interest due to the financing of accounts receivable.

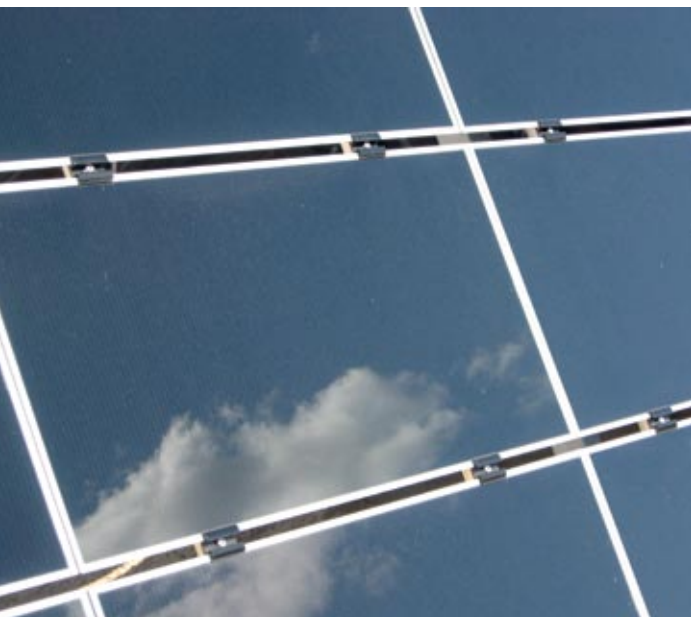
The net result was negative at € -78.8 million and therefore mainly characterized by the one-time expenses in the year under review as well as by the considerably lower sales compared with the same period one year ago (previous year: € -49.3 million). Excluding restructuring charges a negative result in the amount of € -45.9 million was incurred (previous year: € -1.1 million).

Gross margin

The gross margin in the business year 2009 decreased slightly. The decline to 28,9 % (previous year: 31,6%) is mainly due to a decrease in the high-margin activities with our Blu-ray replication lines compared to overall sales in a year-over-year comparison.

Order backlog and order intake

The order intake came to € 81.1 million in the year under review (previous year: € 226.4 million) and was 64.2 % below previous year's level. As per year-end 2009 the order backlog of € 34.7 million also posted a considerable decrease compared with the previous year (€ 70.2 million).



Shareholders' equity

The equity ratio amounted to 62.9 % (previous year: 57.8%) as of December 31, 2009. The shareholders' equity in the Group amounted to € 165.7 million as of December 31, 2009 (previous year: € 245.5 million). Equity in the amount of € 163.2 million is attributable to the shareholders of the parent company and € 2.6 million to minorities.

Cash flow

In the year under review the cash flow from operating activities was positive at € 0.2 million. In the prior-year period the operating cash flow was negative at € -11.2 million.

The cash outflow from investing activities amounted to € 14.7 million compared with € 9.1 million in the prior-year period. This results mainly from payments in connection with the development activities in the Solar segment. In addition, the remaining 49 % of the shares of STANGL were acquired in the business year 2009. In this connection the first purchase price installment in the amount of € 10.0 million was paid. In the period under review the cash outflow from financing activities amounted to € 10.5 million. In the same period one year ago, the cash flow from financing activities had amounted to € 23.5 million in total. The negative cash flow from financing activities mainly results from the repayments of loans in the amount of € 10.3 million. As a result, cash and cash equivalents decreased by € 25.0 million in the year under review.

Research and development

SINGULUS TECHNOLOGIES optimized its new Blu-ray production line BLULINE II to a stable manufacturing system in 2009 and is thus global leader next to SONY. Several detailed improvements have been incorporated into the system since then. The mastering system CRYSTALLINE for dual layer Blu-ray Disc was successfully established in the market in 2009 and technologically accepted and qualified by disc manufacturers. Only SINGULUS supplies the free market for independent disc producers. In the course of the development projects new machine concepts for hybrid Blu-ray Disc and for three and four layer Blu-ray Disc with more than 100 Gbyte storage capacity is worked on in the Optical Disc segment.

In the realms of the silicon solar technology SINGULUS TECHNOLOGIES delivered the first inline coating machine for anti-reflective coating of silicon solar cells under the product name SINGULAR to a European manufacturer of silicon solar cells in November 2009. In the mean-time the SINGULAR machine is operating in daily production and produces solar cells with excellent quality. In addition, the customer received the newly developed inline cleaning system LINEA from STANGL with the correspondingly fully-automated wafer handling system. Accordingly, SINGULUS will commission a front end reference line at this key customer in the spring of 2010. In the segment of thin-film solar technology, SINGULUS TECHNOLOGIES works on the development and market introduction of a new plant technology for the spray ion layer gas reaction (ILGAR) process, amongst others.

