

Financial Statements as at December 31, 2007
and Management Report

PVA TePla AG
Aslar, Germany

PVA TePla AG, Aslar, Germany – 2007 Management Report and Group Management Report

1. Introduction

The present management report describes the business development of PVA TePla AG (the "Company") and its subsidiaries (collectively referred to as "PVA TePla" or the "Group") in the fiscal year 2007.

PVA TePla operates worldwide as a supplier of systems for the production and processing of high-quality materials such as hard metals, metals, semiconductors, ceramics, glass, and also for surface treatment of these materials and various plastic surfaces. The production and treatment processes for these types of materials necessitate complex systems in which stable processes can be carried out in reproducible conditions. For this reason, they therefore usually take place under vacuum conditions or in inert gas atmospheres, at high temperatures or with the support of low-pressure plasma.

PVA TePla supplies vacuum systems that produce and treat high-tech materials and surfaces in a vacuum at high temperatures and in plasma. The market for these systems is always associated worldwide with state-of-the-art advances in materials and surface treatment technologies, for example the 300mm silicon (Si) wafer technology for semiconductors, mono- or poly-crystalline wafers for photovoltaics, structural materials for telescopes in outer space, production technologies for metal powder, for example for hard metals, and production technologies for micro-sensors (MEMS, Micro Electromechanical Systems) and luminous lamps made from semi-conductor diodes (HBLED, High Brightness Light Emitting Diodes), the technology for producing extremely thin wafers, and also surface treatment systems for plastic and steel. Devices for inspection and quality control of materials that have been produced extend the Company's portfolio. This market will exist as long as high-tech materials are produced and further developed.

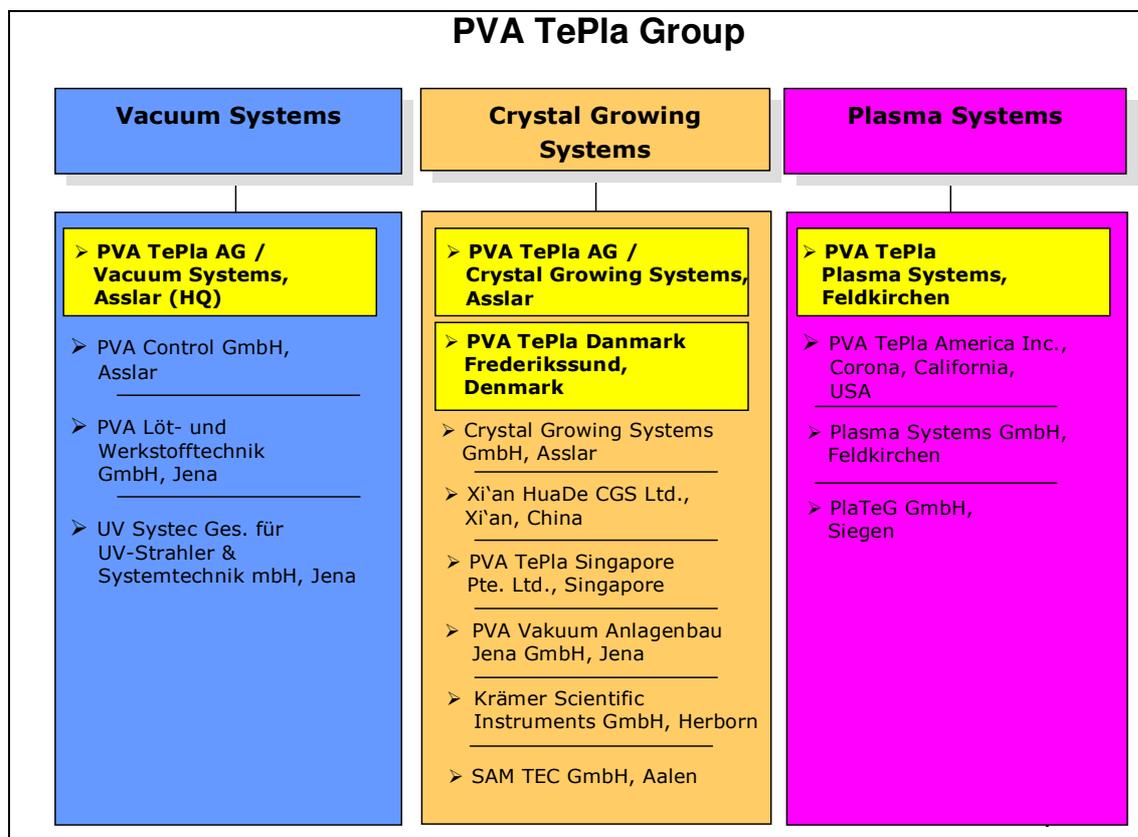
The markets served by PVA TePla are characterized by a limited number of suppliers and global dimensions. The PVA TePla products are sold in technologically demanding markets, largely in interesting market niches but also in fast growing markets such as photovoltaics.

2. Reporting Structure

Due to the increasing degree of integration between the separate divisions of the PVA TePla Group, an isolated analysis of PVA TePla AG that excludes the activities of the subsidiaries will provide only a limited view of the business and financial situation of PVA TePla AG. The preparation of a separate management report for PVA TePla AG for the present reporting year was, therefore, again waived. In this combined management report and Group management report, the specific aspects necessary for

understanding the situation of PVA TePla AG are separately described in the respective sections. This integrated management report is also a part of the single-entity financial statements of PVA TePla AG. The consolidated financial statements of PVA TePla AG were prepared in accordance with international accounting principles, as laid down by IFRS. The individual financial statements of PVA TePla AG are prepared in accordance with the accounting principles contained in the German Commercial Code (*Handelsgesetzbuch* - HGB).

The Group structures its business activities, and hence its reporting, into three divisions: Vacuum Systems, Crystal Growing Systems and Plasma Systems:



The divisions marked in yellow have been included in the AG single-entity financial statements

This management report contains statements relating to the future, based on assumptions and estimates by the management of the Company. Although we assume that the forward-looking expectations in the statements are realistic, we cannot guarantee that these expectations will prove correct. The assumptions may harbor risks and uncertainties that could lead to actual results deviating substantially from the forecasts made. Factors that could cause such deviations include changes in the macroeconomic and business environment, exchange rates and interest rate variability, launching of competing products, lack of acceptance of new products or services, and changes to corporate strategy.

3. Business and General Environment

3.1. Macroeconomic Environment

The upswing in the global economy continued throughout 2007. However, various trends in the dynamic of this development became evident. Development momentum remained high in the newly industrializing markets, particularly in Asia, while momentum declined in the industrial nations during the year. The USA, in particular, lost its role as growth engine. However, neither Japan nor the Eurozone were able to maintain the high level of the previous year.

Nevertheless, the global economy as a whole appears robust. In spite of the real estate crisis and its effects on the financial markets, the risks of which cannot be determined yet, and the continued increases in raw material prices, international trade developed positively. Also, the information available on production and demand lead to the conclusion that the economic development of the global economy is progressing positively. The assumption for 2007 is for an increase of around 5% in the global real gross domestic product (GDP). thus putting growth at above the medium-term trend of 4%. Estimates from leading institutes are forecasting a GDP of 4.5% in 2008. However, it should also be noted that the crisis on the financial markets has not yet been overcome and that a distinct weakening of the American economy, possibly even a recession, would have significant effects on the global economy.

In 2007, the strength of the economy in the **Eurozone** remained unchanged when compared to 2006. Private consumption suffered particularly due to the VAT increase in Germany. However, thanks to buoyant investment activities on the part of companies, GDP was significantly raised in Germany (2.5%) as well as in the Eurozone (2.8%). An increase of 2.4% is expected for the Eurozone GDP in 2008.

In **Russia**, the GDP has been rising at an annual rate of approximately 7% for several years. The country is profiting from the substantial increase in raw material prices, but also from active domestic demand which saw double digit growth in 2007 and which is expected to develop positively — something that should benefit the foreign capital goods industry in the future. This led to imports increasing significantly faster than exports in the past year so that the trade balance shrank noticeably. Growth of approximately 6% is expected in 2008.

In comparison with the other industrial countries, at 1.9%, **Japan** posted distinctly lower moderate GDP growth in 2007. Growth for 2008 is not expected to vary greatly from that of 2007. The Japanese economy was also affected by the downturn in the American economy. Although private

consumption developed positively, there were virtually no impulses from economic investments.

The extraordinarily high growth rate over the past years in **China** and **India** continued in 2007 and is not expected to lose momentum in 2008. At 12% GDP growth in the first six months, China achieved the highest growth rate in the past 10 years. Domestic demand as well as exports contributed to this dynamic development. India, with a growth rate of 9% in the first six months of 2007, good domestic demand is the key factor driving the upturn. With estimated 8% growth, the Indian economy remains on a good course and should not be affected by potential weakening of the global economy due to the low importance of its exports.

Although the **USA** posted GDP growth of 2% for 2007, this is still significantly below the growth rates of the other large industrial nations, excluding Japan. Alongside the financial crisis and the resulting consumer uncertainty, which will leave its negative mark on US domestic demand, demand for plant and equipment goods has also remained stagnant for some time. Due to the credit crisis, companies will also be impacted by tighter lending policy on the part of banks. If dollar continues to depreciate against the euro, European competitors in particular will experience difficulties in remaining competitive against American companies. As a consequence, US exports are growing faster than imports. As a result the US current account deficit is not expected to increase.

3.2. Sector Development

2007 was one of the most successful years for decades for the German mechanical engineering industry. Production of machines and systems expanded by around 11%. In comparison to recent years, the German domestic economy is contributing almost just as much to growth as foreign trade. Capacity is extraordinarily well utilized with a utilization rate of 92%. Even taking the real estate and the financial crises into account, an increase of 5% is expected for the German mechanical engineering industry in 2008. Orders for machinery and systems from abroad have not lost any momentum. Demand from the USA has taken a downturn in recent months. However, orders from Europe and the newly industrializing markets are as buoyant as ever. In the first ten months of 2007, orders received from abroad are 19% above the previous year.

The **electrical and electronic industry** also grew significantly in 2007 with a growth surge of 6% in Germany. This means that this industry sector has grown notably for the fourth consecutive year. Sales revenues from capital goods grew strongly. However the market for technical consumer goods has stagnated. In the area of capital goods, automation technology and energy technology in particular are outstanding contributors to growth. The ZVEI – the Central Association for Electrical Engineering and the Electronics Industry - expects the vibrant growth to

continue in 2008, provided the US real estate and financial crises are overcome.

The global **semi-conductor market** posted an increase in sales revenues of almost 3% to USD 270 billion in 2007. Leading market research institute Gartner estimates growth in sales revenues of 8% for 2008 – depending on the successful management of the financial crisis in the USA. Due to the strength of the euro, sales revenues in Germany declined by 4% in 2007. On a USD basis, semi-conductor manufacturers in Germany continued the growth trend and ended the year with a growth rate of 5%. Further developments in the semi-conductor market are closely linked with the buying behavior of the end consumer due to the ever-more frequent deployment of electronic components in consumer goods. For this reason, semi-conductor manufacturers will have to keep an eye on both the economic situation as well as the buying behavior in the future and also take into account their potential effects on the semi-conductor industry.

The **photovoltaics market** also grew considerably in 2007 on a global basis. Following the below-average growth in 2006 of just 17%, an expansion of 67% in installed output was achieved in 2007. Based on the growing amounts of silicon that are due to come onto the market in the years to come, growth in this industry is expected to continue at a high level.

4. Structural changes within the PVA TePla Group

Some structural changes took place within the PVA TePla Group since the annual financial statements as of December 31, 2006 were presented. Three new companies were integrated into the Crystal Growing Systems division.

On June 4, 2007, PVA TePla Singapore Pte. Ltd., Singapore was founded. Initially, PVA TePla Singapore Pte. Ltd. locally supports processing of a large order for the supply of Crystal Growing Systems for the semi-conductor industry to Siltronic Samsung Wafer Ltd., Singapore.

On October 22, 2007, the Company acquired the KSI Group which consists of Krämer Scientific Instruments GmbH, Herborn, Germany and its 100% subsidiary SAM TEC GmbH, Aalen, Germany. The KSI Group develops, produces and markets analysis and measuring systems for inspecting materials non-destructively using ultrasound in the GHz range. Initial systems to examine silicon ingots have already been sold to wafer producers in the semi-conductor and the LED industry. The acquisition of this group is seen as a reasonable addition to the value chain in the Crystal Growing Systems division.

PVA Vakuum Anlagenbau Jena GmbH was reclassified on January 1, 2007, from the Vacuum Systems division to the Crystal Growing Systems

division. Due to the very good order situation, the company almost exclusively produces crystal growing systems. In the past, this subsidiary produced systems mainly for the Vacuum Systems division. The previous year's figures have been adjusted accordingly.

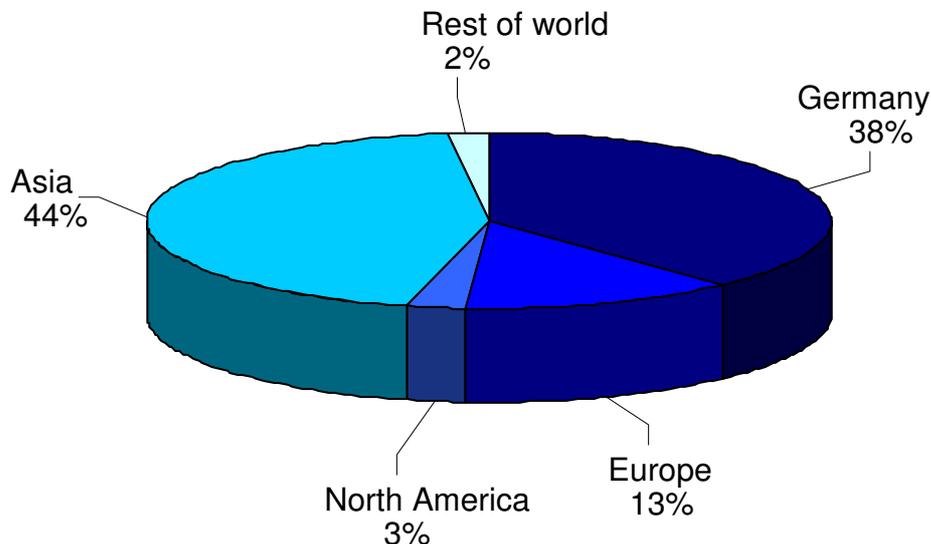
5. Sales revenues

The PVA TePla Group generated consolidated sales revenues of €113.7 million in fiscal year 2007 (previous year: €70.4 million), thus increasing its sales as forecasted by 61%. Sales revenues constantly grew over the individual quarters and reached its highest value of €35.5 million in the fourth quarter (Q1: €15.4 million, Q2: €29.3 million, Q3: €33.5 million).¹

Of sales revenues generated, 38% (previous year: 47%) were achieved in Germany. This proportion of sales revenue can be attributed particularly to orders from ersol Wafers (ASi Industries GmbH) and from Siltronic AG in the Crystal Growing Systems division. The markets in Asia continue to play a large role. 72% of sales revenues from foreign markets are attributable to the Asian region. The order to supply crystal growing systems to the joint venture between Siltronic and Samsung in Singapore as well as the systems business from the Vacuum Systems division significantly contribute to sales revenues in this region. 13% of sales revenues were generated in the rest of Europe and 3% is attributed to North America.

¹ The quarterly figures are unaudited

Sales revenues by region



In the following section, more specific information on the sales revenues of the three divisions Vacuum Systems, Crystal Growing Systems and Plasma Systems is provided.

Vacuum Systems Division

With €36.9 million, the Vacuum Systems division generated 42% more sales revenues than in the previous year (€25.9 million). With a proportion of sales revenue of 32%, the Vacuum Systems division was the Group's second strongest business division in terms of sales revenues.

At 82%, the systems business achieved the largest proportion (previous year: 77%). Sales revenues in the Service and Contract Processing reached the high level of the previous year. However, due to the significant growth in the systems business, the proportion of the total sales revenues decreased to 18% (previous year: 23%).

