bertrandt

Growth through Performance

Fiscal 2006/2007 Annual Report

Fiscal 2006/2007 at a glance ›››

Fiscal 2006/2007 at a glance

The trend in the market for development services was favourable – in line with our expectations. Technological trends that will influence tomorrow's mobility must be taken into account in today's development work already. Combined with a lastingly large variety of models, this has caused manufacturers and component suppliers to outsource an increasing volume of work to development service providers like Bertrandt.

Bertrandt benefited more than average from these favourable market conditions in the 2006/2007 financial year thanks to the Group's strategic orientation, which combines a customer and branch-oriented approach to the market with the establishment of Group-wide divisions in a matrix organisation. This made it possible to accommodate greater project volumes, thus ensuring optimised capacity utilisation within the operating units.

Revenues rose by 40.8 percent year on year to EUR 339.528 million (previous year EUR 241.107 million). All of the Company's divisions contributed to this growth. Operating profit in the period under report grew significantly to EUR 32.306 million and thus improved by EUR 17.978 million (previous year EUR 14.328 million); earnings after income taxes came to EUR 22.212 million (previous year EUR 7.819 million). Free cash flow rose to EUR 21.168 million (previous year EUR 13.378 million) despite the increase in capital spending. With an equity ratio of 44.3 percent (previous year 46.4 percent), Bertrandt is among the best-funded companies in the automotive sector.

Group-wide, Bertrandt employed 4,708 people on 30 September 2007 (previous year 3,577). We are continuing to recruit specially trained engineers as well qualified junior management staff in the conventional body shell and interior segments as well as in the growth areas of electronics, supporting services, powertrains and testing.

In addition to customers in the automotive industry, Bertrandt also serves producers and system suppliers in the aviation sector. The market for engineering services continues to provide strong potential for successful business in both the automotive and aircraft industries.

EUR million	2006/2007	2005/2006
Revenues	339.528	241.107
Operating profit	32.306	14.328
Profit from ordinary activity	32.580	13.525
Earnings after income tax	22.212	7.819
Cash flows from operating activities	36.242	17.685
Cash flows from investing activities	-15.074	-4.307
Free cash flow	21.168	13.378
Capital spending	15.399	5.309
Capital and reserves	77.561	58.181
Equity ratio (%)	44.3	46.4
Total assets	174.995	125.469
Earnings per share (EUR)	2.20	0.78
Cash dividend per share (EUR)	0.80	0.30
Share price on 30 September (EUR)*	22.98	10.83
Share price, high (EUR)**	30.10	12.30
Share price, low (EUR)**	10.74	8.05
Shares outstanding on 30 September	10,143,240	10,143,240
Free float (%)	39.98	39.79
Market capitalisation on 30 September	233.1	109.9
Number of employees at Bertrandt Group on 30 September	4,708	3,577

* Closing price in Xetra trading
** In Xetra trading

Growth through Performance

Performance pays off. Fiscal 2006/2007 was one of the most successful years in the Company's history. Key data such as revenues and EBIT recorded a marked improvement and the number of employees continued to rise. Moreover, the enterprise value was increased through a disproportionately sharp rise in the share price.

Growth at Bertrandt, however, is not an end in itself, but the logical consequence of long-standing sector competence and strategic management. For this reason, over the past few years the Company has systematically pushed ahead with the expansion of its range of services in the interests of its customers. New business areas were opened up, established services were improved and expanded further.

What this means is that Bertrandt was able to further consolidate and expand its market position as engineering partner to international automobile and aircraft manufacturers and their suppliers.

Contents

Development supporting services

At Bertrandt, development supporting services are a multi-faceted area with above-average rates of growth. In addition to looking after numerous interface functions in development and production, Bertrandt supports manufacturers and suppliers with comprehensive project and process management.

With a combination of methodical expertise and product know-how, Bertrandt offers its customers a convincing package of benefits.

Letter to the shareholders

Management Board Report

Dietmar Bichler, Chairman of the Management Board

Dear shareholders,

Bertrandt once again put in a strong performance in fiscal 2006/2007. Key financials, such as revenues and earnings, exhibited substantial growth, the share price rose at an above-average pace, and – this fact gives me particular pleasure to report – a large number of new jobs were created.

The encouraging business performance is due to our systematic focus on the requirements and demands of our customers. Taken together with a perceptible recovery on the engineering market, this performance led to dynamic growth over the past fiscal year. Revenues rose by 40.8 percent year on year to more than EUR 339.5 million. Thanks to good capacity utilisation both at home and abroad, EBIT improved to EUR 32.3 million.

Growth across the entire range of services

Bertrandt offers an extensive range of services along the value chain of the mobility industry, ranging from the development of individual components and modules to the development of complete vehicle variants. In line with the mission statement of its annual report, "Growth through Performance", Bertrandt has, during fiscal 2006/2007, strengthened its resources in both organisational and human terms and increased its know-how. In particular, the specialist areas of body shell, electronics, interior, powertrain, simulation, supporting services and testing were expanded.

Thus sustained growth was generated across the entire Bertrandt Group. The success is not, however, restricted to the automotive sector. Bertrandt was able, through the systematic expansion of its services for the aviation sector, to raise further its position as one of the top development service providers in this sector as well.

Positive market trends

The trend towards outsourcing remained unbroken in fiscal 2006/2007. Automotive and aviation producers and their suppliers outsourced considerable parts of their value chain to service providers such as Bertrandt. This market trend is supported by technological trends that must be taken into account today when developing the model generations of the future.

Such trends include the steadily rising proportion of electronics in a vehicle, innovative drive systems, lightweight automotive construction, increased quality demands and the need for improved vehicle safety. Bertrandt has demonstrated once again that it has the ability to identify these trends at an early stage and adapt to requirements very quickly. In so doing, Bertrandt was able to consolidate its position and benefit from market growth to a disproportionate extent, particularly in its core German market. The success of the fiscal year confirms us in our conviction that the strategic orientation of the Bertrandt Group is being favourably received by our customers and that Bertrandt is viewed as a long-term partner.

Bertrandt creates further jobs

During the past fiscal year the number of employees increased to 4,708. An indication of the positive image that Bertrandt has on the job market is the fact that many jobs were created and filled despite the shortage of engineers in Germany. Bertrandt will continue to invest in the know-how of its employees. In fiscal 2006/2007 the Company spent EUR 4.5 million on training programmes.

Positive performance of the Bertrandt share and increased dividend

The encouraging performance of Bertrandt AG is also evidenced by the uptrend in the Bertrandt share in the period under report. The share price rose from EUR 10.99 on 2nd October 2006 to EUR 22.98 on September 28, 2007. With a 109.1 percent surge in its price, the share not only substantially outperformed the Prime Automobile Performance-index, it now also ranks among the top performers in Germany during the period under observation.

The above-average equity ratio of around 44.3 percent and loan repayments continue to form a solid basis for all of the Bertrandt Group’s activities. This allows us to let you, my dear shareholders, participate in the good performance of Bertrandt AG in the form of a substantial increase in the dividend. Accordingly, the Supervisory Board and Management Board propose an increase in the payout over last year’s figure to EUR 0.80 per dividend-entitled share.

Ulrich Subklew **Dietmar Bichler**

The signs are set for growth

Germany will occupy a leading role in automotive and aviation engineering in the foreseeable future. We will continue to do our utmost to prepare our Company for the technological trends and to support our customers in the implementation of new model generations. Our strategy of maximum customer orientation will enable Bertrandt to benefit from the rising model variety, the high number of variants and from technological trends. We therefore take an upbeat view of the future and expect good opportunities to continue our qualitative and quantitative growth.

We particularly owe the success of this fiscal year to the high level of motivation and dedication found amongst our staff. Without their exceptional commitment, the growth that was realised in fiscal 2006/2007 would not have been possible.

Yours sincerely,

Dietmar Bichler
Chairman of the Management Board

Growth through performance


Bertrandt adjusted its strategy to fit major trends at an early stage

"Detecting trends – seizing opportunities" was the mission statement of last year's annual report. This was true last year, and it still applies today. Trends that leave a lasting mark on society and the economy influence the strategies and products of successful companies.

In particular, the trend of "individual mobility for all" is of overarching importance for Bertrandt. After all, the Company has for several decades worked at full speed to develop the mobility concepts of tomorrow.

The desire for mobility has a sustained impact on the branches of industry whose task it is to transport people quickly, safely and comfortably from A to B. The focus here is always on what the customer wants.

The desire for individual mobility is an important driving force in contemporary society

Bertrandt, an experienced partner of the automotive and aviation industries, has analysed trends at an early stage, adapting its range of services to the requirements of its customers and expanding it steadily. The guiding principle of “growth through performance” is a recurrent theme throughout the Bertrandt Group.

The strategic approach chosen by the Company has been the right one: in addition to expanding traditional engineering, such as the development of body shells or the interior of a car, Bertrandt has gradually built up and expanded its know-how with respect to specialised engineering problems. Specialists in the areas of electronics, supporting services, interior, power-train, body shell, simulation, testing and aviation embody the high level of development skills across the Group.

Our “growth through performance” was illustrated in fiscal 2006/2007 by a sustained, value-oriented business performance and a rising share price.

Technological trends are spurring demand for development services

Bertrandt's achievements are many and varied. Specialists work on further developing the functionalities in the Electrical Systems/Electronics divisions. The desire for comfort, safety and infotainment is one of the key growth drivers in this segment.

By contrast, the specialists in the Powertrain unit are faced with the challenge of combining the fun of driving with the demand for less fuel consumption. In this respect, Bertrandt's focus is on integrated drive systems.

Interior specialists focus on the well-being of each individual driver or passenger inside the car or aircraft. Shaping, feel and functionality are at the centre of our activities.

Our work is always geared to our customers' needs

The desire for more individuality also increases the complexity of the production process and of supplier management. The supporting services unit assists these processes with an increasing variety of development and production-related, as well as commercial services.

A large number of simulation methods accelerate the product-development process. Technical quality assurance takes place through extensive testing, such as crash and environmental tests.

"Growth through performance": the services provided are wide-ranging and yet always suit customers' requirements. Bertrandt is an major development partner for manufacturers and suppliers in the international automotive and aviation industries. Now and in future.

Highlights of the year

October 2006

Technikum sponsors "ZiSch project".
Bertrandt took part in the "Newspaper at School" project, where students are familiarised with the newspaper medium. Interested students carried out their research directly in Bertrandt's business divisions. Their contributions will be published in due course.

