

QUARTERLY REPORT

Q1 / 2008

January – March 2008

sunways
Photovoltaic Technology

Sunways AG, Constance

Management Report as of 31 March 2008

Highlights

1st quarter 2008

Major events in the first quarter (as compared to the first quarter 2007)

- 82 percent rise in sales to 50.8 million Euro
- decline in EBIT to 0,5 million Euro due to high cost of materials

1. Business operations. The strong domestic and international demand in the photovoltaics industry continued in the first quarter 2008. The sales of Sunways again increased markedly over the comparable prior year quarter. EBIT was, however, affected by high cost of materials. At the international level, in particular the Spanish market recorded a most satisfactory development: Sales in the first three months of 2008 rose by more than 150 percent compared to the prior year quarter.

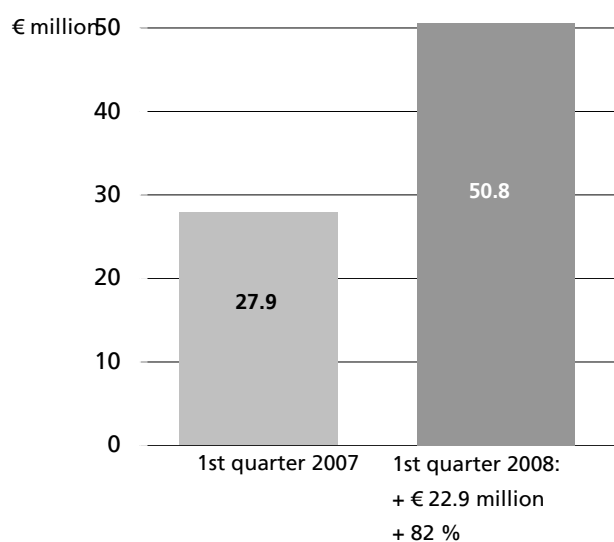
Consolidated sales in the first quarter 2008 increased by 82 percent to 50.8 million Euro against the prior year quarter (prior year: 27.9 million Euro). EBIT generated in the reporting period declined by 50 percent to +0.5 million Euro (prior year: +1.0 million Euro); it continued to be affected by the high cost of raw materials. EBITDA in the first quarter amounted to +1.5 million Euro (prior year: +2.0 million Euro). Overall the business development from January through March resulted in consolidated net income of +0.1 million Euro (prior year: +0.5 million Euro).

The undiluted earnings per share (basic earnings per share pursuant to IAS 33) at the end of the first quarter amounted to 0.01 Euro (prior year: 0.04 Euro). Diluted earnings correspond to undiluted earnings.

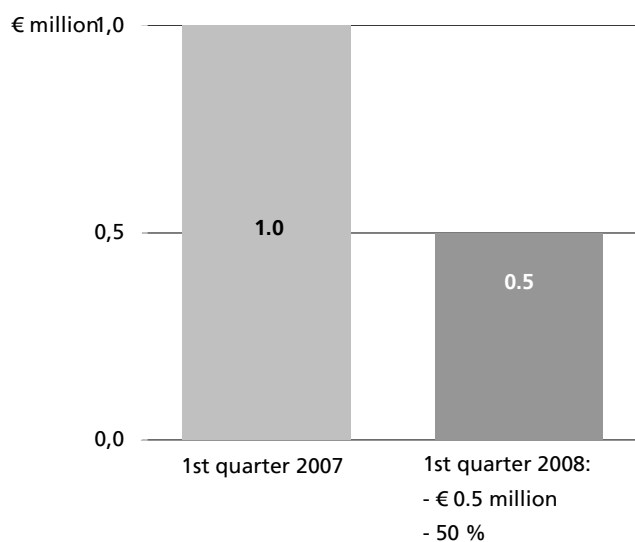
No significant new opportunities and risks arose in the period under review compared to those described in the 2007 annual report.

Quarterly comparison

82 percent rise in sales

**Quarterly comparison**

50 percent decline in EBIT

**2. Segment reporting**

For purposes of the following segment reporting, the Company's operations are divided into two major divisions: solar cells (development, production and distribution of solar cells) as well as solar systems and projects (development, production and distribution of inverters as well as distribution of and project management for solar systems, including Sunways Solar Modules).