Despite the extraordinarily high euro, the export share in the systems business continued at a very high level. 73% of the systems built were exported (previous year: 77%). In absolute figures, a notably higher level of sales revenues was generated in foreign markets than was the case in 2006. Approximately 38% of systems revenues were achieved in Asia, China still playing a particularly important role for the Vacuum Systems division. Also pleasing is that in 2007 a larger order was supplied to Japan,

a market that is traditionally seen as particularly difficult. The export share in the rest of Europe was 30% with Germany itself contributing 27% to sales revenues.

The hard metal area, with 73% of systems revenues, is still by far the most important unit of this division. 18% of systems revenues were other graphite-heated vacuum systems, some of which were supplied to the semi-conductor industry last year.

Löt- und Werkstofftechnik GmbH (LWT), as a subsidiary of PVA TePla AG, operates as a service provider (contract processing) in the high-temperature brazing and heat treatment market and, as was the case in 2006, posted an extremely successful fiscal year in 2007. The company again increased sales revenues against the previous year. The company's results of operations are also very positive, remaining at the high level of 2006. The basis for the successful fiscal year 2007 was the acquisition of numerous new customers as well as the expansion of production capacity combined with the continued development of our close customer relationships.

Crystal Growing Systems Division

Due to the outstanding order situation and the large orders on hand, the Crystal Growing Systems division almost doubled sales revenues year-on-year (previous year: €30.9 million) at €60.1 million. This division contributed 53% to total sales revenues, thus significantly increasing its proportion of the PVA TePla consolidated sales revenues. Asia played the most important role in the regional breakdown of sales revenues in 2007.

The production capacity of our customers in those markets that are currently important for crystal growing systems — semi-conductor and photovoltaics — are still developing. The switch to 300mm technology and the associated long-term realignment of silicon ingot production in the semi-conductor industry is progressing. Over the next few years in photovoltaics, the amount of solar silicon produced is expected to grow significantly due to capacity expansions carried out by established manufacturers. Most of the silicon capacity due to come onto the market has already been sold to wafer manufacturers. Over the coming years, a large number of crystal growing systems will have to be ordered by the market in order to process the corresponding amounts of material. Due to the fact that PVA TePla has all the standard technology in the industrial production of ingots, the Company is very well positioned on the market. In 2007, approximately 60% of sales revenues from the Crystal Growing Systems division are attributable to the semi-conductor industry. The processing of the two large orders — from the joint venture between Siltronic and Samsung in Singapore in November 2006 as well as from Siltronic AG in Freiburg in March 2007 — advanced according to plan in

2007. From the second quarter onwards, these orders contributed considerably to sales revenues and growth of the Crystal Growing Systems division. To the end of the year, the first crystal growing systems went into operation in Singapore, in line with the agreed time plan. In fiscal year 2007, other sales revenues are attributable to the area of photovoltaics. 2007 sales revenues are principally due to the large April 2006 order from ersol Wafers (ASi Industries) to supply systems for pulling mono-crystalline silicon ingots. Due to newly acquired customers, with whom a long-term partnership, similar to that with ersol, is enhanced, the area of crystal growing systems for the photovoltaics market is set to develop steadily. New products, such as the Multicrystallizer for the production of multi-crystalline silicon ingots, will further strengthen PVA TePla's market position.

The Company's branch in Denmark also again made a pleasing contribution to sales revenues. Two crystal growing systems for thin silicon rods (slim rod pullers) as well as a crystal growing system for analytical purposes were produced for a Korean customer. Both types of systems are being implemented in connection with the production of highly pure raw silicon. PVA TePla Denmark is also expecting further orders in this area for the given systems as a result of the extensive global expansion of capacity to produce this material.

Contributions to sales revenues of €1.5 million from the subsidiaries KSI and SAM TEC are also very positive. Both companies were acquired by the Group in October 2007. The non-destructive ultrasonic inspection and quality control of materials is a pioneering technology that can be applied in numerous industrial areas due to its three dimensional high-definition. At present, the analysis devices are principally supplied to leading technological companies for the testing of material and components throughout the entire chip-manufacture value chain.

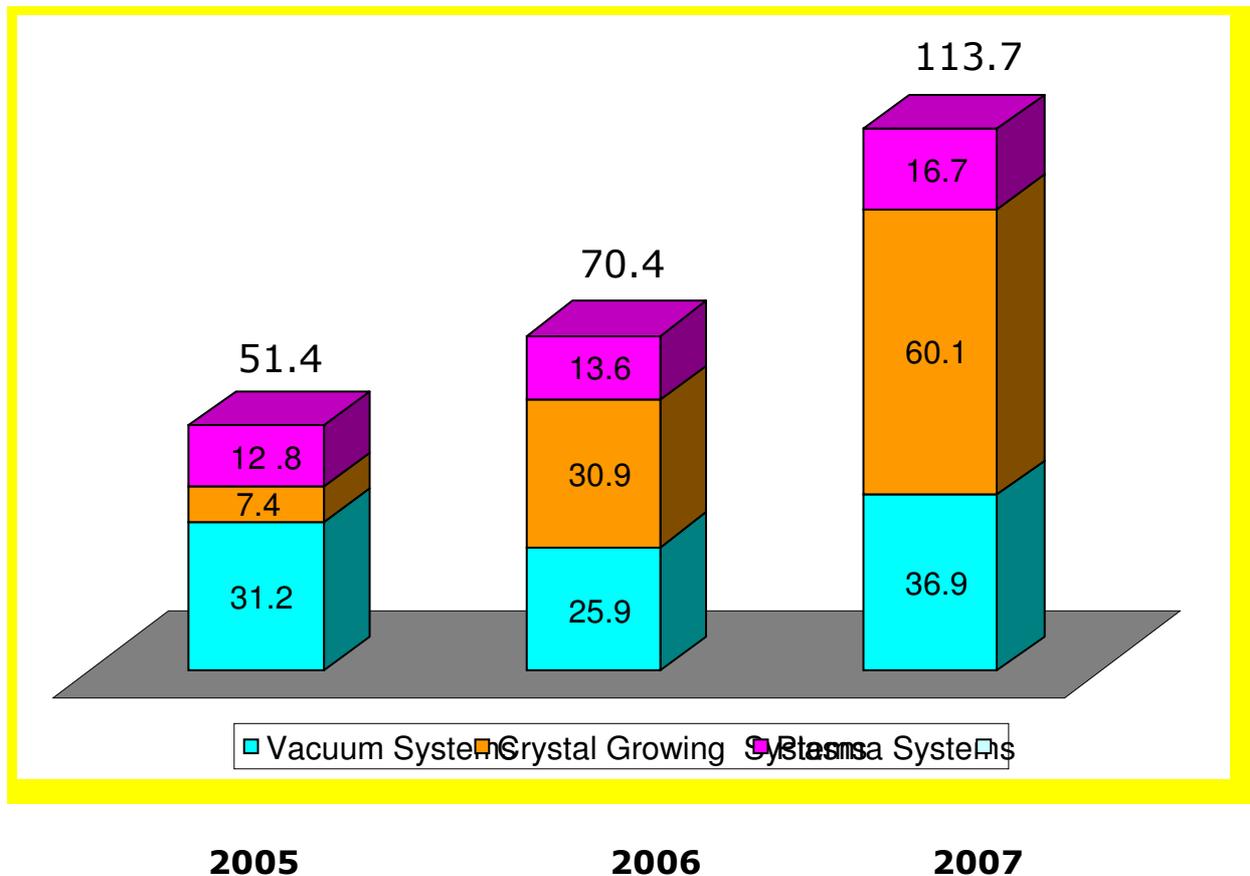
Plasma Systems Division

The Plasma Systems division generated sales revenues of €16.7 million in 2007 (previous year: €13.6 million) thereby contributing 15% to PVA TePla's total sales revenues. The systems business contributed 86% to the division's sales revenues. Contract Processing and Service account for 14% of sales revenues. In the systems business, the semi-conductor business field (the semi-conductor front end and chip packaging product units were combined into the semi-conductor business field) achieved sales revenues of €9.0 million, slightly below that of the previous year (€9.2 million). This makes the semi-conductor business field the largest contributor to sales revenues (54%) in the Plasma Systems division. Systems for the industrial/medical market experienced a significant growth in sales revenues, up to €5.3 million (previous year: €2.5 million) thereby contributing 32% to the division's sales revenues. This notable growth is primarily due to the acquisition of PlaTeG GmbH in the last fiscal year and its contribution to sales revenues. At €2.4 million, the Contract Processing

and Service generated an increase in sales revenues compared to the previous year figure of €1.9 million. This business field contributed 14% to the division's total sales revenues.

Asia, accounting for 40% of the systems business, is the most important region in the regional breakdown. Within Asia, Taiwan is by far the most important market as the largest companies in the chip packaging industry are based here. China is expected to play a steadily increasing role, due to the fact that photovoltaics are becoming more and more important in this region. North America contributed 24% to sales revenues, with Germany and Europe generating 16% each. The Plasma Systems division restructured its sales organization in the past fiscal year, particularly in the USA, in order to generate higher sales volumes in the future in this region. Innovations were realized in all product areas such as front end ashing, ultra thin wafers, back-end chip packaging and wafer metrology and are due to be completed in 2008 and will meet our larger customers' technical purchasing specifications to a higher degree. All in all, our relationships with customers, particularly larger customers, are developing well. In all regions, the Plasma Systems division has a stable base of customers who have each purchased between 10 and 60 systems from PVA TePla since 1999.

Consolidated sales revenues by division
(in € million)



PVA TePla AG reported sales revenues of €46.8 million (previous year: €44.2 million) in its single-entity financial statements. With €30.4 million (previous year: €29.5 million), the Vacuum Systems division again provided the largest contribution to total sales revenues. The Crystal Growing Systems division contributed €6.4 million (previous year: €3.9 million) to sales revenues. This division, in which the order from the Siltronic-Samsung joint venture and the order from Siltronic AG are processed, also comprises the Danish branch which supplied three crystal growing systems in the past fiscal year. The Plasma Systems division did not quite match the previous year's €10.8 million, with a figure of €10.0 million.

6. Order situation

Incoming orders

In fiscal year 2007, the Group again improved on the extremely good incoming-order figures from the previous year – growth was from €139.5 million to €146.0 million. This also meant that the previous record from the previous year was once again beaten. The Vacuum Systems division accounts for that increase.

With a book-to-bill ratio of 1.28 at Group level, as expected the previous year's distinctly high ratio of 1.98 was not reached. However the current ratio confirms that the Company is still on a sharp upward trend.

The **Vacuum Systems division** achieved the highest growth figures. At €48.4 million, the figures for the previous year (€37.1 million) were exceeded by 30%, generating 33% of total incoming orders. This increase is much higher than the long-term growth trend that is expected of this division. As in fiscal year 2006, the amount of incoming orders in the fourth quarter (€15.1 million) was once again the highest of all quarters. December 2007 is worthy of special mention due to incoming orders of €8.7 million – this is the division's highest incoming order count in any month in the history of the company. Approximately 74% of orders for systems were received from abroad. Asia, with its approximately 40% share of incoming orders, again played a major role. More than half of the orders from this region come from China. The rest of Europe accounts for around 25% of all orders.

In the **Crystal Growing Systems division**, the order situation is dominated by large orders. At €81.3 million (previous year: €88.0 million), the extremely high incoming order figures from the previous year were not matched (2006 figures include the large order from Siltronic Samsung Singapore). However, the current figure is still at a very high level and generated 56% of total incoming orders.

The division posted three large orders in fiscal year 2007. CGS GmbH received an order from the photovoltaics industry to the value of around €20 million from ersol Wafers (ASi Industries GmbH), a 100% subsidiary of ersol AG. This comprises the supply of systems for growing mono-crystalline silicon crystals. The systems are designed for ingot diameters of up to 300mm. The successful cooperation with this company from the photovoltaics industry is well documented through this additional follow-up order. In addition, we also attracted a new large customer: SiTech is part of the Norwegian REC Group which produces silicon basic material and also focuses on the production of solar wafers from mono-crystalline silicon. This company chose the CGS technologically advanced systems, placing an order for 50 systems. PVA TePla AG received a large order worth around €22 million from Siltronic AG in the semi-conductor industry to supply

crystal growing systems for 300mm silicon crystals for the semi-conductor industry.

The large orders are complemented by several interesting orders of a smaller volume. Worth mentioning is the order from Wacker Schott Solar for the first eleven systems based on the EFG process.

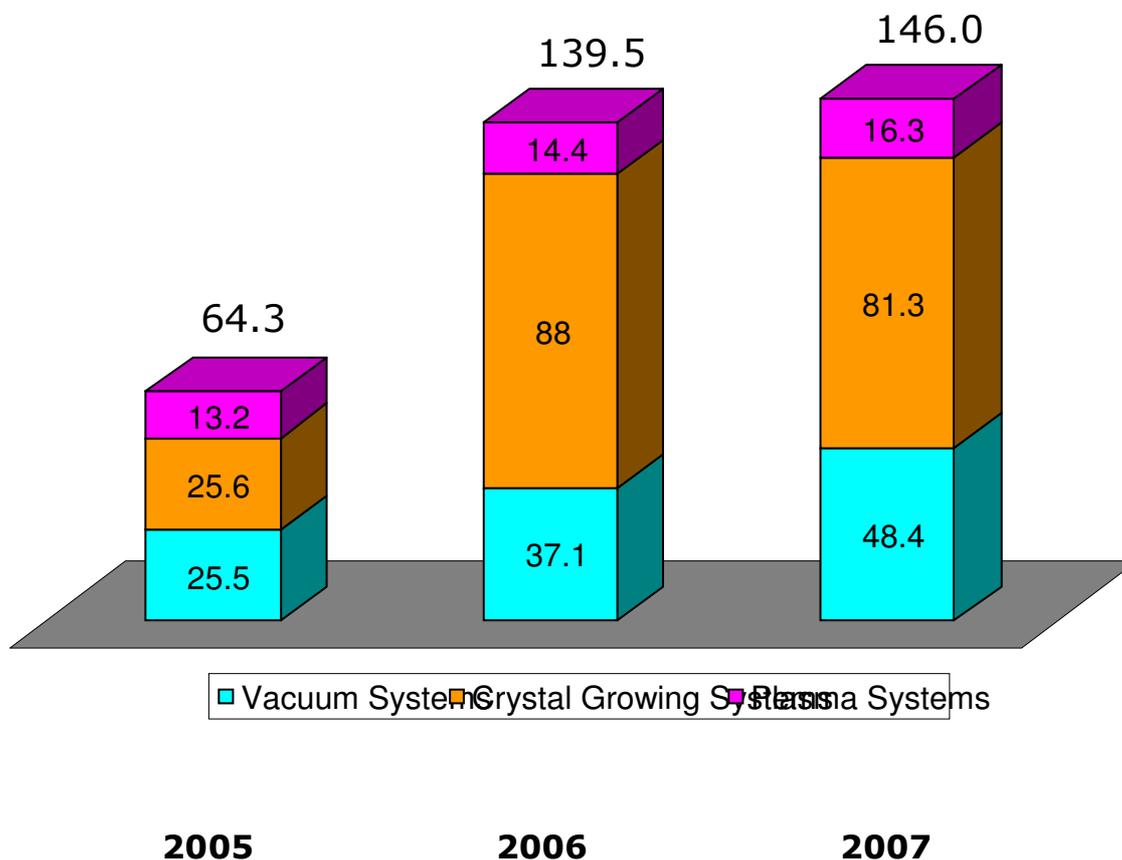
PVA TePla Denmark increased its order volume considerably and won orders for float zone systems, slim rod pullers and analytical crystal growing systems. The growing production of raw silicon material has become evident also in that area of crystal growing systems.

KSI, the recent addition to the Group, has won orders to supply analytical systems to examine the quality of silicon ingots in the semi-conductor industry.

The Crystal Growing Systems division continues to expect increased demand for the relevant systems on the global market. In addition to their current position on the semi-conductor market, the versatile technology that PVA TePla and its subsidiaries have puts the Group in a very strong position on the photovoltaics market.