November 2006

VDI Nachrichten Recruiting Day in Ludwigsburg.
Bertrandt took part in a large number of university-contact fairs and recruitment days. For instance, the Company also took advantage of the VDI Nachrichten Recruiting Day as a platform to draw attention to itself and to establish initial contacts with both graduates and experienced specialists.

December 2006

Annual press conference in Stuttgart.
Chairman of the Management Board Dietmar Bichler presented the Company's upbeat business performance in fiscal year 2005/2006 to approximately 20 representatives of the media.

Analysts' conference in Stuttgart.
Bertrandt informed its financial partners of the fiscal 2005/2006 figures and the continuing uptrend in business. Moreover, Dietmar Bichler outlined what factors will contribute to success in the future.

Innovative solutions for aviation

January 2007

Purchase of equity interest in EUROAER GmbH.
On 23 January 2007, Bertrandt AG's acquired stake of 33.33 percent in EUROAER GmbH is registered in the Commercial Register. EUROAER's services cover the entire process chain of aviation development. With this step, Bertrandt has consolidated its Tier 1 Status at aircraft manufacturer Airbus.

February 2007

Annual General Meeting.
At the Annual General Meeting the Management Board and Supervisory Board welcomed approximately 300 shareholders. The Management Board and Supervisory Board were granted a discharge by a large majority of votes.

Launch of Bertrandt Services GmbH.
Since 1 February 2007, Bertrandt, via its subsidiary Bertrandt Services GmbH, has been offering customised staff service performance concepts for growth sectors outside the mobility industries in the technical and commercial areas.

March 2007

Wirtschaftswoche study.
Based on the result of an extensive study carried out by the Wirtschaftswoche business magazine, Bertrandt ranks 30th among the fastest-growing companies in Germany. Bertrandt is thus among the companies creating the largest number of new jobs in 2006.

April 2007

Future day in Tappenbeck.
On 26 April 2007, boys and girls were given the opportunity, as part of future day, to extend their range of potential professions by looking at technical professions. During the event, Bertrandt in Tappenbeck provided the young people with some interesting hands-on experience.

May 2007

Capital market day.
Around 40 people attended Bertrandt AG's second capital market day in Ehningen on 14 May 2007. Chairman of the Management Board Dietmar Bichler presented the half-year results. Furthermore, two renowned representatives from the automotive and aviation sectors gave speeches: Dr.-Ing. Bernd Bohr, Managing Director of Robert Bosch GmbH, and Prof. Dr. Hans-Jürgen Flüh, Head of Vehicle Technology and Aircraft Manufacture at the University of Applied Sciences in Hamburg.

June 2007

Certifications.
Thanks to its certified management system, which was inspected by certification company DEKRA at a number of locations in June 2007, Bertrandt is facing the challenges of the market and ensuring its ability to compete.

Favourable response at the second capital market day

IAA 2007 stand a key attraction

July 2007

Specialist electronics meeting.
Being a provider of development services, Bertrandt identifies trends and helps shape the future, including in the vehicle electronics segment. Using three examples, Bertrandt demonstrated the "successes achieved in automobile electronics" during the specialist meeting.

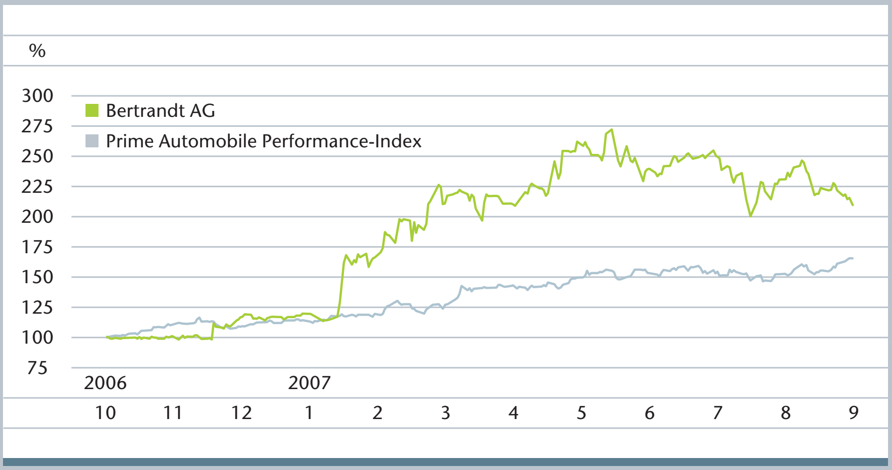
August 2007

Job-applicant days.
To cover the growth sector's rising demand for qualified employees in the engineering profession, Bertrandt regularly hosts job-applicant days for graduates and experienced engineers. On 24 August 2007, the Ingolstadt subsidiary initiated its own job-applicant day for electronics development.

September 2007

IAA.
Bertrandt communicated its range of services at the IAA trade fair in Frankfurt through the use of presentations and examples from its specialised business units. This year's "Hospitality" trade fair-stand concept focused on the customer's well-being and comfort.

The Bertrandt share



Share price comparison

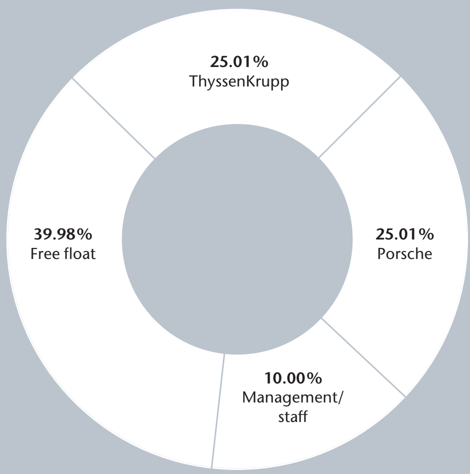
Share prices up all over the world

Based on the good economic prospects, global equity markets moved up until June 2007. The picture changed with the advent of the subprime crisis in July. The uncertainty amongst market participants was reflected in declining share prices and a substantial increase in volatility.

German companies were able to benefit from the bright underlying economic conditions worldwide and reported rising corporate earnings, despite a strong euro, underpinned by exports. Driven in particular by foreign investors, the DAX reached a new all-time high at 8,152 points on 13 July before entering a phase of pronounced fluctuation. On 28 September 2007, it closed at 7,862 points, up from 6,019 points on 2 October 2006, at the start of fiscal 2006/2007. Most of the share prices of German automotive companies went up during this period as well.

Performance of the Bertrandt share

The Bertrandt share recorded a significant gain in fiscal 2006/2007. Following a slight rise in the first quarter to EUR 12.88 on 31 December 2006, its price surged on publication, in an ad-hoc bulletin issued on 22 January 2007, of the preliminary results for the first quarter. A few weeks later, the share was trading around EUR 24. The share continued its climb until early June, reaching a high of EUR 30.10 on 4 June. Thereafter the share price declined. On 28 September 2007, the share's closing price was EUR 22.98. With a 109.1 percent increase in its price, Bertrandt share outperformed the Prime Automobile Performance-Index, which itself gained 65.4 percent, by a substantial margin.



Shareholder breakdown in fiscal 2006/2007

All told, interest in Bertrandt shares has risen perceptibly since the release of the ad-hoc bulletin on 22 January 2007, a trend that was also reflected in a sustained rise in trading volumes.

Stable shareholder structure

Based on the number of invitations to the Annual General Meeting sent out in February 2006, we estimate the total number of shareholders in Germany at around 5,000. In addition, holders of Bertrandt shares include international investors as well as renowned companies. Dr. Ing. h.c. F. Porsche AG holds a 25.01 percent stake in Bertrandt AG. ThyssenKrupp Technologies AG and ThyssenKrupp Steel AG hold 15.006 percent and 10.0004 percent, respectively, of Bertrandt AG. Management and staff hold around ten percent. The free float was about 40 percent as at 30 September 2007.

Coverage by analysts

The Bertrandt share is covered and evaluated by analysts at Bankhaus Metzler, Cheuvreux, HypoVereinsbank and Landesbank Baden-Württemberg. The analysts, following the positive performance of Bertrandt AG's business results, raised their target price for Bertrandt shares over the course of the year on the basis of the quarterly results released. At present, the forecast target prices range between EUR 30 and EUR 40. All analysts are currently recommending the share as a Buy.

Key data of the Bertrandt share

	2006/2007	2005/2006
Issued capital on 30 September (EUR)	10,143,240	10,143,240
Number of shares	10,143,240	10,143,240
Market capitalisation on 30 September (EUR)	233,091,655	109,851,289
Share price on 30 September (EUR)*	22.98	10.83
High (EUR)**	30.10	12.30
Low (EUR)**	10.74	8.05
Earnings per share (EUR)	2.20	0.78

* Closing price in Xetra trading
** In Xetra trading

Close dialogue with participants on the capital market

A key component of the corporate policy of Bertrandt AG involves comprehensive and immediate capital markets communication targeted at institutional and private investors, analysts as well as the media. Aside from compliance with the stringent transparency requirements tied to inclusion in Deutsche Börse's Prime Standard and nearly all the recommendations of the German Corporate Governance Code, Bertrandt pursues the aim of positioning its share as a long-term investment.

Communications focus on describing the Company's business model and strategic thrust as well as explaining the technical and economic background. These subjects are elaborated upon in numerous personal discussions, interviews and presentations.

In the course of the financial year Bertrandt AG presented itself to potential or actual institutional investors during several road shows in Germany and Switzerland. Bertrandt invites the media and representatives of financial institutions to a shared dialog twice a year. In addition to the annual press and analysts' conference in December on the basis of the annual financial statements, the Company holds a capital market day in May to mark the release of the half-year results.

IPO in 1996	Issue price	2.7 million shares at EUR 6.65 each
	First day of trading after IPO	1 October 1996 (regulated market)
	Underwriting syndicate	Bayerische Vereinsbank AG, Dresdner Bank AG, Baden-Württembergische Bank AG, Südwestdeutsche Landesbank, Schwäbische Bank AG
2003 listing	Market segment	Prime Segment, Automobile
	First day of trading	24 March 2003
	Price on first day of trading	EUR 16.30
Listed for trading in		Xetra, Frankfurt, Stuttgart, Berlin, Hamburg, Düsseldorf, Munich
Designated sponsors		Bayerische Hypo- und Vereinsbank AG, Landesbank Baden-Württemberg
WKN/ISIN		523280/DE0005232805

Basic information on the Bertrandt share

Second capital market day

At the capital market day held this year for the second time on 14 May 2007, Chairman of the Management Board Dietmar Bichler explained to the roughly 40 participants from the banking, capital market and media worlds the Company's business performance in the first six months as well as the trends in the automotive sector and their implications for Bertrandt AG's business model.

