REPORT ON THE SECOND QUARTER 2010

MONTANA
TECH COMPONENTS

MONTANA
TECH COMPONENTS

MONTANA
AEROSPACE & INDUSTRIAL COMPONENTS

Development and manufacture of high quality aluminium profiles and components for the aerospace industry and other industries

MONTANA
METAL TECH

Special machinery for product identification in the metallurgical sector

MONTANA
VARTA MICRO POWER

Niche player in the market for button cell batteries and rechargeable and non-rechargeable batteries for OEMs

Dear Shareholders,
Dear Ladies and Gentlemen,

The 1st half-year 2010 was marked by a positive trend of the economic environment. At the same time however, negative influences to the worldwide economic recovery appeared continuously. After the dramatic global recession in the year 2009, the current economic situation has improved significantly, but continues to be a challenge.

The MTC Group successfully managed during the year 2009 to improve its competitive position through restructuring measures, cost saving effects and optimisations of the value chain.

The result of the above described measures clearly affected the actual financials and enabled the MTC Group in achieving the second highest quarterly net sales and the best quarterly EBIT since its foundation.

Montana Tech Components AG achieved an EBITDA margin of 14.1% and an EBIT margin of 9.0% in the first 6 months of 2010. Both key financials represent historical best figures in the still short corporate life even though it needs to be said that some extraordinary effects favoured this development.

According to our appraisal it is still difficult to deduce a real trend reversal and a sustainable and material economic recovery on a global basis from the current positive business indicators. Leading signs and some sources of irritation are currently noticed in this respect.

The environment on the sales markets has improved in the 1st half-year 2010 however this might be partially led by catch-up effects from the previous year. The basic conditions for order intake are still difficult on a price and on a volume level after the significant reduction of world wide production capacities in 2009. In some Group areas nonetheless the development proved to be satisfying.

The MTC Group significantly increased net sales in the 1st half-year 2010 compared to the 1st half-year 2009 and surpassed the € 170 million threshold. In comparison to the 1st half-year 2009 sales increased by 7% thanks to a favourable sales performance of the biggest two divisions.

Aerospace & Industrial Components succeeded in raising their net sales significantly (whereas the business area Industrial Components contributed most), as well as Varta Micro Power registered rising sales due to increasing demand in the OEM business unit. However, in the Metal Tech division, sales and results were as expected below the previous year mainly because of reduced order intakes and therefore lower capacity utilisation.

In respect of the plant in Romania (UAC Europe S.R.L.) the certification process with Airbus could be concluded in important areas, a fast close of the remaining certification is planned. However compared to the original business plan the completion faces a backlog of a few months. The certification process is expected to be entirely finalised until autumn 2010. In the second quarter 2010 sales increased, nevertheless the sales volume has not reached the budgeted level yet. Significant sales will be expected in the second half-year of 2010.

The MTC Group focuses on opportunities in the sales markets and aims to ensure not only increasing order intakes but also a healthy price level in the course of order acceptance. Moreover, the Group counts further on consistent liquidity management and improved working capital structures in respect of increasing production and sales volumes and their resulting effects.

According to recent estimates for the year 2010, an increase of the gross domestic products can be expected in the most important customer countries of the Group, in some economies a slow-down of growth is already visible. Nonetheless, within the MTC Group an upward trend is recognisable for the order intake in the last couple of months.

In 2009 Montana Tech Components AG enjoyed the support of its shareholders and could successfully finalise two capital increases which in total led to cash inflows of € 28 million. These funds will secure mid-term liquidity until mid 2011 and will be used for selected refinancing steps and for strategic investment possibilities.

In the 4th quarter 2009, Montana Tech Components AG has offered an exchange of shares to the minority shareholders of Alu Menziken Holding AG, a company of the Aerospace & Industrial Components division. The offer was implemented in a few exchange periods in 2009 and 2010 and in total accepted by an overwhelming majority of the minority shareholders.

Positive agreements have already been accomplished with the remaining minority shareholders in July 2010. As a result the 100% ownership of the Alu Menziken Group was achieved in the third quarter 2010.