The **Plasma Systems division** recorded customer orders amounting to €16.3 million (previous year: €14.4 million). The division thus achieved a share of 11% of total incoming orders. A glance at the individual regions shows Europe together with Germany as the most important region. Asia is the second most important region in the regional breakdown. PlaTeG GmbH products represent a significant share of the division's incoming orders. The semi-conductor business field recorded the strongest level of incoming orders for any business field.

Incoming orders by division (in € million)



PVA TePla AG viewed as a single company had incoming orders amounting to €90.8 million (previous year: €109.2 million).

The overall picture for the Vacuum Systems division is similar to that of the Group as a whole. Orders of €47.4 million clearly exceeded the previous year's figure of €37.4 million. This includes intra-Group orders of €2.0 million (previous year: €3.0 million).

In the Crystal Growing Systems division, a value of incoming orders of €34.4 million was achieved (previous year: €61.6 million). Incoming orders consist primarily of an order from Siltronic AG to supply crystal growing systems for the semi-conductor industry. The high incoming orders figure in 2006 was due to the order from Siltronic Samsung Wafer Pte. Ltd, which was recorded in the newly installed Crystal Growing Systems division of PVA TePla AG. In 2007, the Danish branch also contributed to the good incoming orders figure in this division, with €7.2 million compared to €2.1 in the previous year.

The Plasma Systems division did not quite match the previous year's €10.2 million, generating a figure of €8.9 million. Intra-group orders within this division amounted to €0.5 million.

Order backlog

The Order backlog of the PVA TePla Group is shown here after deducting sales revenues already recognized according to the percentage of completion method (POC).

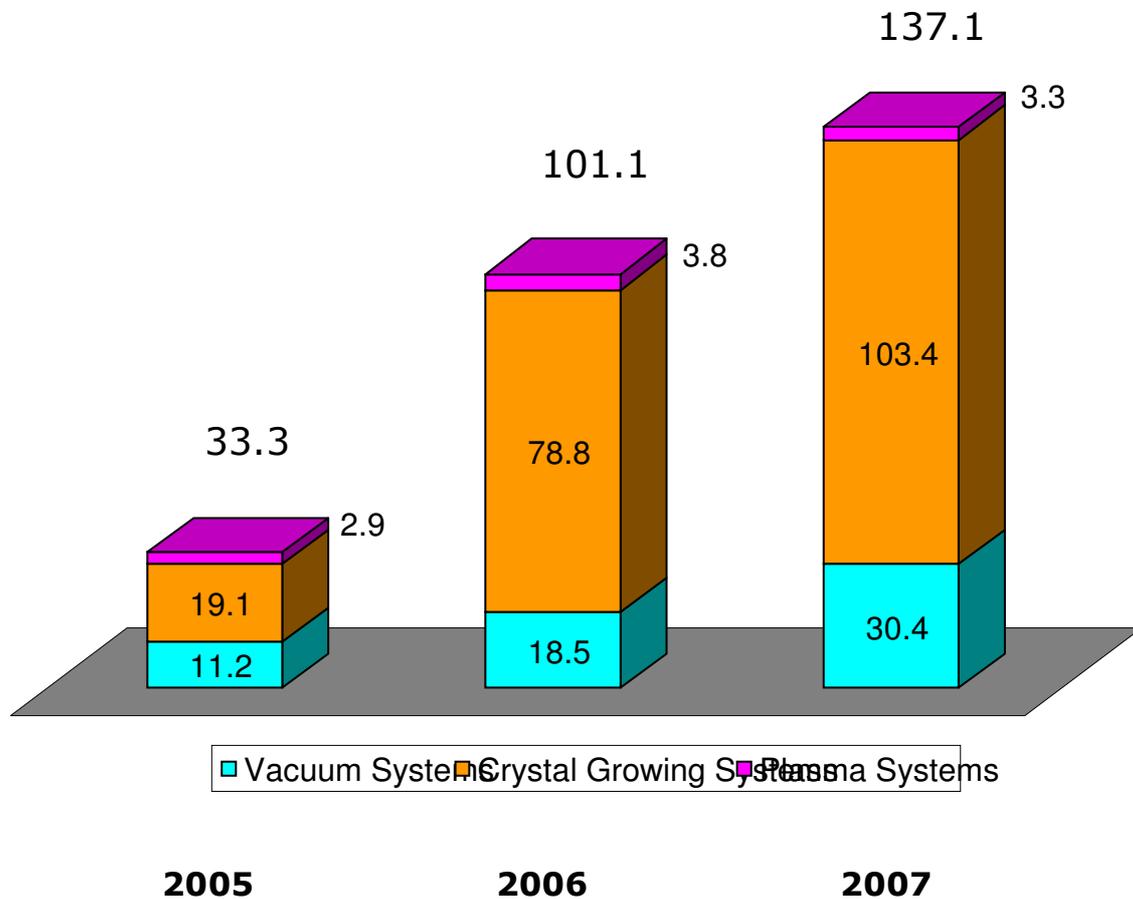
On this basis the Group exceeded the previous year figure of €101.1 million and to December 31, 2007, achieved the new record figure of €137.1 million.

The **Crystal Growing Systems** division has the largest order backlog, with a value of €103.4 million (previous year: €78.8 million). The 31% increase in the order book confirms the positive development in this area, and the importance of this division currently for PVA TePla. The delivery of existing orders will continue to the beginning of 2009.

The amount of orders on hand in the **Vacuum Systems division**, at €30.4 million, has also grown 60% compared to the previous year (€18.5 million). This is the second consecutive year where the order backlog has grown to this extent. This figure also confirms the medium-term growth trend and represents a very good starting point for the business planned in the new fiscal year.

The **Plasma Systems division** recorded a value of €3.3 million (previous year: €3.8 million). Due to the short-term completion times for orders of this division, a larger ratio of order backlog, compared to sales, is generally not to be expected.

order backlog by division
(in € million)



The **PVA TePla AG** order backlog– seen individually here as nominal values in accordance with German accounting principles - climbed significantly to €134.4 million (previous year: €88.6 million). The Vacuum Systems division contributed €43.8 million (previous year: €26.7 million) to this figure. The largest part related to the Crystal Growing Systems division that showed an order book of €89.2 million (previous year: €59.5 million). The Plasma Systems division recorded a value of €1.4 million (previous year: €2.4 million).

7. Production

In 2007, the production of systems as well as the contract processing took place in Germany at the locations Asslar, Feldkirchen, Siegen and Jena. At the end of the year, the transfer of production from Asslar to the new PVA TePla AG headquarters in Wettenberg near Giessen began. A new production location is a result of the acquisition of the KSI Group in Herborn, Germany. Outside Germany, production took place at the locations Corona in the USA, Frederikssund in Denmark and Xi’an in China.

Vertical integration remained low in all areas. Parts are manufactured in-house only to a small degree. This results in a relatively high percentage of material costs, but offers the possibility of making short term and flexible adjustments to production capacity, as necessary, to meet a possible change in demand.

In the **Vacuum Systems division**, systems were produced at the Asslar location where the production facilities were fully utilized throughout the year. Peaks in demand were covered by buying in external assembly capacity. Due to relocating production to Wettenberg, the assembly areas will double. The additional capacity is urgently needed in this division to process the very high number of orders on hand. The relocation of the production facilities will be carried out successively i.e. system assemblies that have not yet begun will be carried out in Wettenberg and projects that have already begun will be completed in Asslar.

The contract processing area also achieved a maximum use of operating capacity at both the Asslar und Jena locations. In addition, by the end of fiscal year 2007, the Company moved production to the new facilities at the Wettenberg location. With more than 600m² production area, PVA Löt- and Werkstofftechnik now has a sufficient infrastructure to enable sustained growth in the coming years.

With regard to the **Crystal Growing Systems division**, the production facilities in Jena were fully utilized due to the orders from the semiconductor industry and from the photovoltaics market. Capacity at this location more than doubled as a result of opening two new assembly facilities in the middle of 2007. The production capacity at the Frederikssund location in Denmark also had very good utilization levels. Here, two slim rod pullers and one float zone crystal growing system were supplied to customers in fiscal year 2007. If necessary, a reduction in the vertical integration of manufacture would result in an increase in the volume of business that can be handled. In Herborn, the assembly capacity for ultrasonic analytical systems was also well utilized due to the high number of orders on hand.

In the **Plasma Systems division**, the production facilities at Feldkirchen – at approximately 75% of maximum capacity (previous year: 80%) average utilization levels were somewhat down year-on-year – are therefore still not fully utilized and offer possibilities for increasing production in the current fiscal year. The production of systems at the Corona location in the USA offers significant growth potential. In order to increase capacity utilization at this location, the production of two products were relocated from Feldkirchen to the USA. PlaTeG capacity utilization at the Siegen location was also good. Due to a large order from Asia at the beginning of 2008, capacity utilization will continue growing in the current fiscal year.

The existing assembly areas, plus those soon to be completed – in particular those in Wettenberg – are sufficient for the planned expansion in

the volume of business in 2008. If required, the assembly capacity can be enlarged for additional orders by renting, and also by the construction of new assembly areas, at short notice. In addition, the transfer of partial stages of the assembly or the complete assembly of certain components or also complete types of systems is possible, if needed.

8. Research and development

The costs of research and development in the Group in the reporting year totaled €1.7 million (previous year: €1.5 million). The activities of the individual divisions are outlined in the following text:

Vacuum Systems Division

In the Vacuum Systems division, R&D work is largely conducted in the context of paid customer orders; these costs are therefore recorded under cost of sales, and not separately disclosed. R&D services that lead to innovations and to the optimization of products are estimated at approximately 10% of our entire design engineering output.

In the past fiscal year, a high-temperature system for cleaning graphite and insulating felt was created as part of a customer order. These materials, which are used in crystal growing systems for mono-crystalline crystals (ingots) for the semi-conductor and photovoltaics market and are contaminated with silicon during use, are annealed silicon free in our system, i.e. all traces of silicon residue are removed. Silicon is evaporated in a vacuum with a slight current of inert gas at temperatures of up to 2,000°C. Thanks to this method, the costly and – in future – scarce material of graphite can be used again without losses and without impairing silicon mono-crystal production.

In the second six months of 2007, the newly developed VGF (**V**ertical **G**radient **F**reeze) system for larger crucible dimensions (jumbo crucible) for the manufacture of poly-crystalline ingots for photovoltaic silicon wafers was finished and put into operation. The larger crucible ensures greater throughput and higher productivity. Development of this system concept was advanced with the aim of reducing costs. Additionally the safety concept – several accidents with systems from other manufacturers had recently occurred at solar wafer manufacturers – for safe operation and production using our systems was again reviewed. Initial orders for systems of this kind have already been placed in the reporting year.

A constructive thermal optimization of the rapid cooling systems for pressure sintering furnaces was completed, leading to reduced cooling times, and therefore reduced production cycle times. This measure has already been implemented in initial system orders.

Crystal Growing Systems Division

In fiscal year 2007, the focus in the Crystal Growing Systems division was on control station technology for production facilities with up to several hundred crystal growing systems. Using this control station technology, all communication and safety systems for a range of crystal growing systems can be controlled from a uniform interface. For companies in the semiconductor and photovoltaics industry, which often use a large number of systems in their plants, this new kind of control system is an efficient and cost-effective control and optimization system, coupled with the utmost levels of user friendliness and adapted to respective individual requirements. A cooperation agreement was concluded with an American company to develop a new and unique VGF system, which can be used to produce crystals for high-brightness LEDs under extremely high gas pressure. For a number of markets, such as the lighting or automotive industries, LED technology will play a key role in future on account of its energy efficiency.

In cooperation with a customer, CGS realized a process that allows silicon mono-crystals of 300mm diameter to be grown for solar wafers. Ingots for wafers of 210mm x 210mm can be produced using this process. Currently, standard wafers have a format of 156mm x 156mm. The advantage of this 300mm growing process is essentially a greater exploitation of wafer surface, leading to greater material throughput and therefore higher productivity from each growing system.

PVA TePla AG is currently establishing a new laboratory for the Crystal Growing Systems division. This also includes the operation of state-of-the-art facilities for mono-crystalline crystal manufacture (up to 300mm) and poly-crystalline silicon (with jumbo crucible). In respect of the development activities, this will drive forward future process optimization and further development of hardware even more rapidly and more efficiently. Intensive project-related cooperation with research facilities and universities is planned. However, this facility is not only available for the purposes of R&D, but can also be used for process demonstrations and customer training.

Plasma Systems Division

In 2007, the main focus in the Plasma Systems division was on developing innovative system concepts for new and for existing customer applications in order to enter into new markets and improve competitiveness in the global market. An additional objective for manufacturing and production was on the one hand significantly reducing the complexity of our product portfolio and, on the other, constructing modular systems to be able to offer them in varying applications.

Thanks to the innovative concept of the new inline-plasma system generation of the PS 80 Plus type, which is used by clean/activate chip carriers in backend chip packaging using direct microwave technology, two

orders were gained from a leading high-brightness LED manufacturer. The first delivery was in February 2008.

The semi-automatic PS 4008 machine platform has been complemented by hydrogen technology. This taps into a new application field in the cleaning of contaminated metal. The technology is based on a modular machine platform which meets the particular requirements in the thin wafer product sector. The prototype is to be introduced to customers globally in the first quarter of 2008.

In the wafer metrology product sector, a demonstration device of the SIRD type was established with state-of-the-art design and audited and certified in Spring 2007 in accordance with the relevant semi standards by a specialized company in the USA. The SIRD measuring instrument based on polarized laser light identifies defective stresses in highly pure semiconductor silicon. This development was an essential requirement in order to offer SIRD technology for production conditions in state-of-the-art semiconductor fabs on a global scale. In addition, sales of this product range were positively influenced by a globally implemented test series of our instruments which was initiated by a leading chip manufacturer and implemented at our customers' facilities.

In the second quarter, the new PS 210 microwave laboratory plasma system was launched for international sales in the semi-conductor business field. The system is being built in the USA by PVA TePla America and is replacing the current predecessor models which were produced at the Feldkirchen location. The system satisfies the demand for modularity and can therefore be offered with a particularly short delivery time of four weeks. Customers will include universities and institutions as well as smaller mid-market customers for pilot productions.

9. Investments

At €25.7 million (previous year: €2.5 million), the investment volume was considerably higher in 2007 than in previous years. The amount invested was split between property, plant and equipment in the amount of €19.4 million (previous year: €2.3 million) and intangible assets in the amount of €6.3 million (previous year: €0.2 million). No financial investments were made, as in the previous year.

At a value of €17.3 million, the predominant share of investments in 2007 was in the expansion of production areas by constructing new assembly facilities in order to manage the outstanding number of orders on hand and to ensure the Company's future potential. The production capacity of the subsidiary PVA Vakuum Anlagenbau Jena GmbH, where crystal growing systems are manufactured, was doubled in 2007. In contrast to these assembly facilities which have already been completed, the construction of the PVA TePla site in Wettenberg near Giessen is still in progress. The production capacity – here for the Vacuum Systems division – will also be doubled at this location. The production of vacuum systems will be relocated to the new assembly facilities in Wettenberg in the first quarter of 2008. In conjunction with the relocation of the future headquarters, the Vacuum System division subsidiaries in Asslar also relocated production to Wettenberg. The PVA TePla administration facilities are due to be completed in fall 2008 and, at this point, all administration will move to this site.

A further investment worth mentioning is the installation of an additional brazing furnace for capacity expansion in the contract processing area at the Löt- and Werkstofftechnik GmbH Jena location.

Another substantial investment was the acquisition of the KSI Group - consisting of the company Krämer Scientific Instruments GmbH in Herborn and its 100% subsidiary SAM TEC GmbH in Aalen.

PVA TePla AG investments in 2007 totaling €20.7 million are significantly higher than those of the previous years (previous year: €1.6 million / 2005: €0.7 million) primarily due to the outstanding order situation and the measures taken to increase capacity. Investments in property, plant and equipment amounted to €14.1 million (previous year: €0.2 million) and largely comprise the procurement of the land and the advance payments for the new facilities in Wettenberg. Investments in intangible assets amounted to €0.4 million (previous year: €1.1 million) and those in financial assets amounted to €6.3 million (previous year: €0.3 million). The latter mainly consists of the acquisition of the KSI Group in Herborn.