In close cooperation with a key customer SINGULUS had developed a new diffusion process machine for the thin-film solar technology and was able to win the production order for this plant at the beginning of 2010. With this SINGULUS expands its product portfolio in the area of photovoltaic machines and will offer this technology on the market from now on. This order is an essential and further step towards the broadening of our portfolio for important process steps in the Solar business division.

Employees

SINGULUS TECHNOLOGIES continued to adjust capacities to the market trends in the business year 2009 and achieved additional savings with this. The measures included headcount and material cost reduction.



At the end of 2009 the SINGULUS TECHNOLOGIES Group including APE employed 572 people in total (previous year: 722 employees). With the sale of HamaTech APE at the beginning of 2010 the headcount within the scope of consolidation was reduced by 85 employees, so that the staff declined to 487 people.

Outlook

Positioning of the Group: rigorous market development in the Solar segment and expansion of market leadership at Blu-ray

SINGULUS has used the time of consolidation in the years 2008/2009 to develop its Solar activities and to cooperate with important customers in the solar market.

The company's goal is to build a strong brand position for production equipment for solar cells in the next couple of years and to benefit from the upcoming growth in the solar market. This holds true for the introduction of new technologies for both the silicon and thin-film solar technology.

In the future SINGULUS will focus rigorously on the system activities with production equipment for solar cells and leverage the know-how of coating and automation technology, the wet-chemical processes as well as system concepts. In the realm of thin-film solar technology SINGULUS will also introduce new products to the market and offer cell producers considerable cost advantages with this. Especially the increasing cost pressures in the photovoltaics industry forces manufacturers to be innovative. Additional new concepts are being prepared and discussed with potential partners. The first order received for the new process plant in the thin-film solar technology confirms this strategy.

The crisis of the global economy had a strong impact on the business activities of the SINGULUS TECHNOLOGIES AG in 2009. For the year 2010 experts are expecting a gradual improvement of the economy. How quickly this will happen, cannot be forecast reliably. However, fortunately the project activities at SINGULUS TECHNOLOGIES improved in both segments and therefore an improvement in the order intake is expected.

In the Optical Disc segment the forecast increase of 60 % for Blu-ray Disc leaves us optimistic. In case of such growth rates disc manufacturers will quickly reach their capacity limits and have to invest in new production equipment.

For the Solar segment we also expect an economic recovery. Inventories of cell manufacturers declined once again and the demand has improved considerably again. In many regions of the world the generation of electricity with photovoltaics will continue to expand. For this SINGULUS offers modern plant systems, which provide cost reduction potential in the production for the cell manufacturers. The strategic transition from a pure OEM provider towards a system supplier will open new opportunities for the company.

Turnaround achieved – positive results in EBIT are the goal for 2010

The company achieved the turnarround in the past business year 2009. We are thus deeply convinced that SINGULUS TECHNOLOGIES will return to profitability in its operating activities as market leader in the Optical Disc segment and with new products in the Solar segment. It is the declared target of the Executive Board and the entire management to generate profits on an EBIT basis in 2010 again and to realize sustainable positive earnings from 2011 onwards once again.

SINGULUS TECHNOLOGIES AG

The Executive Board

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008

	Dec. 31, 2009	Dec. 31, 2008
ASSETS	[€ k]	[€ k]
Cash and cash equivalents	15,185	40,143
Trade Receivables	34,420	76,353
Other receivables and other assets	6,986	9,350
Total receivables and other assets	41,406	85,703
Raw materials, consumables and supplies	25,996	39,049
Work in process	31,735	54,311
Total inventories	57,731	93,360
Total current assets	114,322	219,206
Non-current trade receivables	4,575	3,838
Property, plant and equipment	12,268	10,309
Investment property	6,814	7,150
Capitalized development costs	26,534	30,279
Goodwill	42,542	66,404
Other intangible assets	45,485	68,421
Deferred tax assets	1,358	14,468
Total non-current assets	139,576	200,869
Non-current assets held for sale	9,699	4,515
Total assets	263,597	424,590