A change in the accounting policy of Sunways AG should be noted. As from the third quarter 2007, the Company introduced an optimized categorization of materials and expense items within the segments. Thus the meaningfulness of the segment reporting and the internal product income statement were further improved. To ensure the continuity of period-on-period comparisons, the figures for the prior year quarter as well as for the current quarter in the table below reflect this reclassification.

	1st quarter 2008			1st quarter 2007		
	Solar cells	Solar systems	Total	Solar cells	Solar systems	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Sales	19.9	30.9	50.8	14.3	13.6	27.9
EBITDA	0.0	+1.5	+1.5	+2.3	-0.3	+2.0
Depreciation and amortization	-0.9	-0.2	-1.1	-0.9	-0.1	-1.0
EBIT	-0.9	+1.4	+0.5	1.4	-0.4	+1.0

Possible rounding differences.

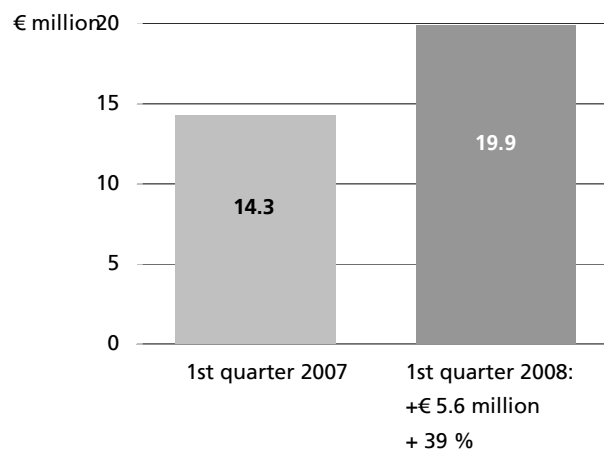
Higher costs of materials resulted in negative EBIT

Solar cells. Sales in the solar cells segment in the first quarter 2008 rose by 39 percent to 19.9 million Euro (prior year: 14.3 million Euro). Quarterly sales include a portion of the LDK project of 1.0 million Euro in accordance with the percentage-of-completion method.

A good 30 percent of quarterly sales were generated abroad (prior year: 36 percent). Compared to the first three months of 2007, EBIT in the cell segment declined, in particular due to increased costs of raw materials, from +1.4 million Euro to -0.9 million Euro in 2008.

Quarterly comparison

39 percent rise in sales



The supply of raw materials for the solar cell production in the second quarter of the fiscal year 2008 has largely been secured. In this context, the focus is again on the supply of high-quality monocrystalline wafers. Due to the continuously strong demand for cells, prices for wafers in the spot market remain at the previously known high level. Sunways AG expects to receive initial cell shipments under the contract with LDK Solar from the second half of 2008 onwards. This will gradually relieve the cost of materials situation.

The current nominal production capacity of Sunways AG is 46 megawatts (Sunways Production GmbH: 30 megawatts; Sunways AG: 16 megawatts).

In line with the adapted raw materials strategy of Sunways AG in connection with the bilateral contract entered into with LDK Solar, Sunways AG meanwhile terminated by mutual agreement with its cooperation partner a polysilicon supply contract concluded in February 2007. In the first quarter 2008, Sunways paid back the prepayment of 10 million Euro received for future polysilicon shipments.

In the first quarter 2008, investments amounted to 3.3 million Euro.

Strong demand from Germany and abroad for Sunways Inverters

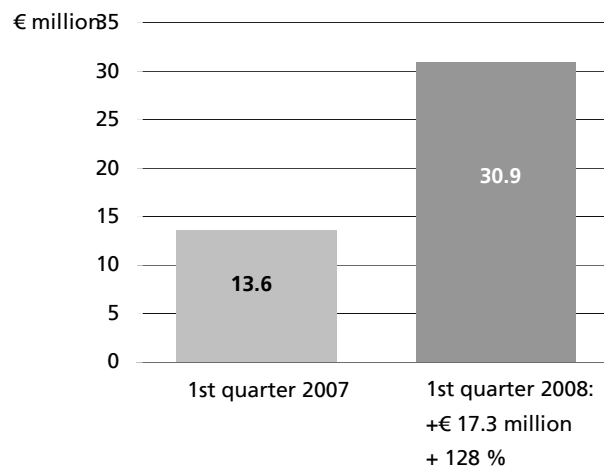
Solar systems and projects. In the solar systems segment, the continuously rising demand from Germany and abroad resulted in a marked rise in sales. The Sunways Solar Inverters with their strong margins made a major contribution to this segment's positive development. In the past quarter, sales figures of these inverters increased by 238 percent against the prior year quarter. Another rise in export sales partially offset domestic price pressures resulting from the slightly higher international price level.