10. Net assets and financial position

PVA TePla Group

Based on the considerable increase in business volume and the associated investments for expansion of capacity, total assets on December 31, 2007, at €111.3 million significantly increased in comparison to the previous year's value of €60.3 million.

This rise is primarily due to an increased figure for current assets of €65.9 million, compared to last year's figure (€37.1 million). This increase is based primarily on the significant rise – from €5.1 million in 2006 to €19.4 million in 2007 – in coming receivables on construction contracts. This is due to scheduled processing of large orders on hand in the Crystal Growing Systems division as well as the large order backlog in the Vacuum Systems division. The total value of current receivables rose to €24.5 million (previous year: €12.9 million). Thus trade receivables at €11.1 million (previous year: €9.5 million) rose less in percentage terms than the volume of business. The largest growth to be posted in this category is attributable to the advance payments of €9.2 million (previous year: €2.4 million). In order to achieve a higher degree of transparency, we have disclosed this figure separately this year as opposed to last year. The value of inventories rose from €7.1 million in the previous year to €12.6 million. Other receivables increased to €4.0 million from their previous year's figure of €0.9 million. Cash and cash equivalents amounted to €9.1 million (previous year: €12.1 million) on the balance sheet date, yet again amounting to a very pleasing figure.

Due to the investments shown above, the value of non-current assets on the balance sheet date grew significantly to €45.5 million from the previous year's amount of €23.2 million. The value of property, plant and equipment amounted to €27.3 million (previous year: €10.1 million). The figure for intangible assets rose from €7.0 million in 2006 to €13.0 million in 2007, principally due to the acquisition of the KSI Group and the associated goodwill. In contrast, deferred tax assets dropped to €4.0 million (previous year: €5.7 million) because of the improved earnings situation.

The equity and liabilities side of the balance sheet shows an increase in current liabilities from €22.5 million in 2006 to €49.5 million to December 31, 2007. This is principally due to the very favorable order situation, and the connected increase in advance payments received. Current financial liabilities climbed to €2.3 million (previous year: €0.7 million) and mainly contain the current portion of non-current bank borrowings. In connection with the increase in business volume, other provisions climbed from €2.4 million to €2.5 million at present and accruals rose from €2.6 million to €4.9 million.

Overall non-current liabilities (including non-current provisions) rose significantly, from the previous year's figure of €11.3 million to €28.4 million. This can be attributed largely to the increase in non-current financial liabilities to €17.1 million (previous year: €3.1 million) due to taking up loans to finance investments. Retirement pension provisions rose as scheduled to €7.0 million (previous year: €6.7 million). The corresponding pension schemes were taken on from previous companies and contain only existing commitments. New pension obligations are generally no longer made. Deferred tax liabilities increased from €1.2 million to the current figure of €3.7 million. This is principally due to the higher share of accelerated recognition of sales revenue in comparison to the tax evaluation.

Due to the net profit for the year shareholders' equity increased to €30.9 million (previous year: €24.7 million). Because of significantly higher total assets, the equity ratio of 27.8% is less than the previous year's figure of 41.0%.

Current financial liabilities of €2.3 million (previous year: €0.7 million) and non-current financial liabilities of €17.1 million (previous year: €3.1 million) are offset by cash and cash equivalents of €9.1 million (previous year: €12.1 million) at the balance sheet date. This led to the Group's net liquid position decreasing significantly to a value of -€10.3 million (previous year: +€8.3 million) predominantly due to an increase in non-current financial liabilities. The positive net current situation, the maturity of the non-current financial liabilities, the present cash planning – that is updated on a monthly basis – as well as the credit lines agreed with banks of €6.5 million (previous year: €6.5 million) and guarantee lines of €66.1 million (previous year: €49.1 million) provide PVA TePla, from the present perspective, with sufficient scope for financing and executing the planned further expansion of its business. Against the background of the favorable order situation, the guarantee lines were once again considerably expanded overall by our regular banks in the past fiscal year. A partial amount of €18 million is available on a project-related basis. The short-term lines are wholly available without security being provided.

The PVA TePla Group's liquidity situation remained positive in fiscal year 2007. In 2007, at +€7.8 million cash flow from operating activities was significantly positive, as it had been in the previous year at +€13.6 million. This figure is subject to strong fluctuations at the balance sheet dates in the Vacuum Systems and Crystal Growing Systems divisions, due to the project structure of the orders. We receive considerable advance payments at the beginning of a project, which, in the case of large orders, as in 2006 and 2007, influence the entire cash flow positively. During the period of processing the project its cash flow is negative, whereas at the time close to delivery the remaining amount due is paid, except for a small residual installment.

Because of the investing activities referred to above, cash flow from investing activities showed was strongly negative at -€25.4 million (previous year: -€2.3 million). An amount of €15.7 million of investment was financed by long-term loans. The remaining amount was initially covered by the current cash flow. On January 1, 2008, a further loan of €10 million is available for financing the construction activities in Wettenberg. Cash flow from financing activities was +€14.7 million (previous year: -€1.0 million), being influenced additionally by scheduled repayments of long-term loans and an increase in current financial liabilities. The aggregate cash flow (including changes caused by exchange movements) amounted to -€2.9 million (previous year: €10.3 million).

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Due to the higher business volume and the associated investments, total assets once again increased strongly to December 31, 2007 (€77.3 million) when compared to 2006 (€38.4 million).

The largest changes affect the fixed assets due to the investments described above and due to the increase of amounts owed by associates as a result of higher amount of advance payments.

The figure for fixed assets amounts to €31.6 million (previous year: €14.1 million). The figure for intangible assets remained at €1.3 million (previous year: €1.3 million). At €15.0 million (previous year: €1.3 million), the value for property, plant and equipment rose primarily because of the new construction measures in Wettenberg. The value of financial assets rose from €11.4 million to €15.3 million year-on-year. This item includes an increase from the acquisition of new activities within the Crystal Growing Systems division, which is offset in the Plasma Systems division by a write-down of €2.4 million (previous year: €1.5 million) in the carrying value of the investment in PVA TePla America Inc. because of revised earnings expectations.

For inventories, this year we used the option of deducting advance payments received on orders from inventories. The previous year's figures were adjusted accordingly. The total figure for inventories, at €0.8 million, was slightly above the figure for the previous year (€0.6 million). Finished products and goods dropped to €0.6 million (previous year: €1.1 million), whereas work in progress increased strongly to €28.9 million (previous year: €7.2 million). The figure for raw materials, consumables and operating supplies amounted to €2.9 million (previous year: €1.8 million). The volume of deducted advance payments received on orders amounted to €32.4 million (previous year: €10.1 million).

Despite the higher business volume, trade receivables only increased slightly to €5.2 million (previous year: €5.1 million). Systems for the Crystal Growing Systems division within PVA TePla AG are being assembled

at PVA Vakuum Anlagenbau Jena GmbH. As a result of processing this division's large orders, the assembly volume and the combined volume of advance payments have grown considerably. Due to this, the value of amounts owned by affiliates also increased - to €33.3 million (previous year: €9.7 million).

The value of cash and cash equivalents was €4.3 million (previous year: €8.6 million).

The equity and liabilities side of the balance sheet shows a substantial rise in liabilities to €45.7 million (previous year: €9.6 million), primarily due to a strong increase in advance payments received to €20.2 million (previous year: €3.3 million). The growth in amounts owed to banks to €13.0 million (previous year: €0.0 million) is primarily a result of loans for financing investments. Amounts owed by affiliates have also increased. As of the balance sheet date, the figure is €9.9 million (previous year: €4.1 million) most notably because of current supply liabilities at the reporting date. Trade payables increased to €1.9 million (previous year: €1.3 million), due to the increased volume of business.

Retirement pension provisions rose to €4.6 million (previous year: €4.2 million). The corresponding pension schemes were taken over from the previous companies in each case and only consist of existing commitments. New pension obligations are generally no longer made.

The increase in other provisions to €5.3 million (previous year: €3.8 million) is a result of the expansion in the volume of business. Added to this is a rise, particular to the balance sheet date, in the provisions for outstanding invoices and costs.

Equity increased, principally due to the net profit generated in the year, to €21.6 million (previous year: €20.3 million). Because of the substantially higher balance sheet total, the equity ratio fell to 27.9% (previous year: 52.8%). This year we used the option to offset the net accumulated loss against share premiums and retained earnings. This results in a net accumulated loss of €2.4 million (previous year: €19.9 million).

On December 31, 2007, €4.3 million (previous year: €8.6 million) was the amount available in cash and cash equivalents. The current liquidity situation, the present cash planning - that is updated on a monthly basis - as well as the agreed credit lines of the banks amounting to €6.5 million (previous year: €6.5 million) and guarantee lines of €66.1 million (previous year: €49.1 million) provide PVA TePla AG with sufficient scope for financing and executing the planned expansion of the business.

11. Results of operations

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In fiscal year 2007, PVA TePla once again achieved a significant improvement in net profits. An operating result (EBIT) of €10.0 million (previous year: €3.5 million) and consolidated net profit of €6.1 million (previous year: €2.1 million) were generated. The EBIT ratio, at 8.8%, was substantially above last year's figure of 5.0%, and above the forecast range of 5-7%. The return on sales was likewise improved, to 5.3% from 3.0% in the previous year.

As a result of consolidated sales revenues rising to €113.7 million (previous year: €70.4 million), gross profit improved to €27.1 million (previous year: €18.0 million). At 23.8%, the gross margin was just below last year's figure of 25.6%. This can be attributed to the Crystal Growing Systems division's higher proportion of the sales revenues.

Selling and distribution expenses, at €8.0 million (previous year: €5.9 million, and administration expenses, at €6.0 million (previous year: €5.0 million) grew proportionally less than the volume of business. A part of this increase is attributable to the further adjustment of the organizational structures to the strong growth in business. With regards to selling and distribution expenses, what is also relevant is in which market segments orders are being processed and whether commissions for representative offices are incurred. Similarly, research and development expenses rose slightly to €1.7 million (previous year: €1.5 million). The net figure of other operating expenses and other operating income was -€1.4 million (previous year: -€2.1 million). Overall, Group operating profit increased substantially to €10.0 million (previous year: €3.5 million).

In 2007, the Crystal Growing Systems division again posted the largest contribution to this success. Based on the very good order situation, sales revenues were increased strongly, as was EBIT. The Vacuum Systems division also managed to grow its volume of business considerably and once again improved on its excellent earnings from the previous year. Once again, losses were reported in the Plasma Systems division. The prime reason for the deterioration in the operative business were charges from the worsened exchange rate between EUR and USD as well as start-up costs for the new activity Plasma Systems.

The net interest position was at -€0.0 (previous year: -€0.1 million). However, higher interest expenses due to the loans taken up to finance investments offset the higher interest income from investing excess liquidity. The income from the associated company PVA MIMtech of €0.4 million approximately doubled compared to the €0.2 million of the previous year. Profit from ordinary activities was substantially improved at €10.3 million (previous year: €3.6 million).

Net profit for the year of €6.1 million was substantially higher than the previous year's €2.1 million. Income tax expense of €4.2 million (previous year: -€1.5 million) was made up of the current tax expense of €0.7 million (previous year: €0.8 million) and deferred tax expense of €3.5 million (previous year: €0.8 million). The current tax expense is mainly attributable to provisions for the minimum taxation of PVA TePla AG and the subsidiaries Crystal Growing Systems GmbH and UV Systec. The increase in deferred tax expense is due to a reduction in deferred tax assets caused by the overall improvement in the earnings situation as well as to the higher scope of accelerated sales revenues realization in comparison with the tax evaluation.

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On a further increase in sales revenues to €46.8 million (previous year: €44.2 million), gross profit also improved to €10.8 million (previous year: €10.3 million). The gross profit ratio was 23.2%, and thus close to the figure of the previous year (23.3%).

The increase in selling and distribution expenses to €5.9 million (previous year: €4.7 million) and administrative expenses to €4.6 million (previous year: €3.1 million) mainly reflected growth in the volume of business, but also took into account the expansion of the Group structures in respect of additional growth. The centrally recorded costs of the Aktiengesellschaft were, as in the previous year, charged to the operating divisions, and thereby partially to the subsidiaries. Research and development expenses dropped slightly to €0.9 million (previous year: €1.0 million). The largest share was once again due to continued development of the product program in the Plasma Systems division. Other operating income, totaling €2.4 million, was above the previous year's figure (€1.4 million). To a large extent this increase is due to the higher allocation of holding costs. Other operating expenses, at €2.2 million, were also above the previous year's figure (€1.3 million). Once again, the subsidiaries profit distribution of €2.7 million (previous year: €1.8 million) as well as income, posted for the first time, from the income transfer agreements from 2007 with the subsidiaries PVA Control GmbH in Aslar and PVA Löt- und Werkstofftechnik GmbH in Jena of €1.1 million (previous year: €0 million) had a positive impact on net income.

Due to the continued poor performance of the subsidiary PVA TePla America Inc., another impairment of €2.4 million (previous year: €1.5 million) was taken on the corresponding carrying value of the investment.

The net interest figure amounted to €0.3 million (previous year: €0.3 million). A positive current interest position (based on the positive liquidity position) offset interest expenses for the loan to finance the investments.

Overall PVA TePla AG recorded lower earnings figures than in the previous year, with a profit from ordinary activities of €1.4 million (previous year: €2.2 million) and a net profit for the year of €1.3 million (previous year: €2.0 million). The return on sales, at 2.7%, was lower than the previous year's figure of 4.5%. Income tax expense relates mainly to setting up tax provisions concerning minimum taxation under German fiscal law.

When assessing the PVA TePla AG result of operations, it is necessary to bear in mind that, throughout the entire year, the Crystal Growing Systems division worked intensively on the large order from Siltronic Samsung Wafers therefore requiring the relevant extension of capacity. As a result of the long delivery times, this order's contribution to sales revenues was, as planned, still low.

12. Growth in workforce

The Group had 422 employees (previous year: 330) as of the balance sheet date. At approximately 28%, this employee growth represents a substantially lower increase compared with the 61% growth in sales revenues. The number of employees in the Vacuum Systems division was 195 (previous year: 199, 167 employees without PVA Vakuum Anlagenbau Jena GmbH which was reclassified to the Crystal Growing Systems division). The number of employees in the Crystal Growing Systems division rose sharply, increasing from 44 employees (76 employees including PVA Vakuum Anlagenbau Jena GmbH) as of the balance sheet date in 2006 to 142 as of December 31, 2007. The excellent number of orders and the acquisition of KSI GmbH and SAM TEC GmbH in 2007 led to an additional increase in the workforce. In the Plasma Systems division, the number of employees decreased slightly to 85 (previous year: 87), caused by a reduction of personnel at PVA TePla America.

A look at the regions shows that Europe has the majority of employees by far, at 381 (previous year: 289). At the end of 2007, there were 22 employees in the USA (previous year: 26) and 19 in Asia (previous year: 15).

In fiscal year 2007, the PVA TePla Group had 13 apprentices (previous year: 9). Six young men and women were being trained in commercial professions and seven in industrial professions.

PVA TePla AG employed a workforce of 234 persons at the end of 2007. The increase from the previous year's figure of 188 employees is principally due to the favorable development in business. 7 persons were employed (previous year: 6) in Frederikssund in Denmark.

13. Risk Report

As a globally operating technology group, the PVA TePla Group faces a large number of opportunities and risks that are inextricably linked with the entrepreneurial activities of all divisions.

The economic environment of the company is characterized by global markets and the ever-growing complexity of technological applications. The risks of negative corporate and economic performance are continuously monitored and evaluated by the management of the company and, where appropriate and possible, reduced or compensated for. Assessment of the risk factors is integrated into corporate decisions.