Dr.-Ing. Bernd Bohr, Managing Director of Robert Bosch GmbH, reflected on the global trends in the automotive industry and explained the challenges facing the automotive industry in the future. In a second guest lecture Prof. Dr. Hans-Jürgen Flüh, Head of Vehicle Technology and Aircraft Manufacture at the University of Applied Sciences in Hamburg gave his audience insights into the demands of designing an aircraft and the use of conventional lightweight and innovative fibre composites in aircraft construction.

The internet as a communications platform

In addition to the aforementioned events, Bertrandt utilises the Internet as a platform to provide investors and shareholders with information on the Company. At www.bertrandt.com, all annual and interim reports, ad hoc bulletins and press releases are published in German and in English. In addition, information on the Management Board, Supervisory Board, the corporate structure, the business model and current project references is available. The investor relations section also includes information on key financials, corporate governance, director dealing reports and recent corporate presentations.

Group management report

Electronics – always under power

Mobility would no longer be conceivable nowadays without electronics. Optimum interplay between software and hardware on the road and in the air guarantees locomotion with high degrees of comfort and safety.

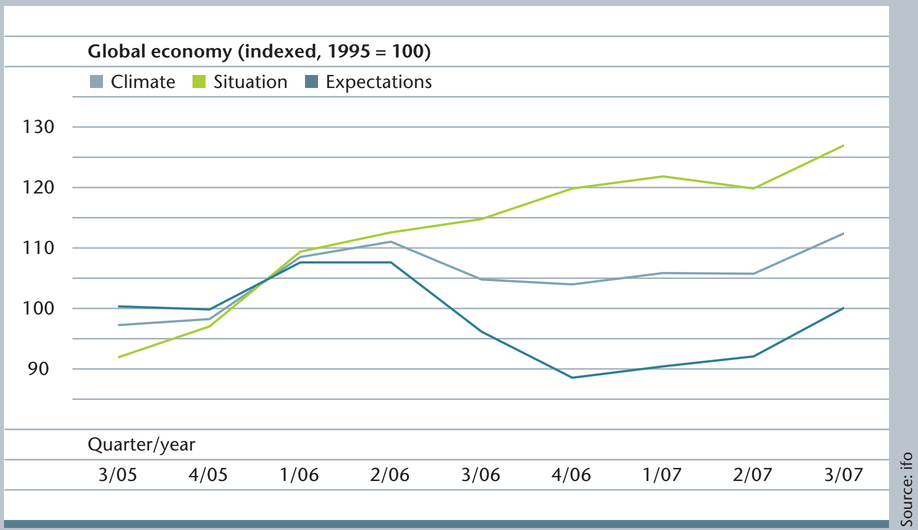
Electronics also play a major role in engine development. With its electronics specialists in its own competence centres, Bertrandt covers the entire value chain from the seed idea to implementation and through to validation.

Business and general conditions

Business performance

The global economy grew strongly in 2006. Alongside the dynamic uptrend in the emerging countries, the industrialised nations also recorded considerable growth. The International Monetary Fund (IMF) estimates that global gross domestic product rose by an annual average of at least five percent even though the sharp increase in energy prices as well as the rise in short and long-term interest rates exerted a dampening effect.

This period of strong expansion in the global economy is expected to have continued at a similar level in 2007, while the US economy in the meantime lost some momentum. Underpinning this forecast in the global business climate index of the ifo (Institut für Wirtschaftsforschung = Institute for Economic Research), which covers all the three major economic regions of Western Europe, North America and Asia, and which improved further in the third quarter of 2007 in terms of both the economic situation and climate. This followed what were already rises in the expectations in the first and second quarters.



In the eurozone, gross domestic product rose by 2.7 percent in 2006, to which Germany made a key contribution with 2.8 percent growth. Exports were the growth driver in Germany despite the strong euro. Although consumer spending in 2006 left the period of contraction that had persisted since 2002 behind, it has so far not provided any significant impetus. The favourable underlying conditions for the eurozone and also for Germany are intact in 2007. Robust economic growth is anticipated.

Trends in the automobile industry

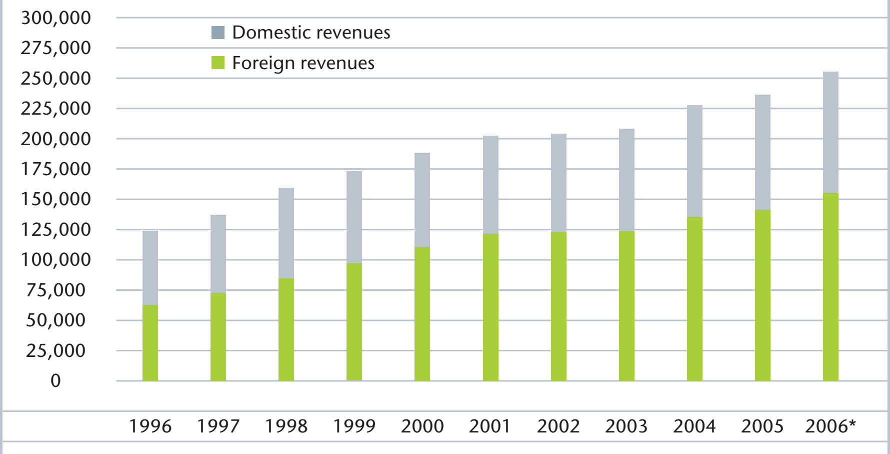
Global automobile production hit a new record in 2006 with more than 67 million cars. The key factor here was the growth in Europe and Asia, which more than compensated for the decline in the NAFTA area. The German automotive industry built, with 11.3 million vehicles produced at home and in other countries, more units than ever before and exceeded its figure for the previous year by six percent. In Europe, their most important market, German manufacturers further expanded their leading position and now have a 47 percent share of the market. In addition to exports to other European countries, exports to the Americas and Asia also contributed to the growth in output. Registrations of new passenger cars in Germany were up 3.8 percent in 2006, to nearly 3.5 million vehicles. Based on the half-year figures, the VDA industry association forecasts for 2007 a continued uptrend driven by exports and a new output record for the German automotive industry, even though the new vehicle registration figures in Germany were nine percent down year on year after six months.

Source: VDA

Based on the growth in output described above together with the global trend towards premium and diesel cars, the German automotive industry reached a new sales record of EUR 255 billion in 2006. In its domestic market, it topped the 100 billion threshold for the first time with five percent growth.

Revenues in the German automotive industry

in EUR millions



*provisional

Source: VDA statistics, German Federal Motor Vehicle Office

Trends in the aviation industry

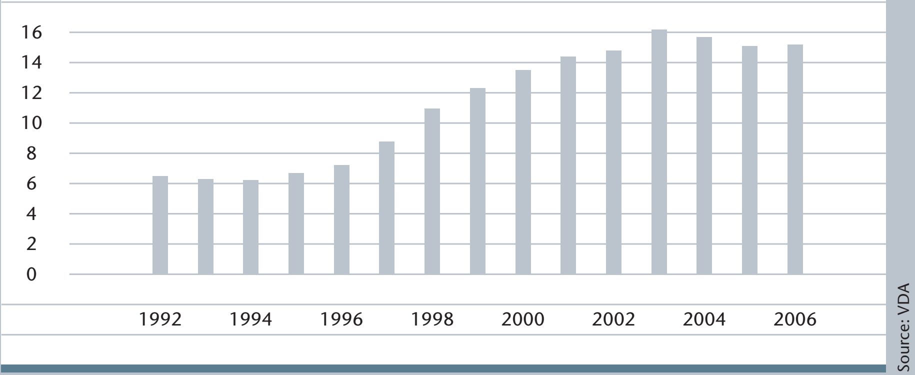
The civil aviation industry continues to be a steady growth market. Although the industry did not, in 2006, generate the record levels of the previous year, it was another strong period. A five percent increase in global scheduled flights and strong demand for aircraft from the emerging countries contributed to this result. Full order books among the manufacturers on the one hand and restructuring measures applied by one of the main customers on the other hand characterised the year 2007.

The engineering services market

Creating new vehicle segments and occupying niches is intended to generate incentives to buy and to respond to consumer demand for individual mobility. This has contributed to a sustained increase in the variety of models, and this trend is likely to continue in the years ahead. The European automotive industry is investing both in new technology and improving existing equipment to defend and expand its position on the global market. German carmakers spent about EUR 15.2 billion on research and development in 2006. In so doing, they increasingly involved strategic partners in their projects. The market for engineering services in Europe and especially in Germany again grew in 2007.

R&D expenditure in the German automobile industry

in EUR billions



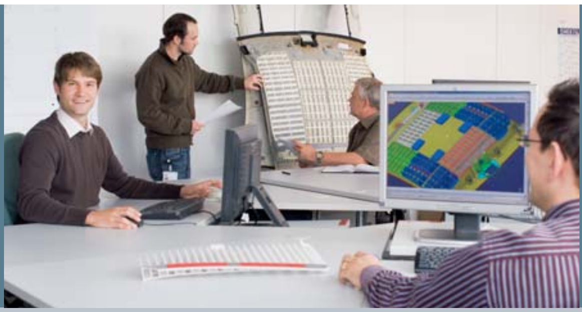
In the aviation industry, too, the variety of models is widening due to differing requirements of aircraft with respect to range and capacity or passenger volume. The market is also demanding more efficient and environmentally friendly aircraft models. The application of new technologies and materials also plays a key role in this respect. The aforementioned aspects mean that the aviation industry will have additional need for development work in the future.

Under such favourable market conditions Bertrandt succeeded in bolstering its position and benefited to a disproportionately large extent from the growth.

Business model

Where Bertrandt is located:

Germany	Altenburg, Berlin, Bremen, Bretzfeld, Ehningen, Garching, Hamburg, Ingolstadt, Cologne, Mannheim, Munich, Neckarsulm, Nuremberg, Rüsselsheim, Stadthagen, Wolfsburg
France	Paris, Sochaux
United Kingdom	Dunton
Sweden	Trollhättan
Spain	Barcelona
United States	Detroit



Bertrandt is one of the leading engineering service providers in all of Europe. At 22 facilities in Europe and the United States, 4,708 employees are at work on developing future model generations in the automobile and aircraft industries. Our range of services covers the entire development process. Commissioned by its customers and in close collaboration with them, Bertrandt's development work ranges from individual components to complex modules through to complete derivatives. Its customer base comprises nearly all European manufacturers as well as numerous leading systems suppliers.

