



Condensed Annual Report 2007

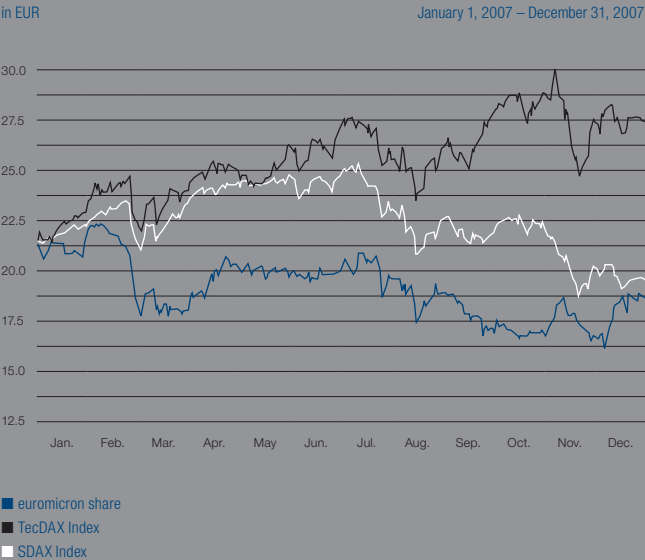
euromicron
Aktiengesellschaft

euromicron Group
KEY FIGURES AS OF DECEMBER 31, 2007

	2007 EUR m.	2006 EUR m.
EBIT (consolidated)	12.0	7.7
EBIT (operating)	16.3*	12.9*
EBITDA	15.2	9.6
Income before income taxes	10.1	7.2
Net profit (consolidated)	7.0	4.4
Undiluted earnings per share (in EUR)	1.53	0.95

* Before non-recurring expenses and holding costs

euromicron AG
SHARE PERFORMANCE



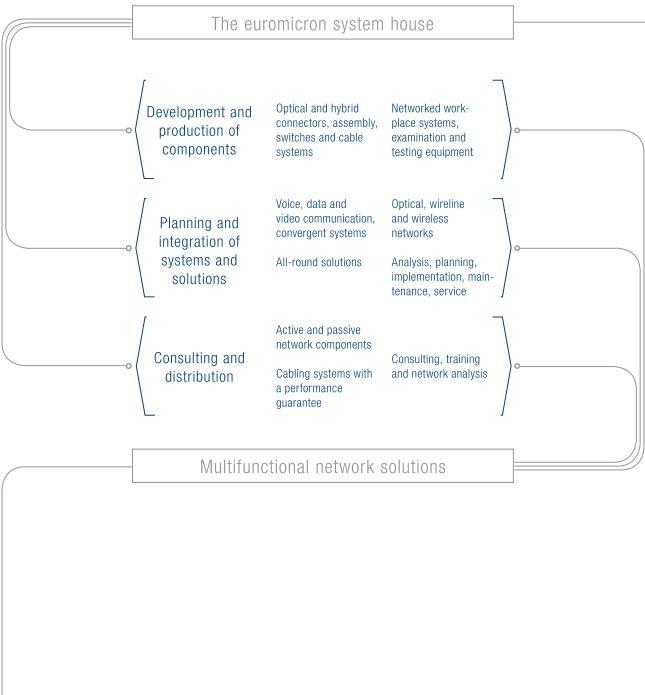
Systematic network solutions

Be it mobile phones, organizers, PC systems, entertainment electronics or highly sensitive medical, aerospace or security technology – transporting voice, image and computer data demands broad know-how and specialist knowledge in components and systems.

euromicron has continuously built and expanded this know-how and established itself in the market as a competent provider of network technology solutions.

Our work is geared toward a balanced strategy for expansion and growing the company's value.

Corporate structure



Foreword

Fiscal year 2007 was a successful year for the euromicron Group, one in which we stuck to our value-oriented course of growth.

Based on a balanced strategy of expansion and growing the company's value, the focus in 2007 was on systematically continuing our buy and build strategy, further internationalization, rounding out our comprehensive coverage in the domestic market and growing into a future-oriented technology group.

The euromicron Group increased its sales year-on-year by 18 % to EUR 136 million. Earnings before interest and taxes (consolidated EBIT) were EUR 12.0 million (previous year: EUR 7.7 million). The EBIT margin rose from 6.6 % in 2006 to 8.8 %, mainly due to projects with higher margins and lower special expenses for company acquisitions.