The primary objective of efficient and forward-looking risk management is to exploit any opportunities and manage any risks that may exist. This process requires the identification and assessment of opportunities and risks. For this purpose, a risk management manual has been issued to the divisions and employees, which contains procedural directives and lists of measures to be taken. This manual, and a system of regular risk reporting, is continually being optimized. In this way, transparency regarding the opportunities and risks in our business has been further enhanced.

Risks from the markets

The risks in the particular niche markets served by PVA TePla relate especially to unexpected fluctuations in investment activity on the part of customers and specific industries. This risk is reduced by diversifying our range of products and services across different sectors, such as semiconductors, photovoltaics, tool making and hard metal technology, production of high-quality metals and ceramics, automotive and aerospace industries, as well as the electrical and electronic engineering sectors. Cyclical, common foreseeable fluctuations in the market volume are primarily offset by increasing or decreasing outsourcing levels, although unexpectedly high demand can give rise to the risk of production bottlenecks. The strategy of maintaining a relatively low level of vertical integration allows rapid responses in this regard. The PVA TePla Group also provides high-quality contract processing work – such as plasma treatment or high-vacuum brazing and heat treatment of components – where experience shows that when customers show little inclination to invest, demand for these services intensifies.

The semiconductor business in particular – a key division for the Group – is highly cyclical in nature, and for that reason involves major opportunities as well as risks. Although the semiconductor industry in recent decades had average annual growth rates that were well above those of most old-economy industries, this average comprised years of both strong growth and recession. At the present time, considerable opportunities for the PVA TePla Group are offered by the expanding of capacity for 300mm crystals. This market is further affected by the high level of investment and development needed by companies to safeguard their market positions. The impact of the risks resulting from this was minimized by diversification

into other markets – solar technology in particular is one such market worthy of mention – and by new products launched onto the market.

The general economic situation worldwide cannot be conclusively assessed at this point in time. Several banks believe that the real estate crisis in the USA may lead to a recession in the world's largest economy. The Company attentively tracks economic trends and endeavors to take their potential implications for PVA TePla and its customers into account at an early stage in the planning.

Risks from changes in exchange rates

Despite hedging exchange rate risks, there is still a risk of further deteriorating exchange rates, especially of that between the EUR and USD, and consequently of potential deterioration in our competitive edge as compared to competitors from this currency zone, and/or ensuing downward pressure on prices. We counter this risk by manufacturing locally in the USA, by more intensive purchasing from this currency zone, and with our involvement in China with the joint venture Xi'an HuaDe CGS Ltd. In spite of these measures, it cannot be ruled out that a further deterioration in exchange rates will increase the price pressure on our products and weaken our ability to compete, especially against competitors in the US dollar zone.

Risks from technological developments

The risk of losing orders due to a new, unexpected technology appearing on the market (horizontal entry) is monitored worldwide and assessed by continuous observation of new research and technology activities and published results specific to the various sectors, and by discussions with key customers and research institutes. In addition to the ongoing development activities, the technological development of the products is further secured by operating an in-house service centre in which the materials are processed for customers. Here, the Company's Development department very often encounters the latest material quality requirements called for by the customers.

The high level of technical complexity in our products as well as rapid technological advances involve risks concerning our research and development operations. Medium and long-term success is crucially dependent on marketable products being developed within appropriate timeframes, which generate sufficient and timely revenues, so that the internal financing of the Group is secured by cash flow.

Risks from deliveries

Our subcontractors' utilization has also increased, due to the ongoing overall favorable economic situation. The risk of delivery delays and non-delivery is countered by the choosing and competence of additional suppliers, and additional intensive cooperation with existing suppliers.

An increasing risk of price rises for bought-in goods emanates from the high utilization of subcontractors and from, in some cases, considerably increased raw materials prices (e.g. for high-grade steel and copper). The price increases arising from raw materials also affect our competitors. As a result, we have been in a position to date to pass these on, for the most part, to our customers. Otherwise, we also counter this risk by choosing additional suppliers, as mentioned above.

Dependence on individual suppliers is limited due to the fact that several suppliers are qualified for key components and deliveries are divided across these suppliers.

The risk of suppliers defaulting is substantially reduced by targeted selection and grading of alternative suppliers, also in other countries. Care is taken to ensure that all major suppliers operate a suitable quality management system and have adequate third-party liability insurance cover.

Risks from personnel and capacity issues

The personnel capacity risk continues to relate primarily to the recruitment and integration of skilled management and technical personnel, if suitable personnel cannot be developed within the Company itself, in order to replace managers and skilled staff leaving the Company particularly for reasons of age, and in order to cope with business growth and the introduction of new technologies. On the whole, recruiting highly qualified personnel has become more difficult at present, due to their limited availability on the labor markets in both Germany and abroad. Contacts are maintained and intensified with various training centers and universities in order to find suitable personnel. In recent years, however, there has continued to be no significant fluctuation in the workforce.

At the moment, personnel capacity must continue to be expanded, particularly in the manufacturing areas, in order to process existing orders. In this case, we are moderately expanding our own capacities, including the use of temporary employment contracts, and in cooperation with external suppliers, particularly in respect of skilled assembly activities. Up to now, the expansion in capacity has been achieved as planned. The growth of our business volume has not been restricted by personnel bottlenecks to date.

The technical complexity of our products, and the standards demanded by our customers give rise to quality-related risks that can cause an increase in expenditure relating to warranties. All enterprises in which PVA TePla holds a participating interest of more than 50% have quality management systems that are certified in accordance with ISO 9001/2000. The maintaining of a quality system tailored to each specific company within the Group is supported and monitored by a central quality department. The concluding of appropriate insurance policies to cover the various

operational risks for all companies within the Group is also coordinated by a central department.

The risk of own machines breaking down is of subordinate importance, because relatively few machine tools are used (production is focused mainly on assembly and commissioning activities) and there are also enough suitable machines with close-by subcontractors. Preventive maintenance of our own plasma facilities and vacuum-soldering plant, as well as a rapid response to machine failure, can be implemented by the Company itself.

Risks in connection with IT

The risk of IT equipment failures and the threat posed by software viruses are reduced by regular and appropriate backups, suitable protective measures against external influences (e.g. up-to-date virus protection systems and firewalls) and by suitable access control systems.

Risks from tax issues

A tax audit of the former TePla AG for the assessment periods 1997 through 2000 was completed in 2005. Based on this audit, the tax authorities demanded retrospective payment of input-VAT for emission costs relating to the stock exchange flotation of TePla AG in 1999, as well as corporation tax and trade tax, because it is maintained that the previous loss carryforwards have been forfeited as a result of the flotation. Our appeals against these tax assessments have now been accepted by the tax authorities in the final tax assessments. This means that there is no longer a risk of back tax payments.

Around the end of 2007, the tax authorities began an tax audit of all the main Group companies for the assessment periods up to and including 2006. In so doing, it found that the real property acquisition tax to be paid in the merger between TePla AG and the PVA Group in 2002 was unpaid. A provision for other taxes has been recognized in these financial statements for this purpose. There is no indication of any significant risk from further back tax payments here.

Risks in connection with financial instruments

Financial instruments arise as part of PVA TePla's actual business activities (e.g. trade receivables and payables). To finance business activities, financial instruments are employed (e.g. loans from banks) or financial instruments arise from this (e.g. investment of excess current liquidity). Derivative financial instruments are employed to eliminate or limit risks from operating activities (e.g. exchange rate risks) or from financing (e.g. interest rate risks). Financial instruments are not used in isolation without a connection to actual business activities. The opportunities and risks of the individual and relevant financial instrument categories are presented below.

Trade receivables

- Liquidity and credit risks involved in financing business operations are reduced, in the case of major orders, by means of customer/supplier financing. In most cases, a system of payment by installments is contractually agreed upon, commencing with an advance payment of, on average, 30% on receipt of the order. Collateral arrangements (e.g. letters of credit) are also generally agreed upon to protect against defaults on receivables, and receivables are intensively monitored.
- On the other hand, the Group must itself make advance payments to only a few suppliers. In addition, the Group optimizes its external cash flow requirements with rolling cash flow forecasts for Group companies, and with short-term intra-Group loans. The Group has sufficient credit lines for short-term financing operations, including the expansion of business, and sufficient guarantee lines for providing advance payments guarantees to customers. In this area, special project lines for large orders are additionally agreed with our regular banks, so that existing lines continue to be available for the development and expansion of normal business.
- Due to the current nature of the items, there is no significant market risk here.

Amounts owed by associates

- A loan of USD 200 thousand was granted to the associate PVA MIMtech, Cedar Grove, NJ, USA.
- Based on the sound business performance of PVA MIMtech, there is no significant credit or liquidity risk here.
- The market risk lies in a change to the EUR/USD exchange rate. A change in the rate of 10 cents per US dollar means a change of €9 thousand in the carrying value of the loan.

Other receivables

- Due to the current nature of the items, there is no significant market risk here.

Financial liabilities

- This item primarily includes the bank borrowings raised to finance investments.
- These loans are all either agreed at fixed interest rates over the entire term or, in the case of loans with nominally variable interest rates, backed by corresponding interest rate hedges which effectively make these loans synthetic fixed interest rate loans.
- Thus there is no sign of a significant market risk from changes in the relevant market interest rates.
- There is no credit risk since the contracting parties have already fully fulfilled their obligations by paying the loan amounts.
- Due to the currently sound number of orders, the additional positive expectations and the current liquidity position in connection with this cash planning available, we do not see any relevant liquidity risk here either.

Trade payables

- These are current items that are almost exclusively invoiced in euro, therefore there is no relevant market or credit risk.
- Due to the current liquidity position in connection with the liquidity planning, there is no liquidity risk here.

Other liabilities

- Due to the current nature of the items, there is no significant market risk here.

Exchange rate hedging

- A large proportion of Group sales revenues, as well as the sales revenues of PVA TePla AG, are generated in foreign markets. The billing of projects is implemented predominantly in euros, even for non-EU countries. Otherwise, in each individual case, the hedging of currency risks is assured by means of forward exchange contracts.
- Since these are closed positions that are related to the underlying transaction and for which payment amounts and deadlines are coordinated, there is no market risk. The calculation of the underlying transactions is based on the respective hedged forward rates.
- The credit and liquidity risk here lies in the trade receivables from the underlying transaction. Please refer to our explanations above on this subject.

Interest rate hedging

- Part of the loan to finance new facilities was concluded at nominally variable interest rates and backed by interest rate hedges which effectively make these loans synthetic fixed interest rate loans.
- For more details of the risks from these financial instruments, please refer to our information above on financial liabilities.

Risks jeopardizing the existence of the Company

There are no recognizable risks that might jeopardize the continued existence of the Company and the Group as a going concern.

14. Mandatory information to be provided by companies quoted on the stock exchange in accordance with Sections 289 and/or 315 of the HGB [German Commercial Code]

As of December 31, 2007, the issued share capital of PVA TePla AG consisted of 21,749,988 individual shares with a nominal value of €1.00 each.

There are no restrictions of voting rights or on the transferability of shares. Likewise, there are no shareholders with special privileges, and no control of the voting rights of employees who are shareholders of the Company.

According to the notifications available to the Company, PA Beteiligungsgesellschaft in Wettenberg held more than 10% of the voting rights as of December 31, 2007 at 25.2%.

The appointment of members of the Management Board of PVA TePla AG is made in accordance with Section 84 of the AktG [German Public Limited Companies Act] and according to Section 6, Articles 2 and 3 of the Articles of Incorporation of PVA TePla AG. The articles regulate the following:

- Article 2: The appointment of members of the Management Board, the revocation of their appointment as well as the concluding, the amendment and the termination of contracts of employment with members of the Management Board are effected by the Supervisory Board. The same applies to the appointment of a member of the Management Board as chairman or as spokesman of the Management Board.
- Article 3: The appointment of a member of the Management Board ends in every case with the completion of his/her 65th year.

As of December 31, 2007, the Management Board has the authorization of the Annual General Meeting to issue new shares, as part of authorized capital, in the amount of €10,874,994 until June 14, 2012. The Management Board has no authority to buy back shares of the Company.

The Company knows of no agreements that are subject to the terms of a change in control because of a takeover bid. Similarly, there are no compensation agreements for members of the Management Board or for employees in such a case.

15. Remuneration Report

The aggregate remuneration of the members of the Management Board amounted to €701 thousand in fiscal year 2007. The remuneration of the Management Board members consists of a basic salary, other benefits (mainly a pecuniary advantage from the use of a company car and subsidized contributions to health insurance) and a performance-related bonus. The bonus is calculated as a percentage of the net profit for the year of the PVA TePla Group, with an individually agreed upper limit. In addition, there exists a pension commitment to Peter Abel in respect of his former activities in the Company. Details of the remuneration paid to the Management Board members, including a breakdown by member, can be found under C.5. of the notes to the 2007 annual financial statements 2007 of PVA TePla AG and under section 36 of the notes to the consolidated financial statements.

The remuneration of members of the Supervisory Board amounted to €40 thousand in the past fiscal year. In accordance with the Articles of Incorporation, members of the Supervisory Board receive a fixed compensation. The financial success of the Company is acknowledged by doubling this compensation if the consolidated net profit for the year exceeds €1 million.

16. Supplementary Report

No significant events have occurred since the end of the fiscal year.

17. Outlook

The important markets for PVA TePla systems are expected to post above-average growth again this year.

A significant growth rate of 5% is expected for German mechanical engineering sector in 2008. Orders from international customers for machines and systems have not lost any momentum from the previous year, in particular the orders from Europe and the newly industrializing markets are as buoyant as ever. The hard metal market, important for the division, is due to develop positively as infrastructure projects in the newly industrializing markets are continuing with great effort, requiring the respective hard metal tools. However, the automobile sector also plays a large role in these countries. New factories are being built, particularly in China and Russia, thus necessitating wear-resistant tools to work on engine blocks, for example. The heavily increased number of incoming orders to the Vacuum Systems division is a significant indication of these developments. However, the vacuum systems market also has potential for other uses such as cleaning graphite. The fact that resources are becoming

more and more scarce provides new opportunities on a global scale for PVA TePla systems. The new plant in Wettenberg near Giessen affords a basis for profitable continued growth for systems construction as well as services and the Contract Processing subdivision in the Vacuum Systems division.

The most important markets, in the foreseeable future, for the Crystal Growing Systems division will remain both photovoltaics and the semiconductor industry. The conversion to 300mm technology for wafer production in the semiconductor industry has not yet been completed and will still take some years. In the opinion of many research institutes, the high growth rates in the photovoltaics industry will continue. This expectation has been confirmed through numerous conversations with customers. In the years to come, the production of silicon is expected to rise significantly, at least by the established manufacturers. For that silicon, primarily being sold to solar wafer manufacturers, a relevant number of crystal growing systems is required for processing. This is why an increased demand for these systems is foreseen in the coming years. The high level of orders on hand as at December 31, 2007, in the amount of €103.4 million, for the Crystal Growing Systems division alone, will make it possible to achieve excellent utilization of capacities in 2008. The major customers of the Group have also announced further considerable future investment in the crystal-growing systems area. REC SiTech represents yet another customer, acquired in the fourth quarter of 2007, with extremely high demands from systems technology. The parent company, as one of the leading silicon manufacturers worldwide, guarantees that the necessary material will be supplied and ensures potential for further significant growth. The KSI Group, acquired in 2007, also assures significant growth potential based on its analytical systems for examining the quality of silicon ingots. Initial orders from a leading wafer manufacturer confirm this estimation.

Positive development in the current fiscal year is expected for the Plasma Systems division. Based on restructuring of the sales organization in the USA and numerous further product developments, particularly in the growing market for ultra thin wafers, the Plasma Systems division expects to reach a turnaround in 2008.

The PVA TePla Management Board expects growth in consolidated sales revenues of 40% and an EBIT margin of between 7% and 9% in 2008.

The order backlog as at December 31, 2007, in the amount of €137.1 million, as well as the trend of order negotiations up to the date that this report was published, support this forecast.

We also expect a growth in sales revenues and profits in 2009. As a significant contributor to PVA TePla sales revenues and particularly based on the continued high demand coming from the solar and semi-conductor market, the Crystal Growing Systems division will show additional growth based on current knowledge.