In the 2nd quarter 2010 the MTC Group improved its company structure in the Aerospace & Industrial Components division by merging a couple of companies in Switzerland and the USA. By doing so the Group managed to simplify its consolidation structure and secondly to enable cost savings in the operating business.

The outlook for the global economic development in the upcoming months remains uncertain, although we perceive some sort of normalisation of the macroeconomic situation. From a current point of view the bottom of industrial capacity usage seems to be passed through, however the possibility of a double dip cannot be denied completely.

Therefore, from an operational point of view, Montana Tech Components AG expects the challenging situation to continue for the remaining months of 2010, but faces it with increased confidence. Provided extraordinary effects may occur it is expected that the budgeted benchmarks will be achieved.

In the first two quarters 2010 the expected upstream turn in comparison to the previous quarters of 2009 has already emerged. Provided that the positive indicators on the sales markets will continue the Group is still expecting a favourable sales and earnings development for the upcoming quarters 2010.

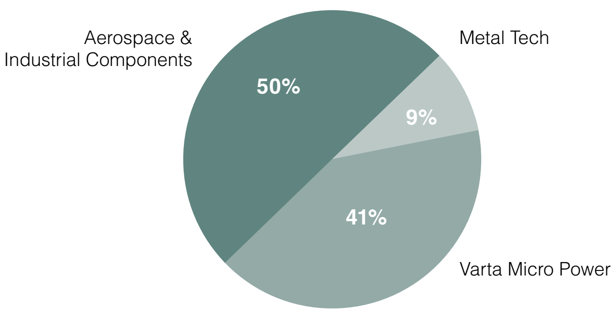
Strategic chances in line with the medium and long term focus of the Group are continuously evaluated.

Key financials of MTC Group

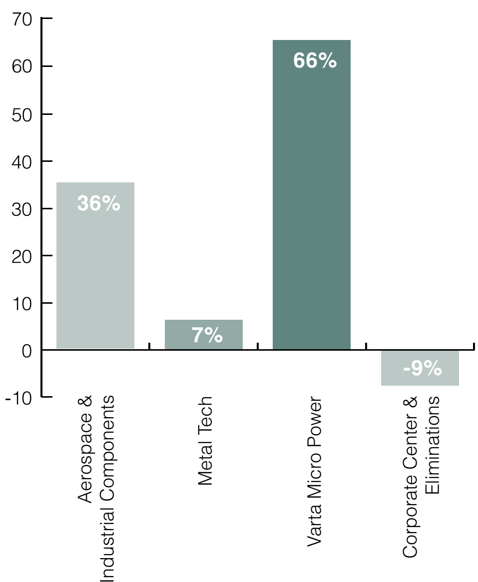
(in T€) unaudited according to IFRS	MTC Group 1-6/2009	MTC Group 1-6/2010	Aerospace & Industrial Components 1-6/2009	Aerospace & Industrial Components 1-6/2010	Metal Tech 1-6/2009	Metal Tech 1-6/2010	Varta Micro Power 1-6/2009	Varta Micro Power 1-6/2010
Net sales	159,862	170,561	73,548	84,912	25,066	15,790	61,248	69,859
EBITDA	17,747	24,011	8,449	10,710	2,519	1,520	7,245	12,960
% of net sales	11.1%	14.1%	11.5%	12.6%	10.0%	9.6%	11.8%	18.6%
EBIT	9,945	15,387	4,252	5,463	2,053	1,066	4,144	10,095
% of net sales	6.2%	9.0%	5.8%	6.4%	8.2%	6.8%	6.8%	14.5%
EBT	4,428	11,672	2,762	2,927	1,329	575	3,118	9,394
Net income for the period	562	8,663	-193	671	1,009	438	2,613	8,687
Employees	2,590	2,664	959	1,054	220	160	1,399	1,439

(in T€) unaudited according to IFRS	MTC Group Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Net sales	85,131	74,731	71,871	72,626	82,230	88,331
EBITDA	9,856	7,891	6,076	8,033	9,257	14,754
EBIT	5,931	4,014	1,390	2,284	5,019	10,368
EBT	4,821	-393	-2,734	7,028	2,902	8,770
Net income for the period	2,594	-2,032	-3,503	7,516	1,623	7,040
Employees	2,687	2,590	2,580	2,570	2,597	2,664

