REPORT ON THE FIRST HALF-YEAR 2011

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 retail and OEMs

Dear Shareholders,
Dear Ladies and Gentlemen,

The 1st half-year 2011 was still marked by a positive trend of the economic environment. At the same time however, there are intensified negative influences which continuously harm the worldwide economic recovery. After the dramatic global recession, the macroeconomic situation has improved significantly, but still continued to be a challenge because more and more slowdown trends in the economic growth have already been visible.

In the year 2010, the MTC Group successfully managed to use the market environment as well as its considerably improved competitive position. This development has fortunately continued in the 1st half-year 2011.

A good market positioning and the manifold measures implemented in the past regarding the optimisation of the value chain enabled the MTC Group to record increased sales figures and to achieve the best turnover level since the foundation of the group. The pleasant development is also reflected in positive profitability figures with an EBITDA margin of 13.1% and an EBIT margin of 8.9% being achieved in the 1st half-year 2011.

Although the upward trend of the economic development seems to have flattened, the current level of growth is still satisfying. Based on the current turbulences on the global markets it is still difficult to derive homogeneous business trends.

For the majority of the group the environment on the sales markets was positive in the 1st half-year 2011, this situation is no longer supported by catch-up effects which were mainly recorded in the first half-year 2010. The basic conditions for order intake are still challenging on a price level after the significant reduction of world wide production capacities in 2009 and the considerable improvement of the capacity utilisation in 2010. While a pleasant development on a volume level is visible in most Group areas, the strong Swiss franc has a significantly negative influence on the Alu Menziken Extrusion AG by now.

The MTC Group significantly increased net sales in the 1st half-year 2011 compared to previous year's level and passed the € 200 million sales threshold for the first time. In comparison to the 1st half-year 2010, sales increased by 18% thanks to a favourable sales performance of the biggest two divisions Aerospace & Industrial Components and Varta Micro Power.

The Aerospace & Industrial Components division succeeded in raising their net sales significantly (whereas both business units contributed), the Varta Micro Power division registered rising sales as well due to increasing demand in the retail business unit. In the Metal Tech division sales were below the previous year's level; however, due to good order intakes we assume a rebound in the medium-term.

In respect of the plant in Romania (UAC Europe S.R.L.) the certification process with Airbus was concluded in significant areas, the still open certification steps will be carried forward continuously. Thanks to the completion of the plant the sales started in the second half of 2010. The sales have developed well in the 1st half-year 2011, however further sales growth is expected for the forthcoming quarters 2011 due to the now available production capacity.

The Varta Micro Power division constructs the worldwide biggest and latest plant for mercury–free hearing aid batteries in Ellwangen, Germany. Until year-end it is targeted to start running the plant. The production capacities shall be considerably increased by new production technologies and optimised processes.

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

According to recent estimates for the year 2011, a healthy increase of the gross domestic products can be expected in the most important customer countries of the Group, but in multiple economies a considerable slow-down of growth is already visible. Nonetheless, after an upward trend MTC Group's order intake stabilized at a satisfactory level in the last couple of months.

In May 2011 Montana Tech Components AG successfully accomplished a capital increase in the amount of € 46 million (net according to IFRS) to refinance the convertible bond which was due in mid August 2011 and to realise strategic investment possibilities.
From an operational point of view, Montana Tech Components AG expects a challenging situation for the remaining fiscal year 2011, but faces it with confidence due to a good first half-year. In the first half-year of 2011 stable or increasing order intakes were recorded in most of the divisions. It is expected that both sales and earnings of the year 2011 will surpass 2010 figures.