The euromicron Group was able to expand its market position significantly and strengthen perception of it as a high-tech company that offers an outstanding level of quality and reliability. A key foundation for this is our expertise in being able to offer all-round concepts that are geared to solving problems and that are distinguished by innovation, quality, reliability and service.

In June 2007, euromicron AG made its largest acquisition to date, taking over all the shares in Cteam Consulting & Anlagenbau in Seekirchen (Austria) and so indirectly in its subsidiary in Munich. With this step toward internationalization, the Group is also rounding out its skills in providing consulting for, planning and implementing turnkey mobile technology projects and marked the launch of the "Mobile Solutions" Competence Center.

Last November, euromicron AG then purchased all the shares in LAN-TECHNIK GmbH and Delwave Distribution GmbH.

A milestone in our structural reorganization was the merger of Pfeiffer GmbH, NTA GmbH, Telefonbau Schneider GmbH, Krumm Telecom GmbH and o-n-e optical network elements GmbH into the Southern grouping, "euromicron solutions GmbH".

This element of our overall strategy of merging companies and forming larger units has proven right. By pooling expertise, leveraging potentials to increase efficiency and seizing opportunities for growth, we have improved our competitive position in many markets.

The foundation for euromicron AG's growing operational success is the good qualifications of our employees. A comprehensive concept for systematic qualification and further training for specialists and executives to reflect our and their needs will make a major contribution to improving our structures and enhancing the quality of the consulting we provide customers with.

We have sharply stepped up our investor relations work in order to achieve an even broader spread of our shares among private and financial investors in Germany and abroad.

The share began the year at EUR 21.50 and got off to a promising start; however, despite peaking at EUR 22.50 in March 2007, it was not able to rise above the value for 2006. The share buyback program launched in 2006 was continued as planned and its first stage completed, with a total of 81,585 shares (1.8 % of the capital stock) having been bought back. Our share price at the end of the year was EUR 19.00.

Undiluted earnings per shares were around EUR 1.53 on a consolidated net profit of more than EUR 7.0 million, as well as due to our achieving the envisaged goals of profitable growth. The Executive Board will therefore propose to the General Meeting an increase in the dividend for fiscal 2007 to EUR 0.80 a share, or an increase of around 14 %.

The Executive Board of the euromicron Group thanks you, our shareholders and lenders, all employees and executives, business partners and friends for your loyalty to the company and your trust.

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CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007 (IFRS)

	2007 EUR thou.	2006 EUR thou.
Net sales	136,457	115,937
Inventory changes	-2,576	-3,101
Own work capitalized	784	892
Other operating income	2,153	1,172
Cost of materials	-62,345	-58,225
Personnel costs	-39,543	-32,130
Depreciation and amortization expense	-3,210	-1,906
Other operating expenses	-19,711	-14,942
Operating profit	12,009	7,697
Net financing costs	-1,933	-515
Income before income taxes	10,076	7,182
Income taxes	-2,592	-2,565
Consolidated net income for the period, before minority interests	7,484	4,617
Minority interests	-482	-249
Consolidated net profit	7,002	4,368
Undiluted earnings per share (EPS) in EUR	1.53	0.95

ASSETS

	Dec. 31, 2007 EUR thou.	Dec. 31, 2006 EUR thou.
Noncurrent assets		
Intangible assets	72,660	54,076
Property, plant and equipment	8,009	5,386
Financial assets	66	166
Other receivables and other assets	84	50
Deferred tax assets	2,296	1,863
	83,115	61,541
Current assets		
Inventories	12,523	12,363
Trade accounts receivable	36,243	25,257
Receivables from affiliates	0	1
Other receivables and other assets	3,689	2,353
Marketable securities and cash	12,442	8,242
	64,897	48,216
Total assets	148,012	109,757

	Dec. 31, 2007 EUR thou.	Dec. 31, 2006 EUR thou.
Stockholders' equity (equity ratio: 47.6 %/61.3 %)		
Subscribed capital (composed of 4,660,000 no-par value shares/ authorized capital EUR 5,957 thousand)	11,914	11,914
Own shares at acquisition cost	-1,680	-828
Additional paid-in capital	61,781	61,781
Gain/loss on the valuation of securities	-170	-92
Consolidated retained earnings	-9,086	-10,250
Net income for the period	7,002	4,368
Minority interests	684	440
	70,445	67,333
Long-term debt		
Accrued liabilities	644	710
Liabilities	23,615	540
Deferred taxes	3,111	3,095
	27,370	4,345
Current liabilities		
Accrued liabilities	1,731	1,458
Trade accounts payable	11,514	10,498
Other liabilities	36,952	26,123
	50,197	38,079
Total assets	148,012	109,757