	Dec. 31, 2009	Dec. 31, 2008
LIABILITIES	[€ k]	[€ k]
Trade payables	7,612	14,381
Current bank liabilities	26,749	20,218
Prepayments	4,825	15,493
Other current liabilities	27,875	22,970
Tax provisions	1,966	3,673
Other provisions	3,432	2,384
Total current liabilities	72,459	79,119
Non-current bank liabilities	87	16,891
Other non-current liabilities	2,482	47,807
Pension provisions	6,973	6,692
Deferred tax liabilities	13,416	27,603
Total non-current liabilities	22,958	98,993
Liabilities from assets classified as held for sale	2,431	1,021
Total liabilities	97,848	179,133
Subscribed capital	37,355	36,946
Capital reserves	48,690	48,782
Other reserves	-2,700	-2,717
Retained earnings	79,835	158,441
Equity attributable to equity holders of the parent	163,180	241,452
Minority interests	2,569	4,005
Total equity	165,749	245,457
Total equity and liabilities	263,597	424,590

CONSOLIDATED INCOME STATEMENTS FOR 2009 AND 2008

	4th Quarter			
	2009	2008	2009	2008
	[€ k]	[€ k]	[€ k]	[€ k]
Revenue (gross)	20,705	62,233	116,631	212,133
Sales deductions and direct selling costs	-215	-606	-1,675	-4,269
Revenue (net)	20,490	61,627	114,956	207,864
Cost of sales	-17,187	-36,922	-81,773	-142,088
Gross profit on sales	3,303	24,705	33,183	65,776
Research and development	-7,016	-5,666	-18,564	-19,661
Sales and customer service	-4,493	-5,242	-20,638	-22,668
General administration	-5,977	-5,477	-17,648	-22,092
Other operating expenses/income	5,279	-11,431	-16,678	-16,172
Impairment and restructuring expenses	-10,981	-3,518	-32,887	-48,191
Negative goodwill from the acquisition of Oerlikon	0	1,203	0	16,849
Total operating expenses	-23,188	-30,131	-106,415	-111,935
EBIT	-19,885	-5,426	-73,232	-46,159
Finance income/costs	-1,656	-4,438	-6,131	-7,950
EBT	-21,541	-9,864	-79,363	-54,109
Tax income	-1,904	86	542	4,837
Profit or loss for the period	-23,445	-9,778	-78,821	-49,272
Thereof attributable to:				
Equity holders of the parent	-23,136	-7,870	-78,606	-48,756
Minority interests	-309	-1,908	-215	-516
			-78,821	-49,272
Basic earnings per share based on the profit for the period (in EUR) attributable to equity holders of the parent	-0.62	-0.21	-2.11	-1.32
Diluted earnings per share based on the profit for the period (in EUR) attributable to equity holders of the parent	-0.62	-0.21	-2.11	-1.32*
Basic number of shares, pieces	37,294,111	36,946,407	37,294,111	36,946,407
Diluted number of shares, pieces	37,294,111	36,946,407	37,294,111	36,946,407

* Prior-year figure adjusted for diluted earnings per share based on the profit for the period (in EUR) attributable to equity holders of the parent. Please refer to Note 24 for more information.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2009 AND 2008

	Attributable to equity holders of the parent						
	Sub- scribed capital	Capital reserves	Other reserves	Revenue reserves	Total	Minority interests	Equity
	[€ k]	[€ k]	[€ k]	[€ k]	[€ k]	[€ k]	[€ k]
As of 1 January 2008	36,946	47,503	-4,428	207,197	287,218	6,048	293,266
Other comprehensive income	0	0	1,711	0	1,711	0	1,711
Profit or loss for the period				-48,756	-48,756	-516	-49,272
Total comprehensive income	0	0	1,711	-48,756	-47,045	-516	-47,561
Acquisition of minority interests in HamaTech AG						-1,527	-1,527
Share-based payment (IFRS 2)		1,279			1,279		1,279
As of 31 December 2008	36,946	48,782	-2,717	158,441	241,452	4,005	245,457
Other comprehensive income	0	0	17	0	17	-51	-34
Profit or loss for the period				-78,606	-78,606	-215	-78,821
Total comprehensive income	0	0	17	-78,606	-78,589	-266	-78,855
Acquisition of minority interests in HamaTech AG					0	-1,170	-1,170
Capital increase	409	405			814		814
Share-based payment (IFRS 2)		-497			-497		-497
As of 31 December 2009	37,355	48,690	-2,700	79,835	163,180	2,569	165,749

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2009 AND 2008

	2009	2008
	[€ k]	[€ k]
Profit or loss for the period	-78.821	-49.272
Derivative financial instruments*	0	-20
Exchange differences in the fiscal year	-34	1.731
Other comprehensive income	-34	1.711
Total comprehensive income	-78.855	-47.561
Thereof attributable to:		
Equity holders of the parent	-78.589	-47.045
Minority interests	-266	-516