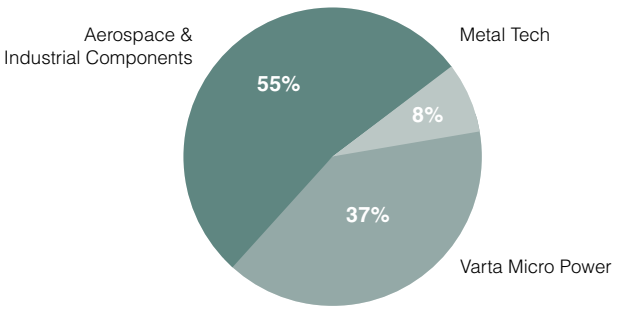
Montana Tech Components AG may welcome Christoph Katzensteiner as Chief Financial Officer. Since July 1, 2011 he strengthens MTC Group and aims to continue the growth of the Group consequently – in terms of organic increase as well as acquisition projects. Strategic chances are being evaluated continuously in line with the medium and long term focus of the Group.

Key financials of MTC Group

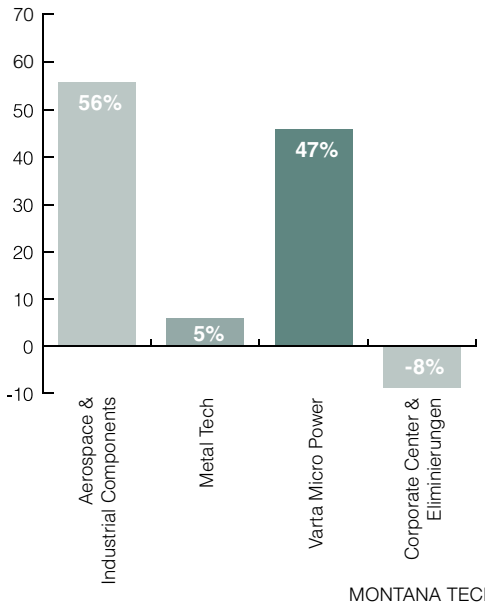
(in T€) unaudited according to IFRS	MTC Group 1-6/2010	MTC Group 1-6/2011	Aerospace & Industrial Components 1-6/2010	Aerospace & Industrial Components 1-6/2011	Metal Tech 1-6/2010	Metal Tech 1-6/2011	Varta Micro Power 1-6/2010	Varta Micro Power 1-6/2011
Net sales	170,561	200,670	84,912	111,615	15,790	15,304	69,859	73,751
EBITDA	24,011	26,357	10,710	15,331	1,520	1,290	12,960	11,109
in % of net sales	14.1%	13.1%	12.6%	13.7%	9.6%	8.4%	18.6%	15.1%
EBIT	15,387	17,938	5,463	10,131	1,066	833	10,095	8,373
in % of net sales	9.0%	8.9%	6.4%	9.1%	6.8%	5.4%	14.5%	11.4%
EBT	11,672	7,037						
Net income for the period	8,663	977						
Employees	2,664	2,739	1,054	1,146	160	161	1,439	1,422

(in T€) unaudited according to IFRS	MTC Group Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Net sales	82,230	88,331	92,391	88,129	101,102	99,568
EBITDA	9,257	14,754	12,119	8,825	12,714	13,643
EBIT	5,019	10,368	8,019	4,454	8,484	9,454
EBT	2,902	8,770	2,336	-1,165	5,126	1,911
Net income for the period	1,623	7,040	219	1,862	2,293	-1,316
Employees	2,597	2,664	2,671	2,699	2,703	2,739

NET SALES PER DIVISION 1-6/2011



EBIT PER DIVISION 1-6/2011



Financial review

INTRODUCTION

In the current reporting period there were no changes in the basis of consolidation. In the course of the restructuring measures made in 2010 a clearly structured Aerospace & Industrial Components division was set up. Now the division consists of five companies whereof three of them act operatively, each in America (Universal Alloy Corp.), Switzerland (Alu Menziken Extrusion AG) and Romania (UAC Europe S.R.L.).
The research projects of the subsidiary VARTA Microbattery GmbH in cooperation with Volkswagen and the Graz University of Technology (VARTA Micro Innovation GmbH) are still 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 2011 are listed in shortened versions on page 10 and 11 of this report.

Consolidated net sales of the MTC Group in the 1st half-year 2011 amounted to T€ 200,670 (1st half-year 2010: T€ 170,561) and represent a peak value consequently. This corresponds to an increase of 18% 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 the 1st half-year 2010.