Also when **PVA TePla AG** is viewed as a single company, a distinct growth of sales revenues volumes, and therefore a significant improvement in profits, is to be expected in fiscal year 2008. This is ensured by the high order backlog in the Vacuum Systems and Crystal Growing Systems divisions. These orders will almost completely (Vacuum Systems division) or to a large extent (Crystal Growing Systems division) contribute to sales revenues in fiscal year 2008.

Aslar, March 19, 2008
PVA TePla AG
Management Board

Peter Abel

Arnd Bohle

PVA TePla AG, ABlar

Gewinn- und Verlustrechnung für die Zeit vom 1. Januar bis 31. Dezember 2007

	<u>01.01.-31.12.2007</u> EUR	<u>01.01.-31.12.2006</u> EUR
1. Umsatzerlöse	46.769.478,82	44.216.081,57
2. Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen	-35.928.594,48	-33.895.370,79
3. Bruttoergebnis vom Umsatz	<u>10.840.884,34</u>	<u>10.320.710,78</u>
4. Vertriebskosten	-5.859.674,09	-4.722.079,65
5. allgemeine Verwaltungskosten	-4.640.782,52	-3.143.897,80
6. Forschungs- und Entwicklungskosten	-921.064,70	-964.398,77
7. sonstige betriebliche Erträge	2.377.322,97	1.441.301,57
8. sonstige betriebliche Aufwendungen	-2.168.813,80	-1.259.379,91
9. Erträge aus Beteiligungen	2.749.476,61	1.766.634,85
- davon aus verbundenen Unternehmen EUR 2.749.476,61 (Vorjahr EUR 1.766.634,85)		
10. Erträge auf Grund von Gewinnabführungsverträgen	1.105.629,96	0,00
11. sonstige Zinsen und ähnliche Erträge	582.868,16	281.417,01
- davon aus verbundenen Unternehmen EUR 351.716,45 (Vorjahr EUR 240.129,04)		
12. Abschreibungen auf Finanzanlagen	-2.370.000,00	-1.500.000,00
13. Zinsen und ähnliche Aufwendungen	-252.583,18	-24.250,40
- davon an verbundene Unternehmen EUR -37.666,67 (Vorjahr EUR -3.250,00)		
14. Ergebnis der gewöhnlichen Geschäftstätigkeit	<u>1.443.263,75</u>	<u>2.196.057,68</u>
15. Steuern vom Einkommen und vom Ertrag	-52.049,70	-223.732,69
16. sonstige Steuern	<u>-139.035,18</u>	<u>-1.170,18</u>
17. Jahresüberschuss	1.252.178,87	1.971.154,81
18. Verlustvortrag aus dem Vorjahr	-19.944.909,50	-21.916.064,31
19. Entnahmen aus der Kapitalrücklage	15.710.275,83	0,00
20. Entnahmen aus Gewinnrücklagen aus anderen Gewinnrücklagen	<u>613.550,26</u>	<u>0,00</u>
19. Bilanzverlust	<u><u>-2.368.904,54</u></u>	<u><u>-19.944.909,50</u></u>

ANHANG

der

PVA TePla AG, Aßlar,

für das Geschäftsjahr 2007

A. Allgemeine Angaben und Erläuterungen

1. Allgemeine Angaben

Der Jahresabschluss der PVA TePla AG wurde nach den Vorschriften des 3. Buches des Handelsgesetzbuches (§§ 238 ff. HGB) aufgestellt. Insbesondere waren die ergänzenden Vorschriften für Kapitalgesellschaften (§§ 264 ff. HGB) zu beachten. Darüber hinaus waren die Regelungen des Aktiengesetzes (AktG) zu beachten.

Bezüglich der Gewinn- und Verlustrechnung kam das Umsatzkostenverfahren gemäß § 275 Abs. 3 HGB zur Anwendung.

Die PVA TePla AG ist als kapitalmarktnotierte Aktiengesellschaft gemäß § 267 Abs. 3 Satz 2 HGB eine große Kapitalgesellschaft.

2. Ausweisänderungen

Erhaltene Anzahlungen auf Bestellungen werden im Geschäftsjahr erstmals soweit möglich offen von den Vorräten abgesetzt. Die Vorjahreswerte wurden entsprechend angepasst.

3. Bilanzierungs- und Bewertungsmethoden

Die immateriellen Vermögensgegenstände des Anlagevermögens und die Sachanlagen werden zu steuerlich aktivierungspflichtigen Anschaffungs- bzw. Herstellungskosten, vermindert um linear ermittelte planmäßige Abschreibungen, angesetzt. Die Nutzungsdauer der immateriellen Vermögensgegenstände, technischen Anlagen und Maschinen und der Betriebs- und Geschäftsausstattung beträgt 3 - 15 Jahre. Die Nutzungsdauer des Gebäudes in Kahla ist mit 25 Jahren angesetzt. Mietereinbauten werden gegebenenfalls über die kürzere Vertragslaufzeit abgeschrieben.

Bewegliche Vermögensgegenstände werden im Zugangsjahr pro rata temporis abgeschrieben. Geringwertige Vermögensgegenstände werden im Zugangsjahr voll abgeschrieben.

Liegt eine dauerhafte Wertminderung vor, werden die immateriellen Vermögensgegenstände des Anlagevermögens und die Sachanlagen außerplanmäßig auf den niedrigeren beizulegenden Wert abgeschrieben.

Die Anteile an verbundenen Unternehmen sind zu Anschaffungskosten aktiviert. Bei voraussichtlich dauerhaft im Wert geminderten Beteiligungen wurde der niedrigere beizulegende Wert angesetzt. Bei den Anteilen an verbundenen Unternehmen war im

Berichtsjahr eine Abschreibung auf den niedrigeren beizulegenden Wert am Abschlussstichtag vorzunehmen.

Die Vorräte sind zu den Anschaffungs- oder Herstellungskosten angesetzt, soweit nicht ein niedrigerer Wert nach § 253 Abs. 3 HGB geboten ist.

Die Roh-, Hilfs- und Betriebsstoffe werden unter Anwendung des Niederstwertprinzips zu gewogenen Durchschnittseinstandspreisen bewertet. Der Wertansatz der fertigen und unfertigen Erzeugnisse beinhaltet den Materialaufwand zu Anschaffungskosten, die angefallenen Fertigungslöhne, Sondereinzelkosten der Fertigung sowie angemessene Teile der Material- und Fertigungsgemeinkosten.

Für das gesamte Vorratsvermögen gilt, dass Bestandsrisiken aufgrund der Lagerdauer, geminderter Verwendbarkeit, niedrigerer Reproduktionskosten oder gesunkener Wiederbeschaffungskosten bzw. nicht kostendeckender Verkaufspreise angemessen durch Einzelabschläge berücksichtigt sind.

Geleistete Anzahlungen sind ohne Umsatzsteuer ausgewiesen. Erhaltene Anzahlungen auf Bestellungen werden zum Nennwert bilanziert.

Forderungen, sonstige Vermögensgegenstände, flüssige Mittel und Rechnungsabgrenzungsposten sind zum Nominalbetrag angesetzt.

Die in den Rechnungsabgrenzungsposten ausgewiesenen Disagien werden linear über den Zeitraum der Zinsbindung der entsprechenden Darlehen abgeschrieben.

Mögliche Ausfallrisiken bei den Forderungen aus Lieferungen und Leistungen werden durch angemessene Einzel- und Pauschalwertberichtigungen berücksichtigt.

Die Rückstellungen sind in Übereinstimmung mit § 253 Abs. 1 HGB in Höhe derjenigen Beträge gebildet worden, die nach vernünftiger kaufmännischer Beurteilung notwendig waren.

Die Rückstellung für Pensionsverpflichtungen wurde aufgrund einer versicherungsmathematischen Berechnung unter Berücksichtigung des § 6a EStG und unter Zugrundelegung eines Rechnungszinsfußes von 6 % sowie der Richttafeln 2005 G von Prof. Dr. Klaus Heubeck bewertet. Die Rückstellungen für Jubiläen werden versicherungsmathematisch mit dem Teilwert auf Basis eines Zinssatzes von 5,5 % bewertet. Die Rückstellung für Verpflichtungen aus Altersteilzeitvereinbarungen umfasst die Aufwendungen für Löhne und Gehälter sowie die Aufstockungsleistungen. Diese Rückstellung wird für einzelvertragliche Vereinbarungen gebildet. Für potenzielle Anwärter wird wie in den Vorjahren keine Rückstellung gebildet.

Verbindlichkeiten sind mit dem Rückzahlungsbetrag angesetzt.

Forderungen und Verbindlichkeiten in fremder Währung sind zu Zugangskursen oder jeweils ungünstigeren Brief- bzw. Geldkursen zum Bilanzstichtag angesetzt worden. Während des Geschäftsjahres erfolgte die Einbuchung von Forderungen und Verbindlichkeiten in fremder Währung zum jeweiligen amtlichen Mittelkurs des Tages des Geschäftsvorfalles.

Abgesehen von den unter 2. dargestellten Ausweisänderungen sind die Bilanzierungs- und Bewertungsmethoden gegenüber dem Vorjahr unverändert.

B. Angaben und Erläuterungen zu Positionen der Bilanz und der Gewinn- und Verlustrechnung

1. Angaben zu den Positionen der Bilanz

Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens ist im Anlagespiegel (vgl. Anlage zum Anhang) dargestellt.

Umlaufvermögen

Die Restlaufzeiten der Forderungen und sonstigen Vermögensgegenstände betragen jeweils weniger als ein Jahr.

Die Forderungen gegen verbundene Unternehmen resultieren in Höhe von TEUR 23.727 aus geleisteten Anzahlungen für Vorräte (Vorjahr TEUR 4.224), TEUR 1.819 (Vorjahr TEUR 1.712) aus Lieferungen und Leistungen und in Höhe von TEUR 7.716 (Vorjahr TEUR 3.791) aus sonstigen Vermögensgegenständen.

In den Forderungen gegen verbundene Unternehmen sind Posten in Höhe von TEUR 1.072 (Vorjahr TEUR 0) enthalten, die rechtlich erst nach dem Bilanzstichtag entstehen.

In dem Rechnungsabgrenzungsposten sind Disagien in Höhe von TEUR 337 (Vorjahr TEUR 0) enthalten.

Eigenkapital

	01.01.2007 TEUR	Jahres- überschuss TEUR	Entnahmen aus Rücklagen TEUR	31.12.2007 TEUR
Gezeichnetes Kapital	21.750			21.750
Kapitalrücklage	17.885		-15.710	2.175
Gewinnrücklagen	614		-614	0
Bilanzverlust	-19.945	1.252	16.324	-2.369
	<u>20.304</u>	<u>1.252</u>	<u>0</u>	<u>21.556</u>

Das Grundkapital ist eingeteilt in 21.749.988 nennwertlose auf den Inhaber lautende Stückaktien mit einem rechnerischen Anteil von je EUR 1,00. Sämtliche Aktien der Gesellschaft sind voll eingezahlt.

Mit Beschluss der Hauptversammlung der TePla AG vom 28. August 2002 (vor dem Zusammenschluss der PVA Vakuum-Anlagenbau GmbH und der TePla AG) wurde der Vorstand ermächtigt, in der Zeit bis zum 5. November 2007 mit Zustimmung des Aufsichtsrats das Grundkapital der Gesellschaft einmal oder mehrfach um insgesamt bis zu EUR 10.724.994,00 gegen Bar- oder Sacheinlagen zu erhöhen (genehmigtes Kapital) und dabei das Bezugsrecht der Aktionäre auszuschließen. Auf Grundlage dieser Ermächtigung hatte der Vorstand am 26. April 2005 beschlossen, das Grundkapital von EUR 21.449.988,00 um EUR 300.000,00 auf EUR 21.749.988,00 durch

Ausgabe von 300.000 Stück auf den Inhaber lautende Stückaktien zu erhöhen. Weitere Kapitalerhöhungen wurden aus diesem genehmigten Kapital nicht beschlossen. Nach dieser Sachkapitalerhöhung verblieb zum 31. Dezember 2006 ein genehmigtes Kapital in Höhe von EUR 10.424.994,00.

Aufgrund der Befristung dieses genehmigten Kapitals bis zum 5. November 2007 hat die Hauptversammlung der PVA TePla AG vom 15. Juni 2007 das bestehende genehmigte Kapital aufgehoben und gleichzeitig den Vorstand ermächtigt, bis zum 14. Juni 2012 das Grundkapital der Gesellschaft mit Zustimmung des Aufsichtsrats einmalig oder mehrfach um bis zu insgesamt € 10.874.994,00 durch Ausgabe von bis zu 10.874.994 neuen, auf den Inhaber lautenden Stückaktien gegen Bar- und/oder Sacheinlagen zu erhöhen (genehmigtes Kapital) und dabei das Bezugsrecht der Aktionäre – soweit dies gesetzlich zulässig ist – auszuschließen. Kapitalerhöhungen wurden aus diesem genehmigten Kapital in 2007 nicht beschlossen.

Rückstellungen

In den Steuerrückstellungen sind Rückstellungen für passive latente Steuern in Höhe von TEUR 16 (Vorjahr TEUR 0) enthalten.

Die Entwicklung der sonstigen Rückstellungen ergibt sich wie folgt:

	01.01.2007	Verbrauch	Auflösung	Zuführung	31.12.2007
	TEUR	TEUR	TEUR	TEUR	TEUR
Ausst. Rechnungen	271	271	0	1.117	1.117
Urlaub	430	430	0	582	582
Gewährleistung	451	138	0	227	540
Drohverlust Mietverträge	412	155	0	235	492
Tantieme	194	194	0	425	425
Provisionen	282	200	0	343	425
Überstunden/Gleizeit	205	21	0	79	263
Jahresabschlusserstellung und -prüfung	180	150	30	268	268
Berufsgenossenschaft	83	82	1	92	92
Übrige	1.330	674	197	658	1.117
	3.838	2.315	228	4.026	5.321

In den übrigen Rückstellungen sind Rückstellungen in Höhe von TEUR 68 (Vorjahr TEUR 126) für den mit einem Mitarbeiter unterzeichneten Altersteilzeitvertrag enthalten. Des Weiteren enthält diese Position Verpflichtungen aus dem ERA-Strukturfonds (TEUR 212; Vorjahr TEUR 202) und Rückstellungen für Jubiläen (TEUR 81; Vorjahr TEUR 78).

In den Rückstellungen für Drohverluste aus Mietverträgen sind langfristige Anteile in Höhe von TEUR 329 (Vorjahr TEUR 258) enthalten. In den übrigen Rückstellungen sind langfristige Anteile in Höhe von TEUR 196 (Vorjahr TEUR 195) enthalten. Alle übrigen sonstigen Rückstellungen sind kurzfristig.

Verbindlichkeiten

Die Restlaufzeiten und die Besicherung der Verbindlichkeiten sind im nachfolgenden Verbindlichkeitspiegel im Einzelnen dargestellt:

	Restlaufzeit			gesamt TEUR	gesichert durch
	bis 1 J. TEUR	1-5 J. TEUR	über 5 J. TEUR		
1. Verbindlichkeiten gegenüber Kreditinstituten	737	6.184	6.105	13.026	s.u.
2. erhaltene Anzahlungen auf Bestellungen	20.160	0	0	20.160	
3. Verbindlichkeiten aus Lieferungen und Leistungen	1.908	0	0	1.908	Eigentumsvorb.
4. Verbindlichkeiten gegenüber verbundenen Unternehmen	9.851	0	0	9.851	
5. sonstige Verbindlichkeiten	716	0	0	716	
	<u>33.372</u>	<u>6.184</u>	<u>6.105</u>	<u>45.661</u>	

Die Verbindlichkeiten gegenüber Kreditinstituten sind in Höhe von TEUR 8.000 durch Grundschulden gesichert.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren in Höhe von TEUR 5.780 (Vorjahr: TEUR 2.505) aus Lieferungen und Leistungen, in Höhe von TEUR 4.071 (Vorjahr: TEUR 1.024) aus sonstigen Verbindlichkeiten und in Höhe von TEUR 0 (Vorjahr: TEUR 545) aus erhaltenen Anzahlungen auf Bestellungen.