NET SALES PER DIVISION 1-6/2010



EBIT PER DIVISION 1-6/2010



Financial review

INTRODUCTION

In the current reporting period a merger of the companies Alu Menziken Management AG, Alu Menziken Immobilien AG, Alu Menziken Extrusion AG and Alisol AG with Alu Menziken Holding AG (of the Aerospace & Industrial Components division) with retrospective effect as of January 1, 2010 took place. Alu Menziken Holding AG was renamed Alu Menziken Extrusion AG in the course of the merger.

With effect as of June 30, 2010 Savest Corp. merged with its parent company MTC US Corp.

Since 2009 the research projects of the subsidiary VARTA Microbattery GmbH in cooperation with Volkswagen and the Graz University of Technology (VARTA Micro Innovation GmbH) have been classified and treated as a joint venture and an associated company respectively.

INCOME STATEMENT

General Information

MTC Group's consolidated balance sheet, consolidated income statement and consolidated cash flow statement for the 1st half-year 2010 are listed on page 10 and 11 of this report.

Consolidated net sales of the MTC Group in the 1st half-year 2010 amounted to T€ 170,561 (1st half-year 2009: T€ 159,862). This represents an increase of 7% compared to the same period of the previous year which resulted mainly from higher sales of products in the Aerospace & Industrial Components and the Varta Micro Power divisions. Solely the Metal Tech division had to register a sales decrease in comparison to 2009.

Since invoicing is primarily done in local currency, the development of the U.S. Dollar and the Swiss Franc has no significant effect on the operating business of the companies. The development of the U.S. Dollar and the Swiss Franc, however, leads to positive or negative impacts when the translation from the functional currency to the reporting currency (Euro) is performed.

The change in finished and unfinished goods is positive for the first time since Q1 2009 because the increase in demand mainly in the Aerospace & Industrial Components and Varta Micro Power divisions needs to be covered with a minimum volume of finished and unfinished goods. The Group will nonetheless continue its action in order to guarantee an efficient working capital management.

The other operating income is higher compared to the previous year and includes – apart from ordinary positions – a revaluation of property, plant and equipment and income from the valuation of know-how in respect of the contribution into the joint venture with Volkswagen (Varta Micro Power division).

Cost of materials, supplies and services increased by almost 18% from T€ 60,631 in the 1st half-year 2009 to T€ 71,687 in the 1st half-year 2010. This trend is attributable to rising purchasing volumes and to the growth of inventories.

After various human resource measures which caused the decline in personnel expenses in 2009 and Q1 2010, beginning with Q2 2010 a rise in personnel is again recorded in the Aerospace & Industrial Components and Varta Micro Power divisions. In the Metal Tech division a stabilisation of headcount is expected after the implementation of human resource measures which were necessary due to the decline in demand. All together, the personnel expenses stand at the same level as in the same period of the previous year.

Other operating expenses increased by T€ 4,379 to T€ 31,397 in comparison to the 1st half-year of 2009. The rise is mainly caused by higher provisions for warranties and increased project-related expenses for legal advice and consulting fees as well as by the expenses of UAC Europe S.R.L. in the course of the ramp-up of production.

EBITDA amounted to T€ 24,011 (1st half-year 2009: T€ 17,747) which corresponds to an EBITDA margin of 14.1% (1st half-year 2009: 11.1%).

Furthermore, EBIT for the 1st half-year 2010 was T€ 15,387 (1st half-year 2009: T€ 9,945), representing an EBIT margin of 9.0% (1st half-year 2009: 6.2%).

Due to the financing structure of the MTC Group, the balance of interest income and interest expense remains clearly negative. Compared to the 1st half-year 2009 net interest expense decreased slightly by T€ 732 to T€ 4,158. Other financial result includes foreign currency exchange gains of T€ 1,450 and foreign currency exchange losses of T€ 417.

Due to the weak Euro against the US-Dollar the currency valuation effect on monetary positions was positive.