Since invoicing is primarily done in local currency, the development of the U.S. Dollar and the Swiss Franc has basically a slight effect on the operating business of the companies – except Alu Menziken Extrusion AG. The development of the U.S. Dollar and the Swiss Franc, however, leads to an impact on the translation from the functional currency to the reporting currency (Euro).

The change in finished and unfinished goods is negative due to a destocking because the satisfaction of increased demand led to a reduction of inventory of finished and unfinished goods mainly in the Varta Micro Power division. This development will probably not proceed at the same level in the forthcoming quarters of 2011. Nonetheless, the Group will continue its action in order to guarantee an efficient working capital management.

The other operating income is lower compared to the previous year and includes as an ordinary position income resulting from cost transfers to the joint venture with Volkswagen (Varta Micro Power division). The decrease of the other operating income in 2011 is attributable to the fact that in the prior year the revaluation of property, plant and equipment was recorded as a special item, in the current year these revalued assets have been rented to the joint venture with Volkswagen.

Cost of materials, supplies and services of the MTC Group increased by almost 22% from T€ 71,687 in the 1st half-year 2010 to T€ 87,654 in the 1st half-year 2011. This trend is attributable to rising purchasing volumes and prices.

The increase of personnel expenses by T€ 3,678 compared to the 1st half-year of the previous year is mainly explained by a rise in personnel in the Aerospace & Industrial Components division. In the Varta Micro Power division a slight decline in personnel was noticed. The personnel in Metal Tech division stands nearly at the same level as in the 1st half-year 2010. All together, the personnel expenses stand 7% above the level of the same period of the previous year.

Other operating expenses increased by T€ 1,573 to T€ 32,970 in comparison the 1st half-year 2010. While a strong decline in the warranty & guarantee expenses was recorded, the overall rise is mainly caused by the higher energy and freight-out costs which are directly linked to the increased production and the increased sales volumes.

EBITDA amounted to T€ 26,357 (1st half-year 2010: T€ 24,011) which corresponds to an EBITDA margin of 13.1% (1st half-year 2010: 14.1%).

Furthermore, EBIT for the 1st half-year 2011 was T€ 17,938 (1st half-year 2010: T€ 15,387), representing an EBIT margin of 8.9% (1st half-year 2010: 9.0%).

Due to the financing structure of the MTC Group, the balance of interest income and interest expense remains clearly negative and stands with T€ 3,978 slightly below the figure for the same period of the previous year. Other financial result includes foreign currency exchange gains of T€ 358 and foreign currency exchange losses of T€ 6,052 (predominantly unrealised) which result from the negative development of the foreign exchange rate Swiss franc to Euro and Swiss franc to US dollar respectively.

Different results of the Group companies in diverse tax jurisdictions caused a disproportionately high income tax burden again. Tax expense for the 1st half-year 2011 amounts to T€ 6,060. Compared to the same period of the previous year the tax rate worsened and stands now at 86% of the income before tax. In particular, the reasons for this development are the extensive missing of deferred tax income due to non-capitalisable ongoing losses because we don't count on taxable earnings in the foreseeable future. Furthermore, the consumable tax losses brought forward within the group are almost completely capitalised and the effective usage of these tax loss carry-forwards now leads to deferred tax expenses.

Divisional information

Major sales contributor of the Group was again the Aerospace & Industrial Components division with T€ 111,615 (55%). The Varta Micro Power division contributed with T€ 73,751 (37%) and the Metal Tech division with T€ 15,304 (8%). 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 slight sales decline compared to the 1st half-year 2010.

Sales of aerospace products for the 1st half-year 2011 were significantly higher than in the same period of the previous year. Responsible for this positive trend are both the gradual start of business in Romania since the second half of the year 2010 and the positive sales contribution in the USA. In addition, sales of industrial components products gave a clear sign of recovery. In total, the rise in sales in the division amounted to 31% compared to the 1st half-year 2010.