Compared to the previous year, sales in the first quarter 2008 grew by about 128 percent to 30.9 million Euro (prior year: 13.6 million Euro). The international share of segment sales doubled to about 20 percent. Here as well, a tripling of sales in the Spanish market contributed to the business division's positive development. Segment EBIT also increased significantly from -0.4 million Euro in the first quarter 2007 to 1.4 million Euro in the period under review.

In the first quarter 2008, investments amounted to 0.3 million Euro.

Quarterly comparison

128 percent rise in sales



3. Technology and products

Solar cells. In the technology area, our research and development activities continue to be focused on minimizing the amount of raw materials used and on increasing the efficiency rate of solar cells.

This is e.g. achieved by reducing resistance losses and light reflection. The best possible adjustment of a solar system's components also helps maximize the system operator's output. Therefore, we continuously optimize the interaction between Sunways Modules and Sunways Inverters which will benefit our customers in the long term.

The top efficiency rate of our monocrystalline solar cells is 17.5 percent; we already manufactured the first prototypes of a new cell generation reaching efficiency rates of up to 18 percent. Our textured, multicrystalline solar cells achieve an average efficiency rate of more than 15 percent, with top rates even reaching more than 16 percent.

Transparent facade element received design award

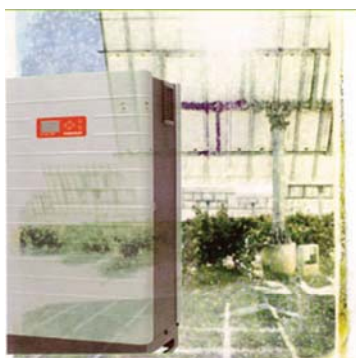
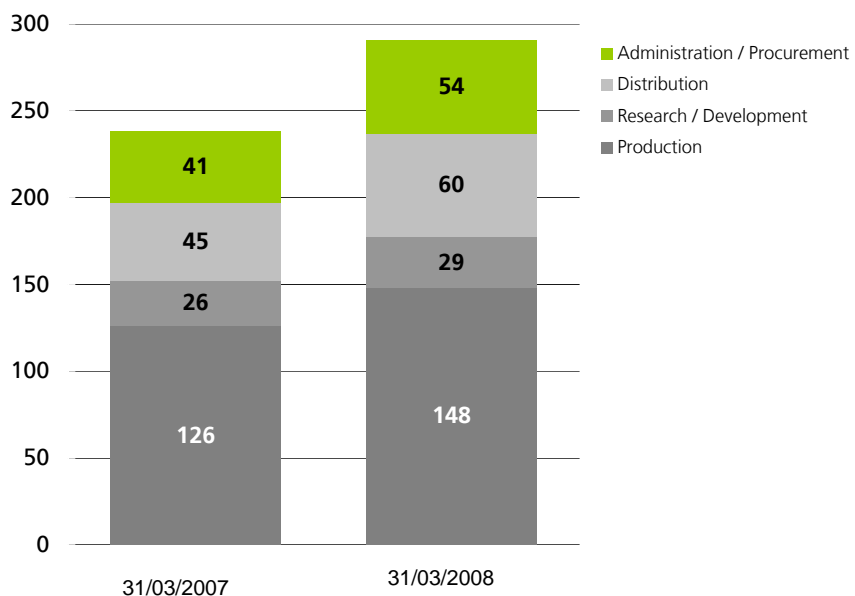
Solar systems and projects. Our transparent facade elements received the „red dot award: product design 2008“ in March 2008. The competition organized by the Design Center of North Rhine-Westphalia is one of the largest and most renowned international design competitions for high-quality design.

New training center in Constance; expanded training program

In the first quarter 2008, we again offered free-of-charge product presentations in various German cities and in Switzerland for distributors and installers of photovoltaic systems. As another important component for the promotion of intense customer loyalty, we opened a training center at our Constance headquarters at the beginning of the year. A workshop week is held here every month for installers, distribution agents and planners of photovoltaic systems. Participants who have attended all training courses may apply for an audit as exclusive Sunways service partners. Thus we can ensure that the quality standards and services defined by us are implemented in practice.

