

## Half Year Financial Report 2008

# Key figures

	HY1 2008	HY1 2007	2007
<b>Earnings</b>			
Total sales in TEUR	99,778	74,805	151,645
Plastics Processing	40,519	38,343	71,137
Metals Processing	33,684	28,887	60,532
Mechanical Engineering	25,706	7,576	21,424
EBITDA in TEUR	8,826	8,419	17,736
EBIT in TEUR	3,335	3,247	8,031
EBT in TEUR	445	1,730	2,804
Consolidated net profit for the period in TEUR	314	1,647	2,802
EBITDA margin in %	8.8	11.3	11.7
EBIT margin in %	3.3	4.3	5.3
EBT margin in %	0.4	2.3	1.8
Consolidated earnings margin in %	0.3	2.2	1.8
<b>Financial situation</b>			
Total assets in TEUR	264,717	196,265	194,773
Equity ratio in %	19	23	24
Gearing in %	219	115	140
Capital expenditure in TEUR	14,174	8,716	22,163
Depreciation and amortisation in TEUR	5,491	5,172	9,705
Gross cash flow in TEUR	4,357	6,965	11,653
Cash flow from operating activities in TEUR	-7,864	7,866	4,630

	HY1 2008	HY1 2007	2007
<b>The HTI share</b>			
Shares issued	14,993,556	13,993,556	13,993,556
Weighted average number of shares		12,738,964	12,981,416
Share price at the end of March in EUR	14,248,390		
Highest price in EUR	3.08	4.84	4.38
Lowest price in EUR	4.31	5.06	5.06
Market capitalization as at March 31, 2008 in TEUR	3.08	3.58	3.58
Earnings per share in EUR	46,180	67,729	61,292
	0.02	0.13	0.22
<b>Employee-related ratios</b>			
Average number of employees for the period	1,423	1,063	1,111
Number of employees at the end of March	1,728	1,124	1,155
Sales/employee in TEUR	70	70	136
Total gross income/employee in TEUR	74	76	147
Staff costs/employee in TEUR	21	21	39

\* Influenced by the acquisition of BBG Baugeräte GmbH and ProRegio Mittelstandsfinanzierungs AG through the issuance of shares and the sale of treasury shares in the course of the acquisition of the Theysohn Group

# Highlights

## The HTI share

### Financial calendar

## Highlights

- Significant rise in sales of 33.4% compared to H1 2007, due to acquisitions and organic growth
- Acquisitions of HTP Skinline, Theysohn, Technoplast and Hitzinger > initial consolidation of Technoplast and Hitzinger in H2 2008
- Merger of the two extrusion equipment producers Theysohn und Technoplast to create an extrusion group > planned completion of the process at the end of 2008
- Completion of the expansion and relocation of the Gruber & Kaja plant to St. Marien/Upper Austria > the consolidation of production at the new site has created an additional earnings potential of EUR 4 million annually as of the 2009 business year
- Expansion of HTP Romania, the Romanian subsidiary for mold design and construction, is proceeding as planned
- Plastics Processing segment, automotive business area: launch of a restructuring project as a response to the global economic slowdown in the automobile industry and the related downward pressure on margins > transfer of automotive component manufacturing to Eastern European plants in Romania and Slovakia, optimization of production facilities in Austria and Germany > project to be concluded at the end of 2008
- In the light of the acquisition-related financing and equity requirements, corresponding capital measures is planned by making use of its authorized capital in the course of 2008
- Outlook for 2008: sales of about EUR 200 million and break-even earnings expected
- Outlook for 2009: sales of EUR 270-300 million and a perceptible improvement of profitability
- Kurt Helletzgruber and Bruno Krainz were elected to the Supervisory Board by the Annual General Meeting
- Birgit Hochenegger-Stoirer resigned her position on the Management Board for personal reasons

HTI share performance / January 2 - June 30, 2008



## Financial calendar 2008

November 13, 2008 Results Q1-3 2008

# Letter of the Management Board

## Dear Shareholders,

in the first half of 2008, we can look back at an intensive phase of strategic acquisitions. Several companies with complementary products and technologies were successively acquired by the HTI Group. At the beginning of 2008, we acquired the Carinthia-based firm HTP Skinline, a specialist for the development and production of sheeting for the plastics industry. On the basis of the takeover of the complementary companies Theysohn in March 2008 and Technoplast in April 2008, a competence center for extrusion technology was established in the HTI Group. In addition to plastics injection technology, we now offer extrusion processing technology as well, and thus have the two main technologies applied in plastics processing at our disposal. At present, the two companies are being merged to create an extrusion group, which is expected to be completed by the end of 2008.

In June 2008, HTI continued its expansion drive by acquiring Hitzinger, a Linz-based producer of electric machinery. This investment enabled HTI to integrate an internationally successful company in the energy technology market segment.