The Metal Tech division had to report a decline in sales (3%) due to the weak business of new machines compared to the respective period of 2010. In contrary, the Varta Micro Power division managed to raise their sales level by 6% from the respective half-year of 2010. In the 1st half-year 2011 the Aerospace & Industrial Components division was the major contributor to the Group's EBIT with T€ 10,131 (1st half-year 2010: T€ 5,463), representing a tremendous rise of 85%. The market in the USA performed very pleasantly compared to the level of the previous year. Thanks to the continuously growing usage of the production capacity from UAC Europe S.R.L, the first significantly positive contribution margins were recorded in the 1st half-year 2011 in Romania. The result of the Swiss market was negative in the current period due to the increasing strength of the Swiss Franc and due to an unsatisfying level of sales prices.
The EBIT of the Varta Micro Power division was T€ 8,373 (1st half-year 2010: T€ 10,095) and represents a decline of 17%. The divisional EBIT margin amounts to 11.4% (1st half-year 2010: 14.5%). The decline of the EBIT margin is mainly due to unique earnings in the prior year. Nonetheless, the division benefits from a more favourable product and margin mix and from an increased demand, especially in the retail business.

The Metal Tech division contributed T€ 833 (1st half-year 2010: T€ 1,066) to the EBIT of the Group. The EBIT margin decreased by 1.4 percentage points compared to the same period of the previous year and stands now at 5.4%. The decline of the EBIT margin is among others caused by a decrease in sales. Thanks to the value added measures implemented in the past years the division still managed to achieve a considerably positive EBIT despite of the decreased order volume.

Finally, EBIT in the Corporate Center and eliminations resulted in a consolidated amount of T€ -1,399 (1st half-year 2010: T€ -1,237). Mainly responsible for this deterioration are project-related costs and a new compensation system for the supervisory board.

BALANCE SHEET AND FINANCIAL POSITION

Compared to year-end 2010, the equity ratio increased and stands now at 45% (December 31, 2010: 37%). Apart from the net profit in

the 1st half-year 2011, especially the capital increase in the amount of T€ 46,263 as well as the exchange rate differences had a positive impact on the equity. As of June 30, 2011 Group equity amounts to T€ 201,618 (December 31, 2010: T€ 152,210).

Responsible for the decrease of intangible assets were among others exchange rate effects as well as the fact that the ongoing depreciation is not compensated by the additions in the 1st half-year 2011. The position property, plant and equipment nearly stands at the same level. Negative exchange rate effects and the ongoing depreciation are in balance with the additions. However, in the forthcoming quarters 2011 an increase of capital expenditure within the Group is expected again.

Inventories slightly decreased compared to year-end 2010 and now amount to T€ 69,847. This development is partially caused by strengthened revenue recognition in the 1st half-year 2011, which also led to a reduction of finished goods, and partially by exchange rate effects. Due to an increase in sales trade receivables increased by T€ 6,741 compared to year-end 2010.

Cash and cash equivalents amounted to T€ 69,151 and were clearly above their level at the balance sheet date 2010 (T€ 30,566). The capital increase in May 2011 had a positive impact on the development of cash and cash equivalents. Besides the changes in exchange rates and the investing activities led to a reduction of cash. The investing cash flow also includes the purchase of short-term securities. Compared to the same period of the previous year the cash flow from operating activities decreased considerably. The cash flow from investing activities includes payments made for purchases of PPE and intangible assets, for purchases of short-term securities as well as a cash contribution in the joint venture with Volkswagen and Varta. Due to the capital increase less diverse repayments of loans and bank credits, the cash flow from financing activities had a positive impact on the development of the cash and cash equivalents than in the previous year.

Regarding the development of liabilities to financial institutions, it should be noted that an increase of bank loans is caused by financing in the Aerospace & Industrial Components division. On the other hand, repayments of loans and mezzanine capital in the Aerospace & Industrial Components and Metal Tech divisions as well as repayments of working capital lines in the Varta Micro Power division in particular took place, the total effect was a decrease in the amount of T€ 6,494 already taking into account the effects of exchange rate differences and interest accruals.