4. Personnel and social matters

As of 31 March 2008, the Sunways Group employed a workforce of 291 (2007: 238). The break-down of employees by functions was as follows:



5. Shareholdings of members of executive bodies and directors' dealings

The following table shows the number of Sunways shares held by the members of the Management Board and Supervisory Board as of 31 March 2008:

	Shares as of 31/03/2008
Management Board	
Roland Burkhardt, chairman	1,780,345
Ralph Kienzler	1,000
Michael Wilhelm	2,000
Supervisory Board	
Otto Mayer, chairman	744,000
Dr. Roland R. Bahr	5,902
Thomas Nordmann	0
Frank Wehking	0
Dr. Christian Bosse	0
Andreas Görwitz	3,000

Pursuant to § 15a WpHG, an issuer's executives and their closely related parties have to inform the issuer and the Federal Financial Supervisory Authority (BaFin) within five working days of any dealings for their own account in the issuer's shares or any financial instruments relating thereto if the total volume of such dealings exceeds the amount of 5,000 Euro by the end of the calendar year. The relevant notifications have to be published by the company without delay for a duration of one month. The following directors' dealings were reported to us in the period under review:

Date	Name	Transaction
07 March 2008	Andreas Görwitz (Supervisory Board member)	Purchase; 1,500 shares at a price of € 6.75 per share (total volume: € 10,125); Frankfurt Stock Exchange
12 March 2008	Ralph Kienzler (Management Board member)	Purchase by Ralph Kienzler, Management Board member, and his spouse Susanne Neue-Kienzler; 500 shares at a price of € 6.68 per share (total volume: € 3,340); Stuttgart Stock Exchange
31 March 2008	Roland Burkhardt (Management Board member)	Purchase; 10,000 shares, thereof: 2,000 shares at a price of € 6.79 per share (total volume: € 13,580), Xetra trading system; 1,000 shares at a price of € 6.81 per share (total volume: € 6,810), Xetra trading system; 1,000 shares at a price of € 6.85 per share (total volume: € 6,850), Frankfurt Stock Exchange; 3,000 shares at a price of € 6.90 per share (total volume: € 20,700), Frankfurt Stock Exchange; 1,000 shares at a price of € 6.93 per share (total volume: € 6,930), Frankfurt Stock Exchange; 1,000 shares at a price of € 6.79 per share (total volume: € 6,790), Frankfurt Stock Exchange; 1,000 shares at a price of € 6.80 per share (total volume: € 6,800), Xetra trading system

6. Outlook for the entire fiscal year 2008

Strong demand from Germany and Southern Europe will continue in 2008

Experts again anticipate a continuously dynamic development of the photovoltaics market in Germany and Europe in 2008. In Germany, solar energy remunerations may be expected to be reduced by 9 percent as from 2009 onwards. Against this background, we assume that the demand for solar systems in Germany will increase in 2008.

At the international level, we expect Italy to develop into a second growth market in Southern Europe in 2008 due to the national promotion program Conto Energia. In the Spanish market, we also expect the demand for our high-quality photovoltaic components to increase steadily as promotion programs are renewed. We focused our distribution structures accordingly: Due to the opening of our distribution office in Bologna in January 2008 in combination of the Barcelona location, we now have direct access to the major European markets in Italy and Spain.

Wafer shipments from LDK will enable us to expand the Arnstadt location and to strengthen our international expansion efforts

The already initiated expansion of our Arnstadt production plant will prepare us for the wafer shipments from LDK Solar expected to be received in the second half of 2008. Already in the course of this current year we will, thanks to additional amounts of raw material, have large volumes of cells and modules to satisfy the high demand and thus further strengthen our expansion efforts. Other strategic options – such as e.g. the internal production of polysilicon – are pursued continuously. We are also constantly working on the further technical development of our products and the optimum interaction between our system components. In this context, we always pursue the goal of the highest possible yield for system operators. Thus we added the transformerless central inverter PT 30k for large systems to our product range in April 2008 to meet the requirements of our customers.

From a financial point of view, management expects that the measures initiated to improve the raw materials situation and to promote further growth as well as additional steps taken to strategically focus the distribution organization will result in a lasting strengthening of the cost and competitive position of Sunways AG. An initial improvement in earnings is expected to be noticeable as early as 2008. In 2009, the effects of such measures will be fully reflected in the result.