Following our strategic reorientation drive initiated at the beginning of 2007, our clearly-defined goal is to ensure that the whole group turns out to be much more than just the sum of its parts. The main components of our future-oriented business strategy are to exploit synergy effects, ensure related productivity improvements and cost savings and also strengthen our technological competencies. In line with the catchword "cross-engineering", we are transforming the HTI Group into a research-intensive international technology group. This means that the technologies applied in the segments are combined with each other in order to develop new products and open up new market

potentials. HTI's own technology and knowledge management group is working at full speed on innovative technologies and projects spanning all three industrial segments of the HTI Group, in order to ensure profitable growth in the medium-term.

In addition to the new manufacturing plant in Slovakia, the founding of our Romanian subsidiary for tool making and mold production in February 2008 is a further step which lays the groundwork for dynamic organic growth, and serves to complement our existing network in Eastern Europe. In addition, the bundling of our manufacturing capabilities in the Metals Processing segment was successfully completed on schedule in the second quarter of 2008. This enabled HTI to renew production operations at full capacity, and take advantage of related efficiency improvements at its new plant in St. Marien. Despite the extraordinary expenditures arising from the relocation of production, the Metals Processing segment achieved positive results. Moreover, the consolidation of manufacturing at the St. Marien site has created a cost savings potential of EUR 4 million, which will be leveraged starting in the 2009 business year.

Increasing raw material prices, a slowdown in economic growth, ongoing cost pressures on the part of customers and exchange rate adjustments have combined to turn 2008 into a challenging year to do business. We are impacted by developments affecting the global economy, but at the same time, we have initiated measures to precisely respond to these current economic challenges. As a research-intensive group with technological competencies in the fields of plastics processing, metals processing and mechanical engineering, we are expanding into the lightweight construction, engineering and energy technology segments. We consider global challenges such as the shortage of raw materials, the required reduction of CO<sub>2</sub> emissions and the efficient use of energy to be opportunities enabling us to identify new market potential.



Our strategic reorientation efforts naturally involved investments which have negatively impacted earnings margins, but which will result in additional medium-term earnings potential. Whereas we posted a significant sales increase of 33.4% compared to the first half-year 2007, our earnings margins declined on the basis of unfavorable exchange rate developments, one-off expenses related to the expansion and relocation of Gruber & Kaja and the setting up of our Romanian subsidiary as well as the integration of the newly-acquired companies. Moreover, the purchase price for Technoplast and Hitzinger, the companies acquired in the second quarter of 2008, were reported as a liability on the balance sheet in the period under review, although the two firms will first be consolidated in the financial statements of the HTI Group in the second half of 2008.

Rising fuel costs and the economic slowdown also burdened the global automobile industry, and thus had a negative effect on our automotive operations in the Plastics Processing segment. As a response to this economic downturn, HTI's management initiated a package of measures designed to restructure HTP Automotive in the reporting period. The series of measures includes a redimensioning of Western European production sites as well as the transfer of manufacturing to the Eastern European plants in Romania and Slovakia. This project is expected to be completed by the end of 2008, in order to ensure a positive effect on earnings in the 2009 business year.

Business development in the Mechanical Engineering segment continues to be favora-

## Letter of the Management Board

ble. BBG Baugeräte surpassed our expectations, posting a 30% rise in sales. We expect the new extrusion group and the Linz-based mechanical engineering company Hitzinger to provide a positive impetus to earnings growth starting in the second half of 2008.

Despite the difficult business environment, we can build upon our successful strategic positioning. Both internal and external factors are in our favor. The positive development of sales, the technologically well-positioned Group and our promising core markets in the fields of lightweight construction, engineering and energy technology have provided a solid basis for our future business development. From today's perspective, we confirm the original outlook, and anticipate sales of about EUR 200 million for the 2008 business year, and consolidated results at the break-even point.

For the 2009 business year, the Management Board expects sales to reach a level of about EUR 270-300 million. Assuming the effectiveness of all the measures which have been initiated as well as a stable external business environment, the Management Board anticipates a perceptible improvement in profitability.

In the light of acquisition-related financing and equity requirements, a capital increase on the basis of authorized capital is being considered. This measure designed to improve the financial and assets position of the HTI Group would be implemented in the current business year.