As of June 30, 2011, net debt in a narrow sense is T€ 6,982 (December 31, 2010: T€ 52,061). The net gearing in a narrow sense is 3% in relation to total equity (December 31, 2010: 34%). Net debt in a wide sense is T€ 52,536 (December 31, 2010: T€ 99,152) and the net gearing in a wide sense is thus 26% in relation to total equity (December 31, 2010: 65%).

Trade payables and advances received increased by T€ 1,112 compared to December 31, 2010, which can mainly be explained by increased purchases next to the end of this period.

CASH FLOW DEVELOPMENT

Cash flow from operating activities amounted to T€ 13,135 in the 1st half-year 2011 compared to T€ 19,066 in the respective half-year of 2010. This decrease was mainly due to the build-up of receivables, other assets and higher tax payments which is compensated by an increase of accruals.

The negative cash flow from investing activities changed considerably from T€ -5,675 in the first half-year 2010 to T€ -10,726. This increase can be mostly attributed to the further extension of the plant in Romania, increased capital expenditures in the USA as well as payments of capital expenditures which had been ordered in 2010. Furthermore, cash was invested in short-term securities.

Cash flow from financing activities was T€ +34,876. This cash flow results from payments received for capital increase amounting to T€ 46,263 as well as payments received by the increase of bank loans in the Aerospace & Industrial Components division (solely

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

by Alu Menziken Extrusion AG) amounting to T€ 1,576 and by the increase of other financial liabilities in the amount of T€ 1,640. On the other hand repayments of financial liabilities in the amount of T€ 12,779, interest payments in the amount of T€ 1,641 and payments for financial leasing in the amount of T€ 183 have been made in the 1st half-year 2011.

DEVELOPMENT IN THE SECOND QUARTER

In the 2nd quarter sales of the MTC Group amounted to T€ 99,568 and therefore reached the second best result in the corporate history of the Group (Q2 2010: 88,331). Thereby, the Aerospace & Industrial Components division contributed T€ 55,735 (56%), the Metal Tech T€ 7,546 division (8%) and the Varta Micro Power division T€ 36,288 (36%).

EBIT for the 2nd quarter was T€ 9,454 (Q2 2010: T€ 10,368), whereby the Aerospace & Industrial Components division contributed T€ 5,710 (Q2 2010: T€ 3,313), the Metal Tech division T€ 352 (Q2 2010: T€ 330) and the Varta Micro Power division T€ 4,005 (Q2 2010: T€ 7,628) respectively. Finally, EBIT in the Corporate Center and eliminations amounted to T€ -613 (Q2 2010: T€ -903).

EVENTS AFTER THE BALANCE SHEET DATE

In July 2011 a new convertible bond in the amount of 18,634 TCHF was issued. In mid August 2011 the convertible bond, which was issued in 2008, was repaid by funds from the capital increase. Montana Tech Components AG will use the additional cash to fund several growth projects.

OUTLOOK

The order situation within the MTC Group develops positively in most business units; this trend has even strengthened recently. However, according to our estimates it is still difficult to deduct a sustainable and stable recovery of the world economy from these signals. In particular, the possibility of a reliable forecast for the time beyond the upcoming quarters is limited.

For the full year 2011 an increase in sales compared to the previous year as well as a further increase in results are expected. The successive increase of the production in Romania with corresponding contribution margins, and an increase in the profitability in the geographical aerospace-segment US will contribute to the rise of operating results. The recently completed plant in Romania is being further extended. Currently, the construction of a billet casting house is in progress and an extension of the product line is in examination.