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STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
UP TO DECEMBER 31, 2007 (IFRS)

	Subscribed capital EUR thou.	Additional paid in capital EUR thou.
Balance at December 31, 2004	11,914	61,781
Dividend for 2004		
Consolidated net income for 2005		
Profit share for minority interests		
Balance at December 31, 2005	11,914	61,781
Dividend for 2005		
Consolidated net income for 2006		
Purchase of own shares		
Gain/loss on the valuation of securities		
Profit share for minority interests		
Balance at December 31, 2006	11,914	61,781
Dividend for 2006		
Consolidated net income for 2007		
Purchase of own shares		
Gain/loss on the valuation of securities		
Profit share for minority interests		
Balance at December 31, 2007	11,914	61,781

Own shares EUR thou.	Consolidated retained earnings EUR thou.	Gain/loss on the valuation of derivatives and securities EUR thou.	Minority interests EUR thou.	Total EUR thou.
0	-10,305	0	374	63,764
	-2,796			-2,796
	5,647			5,647
			-140	-140
0	-7,454	0	234	66,475
	-2,796			-2,796
	4,368			4,368
-828				-828
		-92		-92
			206	206
-828	-5,882	-92	440	67,333
	-3,204			-3,204
	7,002			7,002
-852				-852
		-78		-78
			244	244
-1,680	-2,084	-170	684	70,445

STATEMENT OF CASH FLOWS

FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007 (IFRS)

	2007 EUR thou.	2006 EUR thou.
Consolidated net profit for the period	7,002	4,368
Depreciation and amortization of noncurrent assets	3,210	1,906
Disposal of assets, net	-448	-93
Allowances for inventories and doubtful accounts*	716	801
Partial profits realized using the POC method*	-943	538
Change in accrued liabilities	-468	-3,497
Change in deferred taxes*	-91	-1,906
Cash flow	8,978	5,929
Changes in short- and long-term assets and liabilities:		
– Inventories	871	6,142
– Trade accounts receivable	-5,843	-6,374
– Trade accounts payable	-40	563
– Other operating assets and liabilities	1,632	-946
Cash provided by operating activities	5,598	5,314
Net cash used in investment activities	-24,791	-21,418
Dividends paid	-3,205	-2,796
Change in financial debt	27,294	7,404
Change in minority interests	244	192
Own shares	-681	-828
Net cash provided by financing activities	23,652	3,972
Gain/loss from derivatives and securities	-259	-92
Change in cash and cash equivalents due to consolidation*	1,729	859
Net change in cash and cash equivalents	2,730	-12,991
Cash and cash equivalents at start of period	8,242	20,466
Cash and cash equivalents at end of period	12,442	8,242
Cash and cash equivalents are composed of:		
Cash	11,112	6,794
Securities	1,330	1,448

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SEGMENT REPORTING

FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2007 (IFRS)

2007	euromicron North EUR thou.	euromicron South EUR thou.
Sales	61,529	79,043
Income before interest and income taxes	9,144	7,124
Assets	59,246	98,699
of which goodwill	25,872	37,290
Liabilities	22,183	63,600
Amortization/depreciation	1,385	1,766

2006	euromicron North EUR thou.	euromicron South EUR thou.
Sales	56,775	62,165
Income before interest and income taxes	7,561	5,308
Assets*	52,246	53,766
of which goodwill	23,928	23,802
Liabilities*	19,092	24,056
Amortization/depreciation	980	869

* The method of calculation was standardized to enable better comparison of the 2006 figures with those from 2007.