We would like to particularly extend our sincere thanks to you, our esteemed shareholders, for the confidence you have placed in us. The Annual General Meeting held on May 27, 2008 unanimously approved all resolutions on the agenda. We consider this

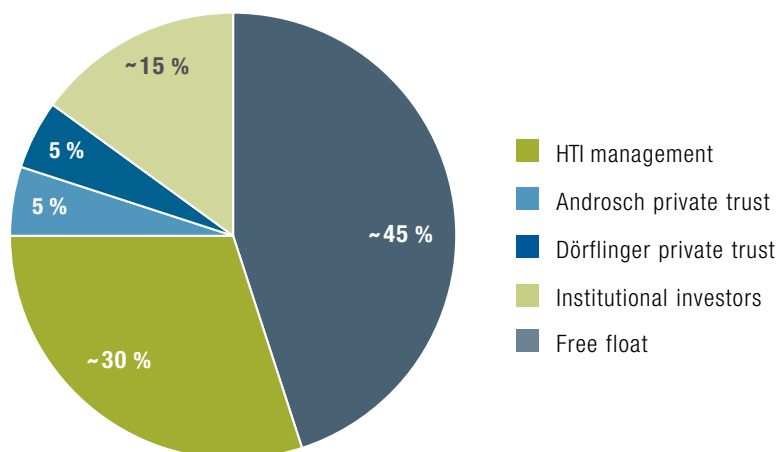
to be a firm expression of support for our efforts to further intensify our clearly-defined strategic focus.

With best regards

The Management Board of HTI High Tech Industries AG

Peter Glatzmeier / Nikolaus Kretz / Thomas Vondrak / Karlheinz Wintersberger

### Shareholder structure as at June 30, 2008



Within the context of the acquisition of the Technoplast Group, a capital increase totaling 1,000,000 shares at an issue price of EUR 4.00 per share was agreed upon. This capital increase was successfully concluded with the entry into the commercial register on May 8, 2008, and led to a corresponding change in the shareholder structure.

# Interim Group Management Report

Half Year Financial Report 2008

## General economic conditions

Following four years of above-average growth rates, the world economy is faced with serious challenges, such as major problems on global financial markets as a consequence of the subprime mortgage crisis in the USA, corrections in several real estate markets, and the increasing inflation rates around the world as a result of high oil and food prices.

Growth in the eurozone remained robust until recently. Nevertheless, it can hardly be expected that the European economy will be completely able to remain immune from developments in the US economy in the long term. Moreover, the strong Euro and the ongoing high oil prices negatively affect the economic expansion of the eurozone. For this reason, experts only expect the economic growth rate in the eurozone to reach a level of 1.6% in 2008, below the previous year's figure of 2.7%.

In the light of the general economic environment, the Austrian economy remains relatively stable. Thanks to the high level of orders, and the country's orientation to the dynamically growing markets of Eastern Europe, the business climate is quite good. The growth driver is local production for export purposes, with exports at a particularly high level to the dynamic growth markets of Central and Eastern Europe.

## Industrial sectors

The European automobile industry is burdened by rising fuel costs and the worldwide economic slowdown, which is reflected in sales figures during the first half of 2008.

European demand for passenger cars totalled 8.3 million vehicles, down 2% from the previous year.

The global aviation industry was extremely burdened in the first half of 2008, above all by the US financial crisis and increasing raw material costs. However, expected trends for the next 20 years are the basis for predictions that airlines will order about 24,000 new passenger planes valued at USD 2.6 trillion.

On the basis of a high level of orders received in 2008, the Austrian electrical and electronics industries anticipate a stable production situation. Nevertheless, tougher competitive conditions, including the exchange rate of the Euro in relation to the US dollar, pose major challenges to the export-oriented electrical and electronics industries. New opportunities can be exploited as a result of developing more energy-efficient products, systems and components. Furthermore, the expansion of technological competencies and research will have to be promoted.

Despite a weakening of the global economy, the international steel market continued to expand. In the first three months of 2008, worldwide production of crude steel climbed by 5.6% compared to 2007. China accounted for about half of this growth, in absolute terms. The 66 nations reporting to the International Iron and Steel Institute (IISI) increased crude steel output by 5.9% in June 2008 in a year-on-year comparison. On balance, total world crude steel output was up 5.7% in the first six months of 2008 compared to the first half of 2007.

Experts predict an annual growth rate of 0.5% for the construction industry in

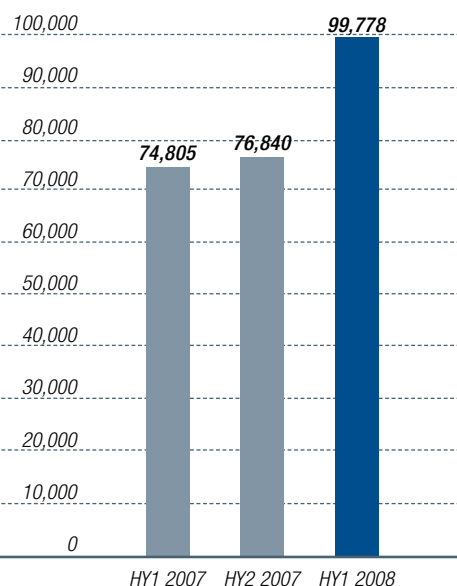
# Interim Group Management Report

the period 2008 – 2010. The expansion of Europe's infrastructure, particularly in Eastern European countries, acts as a counterbalance to the real estate crisis in the USA.