In den sonstigen Verbindlichkeiten sind Verbindlichkeiten aus Steuern in Höhe von TEUR 198 (Vorjahr: TEUR 335) sowie Verbindlichkeiten im Rahmen der sozialen Sicherheit in Höhe von TEUR 1 (Vorjahr: TEUR 18) enthalten.

2. Angaben zu Positionen der Gewinn- und Verlustrechnung

Die Umsatzerlöse verteilen sich auf die einzelnen Regionen und Geschäftsbereiche wie folgt:

<u>Region</u>	<u>Mio. EUR</u>	<u>Geschäftsbereich</u>	<u>Mio. EUR</u>
Deutschland	14.000	Vakuum-Anlagen	30.345
Übriges Europa	9.085	Kristallzucht-Anlagen	6.429
Nordamerika	939	Plasma-Anlagen	9.995
Asien	21.287		
Übrige	1.458		
	<u>46.769</u>		<u>46.769</u>

Materialaufwand

a)	Aufwendungen für Roh-, Hilfs- und Betriebsstoffe und für bezogene Waren	TEUR	42.373
b)	Aufwendungen für bezogene Leistungen	TEUR	2.396

Personalaufwand

a)	Löhne und Gehälter	TEUR	12.768
b)	Soziale Abgaben sowie Aufwendungen für Altersversorgung und für Unterstützung davon für Altersversorgung TEUR 537 (Vorjahr TEUR 661)	TEUR	2.556

Periodenfremde Aufwendungen und Erträge

Im Berichtsjahr sind periodenfremde Erträge in Höhe von TEUR 366 angefallen. Diese enthalten im Wesentlichen Erträge aus der Auflösung von Rückstellungen, aus der Ausbuchung von Verbindlichkeiten sowie aus der Auflösung von Einzelwertberichtigungen.

Die sonstigen Steuern beinhalten periodenfremde Aufwendungen in Höhe von TEUR 136.

Weitere nennenswerte periodenfremde Aufwendungen sind nicht angefallen.

C. Ergänzende Angaben

1. Beteiligungsverhältnisse

Die Gesellschaft ist am Bilanzstichtag an folgenden Unternehmen mit mindestens 20% beteiligt:

Name	Sitz	Kapital- anteil	Eigenkapital 31.12.2007	Ergebnis 2007
PVA TePla America Inc.	Corona/ CA, USA	100,00%	TEUR 2.948	TEUR -273
UV Systec Gesellschaft für UV-Strahler und Sys- temtechnik mbH	Jena, Deutschland	100,00%	TEUR 4.245	TEUR 1.072
Crystal Growing Systems GmbH	Aßlar, Deutschland	100,00%	TEUR 3.308	TEUR 2.564
Xian HuaDe CGS Ltd.	Xian, VR China	51,00% *)	TEUR 4	TEUR -72
PVA Löt- und Werkstoff- technik GmbH	Jena, Deutschland	100,00%	TEUR 25	TEUR **) 0
PVA Control GmbH	Aßlar, Deutschland	100,00%	TEUR 100	TEUR **) 0
Vakuum-Anlagen Service GmbH	Hanau, Deutschland	100,00%	TEUR Siehe	TEUR unten
PVA Vakuum Anlagenbau Jena GmbH	Jena, Deutschland	100,00% ***)	TEUR 233	TEUR **) 0
PVA MIMtech LLC	Cedar Grove/ NJ, USA	50,00% ****)	TEUR 1.059	TEUR 783
Plasma Systems GmbH	Feldkirchen, Deutschland	100,00%	TEUR -327	TEUR -340
PlaTeG GmbH	Siegen, Deutschland	100,00%	TEUR 35	TEUR -58
PVA TePla Singapore Pte Ltd.	Singapur	100,00%	TEUR 4	TEUR -20
Krämer Scientific Instru- ments GmbH	Herborn, Deutschland	100,00%	TEUR 312	TEUR 159
SAM TEC GmbH	Aalen, Deutschland	100,00% *****)	TEUR 20	TEUR -26

- *) Beteiligung wurde im Jahr 2004 von der Crystal Growing Systems GmbH als Treuhänderin für die PVA TePla AG erworben. Der Ansatz erfolgt bei der PVA TePla AG als Treugeberin
 **) wegen Ergebnisabführungsvertrag
 ***) mittelbare Beteiligung über UV Systec Gesellschaft für UV-Strahler und Systemtechnik mbH
 ****) mittelbare Beteiligung über PVA TePla America Inc. (assoziiert)
 *****) mittelbare Beteiligung über Krämer Scientific Instruments GmbH

Die Beteiligung an der Vakuum-Anlagenbau Service GmbH (100,00 %, nach Abzug eigener Anteile) wurde in 2002 in voller Höhe abgewertet. Wegen drohender Zahlungsunfähigkeit und Überschuldung wurde über das Vermögen der Gesellschaft am 25. April 2003 das Insolvenzverfahren eröffnet. Das Eigenkapital der Gesellschaft betrug am 31. Dezember 2002 TEUR -448, das Ergebnis für das Geschäftsjahr 2002 belief sich auf TEUR -630.

Die Beteiligung an der PVA TePla Singapore Pte. Ltd. wurde in 2007 im Rahmen einer Neugründung erworben.

Die Beteiligung an der Krämer Scientific Instruments GmbH einschließlich der Beteiligung an der SAM TEC GmbH wurde in 2007 im Wege eines Kauf- und Abtretungsvertrages erworben.

2. Personal

Im Jahresdurchschnitt waren 216 (Vorjahr 183) Mitarbeiter in der Gesellschaft tätig. Die durchschnittlichen Mitarbeiterzahlen nach Funktionsgruppen haben sich im Vergleich zum Vorjahr wie folgt entwickelt:

Mitarbeiterzahl nach Funktionsgruppen (Jahresdurchschnittswerte)	2007	2006
Verwaltung	24	18
Vertrieb	26	21
Konstruktion, Forschung und Entwicklung	46	42
Produktion und Service	120	102
Mitarbeiter Gesamt	<u>216</u>	<u>183</u>

3. Haftungsverhältnisse und sonstige finanzielle Verpflichtungen

Haftungsverhältnisse gegenüber verbundenen Unternehmen

Das Tochterunternehmen PlaTeG GmbH hat zur Finanzierung im Rahmen des Kauf- und Übertragungsvertrags zur Übernahme des Geschäfts von der Plasma Technik Grün GmbH ein Darlehen über TEUR 600 aufgenommen. Dieses Darlehen hat eine Laufzeit von 5 Jahren mit ratierlicher Tilgung. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 438. Zur Absicherung dieses Darlehens hat die PVA TePla AG eine selbstschuldnerische Höchstbetragsbürgschaft übernommen.

Im Rahmen der Finanzierung des Neubaus einer Montagehalle des Tochterunternehmens PVA Vakuum-Anlagenbau Jena GmbH am Standort Jena hat die PVA TePla AG eine gesamtschuldnerische Mithaftung für das zur Finanzierung dieser Investition in Anspruch genommene Darlehen über TEUR 1.600 übernommen. Das Darlehen ist über 10 Jahre in gleichen vierteljährlichen Raten zu tilgen und zusätzlich

durch Grundschulden besichert. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 1.240. Im Rahmen der Finanzierung eines weiteren Neubaus einer Montagehalle des Tochterunternehmens PVA Vakuum-Anlagenbau Jena GmbH am Standort Jena hat die PVA TePla AG eine gesamtschuldnerische Mithaftung für das zur Finanzierung dieser Investition in Anspruch genommene Darlehen über TEUR 2.000 übernommen. Das Darlehen ist über 10 Jahre in gleichen halbjährlichen Raten zu tilgen und zusätzlich durch Grundschulden besichert. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 1.800.

Das Tochterunternehmen UV Systec Gesellschaft für UV-Strahler und Systemtechnik mbH (UVS) hat ein Investitionsdarlehen in Höhe von TEUR 332 aufgenommen. Das Darlehen ist rückzahlbar bis Dezember 2022 und u.a. durch eine Grundschuld besichert. Die PVA TePla AG hat für dieses Darlehen eine Patronatserklärung zugunsten des Kreditinstituts abgegeben. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 277. Im Rahmen der Finanzierung des Neubaus einer Montagehalle der UVS am Standort Jena hat die PVA TePla AG eine gesamtschuldnerische Mithaftung für das zur Finanzierung dieser Investition in Anspruch genommene Darlehen über TEUR 1.000 übernommen. Das Darlehen ist über 10 Jahren in gleichen halbjährlichen Raten zu tilgen und zusätzlich durch Grundschulden besichert. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 900.

Das Tochterunternehmen PVA Löt- und Werkstofftechnik GmbH (LWT) hat zur Finanzierung je eines Lötovens verschiedene Darlehen aufgenommen. Es handelt sich zunächst um ein bis zum März 2013 rückzahlbares Investitionsdarlehen in Höhe von TEUR 429. Das Darlehen ist u.a. durch die Sicherungsübereignung der investierten Anlage sowie durch Grundschulden besichert. Die PVA TePla AG hat für dieses Darlehen Patronatserklärungen zugunsten des Kreditinstituts abgegeben und ist eine Rücknahmeverpflichtung für die mit diesem Darlehen finanzierte Anlage eingegangen. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 295. Des Weiteren hat die LWT ein bis zum Juli 2013 rückzahlbares Investitionsdarlehen in Höhe von TEUR 509 sowie ein weiteres bis zum Oktober 2015 rückzahlbares Investitionsdarlehen in Höhe von TEUR 640 aufgenommen. Diese beiden Darlehen sind durch selbstschuldnerische Bürgschaften der PVA TePla AG besichert. Der Buchwert beider Darlehen zum 31. Dezember 2007 beträgt insgesamt TEUR 866.

Das Tochterunternehmen SAM TEC GmbH, Aalen, hatte vor der Übernahme ein kurzfristiges Darlehen in Höhe von TEUR 500 zur Finanzierung des laufenden Geschäftsbetriebes abgeschlossen. Im Rahmen der Übernahme hat die PVA TePla AG für dieses Darlehen eine Bürgschaft übernommen. Der Buchwert des Darlehens zum 31. Dezember 2007 beträgt TEUR 500. Das Darlehen wurde im Februar 2008 zurückgezahlt.

Im Rahmen des Liquiditätsmanagements der PVA TePla-Gruppe werden die Kreditlinien in der Regel einheitlich für die Gruppe auf Basis einer ebenfalls einheitlichen Bonitätsbeurteilung der Gruppe vereinbart. Die Kreditusage erfolgt dann an die PVA TePla AG mit einer fallweisen Nutzungsmöglichkeit auch für Tochtergesellschaften. In diesen Fällen ist dann in der Regel die Übernahme einer gesamtschuldnerischen Haftung der PVA TePla AG für die Inanspruchnahme durch die Tochtergesellschaften notwendig.

Im Zuge dieser Vorgehensweise hat die PVA TePla AG zum Stichtag 31. Dezember 2007 folgende Haftungen übernommen:

- gesamtschuldnerische Haftung für die Inanspruchnahme einer Avalkreditlinie durch die Crystal Growing Systems GmbH (CGS), Aßlar, mit einem Höchstbetrag von TEUR 7.500. Die tatsächliche Inanspruchnahme dieser Linie durch die CGS zum 31. Dezember 2007 betrug TEUR 2.307

- gesamtschuldnerische Haftung für die Inanspruchnahme einer projektbezogenen Avalkreditlinie durch die Crystal Growing Systems GmbH (CGS), Aßlar, mit einem Höchstbetrag von TEUR 18.000. Diese Linie ist durch die CGS bislang nicht in Anspruch genommen worden
- gesamtschuldnerische Haftung für die Inanspruchnahme einer weiteren Avalkreditlinie durch die Crystal Growing Systems GmbH (CGS), Aßlar, mit einem Höchstbetrag von TEUR 17.000. Diese Linie wurde durch die CGS zum 31. Dezember 2007 nicht in Anspruch genommen
- gesamtschuldnerische Haftung für die Inanspruchnahme einer weiteren Avalkreditlinie durch die Crystal Growing Systems GmbH (CGS), Aßlar, PVA Vakuum-Anlagenbau Jena GmbH, Jena, PVA Löt- und Werkstofftechnik GmbH, Jena, PVA Control GmbH, Aßlar, UV Systec Gesellschaft für UV-Strahler und Systemtechnik mbH, Jena und PlaTeG GmbH, Siegen, mit einem Höchstbetrag von TEUR 15.000. Die tatsächliche Inanspruchnahme dieser Linie durch die CGS und die PlaTeG zum 31. Dezember 2007 betrug insgesamt TEUR 7.673.

Gegenüber den Beteiligungsgesellschaften Löt- und Werkstofftechnik GmbH, Jena, und PVA Control GmbH, Aßlar, bestehen zum Bilanzstichtag Beherrschungs- und Gewinnabführungsverträge.

Sonstige finanzielle Verpflichtungen der Gesellschaft aus Miet- oder Leasingverträgen sowie längerfristigen Vereinbarungen in der Beschaffung gliedern sich bezüglich ihrer Restlaufzeit wie folgt:

Restlaufzeiten

- | | |
|---------------------------|------------|
| • bis ein Jahr | 1.765 TEUR |
| • über ein bis fünf Jahre | 2.100 TEUR |
| • über fünf Jahre | 0 TEUR |

Hinzu kommt ein Bestellobligo aus dem Generalunternehmervertrag für Neubau eines Bürogebäudes in Wettberg in Höhe von TEUR 8.000. Die Maßnahme wird im Jahr 2008 abgeschlossen werden.

4. Derivative Finanzinstrumente

Wechselkurssicherung

In Einzelfällen werden Anlagenverkäufe in Fremdwährung kontrahiert. Zur Absicherung der Wechselkursrisiken werden in diesen Fällen grundsätzlich Devisentermingeschäfte abgeschlossen.

Per 31. Dezember 2007 waren 4 Devisentermingeschäfte für 2 Kundenaufträge sowie ein weiteres Devisentermingeschäft mit Chance in einem Gesamtwert von TEUR 2.573 offen. Die Fristen decken sich mit den Zahlungsplänen der Grundgeschäfte.

Der Zeitwert der Devisentermingeschäfte beläuft sich auf TEUR 75 und ergibt sich aus der Differenz der Bewertung dieser Geschäfte zu dem am Bilanzstichtag geltenden Devisenterminkurs für die jeweilige Restlaufzeit des Kontrakts im Vergleich zum kontrahierten Devisenterminkurs. Der Marktwert des Devisentermingeschäfts mit Chance liegt bei TEUR -16. Eine bilanzielle Abbildung sowohl der Grund- als auch der Sicherungsgeschäfte wurde nicht vorgenommen, da die Geschäfte in einem Absicherungszusammenhang stehen und eine Bewertungseinheit bilden.

Zinssicherung

Zur Absicherung des Zinsrisikos für die Finanzierung der Investition in neue Gebäude am Standort Wettenberg wurden 2 Zinssicherungsgeschäfte mit einem Volumen von jeweils 5 Mio. € abgeschlossen. Volumen und Laufzeit dieser Sicherungsgeschäfte sind deckungsgleich mit den zugehörigen Darlehen. Der beizulegende Zeitwert beider Sicherungsgeschäfte beträgt zum 31. Dezember 2007 TEUR 266 (VJ 0). Dieser Wert wurde auf Basis einer Marktbewertung ermittelt.

5. Gesellschaftsorgane

Der Vorstand besteht aus:

- Peter Abel, Wettenberg (Vorsitzender/CEO)
Diplom-Ingenieur

Mitgliedschaften in Kontrollgremien:

PVA TePla America, Corona, USA (Director)
Xi'an HuaDe CGS Ltd., Xi'an, China (Aufsichtsratsvorsitzender)
SCHEBO Biotech AG, Gießen (Aufsichtsratsvorsitzender)
OPTOTEC GmbH, Wettenberg (Beiratsvorsitzender)
3D Präzisionstechnik AG, Aßlar (Aufsichtsratsvorsitzender)

- Arnd Bohle, Bochum (Finanzvorstand/CFO)
Diplom-Kaufmann

Keine Mitgliedschaften in Kontrollgremien.