Last but not least, the recognition of the second and third part of the exchange offer to the minority shareholders of Alu Menziken Holding AG led to a gain from the purchase of minority shares in the amount of T€ 867 (Q4 2009: T€ 7,840) according to IFRS 3. During the extended periods of exchange 21,501 shares have been underwritten in addition to 169,166 shares already changed during the ordinary period of exchange until December 7, 2009. As of June 30, 2010, only 233 shares remain in the ownership of minority shareholders which have been purchased by the MTC Group in the meantime.

In the past reporting periods different results of the Group companies in diverse tax jurisdictions caused a high income tax burden. For the first time ever major improvement on the tax rate was achieved in the 2nd quarter 2010. The tax expense for the 1st half-year 2010 amounts to T€ 3,009 and consequently states T€ 857 below the level of the 1st half-year 2009. Compared to the same period of the previous year the tax rate improved significantly and stands now at 26%. In particular deductible tax losses brought forward from previous years influenced the tax rate in a positive way.

Negative impacts on the tax rate in the 1st half-year 2010 are still partially non-deductible interest expenses, steps to improve this situation are however already in implementation.

Divisional information

Major sales contributor of the Group was again the Aerospace & Industrial Components division with T€ 84,912 (50%). The Varta Micro Power division contributed with T€ 69,859 (41%) and the Metal Tech division with T€ 15,790 (9%). Net sales in both the Aerospace & Industrial Components division and the Varta Micro Power division are clearly higher than in the same period of the previous year. Only the Metal Tech division recorded a sales decline compared to the respective period of 2009.

Sales of aerospace products for the 1st half-year 2010 were slightly lower than in the same period of the previous year. On the other hand, sales of industrial components products gave a clear sign of recovery in comparison to the same period of the previous year. In total, the rise in sales in the division amounted to 15%.

The Metal Tech division had to report a significant decline in sales (37%) compared to the previous year due to lower capacity usage. In contrary, the Varta Micro Power division could lift their sales level by 14% from the respective half-year of 2009.

In the first half-year 2010, the Varta Micro Power division was again the major contributor to the Group's EBIT with T€ 10,095 (1st half-year 2009: T€ 4,144). The divisional EBIT margin amounts to 14.5% (1st half-year 2009: 6.8%). The improvement of the EBIT margin is due to a more favourable product and margin mix and due to increased demand in the OEM business. In addition, extraordinary effects such as the revaluation on property, plant and equipment and the valuation of know-how in respect of the contribution into the joint venture with Volkswagen in the amount of approx. € 3 million had a positive impact.

The EBIT of the Aerospace & Industrial Components division was T€ 5,463 (1st half-year 2009: T€ 4,252), representing a rise of 28%. The geographical area USA performed slightly below the previous year. Additional negative impact had the start-up losses from UAC Europe S.R.L. The result of the geographical area Switzerland, on the other hand, was positive and therefore substantially above the level of the respective half-year 2009.

The Metal Tech division contributed T€ 1,066 (1st half-year 2009: T€ 2,053) to the EBIT of the Group. The EBIT margin declined by 1.4 percentage points compared to the same period of the previous year and stands now at 6.8%. The decline of the EBIT margin is mainly caused by the decline of sales. Thanks to value added measures implemented since the 2nd half-year of 2009 the division managed to achieve a positive EBIT despite of the decreased contribution margin.

Finally, EBIT in the Corporate Center and eliminations resulted in a consolidated amount of T€ -1,237 (1st half-year 2009: T€ -504). Mainly responsible for this deterioration are project-related costs and increased personnel expenses.

BALANCE SHEET AND FINANCIAL POSITION

Compared to year-end 2009, the equity ratio was strengthened slightly to 36% (Q4 2009: 34%). Apart from the net profit in the 1st half-year of 2010, exchange rate differences had also a positive impact. In the contrary, other comprehensive income and adjustment of minority shares had a negative impact on the Group equity. As of June 30, 2010 Group equity amounts to T€ 147,117 (December 31, 2009: T€ 124,126).

Responsible for the increase of property, plant and equipment were exchange rate effects as well as the above described revaluation on property, plant and equipment in the Varta Micro Power division. A general retention concerning capital expenditure is still recognisable within the Group.