## Business development and earnings

The two companies Gruber & Kaja and BBG Baugeräte were initially consolidated as of February 1, 2007. For this reason, the performance of the HTI Group in the first

### *Konsequente Steigerung des Konzernumsatzes*



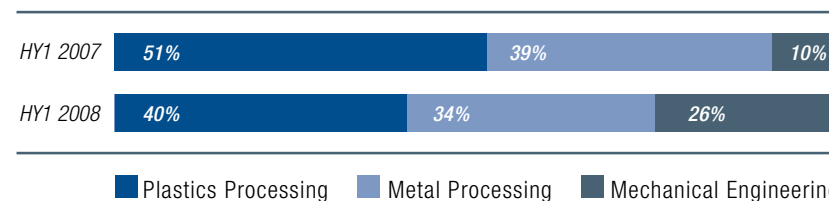
half of the 2008 business year is not fully comparable to half-year 2007 results. A comparison also only has limited validity, due to the fact that the companies HTP Skinline and Theysohn were initially consolidated in the first half of 2008, as of January 1, 2008 and April 1, 2008 respectively. The initial consolidation of Technoplast and Hitzinger is planned for September 30, 2008. The two firms will be assigned to the Mechanical Engineering segment.

In the first six months of the cur-

rent business year, total sales climbed by 33.4%, from TEUR 74,805 in the first half-year 2007 to TEUR 99,778. Earnings before interest, tax, depreciation and amortization (EBITDA) of the HTI Group improved by 4.8%, to TEUR 8,826. Earnings before interest and tax (EBIT) rose 2.7%, from TEUR 3,247 to TEUR 3,335. On the basis of the above-mentioned expenses, margins related to sales declined. The EBITDA margin for the six-month period January-June 2008 amounted to 8.8% (H1 2007: 11.3%), whereas the EBIT margin totaled 3.3% (H1 2007: 4.3%).

The financial result of the HTI Group amounting to TEUR -2,890 in the first half of 2008 (H1 2007: TEUR -1,517) is related to the significant appreciation in value of the Euro in relation to the British pound and the US dollar, the interest expense in connection with financing the corporate bond issued by HTI, the increased debt connected to an extension of the scope of consolidation, and higher interest rates. Earnings before tax (EBT) fell from TEUR 1,730 to TEUR 445. On balance, the consolidated net profit for the period decreased to 314, from the previous year's level of TEUR 1,647. Based on the higher number of shares in circulation, earnings per share for the first half-year 2008 amounted to EUR 0.02 (H1 2007: EUR 0.13).

### *Anteil der Segmente am Konzernumsatz*



The share of total Group revenues of the Mechanical Engineering segment increased from 10% to 26%, based on both organic and acquisition-related growth. The initial consolidation of Technoplast and Hitzinger will lead to a further rise in the share attributed to the Mechanical Engineering segment in the third quarter of 2008.

Despite a difficult business environment, HTI generated the highest level of half-year sales in the company's history during the period January-June 2008. Total sales rose 33.4% compared to the first half of 2007.

## Plastics Processing segment

As a response to the worldwide economic slowdown in the automobile industry, the HTI management initiated a project to restructure HTP Automotive. The package of measures includes transferring the production of automotive components to the company's Eastern European plants in Romania and Slovakia. At the same time, the manufacturing sites in Austria and German will be redimensioned. These restructuring measures are expected to be completed by the end of 2008, in order to positively impact earnings in the 2009 business year.

In addition, the one-off investments and start-up costs in connection with the new plant construction in Slovakia, the founding of the Romanian subsidiary and the

integration of HTP Skinline had a negative impact on the margin situation of the Plastics Processing segment. The segment's EBITDA and EBIT both declined during the period under review. In the first six months of 2008, EBITDA amounted to TEUR 1,469 (H1 2007: TEUR 4,705), whereas EBIT was TEUR -2,243 (H1 2007: TEUR 1,083). Accordingly, the EBIT margin of the segment in the first half of 2008 was -5.5%, down from the previous year's level of 2.8%.

## Metals Processing segment

Although the transfer of the Gruber & Kaja machinery from the former production site to the new facility in St. Marien was carried out and full production capacity had not yet been achieved during the period under review, sales of the Metals Processing segment reached TEUR 33,684 in the first half-year 2008 (H1 2007: TEUR 28,887). This represents a share of 34% of total Group sales. The segment's results from operating activities amounted to TEUR 1,904 (H1 2007: TEUR 825), with an EBIT margin of 5.7% (H1 2007: 2.9%).