Financial Calendar 2008



March 27, 2008	Annual Report 2007
March 27, 2008	Analysts' Conference
May 7, 2008	MKK Munich Capital Market Conference in Munich
May 15, 2008	Publication of the business figures for the 1st quarter of 2008
June 12, 2008	General Meeting
August 14, 2008	Half-yearly Report
November 14, 2008	Publication of the business figures for the 3rd quarter of 2008

MICROSENS,
Nolay la Reil branch
offices, France

rako GmbH,
Grünstadt

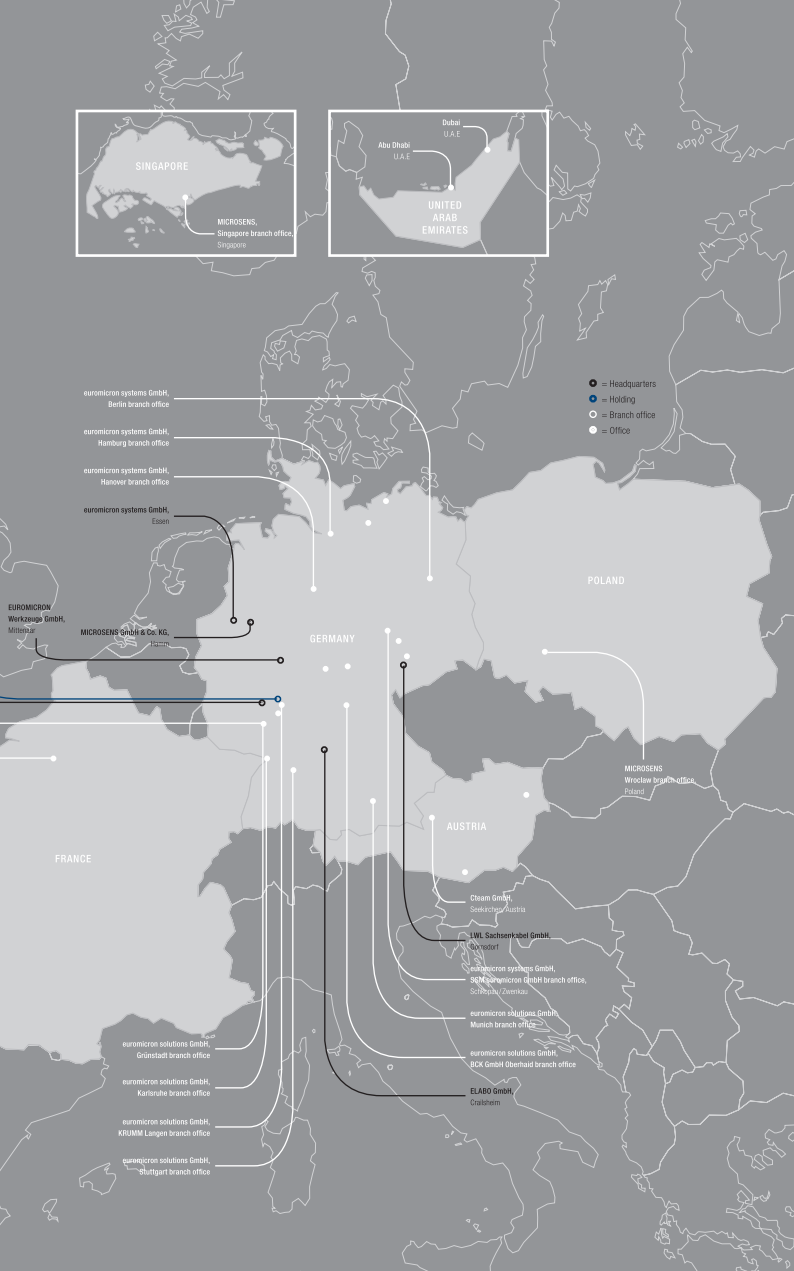
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solutions GmbH,
Mainz

euromicron AG,
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This condensed Annual Report 2007 is available in German and English.

Both versions can also be downloaded from the Internet at **www.euromicron.de**.

In cases of doubt, the German version is authoritative.



Note / disclaimer

This Annual Report also includes predictive statements and information on future developments that are based on the convictions and current views of euromicron AG's management and on assumptions and information currently available to euromicron. Where the terms "assume", "believe", "assess", "expect", "intend", "can/may/might", "plan" or similar expressions are used, they are intended to indicate predictive statements that are subject to certain elements of insecurity and risks, such as competitive pressure, changes to the law, political and economic changes, changes to business strategy, other risks and uncertainties that euromicron AG in many cases cannot influence and that may result in significant deviations between the actual results and predictive statements.

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