7. Representation by legal representatives

We represent that, to best of our knowledge, these consolidated interim financial statements, in accordance with the applied principles of proper consolidated interim reporting, accurately present the Group's asset, financial and earnings situation and that the Group interim management report gives a true and fair view of the business development, including the result of operations and financial position of the Group, and that the major opportunities and risks of the Group's expected development during the remainder of the fiscal year are described therein.

Constance, 15 May 2008



Roland Burkhardt
Chairman of the
Management Board
(CEO)



Ralph Kienzler
Member of the
Management Board -
Technology (CTO)



Michael Wilhelm
Member of the
Management Board -
Finance (CFO)

8. Financial calendar 2008

29 May 2008	Annual general meeting in Constance
14 August 2008	Announcement of financial results for the 2nd quarter (April - June)
13 November 2008	Announcement of financial results for the 3rd quarter (July - September)

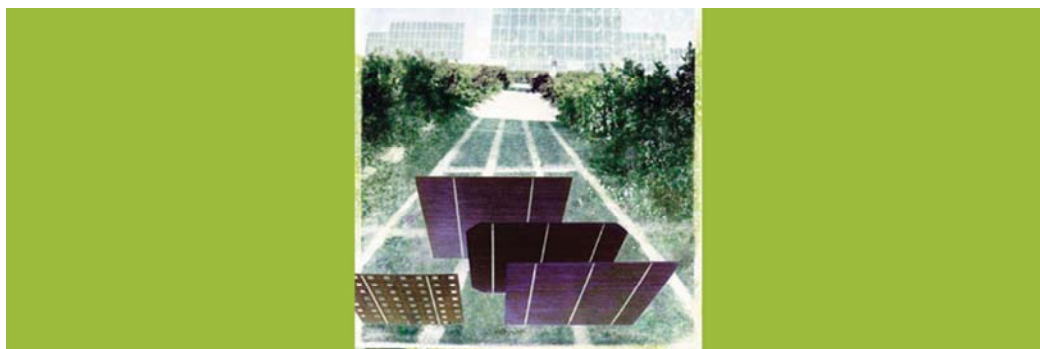
Subject to changes.

This quarterly report is also available in the German original. The German and English versions, annual reports as well as current events and information are available at our home page (www.sunways.de).

9. Contact

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Forward-looking statements in this quarterly report. This quarterly report includes statements relating to the future business development of Sunways AG that are based on assumptions and estimates made by management at the time of printing. Should the assumptions underlying these prognoses not eventuate, actual results may vary substantially from the forecasts. Uncertainties include inter alia changes in the political, legal, economic and business environment, exchange and interest rate fluctuations as well as the behavior of competitors and other market participants. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.



Sunways AG, Constance

Consolidated interim financial statements (IFRS)

as of 31 March 2008

Sunways AG, Constance Consolidated Balance Sheet as of 31 March 2008

	Note	31/03/2008 € million	31/12/2007 € million
Assets			
Current assets			
Liquid funds	B 1	3.3	14.2
Trade receivables	B 2	6.2	6.8
Inventories	B 3	33.1	31.4
Accrued items and other current assets	B 2	4.4	4.1
Total current assets		47.0	56.5
Non-current assets			
Tangible fixed assets	B 4	30.8	28.3
Intangible assets	B 5	2.2	2.2
Financial assets		0.1	0.1
Goodwill		0.2	0.2
Other long-term assets	B 6	3.3	3.4
Deferred taxes	B 7	3.5	3.4
Total assets		87.1	94.1
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans and current portion of long-term loans	B 8	1.5	2.0
Trade payables	B 8	14.5	12.7
Prepayments received	B 8	1.8	0.7
Provisions	B 8	3.9	3.5
Income tax payable		0.3	0.3
Other current liabilities	B 8	2.1	12.1
Accruals and deferred income	B 8	3.8	3.8
Total current liabilities		27.9	35.0
Long-term liabilities			
Bonds		6.5	6.5
Long-term loans and other long-term liabilities	B 9	1.1	1.2
Deferred taxes		0.8	0.5
Total long-term liabilities		8.3	8.2
Deferred investment grants	B 10	8.4	8.7
Shareholders' equity			
Subscribed capital	B 11	11.4	11.3
Capital reserve	B 11	36.1	36.0
Accumulated profit/loss		-5.0	-5.0
Total shareholders' equity		42.5	42.3
Total liabilities and shareholders' equity		87.1	94.1