*Including deferred taxes

CONSOLIDATED CASH FLOW STATEMENTS FOR 2009 AND 2008

	2009		2008	
	[€ k]		[€ k]	
Cash flows from operating activities				
Profit or loss for the period	-78,821		-49,272	
Adjustment to reconcile profit or loss for the period to net cash flow				
Net income from the realization of negative goodwill	0		-16,849	
Amortization, depreciation and impairment of non-current assets	30,569		56,499	
Write-down of investment property and assets and liabilities classified as held for sale	8,489		2,783	
Net reversal of / allocation to pension provisions	281		240	
Loss on the disposal of non-current assets	21		0	
Other non-cash expenses / income	-837		2,730	
Deferred taxes	598	39,121	-8,574	36,829
	-39,700		-12,443	
Decrease / increase in assets and increase / decrease in equity and liabilities				
Trade receivables	38,258		-6,920	
Other receivables and assets	2,212		13,870	
Capitalized development costs	-8,971		-12,523	
Inventories	29,540		3,531	
Trade payables	-5,578		-1,975	
Other liabilities	-4,711		3,004	
Prepayments	-10,312		5,721	
Tax provisions	-1,707		-878	
Other provisions	1,206	39,937	-2,543	1,287
Net cash from / used in operating activities	237		-11,156	

	2009		2008	
	[€ k]		[€ k]	
Cash flows from investing activities				
Cash paid for investments in intangible assets and property, plant and equipment		-4,033		-3,224
Cash received from the disposal of assets		477		1,519
Cash paid for the acquisition of 49 % of the shares in Stangl AG		-10,000		0
Cash paid for the acquisition of Oerlikon's Blu-ray business		-1,204		-5,303
Cash paid for the acquisition of minority interests in HamaTech	0	-14,760	-2,064	-9,072
Net cash used in investing activities		-14,760		-9,072
Cash flows from financing activities				
Cash received from / paid for the raising / redemption of loans		-10,273		15,030
Issue / redemption of convertible bonds		-78		-420
Sale of corporate income tax credits		0		8,880
Cash repayments of lease liabilities		-135	-10,486	0
Net cash from / used in financing activities		-10,486		23,490
Decrease / increase in cash and cash equivalents		-25,009		3,262
Effect of exchange rate changes		51		-71
Cash and cash equivalents at the beginning of the fiscal year		40,143		36,952
Cash and cash equivalents at the end of the fiscal year		15,185		40,143
<i>Cash paid in the fiscal year for</i>				
<i>Interest</i>		3,914		3,041
<i>Taxes</i>		1,830		2,282
<i>Cash received in the fiscal year for</i>				
<i>Interest</i>		1,353		1,677
<i>Taxes</i>		1,638		3,684

Company Calendar 2010

March 26, 2010	Annual Press Conference
March 26, 2010	Analyst's Conference
April 04, 2010	Q1/2010 Report
June 02, 2010	Annual Shareholders Meeting
August 03, 2010	Q2/2010 Report
November 05, 2010	Q3/2010 Report

AT A GLANCE

CONSOLIDATED KEY FIGURES 2007-2009

		2007	2008	2009
Sales	Mio. €	229.5	212.1	116.6
Order intake	Mio. €	203.8	226.4	81.1
Order backlog (December 31)	Mio. €	55.8	70.2	34.7
EBIT	Mio. €	1.1	-46.2	-73.2
Earnings before taxes	Mio. €	1.6	-54.1	-79.4
Net profit	Mio. €	3.0	-49.3	-78.8
Operating cash flow	Mio. €	-3.6	-11.2	0.2
Shareholders' equity	Mio. €	293.3	245.5	165.7
Balance sheet total	Mio. €	443.9	424.6	263.6
Research & Development (Expenses)	Mio. €	25.6	20.1	15.1
Employees (December 31)		764	722	572*
Weighted average shares outstanding, basic		35,610,088	36,946,407	37,294,111
Earnings per share, basic	€	0.05	-1.32	-2.11

* (W/O Hamatech APE 487)

Future-oriented statements and forecasts

This report contains future-oriented statements based on the current expectations, assessments and forecasts of the Executive Board as well as on the currently available information to them. Known as well as unknown risks, uncertainties and impacts could cause the actual results, the financial situation or the development to differ from the statements made in this report. We assume no obligation to update the future-oriented statements made in this report.

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