Inventories increased significantly compared to year-end 2009 and now amount to T€ 65,280, partially caused by exchange rate effects. Stock increases in real terms are recorded in particular in the Varta Micro Power division due to the upswing in demand. Trade receivables increased by T€ 9,384 compared to year-end 2009.

Cash and cash equivalents amounted to T€ 41,288 and were above their level at the balance sheet date 2009 (T€ 39,035). The increase is mainly due to the positive cash flow from operating activities and to positive effects from exchange rate translation differences.

Regarding the development of liabilities to financial institutions, it should be noted that an increase of bank loans is caused by financing the project in Romania in the Aerospace & Industrial Components division. On the other hand, non-scheduled repayments of working capital lines (in the Varta Micro Power division in particular) and annuity repayments took place in the first-half year 2010, the total effect was a decrease in the amount of T€ 5,272, already taken into account the effects of exchange rate differences and interest accruals.

As of June 30, 2010, net debt in a narrow sense[1] is T€ 51,383 (net gearing in a narrow sense is 35% in relation to total equity). Net debt in a wide sense[2] is T€ 96,460 (net gearing in a wide sense is thus 66% in relation to total equity). Both financial ratios improved significantly compared to year-end 2009.

Trade payables and advances received increased by T€ 8,648 compared to December 31, 2009, which can mainly be explained by increased purchases at the end of the 1st half-year and exchange rate differences.

CASH FLOW DEVELOPMENT

Cash flow from operating activities amounted to T€ 19,066 compared to T€ 10,346 in the respective period of 2009. This significant increase was mainly due to the improved operating result and a more favourable development of working capital.

Cash flow from investing activities changed from T€ -18,634 in the prior year to T€ -5,675. This decrease can be attributed to the now almost completed construction of the plant in Romania which caused substantial cash outflows in the years 2008 and 2009 in the Aerospace and Industrial Components division. Secondly, the general retention concerning capital expenditure continued.

Cash flow from financing activities was T€ -14,755. This cash flow results from payments received by the increase of bank loans in the Aerospace & Industrial Components division (solely by UAC Europe S.R.L.) amounting to T€ 2,080 on one hand. On the other hand repayments of financial liabilities in the amount of T€ 14,402, interest payments in the amount of T€ 2,045 and payments for financial leasing in the amount of T€ 389 have been made.

1) Net debt in a narrow sense – Liabilities to financial institutions minus liquid funds
2) Net debt in a wide sense – Financial liabilities (including convertible bond) minus liquid funds

DEVELOPMENT IN THE SECOND QUARTER

In the 2nd quarter sales of the MTC Group amounted to T€ 88,331 and therefore reached the second best result in the corporate history of the Group (Q2 2009: 74,731). Thereby, the Aerospace & Industrial Components division contributed T€ 47,411 (54%), the Metal Tech T€ 5,828 division (6%) and the Varta Micro Power division T€ 35,092 (40%).

EBIT for the 2nd quarter was T€ 10,368, which is the best performance ever (Q2 2009: T€ 4,014), whereby the Aerospace & Industrial Components division contributed T€ 3,313 (Q2 2009: T€ 661), the Metal Tech division T€ 330 (Q2 2009: T€ 974) and the Varta Micro Power division T€ 7,628 (Q2 2009: T€ 2,534) respectively. Finally, EBIT in the Corporate Center and eliminations amounted to T€ -903 (Q2 2009: -155).

EVENTS AFTER THE BALANCE SHEET DATE

In the 3rd quarter 2010 the remaining 233 shares owned by the minority shareholders of Alu Menziken Holding AG were acquired. Subsequently, Montana Tech Components AG holds 100% of both the capital rights and the voting rights of the Alu Menziken Group.

Apart from the above mentioned, no further events took place between June 30, 2010 and September 1, 2010 (editorial deadline), that have a significant impact on the results of the MTC Group.

OUTLOOK

The order situation within the MTC Group currently develops positive; this trend has even strengthened recently. However, according to our estimates it is too early to deduct a sustainable and stable recovery of the world economy in 2010 and 2011 from these signals. In particular, the forecast ability for the time beyond the upcoming two quarters is very limited.