(Possible rounding differences)

Sunways AG, Constance
Consolidated Income Statement
for the Period from 01/01 – 31/03/2008

	Note	01/01 – 31/03/2008 € million	01/01 – 31/03/2007 € million
Sales	C 1	50.8	27.9
Changes in inventories of finished and unfinished goods		-0.6	7.8
Gross performance		50.2	35.7
Other operating income	C 2	0.4	0.6
Cost of materials		-42.8	-29.5
Personnel expenses	C 3	-3.1	-2.4
Depreciation and amortization	C 4	-1.1	-1.0
Other operating expenses	C 5	-3.3	-2.4
Operating result (EBIT)		+0.5	+1.0
Interest income/expenses	C 6	-0.3	-0.2
Result before taxes		0.2	0.8
Taxes on income	C 7	-0.1	-0.3
Result before minority interests		0.1	0.5
Consolidated net income/loss	C 8	0.1	0.5
Earnings per share in € (Consolidated net income/loss : number of shares; diluted = undiluted)		0.01	0.04
Average number of shares outstanding		11,374,913	11,267,089

(Possible rounding differences)

Sunways AG, Constance
Consolidated Cash-flow Statement for the
Period from 01/01 – 31/03/2008

	01/01 – 31/03/2008	01/01 – 31/03/2007
	€ million	€ million
Operating activities		
Operating result (EBIT)	+0.5	+1.0
Depreciation and amortization	1.1	1.1
Write-up of convertible bonds not affecting cash-flow	0.0	0.0
Income and expenses not affecting cash-flow	-0.2	-0.2
Operating result before changes in net current assets	1.4	1.9
Changes in assets and liabilities:		
Increase (-)/decrease in receivables and other current assets, accruals and deferrals	0.4	-3.1
Cash provided by investment grants	0.0	2.7
Increase (-)/decrease in inventories	-1.7	-9.4
Increase (-)/decrease in trade payables and other short-term provisions, liabilities	-6.8	3.0
Cash provided by operating activities	-6.7	-4.9
Investment activities		
Acquisition of fixed assets	-3.6	-0.9
Cash provided by disposals of long-term assets	0.1	0.0
Cash provided by/used for (-) interest	0.1	0.0
Cash used for investment activities	-3.4	-0.9
Financing activities		
Cash provided by/used for (-) long-term loans	-0.5	3.1
Contributions to subscribed capital and capital reserves	0.0	0.0
Cash provided by/used for (-) interest	-0.2	-0.1
Cash provided by/used for other long-term liabilities	-0.1	9.9
Cash provided by/used used for (-) financing activities	-0.8	12.9
Net increase/decrease of liquid funds	-10.9	7.0
Cash and cash equivalents at the beginning of the reporting period	14.2	3.8
Cash and cash equivalents at the end of the reporting period	3.3	10.8
Composition of liquid funds at the end of the reporting period		
+ Cash	3.3	10.8
	3.3	10.8

(Possible rounding differences)

Sunways AG, Constance Changes in Shareholders' Equity from 01/01 – 31/03/2008

	Subscribed capital	Reserves	Profit/ loss brought forward	Total
	€ million	€ million	€ million	€ million
01 January 2007	11.3	35.3	-6.3	40.2
Convertible bonds	0.1	0.4		0.5
Convertible bonds after taxes		0.0		0.0
Changes related to share options pursuant to IFRS 2 (expense related to employee options)		0.3		0.3
Net income			1.3	1.3
31 December 2007	11.4	36.0	-5.1	42.3
31 December 2007 / 01 January 2008	11.4	36.0	-5.1	42.3
Changes related to share options pursuant to IFRS 2 (expense related to employee options)		0.1		0.1
Net income			0.1	0.1
31 March 2008	11.4	36.1	-5.0	42.5

(Possible rounding differences)

Notes to the consolidated interim financial statements (IFRS) as of 31 March 2008

A. General information, basis of preparation and premises

This quarterly report has been drawn up in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) established by the International Accounting Standards Board (IASB) and is in conformity with the material accounting principles described therein. The accounting and valuation principles correspond to those applied to the consolidated financial statements as of 31 December 2007.