One of the principal conditions for long-term partnerships with the manufacturers and component suppliers is Bertrandt's presence in direct proximity to the manufacturers' development centres at home and abroad. Bertrandt has facilities close to its customers in Germany, the United Kingdom, France, Sweden, Spain and the United States.

Basis of the business model

The basis for its business model is the Bertrandt Group's strategic orientation, which combines a customer and branch-oriented approach to the market with having Group-wide specialist segments. To a significant extent, Bertrandt can thank the qualifications and willingness of its staff to perform for successful implementation of this strategy. Bertrandt constantly responds to changed market demands and adjusts its range of services accordingly. Staff qualifications are thus extended with targeted training courses, new employees are recruited for growth segments and the Company invests in line with requirements. Efficient project and process management as well as a broad-based quality management system complement the range of services and represent another basis of the business model.

Successful business performance hinges to a significant degree on the market trends described below:

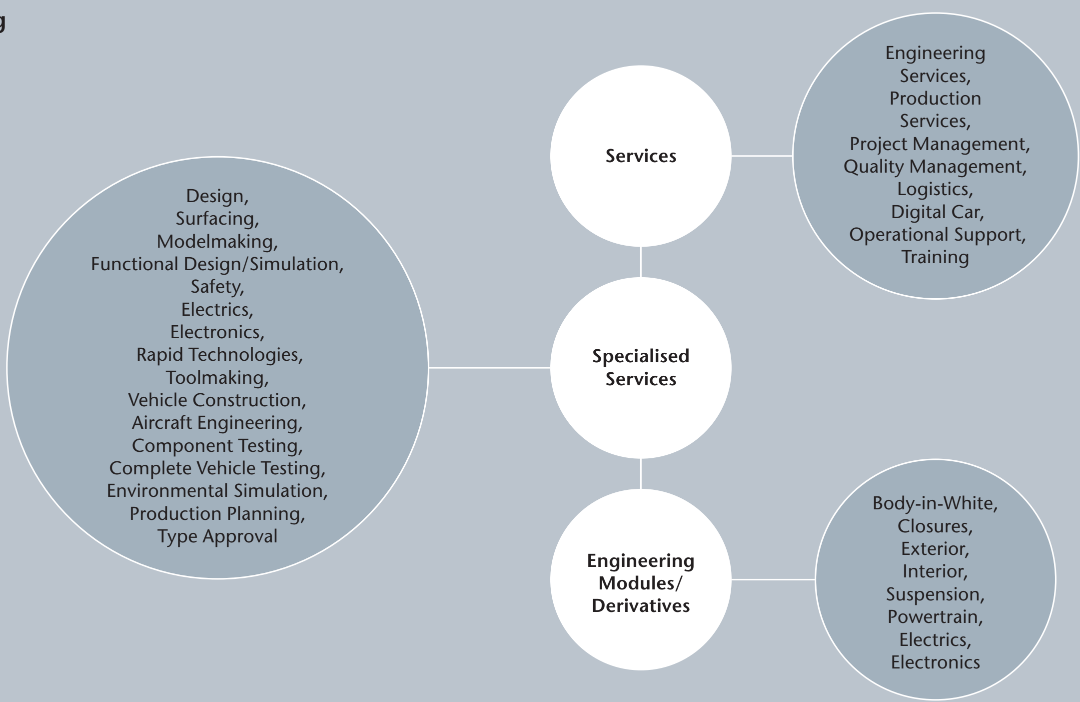
Customers' concentration on their areas of core competence
Manufacturers concentrate on links in the value chain where they have expertise that sets their business apart. These include for example overall vehicle planning, vehicle design and engine development. This provides suppliers and development service providers with opportunities to support the manufacturers with a wide range of development and other services. It gives rise to new tasks for Bertrandt within and alongside the development process as such.

Growing model diversity
Carmakers are responding to the change in consumer behaviour and the trend towards more individuality with a wide variety of models. This has resulted in a large number of vehicle series and a broad range of variations. Virtually every carmaker nowadays sells a wide array of models alongside the conventional saloon car: from the convertible through to the SUV. This variety will be further extended in the years ahead by developing hitherto unoccupied niches and with so-called crossover models, namely a combination of different types of vehicle.

Technological progress driving a growing need for engineering
Competitive and cost pressures as well as mounting safety and environmental requirements are compelling manufacturers and suppliers to develop existing technologies further and to employ new ones. The consequence is that manufacturers and their suppliers have an additional volume of development work with a corresponding need for engineering services. Furthermore, new technologies and materials must prove their fitness for mass production in comprehensive tests prior to being launched.

Range of services

Bertrandt Engineering Network



As a leading engineering company in Europe, Bertrandt covers all stages of the automotive development process. At all project stages from the seed idea, design, development, simulation, testing, model/prototype building, tooling and production planning right up to the series ramp-up and series production management, Bertrandt offers its customers a comprehensive range of services. This makes Bertrandt a dependable partner for its customers when it comes to developing components, modules and vehicle derivatives. This range divides into services, services specific to specialist areas as well as development of modules and derivatives.

Services

Along the automotive value chain, there are many tasks parallel to the actual development and production process, which range from project management to supplier management and through to quality assurance as well as documentation. Bertrandt supports and unburdens its customers with respect to these tasks.

Services specific to specialist areas

The development process comprises a large number of development stages involving a high degree of specialist knowledge and experience. Bertrandt covers the whole spectrum of development work, from design through to reaching readiness for mass production.

Module and derivative development

Bertrandt has the expertise to execute complex development tasks such as those involved in developing modules and derivatives. The Company has in the past few years resolutely geared itself to the changed demands of its customers in this regard and assumes overall responsibility for projects. This involves, for example, managing the interface between customers, system suppliers and Bertrandt as well as monitoring quality, costs and schedules.

Group-wide specialist areas

Bertrandt addresses the mounting complexity of tasks with group-wide interlinking of its engineering know-how in virtually all development areas. For instance, direct customer support via separate branches benefits from Bertrandt-wide expertise particularly in the following specialist areas:

Body shell

The area of body structures presents developers with major challenges that have to be met in terms of functionality. The use of new materials and production processes also has to be taken into account. Based on decades of experience, Bertrandt carries out development work on areas ranging from doors and hatches through to building of the whole body shell and, as a systems integrator, coordinates the partners involved.

Electronics

The proportion of electronic applications in vehicles has steadily increased due, among other factors, to mounting safety and comfort requirements. Electronics nowadays also plays a key role in areas that were untouched by it in the past. The electronics segment accounts for the majority of automotive innovations. Bertrandt has steadily enlarged its range of services and the number of its staff in this specialist area.

Interior

The interior is a major feature in terms of brand identity. In addition to very high visual and tactile expectations, functionality and quality also play crucial roles here given that these aspects are immediately evident and perceptible to the consumer. Development of instrument panels and entire seat units is executed on an all-in basis within the Bertrandt Engineering Network.

Powertrain

The key challenge in powertrain development is still to increase efficiency; namely to reduce consumption and emissions while simultaneously increasing power. The manufacturers are trying to do so by optimising existing powertrain designs as well as developing new ones. Bertrandt is active primarily at the interface between the engine on the one side and peripherals, drivetrain and chassis on the other.

Simulation

Virtual design solutions facilitate shortened development periods. By specifically using virtual design methods, Bertrandt's simulation experts form the basis for achieving functional targets, as for example with respect to crash performance and comfort, at early stages of the development process.

Supporting services

Bertrandt's supporting services perform many cross-sectional development and production tasks, which are becoming increasingly complex, in the automobile and aircraft industries. The key benefit is that this eases the strain on the customer's development resources.

Testing

Statutory safety and environmental requirements are steadily mounting, and vary between the individual markets around the world. For this reason, great priority is already being given to methods of increasing active and passive safety. In addition, manufacturers are backing up their digital product development with hardware and testing. Bertrandt provides its customers with the means to test components and vehicles under virtually real conditions.

Aviation

Bertrandt has been an established provider of development services to carmakers for many decades now, allowing them to bring to market a growing number of vehicles within the shortest possible space of time. In the aviation industry, too, the variety of models is widening due to differing requirements of aircraft with respect to range and passenger capacity. At the same time, the industry is increasingly outsourcing its development projects. Bertrandt has recognised this opportunity and geared its services to accommodate this segment. For several years now Bertrandt has been supporting multi-national aircraft manufacturers in the development of structures and interiors, in hardware-related areas as well as other services related to development work. Bertrandt gained direct access to the European aerospace industry via its investment in EUROAER GmbH.

Group organisation and management

International Group structure

Bertrandt AG is the parent company within the Bertrandt Group, which comprises legally independent entities in Germany, France, Sweden, Spain, the United Kingdom and the United States. Bertrandt AG's Management Board runs the Company on an autonomous basis. The Supervisory Board appoints the members of the Management Board and monitors and advises them and, in particular, is consulted on decisions of material importance to the Company.

As a matter of principle, Bertrandt AG's subsidiary undertakings are managed independently by their own management. Group and single-entity interests are coordinated at regular management meetings between the Group Management Board and representatives of the individual subsidiaries.

Focus on creating value

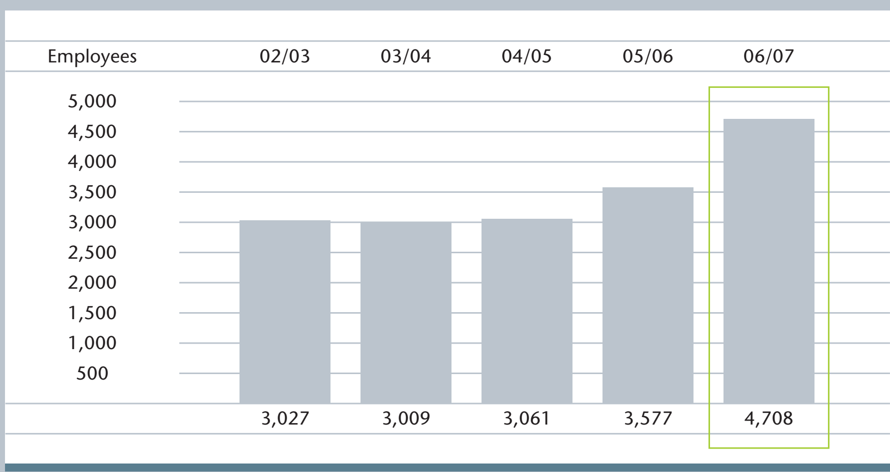
The Bertrandt Group's management system aims at creating value throughout the entire Group. On this basis, the targets are defined for the segments and subsidiaries. The Bertrandt Group is managed at the EBIT level, with reporting on a top-down basis from the Group, via the segments and subsidiaries down to individual profit centre levels. Periodic management is defined in the light of the recognition and measurement policies adopted for international accounting purposes. Along with EBIT, Bertrandt uses certain segment and branch-specific profitability ratios for such controlling purposes.