The completed modernization of the St. Marien facility as well as the consolidation of manufacturing at one site will significantly increase efficiency in the future, and enable an annual cost savings potential of around EUR 4 million, which will positively impact earnings starting in the 2009 business year.

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## Mechanical Engineering segment

With sales of TEUR 25,706 (H1 2007: TEUR 7,576) and a share of total Group sales of 26%, the Mechanical Engineering segment generated a disproportionately high share of the results from operating activities of the entire HTI Group in the first half of 2008. The EBIT of the Mechanical Engineering segment, at TEUR 4,094 represents an EBIT margin of 15.9%.

Through the acquisition of the complementary companies Theysohn and Technoplast, a competence center for extrusion technology has been created in the HTI Group. At present, the two companies are being merged into a unified extrusion group. This concentration process is expected to be concluded at the end of 2008.

The acquisition of the mechanical engineering company Hitzinger, located in Linz, represents a further expansion of the product and technology portfolio of the HTI Group. This investment enables HTI to integrate an internationally successful company for the energy technology market segment. The Hitzinger Group generated sales of about EUR 66 million in its previous business year (March 1, 2007 - February 29, 2008).

The HTI Group plans to integrate all its tool making and form molding activities in the Mechanical Engineering segment during the course of 2008. The first step was taken in the first half of 2008, assigning the tool making operations of the Plastics Processing segment to the Mechanical Engineering segment. After completion of the new Romanian plant for mold forming, the entire tool making production will be transferred to Eastern Europe.

<i>01.01. - 31.06.2008 in TEUR</i>	<i>Plastics Processing</i>	<i>Metals Processing</i>	<i>Mechanical Engineering</i>	<i>Others segment</i>	<i>Consolidation</i>	<b>Total</b>
<i>Total sales</i>	40,519	33,684	25,706	383	-514	<b>99,778</b>
<i>as a % of total sales</i>	40	34	26	0	-1	<b>100</b>
<i>EBITDA</i>	1,469	2,958	4,779	-236	-144	<b>8,826</b>
<i>Depreciation and amortization</i>	3,712	1,053	686	180	-140	<b>5,491</b>
<i>EBIT</i>	-2,243	1,904	4,094	-416	-4	<b>3,335</b>
<i>EBIT margin in %</i>	-5,5	5,7	15,9	n.a.	n.a.	<b>3,3</b>
<i>EBT</i>	-3,958	828	3,747	-181	9	<b>445</b>
<i>Segment assets</i>	110,577	74,548	78,404	84,949	-83,761	<b>264,717</b>
<i>Segment liabilities</i>	101,579	59,906	57,806	43,458	-47,242	<b>215,507</b>

<i>01.01. - 31.06.2007 in TEUR</i>	<i>Plastics Processing</i>	<i>Metals Processing</i>	<i>Mechanical Engineering</i>	<i>Others segment</i>	<i>Consolidation</i>	<b>Total</b>
<i>Total sales</i>	38,343	28,887	7,576	0	0	<b>74,805</b>
<i>as a % of total sales</i>	51	39	10	0	0	<b>100</b>
<i>EBITDA</i>	4,705	2,212	1,578	-76	0	<b>8,419</b>
<i>Depreciation and amortization</i>	3,622	1,387	163	0	0	<b>5,172</b>
<i>EBIT</i>	1,083	825	1,415	-76	0	<b>3,247</b>
<i>EBIT margin in %</i>	2.8	2.9	18.7	n.a.	n.a.	<b>4.3</b>
<i>EBT</i>	76	323	1,346	-16	0	<b>1,730</b>
<i>Segment assets</i>	100,782	45,090	11,895	43,238	-4,739	<b>196,265</b>
<i>Segment liabilities</i>	88,408	43,923	7,587	11,765	-851	<b>150,831</b>

\* The Group holding company HTI AG is now reported within the Others segment, which in turn has led to a corresponding increase in this segment's assets and liabilities. The previous year's figures have been correspondingly adjusted.

## Others segment

The Others segment primarily encompasses the business activities of the HTI AG holding and ProRegio Mittelstandsfinanzierungs AG. The earnings before tax of TEUR -181 result from holding expenses and the difference between interest expense to third parties and interest income from the Group subsidiaries. Furthermore, the Others segment includes income from the voluntary payment of subordinated capital.