These interim financial statements do not include all data requirement for the consolidated financial statements as of the end of any fiscal year and, therefore, should be read in conjunction with the consolidated financial statements as of 31 December 2007. These consolidated financial statements have not been audited or reviewed by an auditor.

There have been no changes to the scope of consolidation against 31 December 2007.

B. Notes to the consolidated balance sheet

1. Liquid funds.

	31/03/2008	31/03/2007
	€ million	€ million
Liquid funds	3.3	14.2

The decline in liquid funds was largely due to the scheduled repayment of prepayments received and reported under "other liabilities" as of 31 December 2007 as well as to investments in the expansion of the Arnstadt production plant made in the first quarter.

2. Trade receivables, accrued items and other current assets.

	31/03/2008	31/12/2007
	€ million	€ million
Trade receivables	6.2	6.8
Other assets and prepayments and accrued income	4.4	4.1
Total	10.6	10.9

Trade receivables declined by 0.6 million Euro against 31 December 2007.

Trade receivables include an amount of 1.2 million Euro relating to long-term production orders in accordance with the percentage-of-completion method pursuant to IAS.

Other assets and prepayments and accrued income rose by 0.3 million Euro in the first quarter 2008. This rise was due to higher turnover tax assets compared to 31 December 2007.

3. Inventories.

	31/03/2008	31/12/2007
	€ million	€ million
Raw materials and supplies	3.5	3.0
Work in progress	1.8	1.8
Finished goods and merchandise	13.4	14.1
Prepayments made	14.4	12.5
Total	33.1	31.4

As of 31 March 2008, raw materials and supplies recorded an increase by 0.5 million Euro against the prior year which mainly related to the balance sheet date.

A decline by 0.7 million Euro against the end of the last quarter 2007 was reported with respect to finished goods and merchandise.

The 1.9 million Euro rise in prepayments made against 31 December 2007 was due to down payments for wafer shipments made at short notice.

4. Tangible fixed assets. Significant additions to tangible fixed assets relate to the expansion of the production plant in Arnstadt, Thuringia.

Other additions were attributable to expansion and modernization measures for the Constance production plant. Additions to furnishings and fixtures mainly related to the setting up of a new training center, additional EDP equipment (hardware), other office equipment as well as the establishment of our distribution office in Bologna, Italy.

5. Intangible assets. Pursuant to IAS 38, development costs for new products as well as the further development and improvement of production procedures were capitalized in the amount of 0.1 million Euro in the reporting period. Such capitalized development costs mainly relate to the further development of and addition of a transformerless central inverter to the inverter product family. Amortization of capitalized development costs in the first quarter 2008 amounted to 0.1 million Euro.

Other additions primarily related to EDP software.

6. Other long-term assets. Other long-term assets comprise financial accounts receivable in the amount of 0.6 million Euro as well as the long-term portion of the security provided for module shipments in the amount of 2.7 million Euro.

7. Deferred taxes. Mainly deferred tax assets relating to existing loss carryforwards are reported under this item. Valuation is based on a tax rate of about 28 percent.

8. Short-term liabilities and provisions. The rise in trade liabilities by 1.8 million Euro resulted inter alia from the investments made in the first quarter.

Prepayments received on orders recorded a balance sheet date related increase by 1.1 million Euro.

Provisions increased by 0.5 million Euro against the fourth quarter 2007 and largely related to personnel expenses, warranties and outstanding invoices.

The decline in other short-term liabilities was due to the scheduled repayment of prepayments received and corresponds to the decline in liquid funds. In this context, reference is made to item B.1.

Accruals and deferred income include forfeited future revenues.

9. Long-term liabilities. The convertible bond item relates to the convertible bonds issued by the Company on 15 October 2004. In the first quarter 2008, no bonds were converted into shares. As of 31 March 2008, the liabilities under the convertible bonds amounted to 6.5 million Euro.

The long-term portion of lease purchase liabilities in the amount of 1.1 million Euro is reported under other long-term liabilities.

10. Deferred investment grants. Deferred investment grants relate to government subsidies in connection with the erection of the solar cell production plant of Sunways Production GmbH in Arnstadt, Thuringia. The deferred item will be amortized affecting income over the expected useful life of the subsidized assets. Income from the amortization of this deferred item on the liabilities side amounted to 0.3 million Euro in the first three months of 2008.

11. Shareholders' equity.

Subscribed capital. Reference is made to „Changes in shareholders' equity“. There were no changes against 31 December 2007.