Personnel management

More than 4,700 employees represent the Bertrandt company vis-à-vis customers and business partners both in Germany and abroad. It is the sum total of their performance that constitutes the success achieved by the Bertrandt Group in more than 30 years. A high level of dedication, openness, trust and loyalty are the values determining the way in which they go about their daily work. Above-average commitment and a high degree of initiative are just as much par for the course as taking responsibility as an "entrepreneur within a company".

Employee numbers

Worldwide, Bertrandt employed 4,708 people on 30 September 2007 (previous year 3,577), including 4,234 (previous year 3,170) in Germany and 474 (previous year 407) in other countries. New jobs were created in conventional engineering areas as well as in the growth segments.



Bertrandt as attractive employer

A wide variety of opportunities for personal advancement along all the links of the engineering value chain are on offer equally for motivated graduates and experienced specialist staff. Bertrandt's degree of recognition is being broadened further by consistent marketing at universities. The fact that, in the German Graduates' Barometer – a survey of graduates conducted by Trendence together with Manager Magazin, Bertrandt took 71st place among the top employers is one example of how effective these measures are.

Recruiting

Efficient recruiting is a key factor for Bertrandt's success: from promoting young talent at the universities to addressing others showing interest and through to applicant management.

This process starts at a very early stage already, as participation in the VDI (Association of German Engineers) initiative "Doing things" illustrates: young talent is already made aware of the appeal of technical careers while at school. At the universities, Bertrandt specialists are involved as speakers to link research and practice in the teaching. Numerous interns and graduates are given the opportunity to acquire their first experience in an engineering environment at Bertrandt.

Further training

Being a Bertrandt employee means being prepared to engage in ongoing advanced and further training. This condition is met by a training programme that continuously supports both staff and management in mastering new challenges with the expected quality. Only in this way Bertrandt can dependably fulfil customers' mounting requirements also in new areas. We thus offer technical training sessions as well as management programmes and specific project management courses. In total, Bertrandt spent EUR 4.5 million on further training of staff and managers in the 2006/2007 financial year.

Traineeships for school-leavers

Reflecting the responsibility assumed by its staff, Bertrandt itself aspires to be a model corporate citizen. In accordance with this, it has offered traineeships to 60 school-leavers at various Bertrandt facilities just as it did in the previous year. The trainees encompass both technical and commercial careers as well as studies at the Vocational Academy.

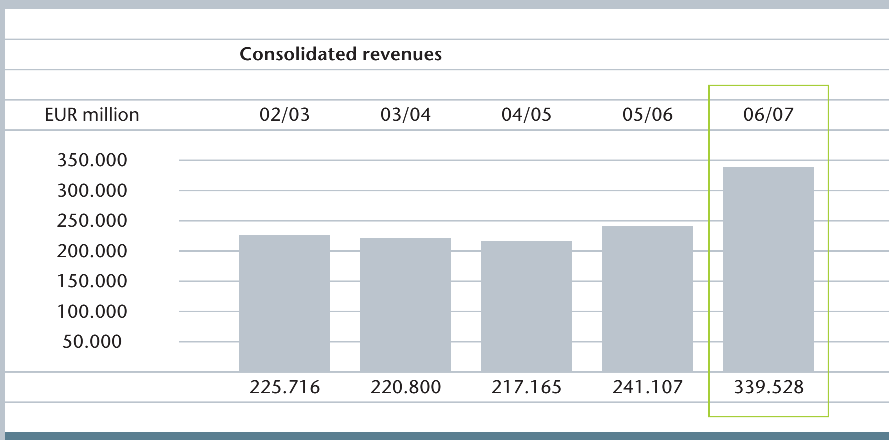
Business performance

Results of operations

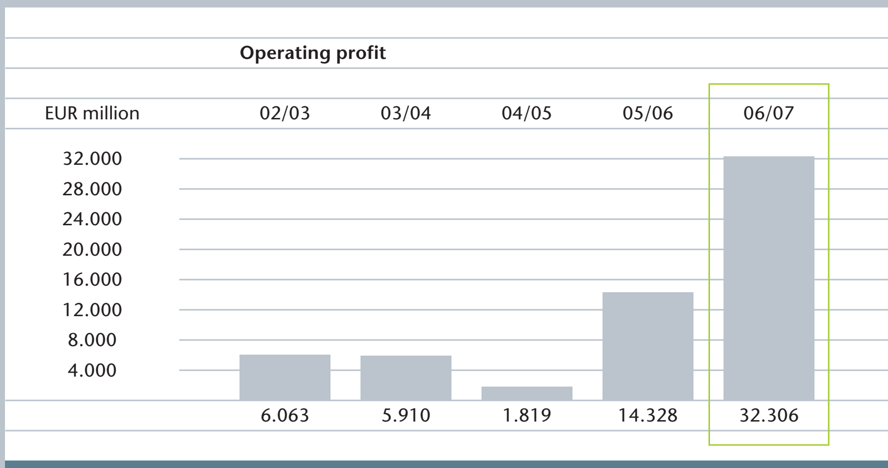
Under favourable market conditions, Bertrandt generated significant increases in both revenues and earnings in the 2006/2007 financial year thanks to the Group's strategic orientation, which combines a customer and branch-oriented approach to the market with the establishment of Group-wide divisions in a matrix organisation. This made it possible to accommodate greater project volumes, thus ensuring optimised capacity utilisation within the operating units.

Revenues and earnings up

The results are reflected in the revenue and earnings growth achieved in the fiscal year ending 30 September 2007. Revenues rose by 40.8 percent year on year to EUR 339.528 million (previous year EUR 241.107 million).



Operating profit in the period under report grew significantly to EUR 32.306 million and thus improved by EUR 17.978 million (previous year EUR 14.328 million).



Cost ratios improved

At a ratio of 11.4 percent, the cost of materials was up in line with projects and thus increased by EUR 15.184 million in the period under report. Due to the major recruitment, staff costs climbed by EUR 55.468 million to EUR 218.948 million (previous year EUR 163.480 million). The staff cost ratio improved to 64.5 percent (previous year 67.8 percent) as a result of the increased capacity utilisation. Depreciation expense was virtually unchanged from the previous year. Although other operating expenses rose by EUR 9.022 million to EUR 45.675 million in absolute terms and in line with the expansion of business during the period under report, the expenditure ratio was, at 13.4 percent, lower than in fiscal 2005/2006 (previous year 15.2 percent).

The financial result was positive for the first time in Bertrandt's history, amounting to EUR 0.274 million following a negative figure of EUR 0.803 million in the previous year. The key factors behind the improvement in the net interest result were the sharp reduction in financial liabilities in the past few years as well as in current year thanks to the sustained flow of free cash and increased interest income on short-term deposits.

Earnings from ordinary activities amounted to EUR 32.580 million (previous year EUR 13.525 million) and thus improved by EUR 19.055 million. With taxes amounting to EUR 9.935 million – which equates to a 30.9 percent tax rate – earnings after income taxes came to EUR 22.212 million (previous year EUR 7.819 million).

The foreign subsidiaries contributed to the Group's growth with a 20.4 percent revenue increase to EUR 29.200 million (previous year EUR 24.257 million) and generated operating profit of EUR 1.796 million (previous year EUR 0.110 million).

Performance by division

Bertrandt's business comprises the Digital Engineering, Physical Engineering and Electrical Systems/Electronics divisions. All divisions attributed to Bertradt's growth in revenues and earnings.

The Digital Engineering division, which covers mainly the design of vehicle components, increased its revenues by 45.5 percent to EUR 214.400 million (previous year EUR 147.317). With a figure of EUR 20.936 million (previous year EUR 8.056 million), the division's operating profit made a key contribution to consolidated earnings, a development attributable especially to improved capacity utilisation in this segment.

The Physical Engineering division is made up of activities related to model construction, trials, vehicle constructions, rapid prototyping and rapid tooling as well as the construction of sheet metal prototypes and plastics technology. Its revenues rose by 21.9 percent year on year to EUR 68.107 million (previous year EUR 55.885 million). There was also a year-on-year increase in operating profit, from EUR 3.369 million to EUR 5.668 million.

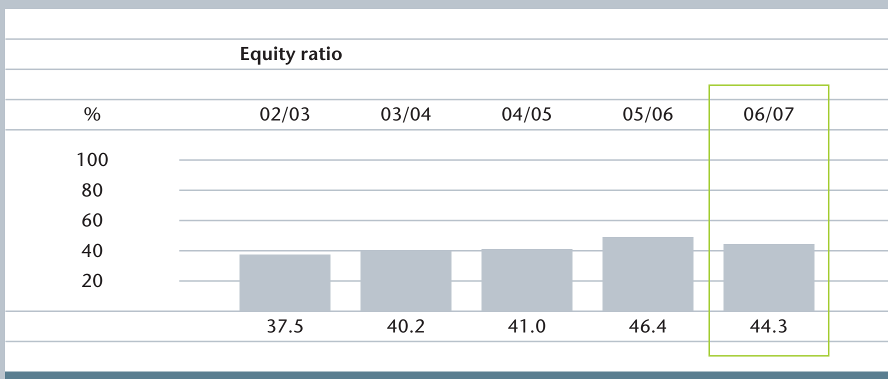
The Electrical Systems/Electronics division, which covers the development of electronic modules such as wiring systems and software, grew at a disproportionately strong pace in the past financial year with a 50.4 percent increase in revenues. This figure rose to EUR 57.021 million (previous year EUR 37.905 million), while operating profit was up from EUR 2.903 million to EUR 5.702 million.