## Cash flow

The net cash flow from operating activities amounted to TEUR -7,864 in the first half-year 2008 (H1 2007: TEUR 7,866). This is primarily due to the changes in

<i>in TEUR</i>	<b><i>HY1 2008</i></b>	<i>HY1 2007</i>
<i>Gross cash flow</i>	<b>4,357</b>	6,965
<i>Movements in working capital</i>	<b>-12,221</b>	901
<i>Net cash flow from operating activities</i>	<b>-7,864</b>	7,866
<i>Net cash flow from investing activities (ICF)</i>	<b>-17,736</b>	-28,225
<i>Net cash flow from financing activities (FCF)</i>	<b>29,496</b>	38,633
<b><i>Net change in cash and cash equivalents</i></b>	<b>3,896</b>	18,274
<b><i>Cash and cash equivalents at the beginning of the period</i></b>	<b>18,213</b>	6,884
<b><i>Cash and cash equivalents at the end of the period</i></b>	<b>22,109</b>	25,159

working capital, as well as start-up investments related to series production of new products in the Plastics Processing and Metals Processing segments.

The net cash flow from investing activities totaled TEUR -17,736 (H1 2007: TEUR -28,225), and was impacted by the acquisitions carried out and the modernization investments at Gruber & Kaja.

## Financial situation

In comparison to the balance sheet date on December 31, 2007, total assets rose by 35.9%, to TEUR 264,717. The equity ratio was 19% at the end of June 2008. Equity rose from TEUR 46,243 at the end of 2007 to TEUR 49,210 at the end of June 2008, although HTI voluntarily paid TEUR 2,040, which represents a portion of the total subordinated capital.

Net debt increased to TEUR 107,613 at the end of June 2008, compared to TEUR 64,757 at the end of June 2007. This represents an increase of gearing from 140% as at December 31, 2007 to 219% due to growth and acquisitions.

In the light of acquisition-related financing and equity requirements, a capital increase is planned on the basis of the authorized capital. It is planned to carry out this measure, designed to improve the financial and assets position of the HTI Group, in the current business year.

# Interim Group Management Report

## Risk situation for the remaining six months of the 2008 business year, pursuant to § 84 (4) Austrian Stock Exchange Act

As a globally operating company, which operates in a broad range of markets and targets many different customers, the Group is subject to general and sector-specific risks. The main risks and uncertainties in respect to the business development of the HTI Group in the remaining six months of the 2008 business year are primarily related to the company's dependence on the overall economic environment, and the respective industry-specific developments.

On balance, the new, broader-based business model of the HTI Group has led to an improvement of the overall risk situation. The acquisitions carried out during the period under review represent a systematic continuation of the company's diversification efforts as a means of more effectively counteracting risks. For more detailed information on the main risks confronting the HTI Group, refer to the 2007 Annual Report (pages 34 and 79ff).

## Information pursuant to § 87 (4) Austrian Stock Exchange Act

In the first half of 2008, the HTI Group did not conclude any significant business transactions with related companies and individuals.

## Outlook

In the 2008 business year, HTI is confronted with a challenging business environment such as increasing raw material prices, a slowdown in economic growth, ongoing cost pressures imposed by customers and currency exchange rate adjustments. Nevertheless, the Management Board believes prospects are good that the company will achieve the target of about EUR 200 million in annual sales, and earnings at the break-even point. The main cornerstones enabling HTI to achieve these targets are the strengthening of the Mechanical Engineering segment, the current series of measures being implemented in the Plastics Processing segment as well as ongoing research and development activities.

For the 2009 business year, the Management Board expects sales to reach a level of about EUR 270-300 million. Assuming the effectiveness of all the measures which have been initiated as well as a stable external business environment, the Management Board anticipates a perceptible improvement in profitability. Additional earnings potential will be exploited on the basis of the recent acquisitions, the conclusion of the redimensioning drive in the Plastics Processing segment and the expansion of the company to the high-growth markets of Eastern Europe.

# Consolidated income statement

Half Year Financial Report 2008

according to International Financial Reporting Standards (IFRS)

TEUR	HY1 2008	HY1 2007	Q2 2008	Q2 2007
Total sales	99,778	74,805	58,158	40,573
Changes in finished goods and work in progress	-2,790	974	-3,446	-837
Own work capitalized	4,545	1,164	2,931	783
Other operating income	3,679	3,837	2,624	2,443
<b>Total gross income</b>	<b>105,212</b>	<b>80,780</b>	<b>60,267</b>	<b>42,962</b>
Material expenses	-51,626	-37,087	-30,047	-19,151
Personnel expenses	-29,189	-22,612	-16,376	-12,158
Other operating expenses	-15,571	-12,662	-9,315	-7,092
<b>Earnings before non-recurring items, interest, tax, depreciation, amortization (EBITDA)</b>	<b>8,826</b>	<b>8,419</b>	<b>4,529</b>	<b>4,561</b>
Depreciation and amortization expense	-5,491	-5,172	-2,847	-2,748
<b>Earnings before interest and tax (EBIT)</b>	<b>3,335</b>	<b>3,247</b>	<b>1,682</b>	<b>1,813</b>
Interest result	-3,405	-1,689	-2,044	-928
Other financial result	515	172	458	101
<b>Financial result</b>	<b>-2,890</b>	<b>-1,517</b>	<b>-1,586</b>	<b>-827</b>
<b>Earnings before tax and after non-recurring items (EBT)</b>	<b>445</b>	<b>1,730</b>	<b>96</b>	<b>986</b>
Income tax expense	-131	-83	-93	-22
<b>Net result</b>	<b>314</b>	<b>1,647</b>	<b>3</b>	<b>964</b>
<b>Consolidated net profit for the period</b>	<b>314</b>	<b>1,647</b>	<b>3</b>	<b>964</b>
Earnings per share (in EUR), basic	0.02	0.13		
Earnings per share (in EUR), diluted	0.02	0.13		
Weighted average number of shares	14,248,390	12,738,964		