Capital reserve

	€ thousand
As of 01 January 2008	35,958
Changes related to share options pursuant to IFRS 2 (expense related to employee options)	117
As of 31 March 2008	36,075

Otherwise reference is made to „ Changes in shareholders' equity “.

Share option scheme. Under the existing Long Term Incentive Plan 2006, a total of 99,320 share options were newly issued to employees in the first quarter 2008. No share options were allotted to the members of the Management Board in the period under review. Thus the total number of share options issued is 258,020, whereof a total of 8,480 share options had lapsed as of 31 March 2008. Thus 249,540 share options may be exercised. In accordance with IFRS 2, the share options are carried at the fair value of the options issued and are reported under personnel expenses as well as in the form of a corresponding increase in capital reserves.

The exercise price of the options newly issued in the first quarter 2008 was determined at the time of commitment and amounted to 8.21 Euro. The fair value of the newly issued options was estimated by the Company to be 4.26 Euro. This determination was based on the Black-Scholes option model. The model calculations were based on the following assumed parameters:

Exercise price	8.21 €
Expected share price volatility	53.49 %
Risk-free interest	4.5 %
Expected dividend	0.0 %

Volatility was determined approximately on the basis of historical volatilities. Risk-free interest corresponds to the average return on a long-term government bond.

Personnel expenses reported in the period under review with respect to share options already existing and those newly issued in the first quarter amounted to 0.1 million Euro.

C. Notes to the consolidated income statement

All data for the comparative period relate to the period from 01 January to 31 March 2007.

1. Sales. Sales rose by 82 percent against the comparative prior year period.

With respect to the breakdown of sales, reference is made to "segment reporting".

The first quarter sales include an amount of 1.0 million Euro relating to long-term production orders accounted for according to the percentage-of-completion method pursuant to IAS 11. As, based on project progress, expenses and income up to the date of the order's completion could meanwhile be estimated for the first time, a partial profit of 0.8 million Euro was realized in the first quarter. The percentage of completion was determined according to the cost-to-cost method.

2. Other operating income. Other operating income largely relates to the amortization affecting income of deferred investment grants in the amount of 0.3 million Euro.

3. Personnel expenses. Personnel expenses in the first quarter include expenses of 0.1 million Euro with respect to share options issued under the outstanding share option schemes.

4. Depreciation and amortization. Depreciation and amortization comprised scheduled depreciation of tangible fixed assets as well as scheduled amortization of intangible assets. There was no non-scheduled depreciation and amortization during the period under review.

5. Other operating expenses. Other operating expenses included mainly premises and operating costs as well as administrative and distribution costs.

6. Interest income/expenses. This item included interest income in the amount of 0.1 million Euro. Interest and similar expenses amounted to -0.3 million Euro. This item also included additional interest expenses pursuant to IFRS relating to the debt component of the convertible bonds as well as the transaction costs incurred in connection with the launch of the convertible bonds.

7. Taxes on income. Taxes on income included the full amount of deferred taxes pursuant to IAS 12. The determination of deferred taxes was based on a tax rate of about 28 percent.

8. Consolidated net income/loss. A consolidated net loss of 0.1 million Euro was reported as of 31 March 2008.

D. Changes in shareholders' equity.

Changes in the Company's shareholders' equity during the period under review are set forth in the table „Changes in shareholders' equity“.

E. Earnings per share.

	01 - 03/2008	01 - 03/2007
Result for the period / millions of €	0.1	0.5
Number of shares (weighted)	11,374,913	11,267,089
Earnings per share / €	0.01	0.04

The figures presented correspond to undiluted earnings per share within the meaning of IAS 33 („basic earnings per share“). As the calculation of diluted earnings does not result in any material changes, no figures are presented in accordance with IAS 33.

F. Notes to the consolidated cash-flow statement.

The consolidated cash-flow statement shows how the group's cash changed over the course of the reporting period as a result of the inflow and outflow of funds. In accordance with IAS 7 (Cash-Flow Statements), a distinction is made between cash-flows from operating, investing and financing activities. The liquidity shown in the cash-flow statement includes cash in hand, checks, cash at bank and marketable securities.

G. Subsequent events.

No other reportable matters arose prior to the preparation of these interim financial statements.

H. Related-party transactions.

There were no major related-party transactions in the past reporting period.