Financial and asset situation

Bertrandt has a balance sheet structure characterised by matching maturities. In line with revenue growth, total assets increased by about 39.5 percent to EUR 174.995 million (previous year EUR 125.469 million), in particular reflecting the increase in trade receivables. Due to the positive free cash flow, there was an increase in cash and cash equivalents to EUR 14.268 million (previous year EUR 4.243 million). On the other side, financial liabilities were down by EUR 8.108 million to EUR 7.823 million.

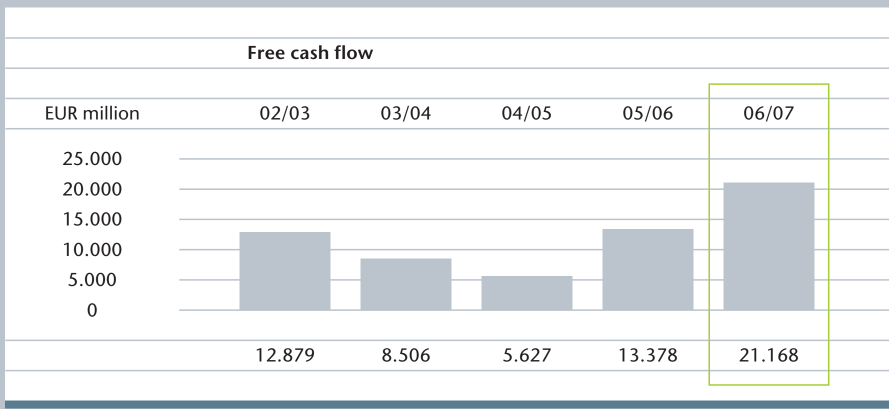
Equity ratio at a high level

The equity ratio held at a high level of 44.3 percent (previous year 46.4 percent) despite the growth. Bertrandt is thus among the well-funded companies in the automotive sector.



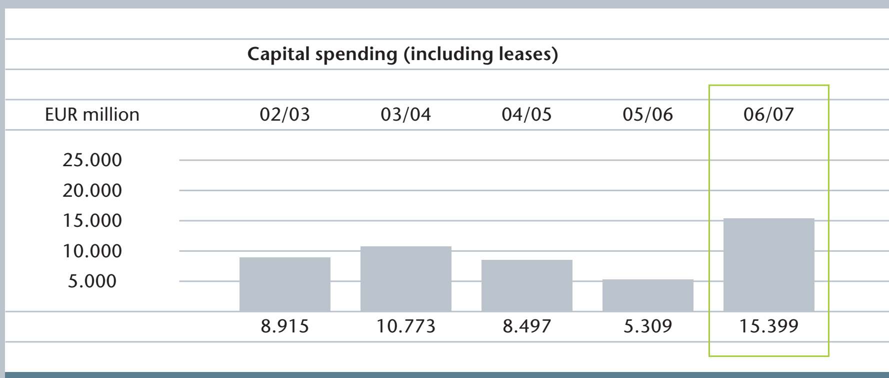
Sustained free cash flow

Based on the good business performance, cash flow from operating activities, as a result of the growth in revenues, climbed to EUR 36.242 million (previous year EUR 17.685 million) despite the rise in funds tied up in trade receivables. Bertrandt was able in this financial year to fund its capital expenditure fully from the cash flow generated, even though the investment of EUR 15.399 million was significantly above the previous year's of EUR 5.309 million. Bertrandt generated free cash flow of EUR 21.168 million in the past financial year, up by EUR 7.790 million on the previous year's figure of EUR 13.378 million.



Capital expenditure

Spending on property, plant and equipment amounted to EUR 11.765 million in the period under report, a year on year increase by EUR 7.379 million. Spending on intangible assets came to EUR 3.137 million while financial investments amounted to EUR 0.497 million. The focus of capital spending was mostly on the area of replacement as well as on widening the range of services.



Remuneration report

Structure of Management Board remuneration

Remuneration of the Management Board comprises fixed and variable components. Each member of the Management Board receives a fixed component payable in twelve equal amounts at the end of each month. The variable component is linked to Bertrandt Group's earnings in the previous financial year and is paid out in the subsequent financial year. Remuneration of the two Management Board members totalled EUR 1.809 million in the 2006/2007 financial year, with the variable amount exceeding the fixed amount. For competition reasons, the remuneration of the members of the Management Board is not individually disclosed. On 15 February 2006, the shareholders approved the continuation of the long-standing reporting practice by passing a non-disclosure resolution in accordance with the Management Remuneration Act.

Both members of the Management Board are provided with a car for business and private use. Both Management Board members are also covered by a group accident insurance policy. There are retirement benefit obligations vis-à-vis one active member as well as one former member of the Management Board.

Structure of Supervisory Board remuneration

The structure of Supervisory Board remuneration was adopted by the Annual General Meeting in 2003. Each member of the Supervisory Board thus receives a fixed amount of remuneration after the financial year, in addition to refund of expenses. The chairman receives double the amount, his deputy 1½ times the amount. The Supervisory Board also receives variable remuneration linked to the size of the dividend. The remuneration is payable after the Annual General Meeting's resolution on profit appropriation. Supervisory Board remuneration totalled EUR 0.152 million in the 2006/2007 financial year.

Disclosures on subscribed capital

Disclosures on subscribed capital and possible takeover restrictions (Art. 315 (4) HGB)

The share capital amounts to EUR 10,143,240.00, divided into 10,143,240 bearer shares. Each share has one vote. The Management Board is not aware of any restrictions concerning voting rights or the transfer of shares, apart from their own shareholdings disclosed separately in this Report.

The following shareholders hold more than 10 percent of the voting rights:
- Dr. Ing. h.c. F. Porsche AG: 25.01 percent of the voting rights
- ThyssenKrupp Technologies AG: 15.006 percent of the voting rights
- ThyssenKrupp Steel AG: 10.0004 percent of the voting rights

There are no special rights bestowing any powers of control. On 25 September 2007, the Management Board decided to issue a limited employee share scheme with 20,000 shares, which will be served with treasury shares.

Appointment and recall of Management Board members is governed by Articles 84, 85 of the German Public Companies Act together with Article 6 of the Company's Articles of Association.

Pursuant to Art. 179 of the Public Companies Act together with Art. 18 (1) of the Articles of Association, article amendments require a resolution of the Annual General Meeting adopted by a simple majority.

The Annual General Meeting on 14 February 2007 entitled the Management Board to acquire up to 1,000,000 own shares until 31 July 2008. The Management Board is authorised to increase the share capital in Bertrandt AG with the Supervisory Board's approval by issuing new shares on a cash or non-cash basis once or multiple times up to a maximum amount of EUR 4 million by 31 January 2010.

Bertrandt has entered into the following agreement of material significance, which provides for the event of a change of control: It involves a virtually unutilised credit line that gives the lender an extraordinary right of termination.

There are no agreements with either members of the Management Board or employees on compensation in the event of the change of control.

Significant events occurring after the balance sheet date, risk report, outlook

Significant events occurring after the balance sheet date

The report on significant events occurring since the balance sheet date describes those that occurred after the end of the fiscal year. No such events have occurred since 30 September 2007.

Risk report

Risk management system

Bertrandt Group's risk management system identifies and documents risks to its earnings or viability as a going concern. All Bertrandt Group companies, both domestic and foreign, are covered by the system. Regular risk surveys measure all risks liable to influence our business performance to determine their significance. For this purpose, similar or identical risks at our foreign and domestic subsidiaries are aggregated to determine their significance for the Group as a whole. Depending on the results, suitable corrective measures are defined with top priority and carried out with minimum delay. Bertrandt's risk exposure was unchanged over the previous year and entailed the potential individual threats set out below. In addition, the plausibility of minor risks was determined. However, these are not shown separately because of the limited likelihood that they will occur and their limited material relevance.

Economic risks

The current subprime crisis presents risk potential that is difficult to assess. On the one hand, it could exert an adverse effect on consumer spending in the automotive industry's key markets and, on the other hand, restricted provision of loans could impede business growth. The persistently high prices, which have risen further, for commodities such as crude oil in particular, as well as rising interest rates, also represent risks. If these prices as well as interest rates were to rise further, this could threaten the uptrend of the automotive industry.

Financial risks

As a service provider operating on an international level, the Bertrandt Group is exposed to financial risks. These risks comprise the risk of default on receivables from customers, liquidity risks as well as risk of fluctuation in interest and exchange rates. These risks are managed centrally by Group Treasury. A liquidity preview covering a fixed future period, credit facilities available to the Bertrandt Group but not utilised as well as alternative finance instruments ensure ample liquidity at all times. The risk of customer default is very largely averted by means of preventive credit rating checks and ongoing monitoring of accounts receivable. Derivatives are used to manage the individual fixed-interest period and currency segments.

Changes in outsourcing strategies

Given the growing variety of models and shorter model cycles, the automotive industry has increasingly been outsourcing engineering work over the past few years, a trend from which Bertrandt has benefited. However, the possibility that manufacturers might carry out development work themselves in some areas again in the future cannot be ruled out. This would mean a short-term reduction of the potential and actual market for Bertrandt, with a correspondingly adverse impact on its business as well as assets, financial situation and earnings.

Postponement of development contracts at short notice

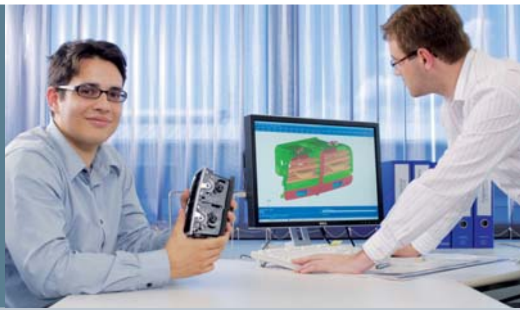
Postponement of development contracts could result in under-utilisation of capacity in individual divisions that cannot always be made up for. Management changes and changes in corporate structures among carmakers and aircraft manufacturers can lead to reviews of their model line-ups and thus to a changed project structure.

Personnel management

Only ongoing further training for staff in both technical and business matters ensures that the necessary skills are available. Insufficient training or fluctuation in qualified personnel may impair the successful completion of projects.

Major projects

Work on large-scale projects gives rise to a three-way relationship between the customer, the supplier and Bertrandt that involve certain risks. Shortcomings in process and quality management as well as the failure to meet defined milestones may delay completion of a project. Successful execution of a project hinges on milestones and quality gates being reached as well as the deployment of efficient project management.