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2011

ASSETS (in T€) unaudited according to IFRS	31-Dez-10	30-Jun-11
Intangible assets	83,604	79,625
Property, plant and equipment	145,448	145,552
Joint ventures and associated companies	8,199	7,549
Other non-current assets and receivables	17,261	16,038
Other non-current assets and receivables	**254,512**	**248,764**
Inventories	70,309	69,847
Trade receivables	46,081	52,822
Other current assets and receivables	9,490	9,950
Cash and cash equivalents	30,566	69,151
Current assets	**156,446**	**201,770**
TOTAL ASSETS	**410,958**	**450,534**

LIABILITIES AND SHAREHOLDERS´ EQUITY (in T€) unaudited according to IFRS	31-Dez-10	30-Jun-11
Shareholders´ equity MTC AG	152,210	201,618
Minority interests	0	0
Shareholders´equity	**152,210**	**201,618**
Liabilities to financial institutions	49,854	45,055
Other non-current financial liabilities	6,068	7,430
Deferred tax liabilities	22,917	21,622
Post employment benefits and other employee benefits	16,885	16,710
Other non-current liabilities and provisions	12,057	8,896
Non-current liabilities	**107,781**	**99,713**
Liabilities to financial institutions	32,773	31,078
Other current financial liabilities	41,023	38,124
Provisions	13,912	14,366
Trade payables and advances received	31,561	32,673
Accruals	17,523	20,673
Other current liabilities	14,175	12,289
Other current liabilities	**150,967**	**149,203**
TOTAL LIABILITIES	**258,748**	**248,916**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY	**410,958**	**450,534**

CONSOLIDATED INCOME STATEMENT AS OF JUNE 30, 2011

(in T€) unaudited according to IFRS	1-6/2010	1-6/2011
Net sales	**170,561**	**200,670**
Change in finished and unfinished goods	2,721	-1,707
Other operating income	6,318	4,201
Cost of materials, supplies and services	-71,687	-87,654
Personnel expenses	-52,505	-56,183
Depreciation and amortisation	-8,624	-8,419
Other operating expenses	-31,397	-32,970
Operating result	**15,387**	**17,938**
Interest income and expenses	-4,158	-3,978
Other financial result - net	215	-6,273
Gain from purchase of minority shares	867	0
Net result from investments in associated companies	-639	-650
Income before tax	**11,672**	**7,037**
Income tax expense	-3,009	-6,060
NET INCOME FOR THE PERIOD	**8,663**	**977**
Thereof:		
Shareholders´ MTC AG	8,652	977
Minority interests	11	0
Net income for the period	**8,663**	**977**

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2011 (short form)

(in T€) unaudited according to IFRS	1-6/2010	1-6/2011
Cash flow from operating activities	19,066	13,135
Cash flow from investing activities	-5,675	-10,726
Cash flow from financing activities	-14,755	34,876
Net change in cash and cash equivalents	**-1,364**	**37,285**
Cash and cash equivalents as of January 1	39,035	30,566
Effect of exchange rate changes	3,617	1,300
Cash and cash equivalents as of June 30	**41,288**	**69,151**

Divisional Presentation

MONTANA
AEROSPACE & INDUSTRIAL
COMPONENTS

AEROSPACE AND INDUSTRIAL COMPONENTS

In the 1st half-year 2011 the Aerospace & Industrial Components division managed to raise their sales by 31% compared to the same period of the previous year, both business units aerospace and industrial components have contributed to this positive development. The industrial components business recorded a substantial increase in sales. In addition, the aerospace business recorded a sales increase compared to the 1st half-year 2010 as well, this was achieved also due to the strengthened start-up production of the Romanian company.

The new plant in Romania (UAC Europe S.R.L.) recorded a significantly positive EBIT in the 1st half-year 2011.

In the industrial components area the reached competitiveness was negatively influenced by the ongoing strength of the Swiss Franc.

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

Aerospace

The aerospace business faced a rise in demand compared to the same period of the previous year. The temporary weakness of the market in late 2009 and beginning of 2010 found an end based on the announcements regarding the increase of production intended by leading aircraft manufacturers, a further recovery in demand for the upcoming quarters and according to our current judgement even beyond is therefore visible. The build rates of the most important aircraft manufacturers are the most significant factor for sales and profitability of this business unit.