# Consolidated balance sheet

according to International Financial Reporting Standards (IFRS)

TEUR	30.06.2008	31.12.2007
<b>ASSETS</b>		
<i>Intangible assets</i>	<b>16,652</b>	12,417
<i>Goodwill</i>	<b>16,230</b>	5,120
<i>Property, plant and equipment</i>	<b>99,947</b>	82,454
<i>Investments in associated undertakings</i>	<b>1,087</b>	868
<i>Other financial assets</i>	<b>3,842</b>	3,550
<i>Other non-current receivables</i>	<b>1,511</b>	647
<i>Deferred tax assets</i>	<b>7,947</b>	7,676
<b>Non-current assets</b>	<b>147,216</b>	112,732
<i>Inventories</i>	<b>47,119</b>	32,551
<i>Trade accounts receivable</i>	<b>36,154</b>	23,709
<i>Receivables from affiliated and associated companies</i>	<b>4,399</b>	3,795
<i>Marketable securities</i>	<b>727</b>	735
<i>Cash and cash equivalents</i>	<b>22,109</b>	18,213
<i>Other current receivables and financial assets</i>	<b>6,993</b>	3,038
<b>Assets held for sale</b>	<b>117,501</b>	82,041
<b>Total assets</b>	<b>264,717</b>	194,773

TEUR	30.06.2008	31.12.2007
<b>EQUITY AND LIABILITIES</b>		
<i>Issued share capital</i>	<b>14,994</b>	13,994
<i>Share premium</i>	<b>53,066</b>	50,086
<i>Treasury shares</i>	<b>0</b>	-463
<i>Retained earnings</i>	<b>-21,506</b>	-22,070
<i>Subordinated capital</i>	<b>2,656</b>	4,696
<b>Equity</b>	<b>49,210</b>	46,243
<i>Employee benefits</i>	<b>6,747</b>	5,584
<i>Other non-current provisions</i>	<b>5,092</b>	4,207
<i>Non-current interest-bearing liabilities</i>	<b>69,960</b>	51,853
<i>Other non-current liabilities</i>	<b>14,886</b>	15,582
<b>Non-current liabilities</b>	<b>96,685</b>	77,226
<i>Current interest-bearing liabilities</i>	<b>59,762</b>	31,117
<i>Trade payables and prepayments received</i>	<b>31,888</b>	23,083
<i>Tax and other current provisions</i>	<b>11,318</b>	6,255
<i>Other current liabilities</i>	<b>15,854</b>	10,849
<b>Current liabilities</b>	<b>118,822</b>	71,304
<b>Total equity and liabilities</b>	<b>264,717</b>	194,773

# Consolidated statement of changes in equity

Half Year Financial Report 2008

according to International Financial Reporting Standards (IFRS)

TEUR	Share capital	Share premium	Treasury shares	Retained earnings	Currency translation differences	Subordinated capital	Minority interests	Total
<b>Balance at January 1, 2008</b>	<b>13,994</b>	<b>50,086</b>	<b>-463</b>	<b>-22,240</b>	<b>170</b>	<b>4,696</b>	<b>0</b>	<b>46,243</b>
Consolidated net profit for the period				314				314
Capital increase	1,000	2,968						3,968
Sale of treasury shares		12	463					475
Payment of subordinated capital						-2,040		-2,040
Currency translation differences					250			250
<b>Balance at June 30, 2008</b>	<b>14,994</b>	<b>53,066</b>	<b>0</b>	<b>-21,926</b>	<b>420</b>	<b>2,656</b>	<b>0</b>	<b>49,210</b>
TEUR								
<b>Balance at January 1, 2007</b>	<b>10,500</b>	<b>40,878</b>	<b>0</b>	<b>-25,042</b>	<b>145</b>	<b>4,696</b>	<b>0</b>	<b>31,177</b>
Consolidated net profit for the period				1,647				1,647
Capital increase by contribution in kind	3,494							3,494
Agio		9,083						9,083
Currency translation differences					33			33
<b>Balance at June 30, 2007</b>	<b>13,994</b>	<b>49,961</b>	<b>0</b>	<b>-23,395</b>	<b>178</b>	<b>4,696</b>	<b>0</b>	<b>45,434</b>