For the full year 2010 an increase in sales and a substantial increase in results are still expected. Improving results from the industrial components business, the beginning production in Romania and increasing results in the Varta Micro Power division will lead to the increase in operating results.

The plant in Romania will be further extended. The construction of a billet casting house is planned and an extension of the product line is in examination.



CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2010

ASSETS (in T€) unaudited according to IFRS	Dec. 31, 2009	June 30, 2010
Intangible assets	78,673	85,747
Property, plant and equipment	132,808	141,116
Joint ventures and associated companies	0	8,620
Other non-current assets and receivables	12,063	14,260
Non-current assets	**223,544**	**249,743**
Inventories	56,224	65,280
Trade receivables	37,210	46,594
Other current assets and receivables	8,469	10,210
Cash and cash equivalents	39,035	41,288
Current assets	**140,938**	**163,372**
Total assets	**364,482**	**413,115**

LIABILITIES AND SHAREHOLDERS´ EQUITY (in T€) unaudited according to IFRS	Dec. 31, 2009	June 30, 2010
Shareholders´ equity MTC AG	119,138	147,068
Minority interests	4,988	49
Shareholders´equity	**124,126**	**147,117**
Liabilities to financial institutions	77,151	78,331
Other non-current financial liabilities	32,234	33,513
Deferred tax liabilities	21,346	23,404
Post employment benefits and other employee benefits	14,205	15,316
Other non-current liabilities and provisions	5,844	6,471
Non-current liabilities	**150,780**	**157,035**
Liabilities to financial institutions	20,795	14,340
Other current financial liabilities	10,057	11,564
Provisions	15,881	18,289
Trade payables and advances received	18,687	27,335
Accruals	14,145	17,875
Other current liabilities	10,011	19,560
Current liabilities	**89,576**	**108,963**
TOTAL LIABILITIES	**240,356**	**265,998**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**364,482**	**413,115**

CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2010

(in T€) unaudited according to IFRS	1-6/2009	1-6/2010
Net sales	**159,862**	**170,561**
Change in finished and unfinished goods	-6,803	2,721
Other operating income	4,742	6,318
Cost of materials, supplies and services	-60,631	-71,687
Personnel expenses	-52,405	-52,505
Depreciation and amortisation	-7,802	-8,624
Other operating expenses	-27,018	-31,397
Operating result	**9,945**	**15,387**
Interest income and expenses	-4,890	-4,158
Other financial result - net	-627	215
Gain from purchase of minority shares	0	867
Net result from investments in associated companies	0	-639
Income before tax	**4,428**	**11,672**
Income tax expense	-3,866	-3,009
NET INCOME FOR THE PERIOD	**562**	**8,663**
Thereof:		
Shareholders´ MTC AG	2,030	8,652
Minority interests	-1,468	11
Net income for the period	**562**	**8,663**

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2010 (short form)

(in T€) unaudited according to IFRS	1-6/2009	1-6/2010
Cash flow from operating activities	10,346	19,066
Cash flow from investing activities	-18,634	-5,675
Cash flow from financing activities	10,876	-14,755
Net change in cash and cash equivalents	**2,588**	**-1,364**
Cash and cash equivalents as of January 1	30,343	39,035
Effect of exchange rate changes	-395	3,617
Cash and cash equivalents as of June 30	**32,536**	**41,288**

Divisional Presentation

MONTANA
AEROSPACE & INDUSTRIAL
COMPONENTS

AEROSPACE AND INDUSTRIAL COMPONENTS

The Aerospace & Industrial Components division managed to raise their sales by 15% compared to the respective period of 2009, but experienced different developments in the business areas aerospace and industrial components. The industrial components business recorded a substantial increase in sales, whereas the sales of the aerospace business were slightly below the level of the previous year.

The new plant in Romania (UAC Europe S.R.L.) registered ongoing start-up losses in the 1st half-year 2010. This situation will however improve in the second half-year of 2010. The break-even is expected from 2nd half-year 2010 onwards.

In the industrial components area competitiveness could be gained back step by step, however the price level of orders has not returned to a satisfying level so far.