After the successful production start of the plant in Romania, the construction of a billet cast house was started to extend the manufacturing capacity. Furthermore, it is planned to step into the component manufacturing in the near future. In the US locations, dependent on capacity usage the light and medium presses will gradually be converted from direct to indirect technology (either by revamp or by new acquisition). This will result in an expected productivity increase of up to 25%.

In the 1st half-year 2011 the investment in a second heavy press in the USA has been started. In the medium term, this expansion step shall significantly raise the available capacity at the plant in Canton, Georgia. Furthermore, the extension of production into new business areas will be enabled. This shall strengthen the strategic focus of this business unit even further.

In the near future, strategic improvement measurements shall lead to concentrate Aerospace business unit for Europe in Romania and to extend the production for Industrial Components business unit at the location Menziken in Switzerland.

Industrial Components

The capacity utilisation was increased once more in the 1st half-year 2011. Back in 2010 the production has already achieved about 17,000 tonnes and therefore 85% of the installed capacity. In the 1st half-year 2011, the output was approx. 10,000 tonnes and led to a capacity utilisation of almost 100%.

Productivity gains since the beginning of 2010 have been overcompensated by the negative development of the Swiss franc.

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	1-6/2010	1-6/2011
Net sales	84,912	111,615
EBITDA	10,710	15,331
EBIT	5,463	10,131

MONTANA
METAL TECH

METAL TECH

In the 1st half-year 2011 the Metal Tech division had to register a decrease in sales compared to the same period of the previous year and a decline of order backlog. Incoming orders for new machines did not develop satisfyingly, however, the „Life Cycle Business“ recorded a better business development as expected. Chances for additional business have emerged recently due to a stimulation of the order market but due to production cycle incoming orders for new machines which will arrive in 2nd half-year 2011 will only partially lead to revenue recognition in the current fiscal year.

The optimisation of the value chain decided in prior periods is now completely implemented between the two sites. The assembling activities are now bundled in Regau, Austria, whereas the site in Stenløse, Denmark, focuses on engineering and delivery of core components as well as on sales and service activities.

(in T€) unaudited according to IFRS	1-6/2010	1-6/2011
Net sales	15,790	15,304
EBITDA	1,520	1,290
EBIT	1,066	833

MONTANA
VARTA MICRO POWER

VARTA MICRO POWER

In the 1st half-year 2011 sales were clearly above last year's level (+6%). Despite the loss of unique earnings in the prior year the EBIT margin reached 11.4% due to an improved product mix, a joyful rise in retail sales and the reduction of warranty and guarantee expenditures. In the respective half-year 2010 the EBIT margin was 14.5%. The decrease is due to the above mentioned special item in the amount of about € 3 million. In spite of this development Varta Micro Power was again the division with the highest relative margins within the MTC Group.

With the approval of the relevant government grants the full operational start of joint venture with Volkswagen took place in 2010. 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 1sr half-year 2010 a separate position for joint ventures and associated companies is recognised in the balance sheet (T€ 7,549 as of June 30, 2011).

Additionally, VARTA Microbattery GmbH joined a research company with Graz University of Technology by acquiring a minority share of 19% in the year 2009. Further fund raisings for this project were carried out in 2010 and will be continued in 2011. First instalments of relevant grants have also been confirmed so far.

In fiscal year 2011 the focus of the division is to realise investment projects in Ellwangen. The projects relate to hearing aid batteries (construction of a new production hall and increase of the production and packaging capacity) and the lithium-ion button cell technology to expand the market and competence leadership in these business units.

(in T€) unaudited according to IFRS	1-6/2010	1-6/2011
Net sales	69,859	73,751
EBITDA	12,960	11,109
EBIT	10,095	8,373

Information about the Company

FINANCIAL CALENDAR 2011/2012

November 28, 2011	Report on the 3rd quarter of 2011
April 13, 2012	Report on the 4th quarter of 2011
May 28, 2012	Report on the 1st quarter of 2012

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DISCLAIMER

IMPRESSUM

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