Overall risk

Bertrandt's early-warning system allows management to detect risks at an early stage and to take suitable steps to avert them. As in the previous year, the system of early risk detection and management was subject to compulsory review as part of the audit of this year's annual financial statements. To summarise, the risk analysis on the basis of information currently known to us produces a positive result. Accordingly, there is no evidence at the moment of any material risks to the Bertrandt Group's assets, financial condition and earnings.

Nor have there been any occurrences since the end of the 2006/2007 fiscal year of major significance to the assessment of the Group's risk situation or that might lead to a changed assessment of the situation.

Outlook

Forecast of the underlying conditions

On the basis of the estimates issued by ifo, which projects growth in European real gross domestic product of 2.8 percent in 2007 and 2.6 percent in 2008, the Company expects the European economy to continue growing. The macroeconomic trend will also depend on what the fallout from the subprime crisis is on the major industrialised countries, above all the United States, and whether this will result in a perceptible deterioration in the fundamentally upbeat global economy. Bertrandt expects the European automotive industry to continue to grow.

Sector situation

The car market continues to be characterised by the increasing individualisation of consumer needs with respect to communications, safety standards and comfort. On top of this, the desire for more environmental-friendly, use-optimised drive systems with better performance as well as continuous enhancements to quality are the main challenges that carmakers must face today and in the future. Against this backdrop, Bertrandt is confident that the market for engineering services will continue to grow dynamically and that the trend towards outsourcing will persist.

Potential

Bertrandt is a leading provider of development services for all aspects of mobility. Our range covers the entire product engineering value chain and beyond in the international automobile and aviation industries. Bertrandt acts as a skilled adviser, implementing technological trends of the future without losing sight of practical requirements. Given this clear positioning as a partner for integrated automotive engineering as well as being a key driver of innovations, such as electronics, Bertrandt assumes that it will be able to maintain this leading market position in the future. It will support its customers with far-sightedness and quality of the highest order.

Given the strong diversity of models and versions, Bertrandt is confident of remaining a sought-after engineering partner to the international automobile and aviation industry. With its decentralised structure comprising facilities in the immediate vicinity of customers, Bertrandt is able to respond to customer requirements directly and to realise them in projects without delay. Services can be offered internationally and provided within the Bertrandt network with the greatest possible benefit to the customer.

Foreign operations

In fiscal 2004/2005, Bertrandt responded to what in some areas were very difficult underlying conditions by adjusting its business strategy and integrating its foreign operations within the respective national boundaries. The strategy of maximum customer orientation and the related international outlook is being continued. Looking forward, it will continue to offer the full range of services promptly and comprehensively to customers outside Germany via the close organisational link-up with its facilities in Germany.

Personnel

In anticipation of projected economic trends, the Company expects to continue recruiting further staff in fiscal 2007/2008. We are responding to the high customer requirements of the future by systematically extending and honing our employees' skills and qualifications. Bertrandt seeks to attract and retain graduates and experienced specialists by offering them an atmosphere in which they can develop creative ideas and make their own decisions. The objective of human resource management will be to integrate staff quickly and efficiently in customer projects within the Bertrandt network.

Medium-term outlook

Bertrandt will continue to offer a wide range of services along the value chain to ensure that its customers are able to develop products characterised by the greatest possible quality. In this way, it will be reinforcing its position in Europe and specifically investing in efforts to systematically broaden its range. Against the backdrop of the strategy already described in tandem with the Group's solid foundations, Bertrandt considers itself to be well positioned within the automobile and aviation industry. The Bertrandt Group's focus is on its drive to raise enterprise value on a lasting basis. Targeted cost and capacity management is a key success factor in this regard.

Assuming that the underlying economic conditions improve as expected and the risks identified with respect to ordering restraint on the part of carmakers and components suppliers fail to materialise, the Management Board expects both revenues and earnings to be up in all segments. On this basis, Bertrandt is confident of entering another successful year in tandem with continued plentiful equity resources and a strong financial situation within the Group.

The Management Board

Ehningen, 16 November 2007

Dietmar Bichler
Chairman

Ulrich Subklew

Powertrain – expertly setting the scene for performance

Engine development plays a crucial role in the process of creating a motorcar. Our customers rely on partners like Bertrandt that are able to develop the entire powertrain. Environmental compatibility, high performance and driving comfort are the most important requirements.

In the Bertrandt Group, we take knowledge of component and module development involving engines and complete powertrains further forward. Solutions with respect to reducing consumption and pollutants continue to gain significance.

Consolidated financial statements

(in EUR million or as otherwise stated)

Consolidated income statement

From 01.10.2006 to 30.09.2007	Notes	2006/2007	2005/2006
Revenues	[6]	**339.528**	**241.107**
Other internally generated assets	[7]	0.163	0.142
Total revenues		**339.691**	**241.249**
Other operating income	[8]	4.970	6.015
Raw materials and consumables used	[9]	-38.589	-23.405
Staff costs	[10]	-218.948	-163.480
Depreciation	[11]	-9.143	-9.398
Other operating expenses	[12]	-45.675	-36.653
Operating profit		**32.306**	**14.328**
Share of profit in associates		0.089	0.084
Interest and similar expenses		-0.537	-1.286
Other interest and similar income		0.722	0.399
Net finance income (previous year net borrowing costs)	[13]	**0.274**	**-0.803**
Profit from ordinary activities		**32.580**	**13.525**
Other taxes	[14]	-0.433	-0.584
Earnings before tax		**32.147**	**12.941**
Income taxes	[15]	-9.935	-5.122
Earnings after income tax		**22.212**	**7.819**
Minority interests		0	0
Profit attributable to the shareholders of Bertrandt AG		**22.212**	**7.819**
Profit carried forward		0.819	0
Transfer to retained earnings		-13.523	-3.965
Consolidated distributable profit/loss		**9.508**	**3.854**
Earnings per share – diluted/basic – (EUR)	[16]	2.20	0.78

(in EUR million or as otherwise stated)

Consolidated balance sheet

	Notes	30.09.2007	30.09.2006
Assets			
Non-current assets		**52.445**	**43.718**
Intangible assets	[17]	12.144	11.559
Property, plant and equipment	[18]	33.836	29.048
Investments accounted for using the equity method	[19]	0.288	0.125
Other financial assets	[19]	0.809	0.744
Receivables and other assets	[20]	1.560	1.334
Income tax assets	[21]	1.206	0
Deferred taxes	[22]	2.602	0.908
Current assets		**122.550**	**81.751**
Inventories	[24]	0.371	0.310
Future receivables from construction contracts	[23]	23.432	17.167
Receivables and other assets	[20]	84.309	60.031
Income tax assets	[21]	0.170	0
Cash and cash equivalents	[25]	14.268	4.243
Total assets		**174.995**	**125.469**
Equity and liabilities			
Capital and reserves		**77.561**	**58.181**
Issued capital	[26]	10.143	10.143
Share premium	[27]	26.625	26.625
Retained earnings	[28]	31.283	17.557
Minority interests	[29]	0.002	0.002
Consolidated distributable profit		9.508	3.854
Non-current liabilities		**18.003**	**15.678**
Provisions	[30] / [31]	5.098	1.546
Borrowings	[32]	6.199	7.600
Other liabilities	[33]	0.732	0.795
Deferred taxes	[22]	5.974	5.737
Current liabilities		**79.431**	**51.610**
Tax provisions	[34]	8.577	4.212
Other provisions	[31]	34.426	11.779
Borrowings	[32]	1.624	8.331
Trade payables	[35]	7.222	5.362
Other liabilities	[33]	27.582	21.926
Total equity and liabilities		**174.995**	**125.469**

(in EUR million or as otherwise stated)

Consolidated statement of changes in equity

	Issued capital	Share premium	Retained earnings				Minority interests	Distri-butable profit	Total
			Non-distri-buted earnings	Currency trans-lation reserve	Reserve for cash flow hedges	Treasury shares			
Value on 01.10.2006	**10.143**	**26.625**	**18.324**	**-0.194**	**0**	**-0.573**	**0.002**	**3.854**	**58.181**
Capital increases									**0**
Dividend payment								-3.035	**-3.035**
Profit attributable to the shareholders of Bertrandt AG								22.212	**22.212**
Other non-operating changes			13.523					-13.523	**0**
Adjustments taken to the income statement									**0**
Currency difference			0.252	-0.049					**0.203**
Value on 30.09.2007	**10.143**	**26.625**	**32.099**	**-0.243**	**0**	**-0.573**	**0.002**	**9.508**	**77.561**
Previous year									
Value on 01.10.2005	**10.081**	**26.275**	**14.354**	**-0.250**	**-0.070**	**-0.573**	**0.003**	**0**	**49.820**
Capital increases	0.062	0.350							**0.412**
Dividend payment									**0**
Profit attributable to the shareholders of Bertrandt AG								7.819	**7.819**
Other non-operating changes			3.970				-0.001	-3.965	**0.004**
Adjustments taken to the income statement					0.070				**0.070**
Currency difference				0.056					**0.056**
Value on 30.09.2006	**10.143**	**26.625**	**18.324**	**-0.194**	**0**	**-0.573**	**0.002**	**3.854**	**58.181**

(in EUR million or as otherwise stated)

Consolidated cash flow statement

From 01.10.2006 to 30.09.2007	2006/2007	2005/2006
1. Earnings for the period (including minority interests)	**22.212**	**7.819**
2. Writedowns on non-current assets	9.143	9.398
3. Increase/decrease in provisions	30.564	-1.908
4. Other non-cash expenses/income	-1.205	2.279
5. Profit/loss from disposal of non-current assets	0.281	-0.042
6. Increase/decrease in inventories, trade receivables and other assets not assigned to investing or financing activities	-32.206	-11.005
7. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	7.453	11.144
8. Cash flows from operating activities (1-7)	**36.242**	**17.685**
9. Payments received from disposal of property, plant and equipment	0.081	0.711
10. Payments received from the disposal of financial assets	0.244	0.291
11. Payments made for investments in property, plant and equipment	-11.765	-4.386
12. Payments made for investments in intangible assets	-3.137	-0.623
13. Payments made for investments in financial assets	-0.497	-0.300
14. Cash flows from investing activities (9-13)	**-15.074**	**-4.307**
15. Payments received from issue of capital	0	0.412
16. Payments made to shareholders and minority shareholders	-3.035	0
17. Payments received from issue of debt instruments and raising of loans	0	0
18. Payments made for discharging debt instruments and repaying loans	-8.108	-13.652
19. Cash flows from financing activities (15-18)	**-11.143**	**-13.240**
20. Changes in cash and cash equivalents (8+14+19)	10.025	0.138
21. Cash and cash equivalents at beginning of period	4.243	4.105
22. Cash and cash equivalents at end of period (20+21)	**14.268**	**4.243**

The consolidated cash flow statement is explained in the notes under [36].