In summary, the order situation of both business areas gives ground for satisfaction.

Aerospace

The aerospace business faced a slight decline in demand compared to the same period of the previous year. The temporary weakness of the market seems to have found an end based on the recent announcements regarding the increase of production intended by leading aircraft manufacturers, a recovery in demand for 2010 and 2011 is therefore expected. The build rates of the most important aircraft manufacturers are the most significant factor for sales and profitability of this business unit.

Already in the year 2010 the plant in Romania will be extended with a billet casting house and in the mid-term the step into the component manufacturing is planned. In the US locations, dependent on capacity usage the presses will gradually be converted from direct to indirect technology. This will result in an expected productivity increase of up to 25%. Furthermore, in the medium term an investment in a heavy press in the US as well as the extension of production into new business areas will be examined. This shall strengthen the strategic focus of this business unit.

Industrial Components

The capacity utilisation was increased significantly in the 1st half-year 2010. Back in 2009 the capacity usage was only 9,400 tonnes and therefore below 50% of the installed capacity. In respect of the full year 2010 the capacity utilisation will reach approx. 75% based on current estimates.

With improved sales strategies and the human resource measures initiated in Switzerland in the course of 2009, the company has already registered signs of regained profitability in the first two quarters 2010. For the first time since 2008 the business area was able to contribute a slightly positive result to the Group EBIT.

Medium to long term, aluminium components are expected to continue their successful development in virtually all industrial sectors. Additionally, the focus on six strategic business areas for the business unit Industrial Components will show further positive results.

(in T€) unaudited according to IFRS	1-6/2009	1-6/2010
Net sales	73,548	84,912
EBITDA	8,449	10,710
EBIT	4,252	5,463

METAL TECH

In the 1st half-year 2010 the Metal Tech division had to register the expected significant decrease in sales and a material decrease in order intake compared to the previous quarters. Due to the economic circumstances, the operating result in the 1st half-year 2010 was well below the level of the same period of the previous year. Incoming orders for both, new machines as well as „Life Cycle Business", currently seem to stabilise at a low level. Nonetheless, chances for additional business have emerged recently due to a stimulation of the order market.

The optimisation of the value chain decided in 2009 is completely implemented between the two sites. The assembling activities will be bundled in Regau, Austria, whereas the site in Stenløse, Denmark, will focus on engineering and delivery of core components as well as on sales and service activities.

(in T€) unaudited according to IFRS	1-6/2009	1-6/2010
Net sales	25,066	15,790
EBITDA	2,519	1,520
EBIT	2,053	1,066

VARTA MICRO POWER

In the 1st half-year 2010 sales were clearly above last year's level (+14%). Despite of higher warranty expenses the EBIT margin increased to 14.5% due to an improved product mix, a rise in OEM sales and the successfully completed restructuring programme. In the respective period 2009 the EBIT margin was 6.8%. Because of this development Varta Micro Power was again the division which contributed the highest share to the operating results of the MTC Group.

(in T€) unaudited according to IFRS	1-6/2009	1-6/2010
Net sales	61,248	69,859
EBITDA	7,245	12,960
EBIT	4,144	10,095

The relevant government grants for the joint venture with Volkswagen were approved in the beginning of the 2nd quarter 2010. The full operational start was subsequently carried out. The intention of this research co-operation is to develop modern systems of traction batteries for EV / HEV applications.

With the operational start of the joint venture in the 2nd quarter T€ 8,606 are recognised separately in the balance sheet for the first time under the position joint ventures and associated companies.

Additionally, VARTA Microbattery GmbH joined a research company with Graz University of Technology by acquiring a minority share of 19% in the year 2009. A further fund raising for this project was carried out in the 2nd quarter 2010. Also applications for relevant grants have been filed for.

Information about the Company

FINANCIAL CALENDAR 2010/2011

December 3, 2010	Report on the 3rd quarter of 2010
April 14, 2011	Report on the 4th quarter of 2010
May 31, 2011	Report on the 1st quarter of 2011

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IMPRESSUM

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Fotos:	digitalstock, istockphoto, Alu Menziken Holding AG, MNI Holding GmbH, VARTA Microbattery GmbH

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