Die Gesamtbezüge der Mitglieder des Vorstands betragen im Geschäftsjahr 2007 TEUR 701. Die Bezüge der Vorstandsmitglieder setzen sich aus einem Grundgehalt, sonstigen Bezügen (im Wesentlichen geldwerter Vorteil aus der Nutzung eines Firmenwagens und Zuschüsse zu den Beiträgen der Krankenversicherung) und einer erfolgsabhängigen Tantieme zusammen. Die Tantieme wird dabei als Prozentsatz vom Jahresergebnis des PVA TePla-Konzerns bemessen. Im Geschäftsjahr 2007 erhielten die Vorstandsmitglieder auf dieser Basis folgende Bezüge:

	Gehalt TEUR	Sonstige Bezüge TEUR	Tantieme TEUR	Gesamt TEUR
Peter Abel	240	14	172	426
Arnd Bohle	163	7	105	275

Zusätzlich besitzt Peter Abel aufgrund seiner früheren Tätigkeit in dem Unternehmen eine Pensionszusage. Hierfür besteht zum 31.12.2007 eine Rückstellung in Höhe von TEUR 310.

Aktienoptionen wurden an Mitglieder des Vorstands im Geschäftsjahr 2007 nicht gewährt. Es bestehen keine Zusagen für den Fall des Wechsels der Mehrheit im Kreise der Gesellschafter.

Für ehemalige Mitglieder des Geschäftsführungsorgans wurden im Jahr 2007 Pensionszahlungen in Höhe von insgesamt TEUR 59 geleistet. Zum Bilanzstichtag besteht für derartige Pensionsverpflichtungen eine Rückstellung von TEUR 831.

Dem Aufsichtsrat gehören an:

- Alexander von Witzleben, Weimar (Vorsitzender)
Vorstandsvorsitzender der JENOPTIK AG, Jena bis zum 30. Juni 2007
Mitglied des Vorstands der Franz Haniel & Cie GmbH, Duisburg, seit dem 1. Juli 2007

Weitere Mitgliedschaften in Kontrollgremien:

Analytik Jena AG, Jena (Aufsichtsratsvorsitzender)
Caverion GmbH, Stuttgart (Aufsichtsratsvorsitzender)
VERBIO AG, Zörlbig (stellvertretender Aufsichtsratsvorsitzender)
TAKKT AG, Stuttgart (stellvertretender Aufsichtsratsvorsitzender seit dem 4. Mai 2007)
Feintool International Holding AG, Lyss (Mitglied des Verwaltungsrats)
KAEFER Isoliertechnik GmbH & Co. KG, Bremen (Mitglied des Beirats)

- Dr. Peter Friedemann, Königsbrunn (stellvertretender Vorsitzender)
HV-Sprecher der Schutzgemeinschaft der Kapitalanleger e.V., München

Keine weiteren Mitgliedschaften in Kontrollgremien

- Prof. Dr. Günter Bräuer, Wolfenbüttel

Leiter des Fraunhofer-Instituts für Schicht- und Oberflächentechnik IST,
Braunschweig und Leiter des Fraunhofer-Instituts für Elektronenstrahl- und
Plasmatechnik FEP, Dresden

Keine weiteren Mitgliedschaften in Kontrollgremien

Die Bezüge des Aufsichtsrates beliefen sich auf 40 TEUR im Geschäftsjahr.

Zur Deckung der zivilrechtlichen Haftung von Organmitgliedern wurde eine D&O-Versicherung abgeschlossen. Im Geschäftsjahr 2007 wurde für diese Versicherung eine Prämie in Höhe von 17 TEUR gezahlt.

6. Honorar des Abschlussprüfers

Das für den Abschlussprüfer im Geschäftsjahr als Aufwand erfasste Honorar betrug für

- a) die Abschlussprüfung TEUR 96,
- b) sonstige Bestätigungs- oder Bewertungsleistungen TEUR 0,
- c) Steuerberatungsleistungen TEUR 0,
- d) Sonstige Leistungen TEUR 0

7. Entsprechenserklärung

Die nach § 161 AktG vorgeschriebene Erklärung von Vorstand und Aufsichtsrat zum Corporate Governance Kodex wurde abgegeben und den Aktionären dauerhaft zugänglich gemacht.

8. Angaben gemäß § 160 Abs. 1 Nr. 8 AktG

Herr Peter Abel, Wettenberg, hat uns nach den §§ 21 Abs. 1, 22 Abs. 1 Satz 1 Nr. 1 und Nr. 2 WpHG mitgeteilt, dass sein Stimmrechtsanteil an unserer Gesellschaft am 5. November 2002 die Schwelle von 25% überschritten hat und nunmehr 29,99% beträgt. Davon sind ihm 29,32% der Stimmrechte nach § 22 Abs. 1 Nr. 1 und Nr. 2 WpHG zuzurechnen.

Die BlackRock Investment Management (UK) Limited, London, Vereinigtes Königreich, hat uns am 31.01.2007 gemäß § 21 Abs. 1 und 24 WpHG mitgeteilt, dass sie am 29.01.2007 die Schwelle von 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, überschritten hat und nunmehr einen Stimmrechtsanteil von 3,22% hält. Dies entspricht 701.324 Stimmrechten.

Die BlackRock Investment Management (UK) Limited, London, Vereinigtes Königreich, hat uns am 28.02.2007 gemäß § 21 Abs. 1 und 24 WpHG mitgeteilt, dass sie am 27.02.2007 die Schwelle von 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, unterschritten hat und nunmehr einen Stimmrechtsanteil von 2,82% hält. Dies entspricht 614.329 Stimmrechten.

Die Deutsche Bank AG, Frankfurt, Deutschland, hat uns am 02.07.2007 gemäß §§ 21 Abs. 1, 24 WpHG i.V.m. § 32 Abs. 2 InvG mitgeteilt, dass ihre Tochtergesellschaft DWS Investment GmbH, Frankfurt, Deutschland, am 27.06.2007 die Schwelle von 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, überschritten hat und nunmehr einen Stimmrechtsanteil von 3,31% hält. Dies entspricht 719.300 Stimmrechten.

Die Deutsche Bank AG, Frankfurt, Deutschland, hat uns am 21.08.2007 gemäß §§ 21 Abs. 1, 24 WpHG i.V.m. § 32 Abs. 2 InvG mitgeteilt, dass ihre Tochtergesellschaft DWS Investment GmbH, Frankfurt, Deutschland, am 20.08.2007 die Schwelle von 5% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, überschritten hat und nunmehr einen Stimmrechtsanteil von 5,01% hält. Dies entspricht 1.089.749 Stimmrechten.

Die Jenoptik AG, Jena, Deutschland, hat uns am 02.10.2007 gemäß §§ 21 Abs. 1 WpHG mitgeteilt, dass sie am 02.10.2007 die Schwellen von 15%, 10%, 5% und 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, erreicht und unterschritten hat und seit diesem Tage einen Stimmrechtsanteil von 0% (keine Stimmrechte) hält.

Die Deka Investment GmbH, Frankfurt, Deutschland, hat uns am 25.10.2007 gemäß § 21 Abs. 1 WpHG mitgeteilt, dass sie am 18.10.2007 die Schwelle von 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, erreicht hat. Der Anteil beträgt nunmehr 3,00%, was 653.018 Stimmrechten entspricht. Davon sind der Deka Investment GmbH 153.018 Stimmrechte nach § 22 Abs. 1 Satz 1 Nr. 6 WpHG zuzurechnen (Spezial-Sondervermögen). Dies entspricht einem prozentualen Anteil von 0,70%. 500.000 Stimmrechte gelten als Stimmrechte der Deka Investment nach § 32 Abs. 2 Satz 3 InvG (Publikums-Sondervermögen). Dies entspricht einem prozentualen Anteil von 2,3%.

Herr Wilhelm Hofmann, Biebental, Deutschland, hat uns am 29.10.2007 gemäß § 21 Abs. 1 WpHG mitgeteilt, dass sein Stimmrechtsanteil an der PVA TePla AG, Aßlar, Deutschland, am 23.10.2007 die Schwelle von 5% der Stimmrechte unterschritten hat

und nunmehr einen Stimmrechtsanteil von 4,64% hält. Dies entspricht 1.010.086 Stimmrechten.

Die Deka Investment GmbH, Frankfurt, Deutschland, hat uns am 05.11.2007 gemäß § 21 Abs. 1 WpHG mitgeteilt, dass sie am 30.10.2007 die Schwelle von 3% der Stimmrechte an der PVA TePla AG, Aßlar, Deutschland, unterschritten hat. Der Anteil beträgt nunmehr 2,85%, was 620.000 Stimmrechten entspricht. Davon sind der Deka Investment GmbH 120.000 Stimmrechte nach § 22 Abs. 1 Satz 1 Nr. 6 WpHG zuzurechnen (Spezial-Sondervermögen). Dies entspricht einem prozentualen Anteil von 0,55 %. 500.000 Stimmrechte gelten als Stimmrechte der Deka Investment GmbH nach § 32 Abs. 2 Satz 3 InvG (Publikums-Sondervermögen). Dies entspricht einem prozentualen Anteil von 2,3 %.

Zum 31. Dezember 2007 hat die Herrn Abel gehörende PA Beteiligungsgesellschaft mbH mit Sitz in Wettenberg eine Beteiligung von mehr als 25% an dem Unternehmen.

9. **Konzernabschluss**

Die PVA TePla AG erstellt einen Konzernabschluss nach IFRS gem. Artikel 4 der Verordnung (EG) Nr. 1606/2002 des Europäischen Parlaments und des Rates vom 19. Juli 2002 betreffend die Anwendung internationaler Rechnungslegungsstandards (ABl. EG Nr. L 243 S. 1) in Verbindung mit § 315a Abs. 1 HGB, in den die in Abschnitt B. 1. Finanzanlagen genannten verbundenen Unternehmen einbezogen sind. Der Konzernabschluss wird im elektronischen Bundesanzeiger bekanntgemacht.

10. **Gewinnverwendung/Bilanzverlust**

Der Jahresabschluss der PVA TePla AG weist zum 31. Dezember 2007 einen Bilanzverlust in Höhe von TEUR 2.369 aus. Ein Vorschlag über die Gewinnverwendung von Vorstand und Aufsichtsrat entfällt damit. Der Bilanzverlust wird auf neue Rechnung vorgetragen.

Aßlar, den 19. März 2008

PVA TePla AG

Peter Abel
Vorstandsvorsitzender

Arnd Bohle
Finanzvorstand

PVA TePla AG, Aßlar

Anlagespiegel zum 31. Dezember 2007

	Anschaffungs- und Herstellungskosten				kumulierte Abschreibungen				Restbuchwerte	
	Stand	Zugänge	Abgänge	Stand	Stand	Zugänge	Abgänge	Stand	31.12.2007	31.12.2006
	01.01.2007	2007	2007	31.12.2007	01.01.2007	2007	2007	31.12.2007	EUR	EUR
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände										
Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	2.721.199,63	379.605,08	69.948,35	3.030.856,36	1.390.330,78	388.325,42	68.824,40	1.709.831,80	1.321.024,56	1.330.868,85
II. Sachanlagen										
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	1.363.397,56	1.996.379,10	0,00	3.359.776,66	563.613,72	83.165,00	0,00	646.778,72	2.712.997,94	799.783,84
2. technische Anlagen und Maschinen	2.002.193,59	121.277,08	373.164,25	1.750.306,42	1.874.144,14	55.459,34	373.155,45	1.556.448,03	193.858,39	128.049,45
3. andere Anlagen, Betriebs- und Geschäftsausstattung	3.541.898,10	408.766,47	488.311,49	3.462.353,08	3.154.523,18	248.706,65	487.228,12	2.916.001,71	546.351,37	387.374,92
4. geleistete Anzahlungen und Anlagen im Bau	0,00	11.540.772,78	0,00	11.540.772,78	0,00	0,00	0,00	0,00	11.540.772,78	0,00
	<u>6.907.489,25</u>	<u>14.067.195,43</u>	<u>861.475,74</u>	<u>20.113.208,94</u>	<u>5.592.281,04</u>	<u>387.330,99</u>	<u>860.383,57</u>	<u>5.119.228,46</u>	<u>14.993.980,48</u>	<u>1.315.208,21</u>
III. Finanzanlagen										
Anteile an verbundenen Unternehmen	16.596.116,59	6.274.605,33	0,00	22.870.721,92	5.188.900,00	2.370.000,00	0,00	7.558.900,00	15.311.821,92	11.407.216,59
	<u>26.224.805,47</u>	<u>20.721.405,84</u>	<u>931.424,09</u>	<u>46.014.787,22</u>	<u>12.171.511,82</u>	<u>3.145.656,41</u>	<u>929.207,97</u>	<u>14.387.960,26</u>	<u>31.626.826,96</u>	<u>14.053.293,65</u>

Vorstandsbeschluss

Jahresabschluss 2007 und Konzernabschluss 2007 der PVA TePla AG

1. Jahresabschluss der PVA TePla AG für das Geschäftsjahr 2007

Der Jahresabschluss der PVA TePla AG für das Geschäftsjahr 2007 weist folgende Eckdaten auf:

- EUR -	Betrag
Bilanzsumme	77.273.034,56
Bilanzverlust	-2.368.904,54
Umsatzerlöse	46.769.478,82
Jahresüberschuss	1.252.178,87

Der Jahresabschluss 2007 wurde heute vom Vorstand unterzeichnet und wird in dieser Form dem Aufsichtsrat der PVA TePla AG vorgelegt.

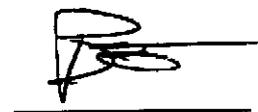
Nach bestem Wissen versichern wir, dass gemäß den anzuwendenden Rechnungslegungsgrundsätzen für den Jahresabschluss zum 31. Dezember 2007 ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt und im zusammengefassten Lagebericht und Konzernlagebericht der Geschäftsverlauf einschließlich des Geschäftsergebnisses und die Lage der Gesellschaft so dargestellt sind, dass ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt wird und dass die wesentlichen Chancen und Risiken der voraussichtlichen Entwicklung der Gesellschaft beschrieben sind.

PVA TePla AG

Aßlar, 19. März 2008



Peter Abel
Vorsitzender des Vorstands



Arnd Bohle
Finanzvorstand

Bestätigungsvermerk des Abschlussprüfers

Wir haben den Jahresabschluss - bestehend aus Bilanz, Gewinn- und Verlustrechnung sowie Anhang - unter Einbeziehung der Buchführung und den zusammengefassten Lagebericht und Konzernlagebericht der **PVA TePla AG, AöR**, für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2007 geprüft. Die Buchführung und die Aufstellung von Jahresabschluss und zusammengefasstem Lagebericht und Konzernlagebericht nach den deutschen handels- und aktienrechtlichen Vorschriften und den ergänzenden Bestimmungen der Satzung liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Jahresabschluss unter Einbeziehung der Buchführung und über den zusammengefassten Lagebericht und Konzernlagebericht abzugeben.

Wir haben unsere Jahresabschlussprüfung nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den Jahresabschluss unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und durch den zusammengefassten Lagebericht und Konzernlagebericht vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld der Gesellschaft sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben in Buchführung, Jahresabschluss und zusammengefassten Lagebericht und Konzernlagebericht überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der angewandten Bilanzierungsgrundsätze und der wesentlichen Einschätzungen der gesetzlichen Vertreter sowie die Würdigung der Gesamtdarstellung des Jahresabschlusses und des zusammengefassten Lageberichts und Konzernlageberichts. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet.

Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss den gesetzlichen Vorschriften und den ergänzenden Bestimmungen der Satzung und vermittelt unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft. Der zusammengefasste Lagebericht und Konzernlagebericht steht in Einklang mit dem Jahresabschluss, vermittelt insgesamt ein zutreffendes Bild von der Lage der Gesellschaft und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Frankfurt am Main, 20. März 2008

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