# Selected notes to the consolidated financial statements

## **Selected notes to the interim consolidated financial statements**

The current condensed version of the interim financial statements of HTI High Tech Industries AG for the first half of 2008 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Pursuant to IAS 34, the condensed interim financial statements do not contain all information and notes which are required in an annual report, and thus should be read together with the consolidated financial statements of HTI High Tech Industries AG as at December 31, 2007.

## **Accounting and valuation methods**

The accounting and valuation methods applied in the interim financial statements are fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements as at December 31, 2007.

## **Acquisitions and capital increase, changes in the scope of consolidation**

In the first half of 2008, the acquisitions of HTP Skinline, Theysohn and Technoplast were concluded. All in all, the acquisition costs amounted to TEUR 4,000, encompassing 125,000 HTI shares valued at TEUR 474 from the portfolio of ProRegio Mittelstandsförderung AG, which, as contractually stipulated, will comprise part of the acquisition price to be paid to the selling shareholders.

Within the context of the acquisition of the Technoplast Group, HTI G issued a total of 1,000,000 new shares at the issue price of EUR 4.00 per share, and under exclusion of the subscription rights of the current shareholders.

The initial consolidation of HTP Skinline took effect as of January 1, 2008, of Theysohn Group as of April 1, 2008.

It is planned to consolidate Technoplast and Hitzinger for the first time in the interim consolidated financial statements of the HTI Group as of September 30, 2008, and to assign the two companies to the Mechanical Engineering segment.

## **Segment reporting**

The HTI Group plans to integrate all its tool making and form molding activities in the Mechanical Engineering segment during the course of 2008. The first step was taken in the first half of 2008, assigning the tool making operations of the Plastics Processing segment to the Mechanical Engineering segment.

HTP Skinline is a part of the Plastics Processing segment. The Theysohn Group was integrated into the Mechanical Engineering segment.

## **Seasonality of business activities**

The revenue distribution of the HTI Group during a particular business year largely correlates to the production activities of the company's customers. For this reason, quarterly periods of the business year in which customers usually have vacation shut-downs generally result in lower sales than quarterly periods without such effects. In addition, sales during a specified quarterly period may be influenced by the invoicing of larger tool making or development projects.

### Other information

On June 27, 2008, HTI High Tech Industries AG announced that the shareholding held by ProRegio Mittelstandsfinaanzierungs AG in the „Strasser Optima Steinbau Group“ had been sold to the managing partners.

In the Supervisory Board meeting held on May 27, 2008, the Supervisory Board extended the terms of office of the current members of the Management Board - Peter Glatzmeier, Nikolaus Kretz, Thomas Vondrak and Karlheinz Wintersberger, until December 31, 2011.

Birgit Hochenegger-Stoirer resigned her position on the Management Board for personal reasons, effective June 30, 2008. Nikolaus Kretz assumed the responsibility of Chief Financial Officer, and Peter Glatzmeier assumed responsibility for human resources in the HTI Group.

### Significant events after the balance sheet date (June 30, 2008)

On July 30, 2008, HTI AG announced that anti-trust authorities unconditionally approved the acquisition by the HTI Group of a 100% stake in Elektromaschinen Bau GmbH (EMB), which had been concluded on June 12, 2008. Accordingly, HTI acquired a majority shareholding (80%) in the Hitzinger Group. Within the context of this transaction, the Management Board of HTI AG resolved on implementing a capital increase of the company's share capital by issuing 600,000 new shares against a contribution in kind at the issue price of EUR 3.25 per share, and under exclusion of the subscription rights of the current shareholders. The capital increase and thus the implementation of the acquisition of Hitzinger are expected to be concluded by the end of August 2008.

### Required disclosure pursuant to § 87 (3) Austrian Stock Exchange Act

This interim report of the HTI Group for the first half year of the 2008 business year was neither subject to a comprehensive audit nor was it subject to an auditor's review.

### Statement of all Members of the Management Board pursuant to § 87 (1) Austrian Stock Exchange Act

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards, and that the Group Management Report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions disclosed.

St. Marien, August 14, 2008

The Management Board of HTI High Tech Industries AG

Peter Glatzmeier / Chairman

Nikolaus Kretz / Member

Thomas Vondrak / Deputy Member

Karlheinz Wintersberger / Deputy Member



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