The inflow and outflow of funds from operating activities includes interest income of EUR 0.487 million (previous year EUR 0.378 million) net of interest expenses of EUR 0.533 million (previous year EUR 1.095 million) as well as income tax payments of EUR 7.986 million (previous year EUR 0.007 million).

(in EUR million or as otherwise stated)

Consolidated segment report

	Consolidated segment report by division							
	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total for all divisions	
From 01.10.2006 to 30.09.2007	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
Revenues	**217.301**	**150.534**	**70.739**	**57.347**	**58.771**	**38.857**	**346.811**	**246.738**
Transfers between segments	2.901	3.217	2.632	1.462	1.750	0.952	7.283	5.631
Consolidated revenues	**214.400**	**147.317**	**68.107**	**55.885**	**57.021**	**37.905**	**339.528**	**241.107**
Operating profit	20.936	8.056	5.668	3.369	5.702	2.903	32.306	14.328
Operating margin	9.8%	5.5%	8.3%	5.9%	10.0%	7.7%	9.5%	5.9%
Non-current segment assets	21.391	18.508	20.917	18.884	3.672	3.338	45.980	40.730
Current segment assets	65.833	45.927	21.165	17.312	17.264	12.933	104.262	76.172
Non-current segment liabilities	2.663	0.447	0.721	0.187	0.725	0.161	4.109	0.795
Current segment liabilities	44.863	21.968	12.147	9.186	12.220	7.914	69.230	39.068
Capital expenditure	7.171	1.978	6.595	2.613	1.136	0.418	14.902	5.009
Depreciation	5.409	5.034	3.039	3.639	0.695	0.725	9.143	9.398
Non-cash expenses	2.085	0.308	0.597	0.075	0.059	0.058	2.741	0.441

	Consolidated segment report by region					
	Germany		Non-Germany		Total for all divisions	
From 01.10.2006 to 30.09.2007	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
Revenues	**310.706**	**217.214**	**32.216**	**27.427**	**342.922**	**244.641**
Transfers between segments	0.378	0.364	3.016	3.170	3.394	3.534
Consolidated revenues	**310.328**	**216.850**	**29.200**	**24.257**	**339.528**	**241.107**
Operating profit	30.510	14.218	1.796	0.110	32.306	14.328
Operating margin	9.8%	6.6%	6.2%	0.5%	9.5%	5.9%
Non-current segment assets	42.252	36.962	3.728	3.768	45.980	40.730
Current segment assets	93.048	68.170	11.214	8.002	104.262	76.172
Non-current segment liabilities	3.996	0.795	0.113	0	4.109	0.795
Current segment liabilities	60.415	32.292	8.815	6.776	69.230	39.068
Capital expenditure	14.688	4.907	0.214	0.102	14.902	5.009
Depreciation	8.875	8.977	0.268	0.421	9.143	9.398

Segment reporting is explained in the notes under [37].

Consolidated notes

[1] Basis of preparation

These consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, (register number HRB 245259, commercial register of the local court of Stuttgart) for the year ending 30 September 2007 were prepared using the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Union (EU). In addition, allowance was made for the provisions to be observed in accordance with Section 315a (1) of the German Commercial Code. All compulsory standards applicable in the 2006/2007 fiscal year were applied. The consolidated financial statements were prepared in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million).

Presentation of the annual financial statements

In accordance with International Accounting Standard (IAS) 1, the current/non-current distinction is applied to asses and liabilities in the consolidated balance sheet as well as in the segment report. Assets and liabilities are considered to be current if they are due for settlement in one year or less. Likewise, non-current assets and liabilities are those held by the Company for longer than one year. Trade receivables and payables are generally recognised in the balance sheet as current items. Provisions for post-retirement benefits are now carried under non-current liabilities to reflect their long-term nature. As a matter of principle, deferred tax assets and liabilities are classified as non-current. The income statement was prepared using the total-cost method.

In accordance with IAS 37, provisions for vacation leave, flexible working hours and Christmas bonuses have been reclassified as other current liabilities for the first time this year as opposed to other current provisions as in earlier periods. Moreover, prepaid expenses are presented under receivables and other assets and deferred income under other liabilities. The figures for the previous year have been adjusted accordingly.

Recognition, measurement and consolidation methods differing from German law

These IFRS consolidated financial statements have been prepared in accordance with the following recognition and measurement methods that differ from requirements under German legislation:

- Profit from customer orders is recognised in accordance with the percentage-of- completion method (IAS 11),
- Treasury stock is netted with capital and reserves,
- Foreign-currency receivables and liabilities are translated at the rates prevailing on the balance sheet date and the resulting changes in value are charged to the income statement,
- Deferred taxes are recognised using the balance sheet oriented liability method; deferred tax assets arising from unused tax losses are recognised if it is likely that they can be realised,
- Other provisions are not set aside if the likelihood of their being utilised is less than 50 percent,
- Assets and residual liabilities under finance leases are placed on the books in accordance with the classification criteria set out in IAS 17,
- Provisions for post-employment benefits are recognised according to the projected-unit-credit method while taking account of the future trend in salaries and the corridor rule pursuant to IAS 19,
- Goodwill arising from acquisition accounting is capitalised and an annual impairment test carried out pursuant to IFRS 3 and IAS 36,
- Internally generated intangible assets are capitalised,
- The depreciation periods for property, plant and equipment have been adjusted to match the period during which economic benefits are derived from them,
- Derivative financial instruments are recognised at their fair value and hedging relationships described in accordance with IAS 39.

(in EUR million or as otherwise stated)

International Financial Reporting Standards and Interpretations that have been published but are not yet binding

Standard/ Interpretation		Compulsory application	Endorsed by the EU Commission	Expected effects
IFRS 7	Financial instruments: Disclosures	01.01.2007	Yes	Disclosure in notes
IFRS 8	Operating segments	01.01.2007	No	Segment reporting
IFRIC 11	IFRS 2 – Group and treasury share transactions	01.03.2007	Yes	None
IFRIC 12	Service concession agreements	01.01.2008	No	None
IFRIC 13	Customer loyalty programmes	01.07.2008	No	None
IFRIC 14	Limit on a defined benefit asset, minimum funding requirements	01.07.2008	No	None

[2] Companies consolidated

In addition to Bertrandt AG, the consolidated financial statements include all operating subsidiaries under the legal and constructive control of Bertrandt AG. This specifically entails the following German companies: the Bertrandt Ingenieurbüro GmbH companies in Gaimersheim, Hamburg, Neckarsulm, Cologne, Munich, Ginsheim-Gustavsburg, Tappenbeck, Bertrandt Technikum GmbH, Bertrandt Projektgesellschaft mbH and Bertrandt Services GmbH in Ehningen as well as ZR-Zapadtka + Ritter GmbH & Co. KG and ZR-Zapadtka + Ritter Geschäftsführungs GmbH, which are all consolidated. Also consolidated were the following foreign companies: Bertrandt France S.A. in Paris/Bièvres, Bertrandt S.A. in Paris/Bièvres, Bertrandt S.A. Sochaux, Bertrandt UK Ltd. in Dunton, Bertrandt Spain S.A. in Barcelona/Esparreguera, Bertrandt Sweden AB in Trollhättan and Bertrandt US Inc., Detroit.

Companies on which Bertrandt exercises material but not dominant influence are accounted for at equity as associated companies in the consolidated financial statements. These are Bertrandt Entwicklungen AG & Co. OHG, Bertrandt Automotive GmbH & Co. KG, aucip. automotive cluster-investment platform GmbH & Co. KG and aucip. automotive cluster investment platform Beteiligungs GmbH and also EUROAER GmbH for the first time as of this fiscal year.

Details of the shares held by Bertrandt AG are set out in Note [45] of this report.

[3] Consolidation principles

Companies are consolidated using the acquisition method by netting the acquisition costs against the prorated remeasured equity and reserves attributable to the parent company as of the date of purchase. Any remaining difference between the purchase price and the equity is capitalised on the date of initial consolidation. A negative difference is taken directly to the income statement.

Shares in associates are carried at equity if it is possible for significant influence to be exercised (IAS 28). As a matter of principle, this is the case with voting rights of between 20 and 50 percent. The carrying amounts of associates accounted for at equity are adjusted annually to reflect any change in the equity capital of the associate attributable to the Bertrandt Group. The principles for full consolidation are also applied to the allocation and measurement of any difference in the acquisition costs of the share in the associate and the Group's proportionate share in its equity.

Receivables and liabilities as well as sales, expenses and income between consolidated companies are netted. Deferred taxes due to temporary differences arising from consolidation pursuant to IAS 12 were not necessary. The consolidation principles are unchanged over the previous year.

[4] Currency translation

The single-entity financial statements prepared by foreign subsidiaries outside the European Monetary Union were translated to the Group's functional currency pursuant to IAS 21. As the subsidiaries carry out their business independently for financial, commercial and organisational purposes, the functional currency is identical to the currency of the country in which they are based.

Accordingly, these companies' assets and liabilities are presented in the consolidated financial statements at the mean end-of-year exchange rate, while expenses and income are translated using the average annual exchange rate. Any currency differences from this as well as the translation of amounts brought forward from the previous year are charged to equity.

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Gains and losses from the settlement of such transactions as well as the transaction-date translation of monetary assets and liabilities held in a foreign currency are taken to the income statement.

(in EUR million or as otherwise stated)

The parities of the key currencies relative to the Euro were as follows:

		Mean rate on balance sheet date		Annual average rate	
		30.09.2007	30.09.2006	2006/2007	2005/2006
United Kingdom	GBP	0.6968	0.6777	0.6757	0.6835
Sweden	SEK	9.2147	9.2797	9.2089	9.3381
Switzerland	CHF	1.6601	1.5881	1.6259	1.5619
United States	USD	1.4179	1.2660	1.3306	1.2299

[5] Summary of the main recognition and measurement methods as well as the underlying assumptions

The preparation of the consolidated financial statements requires to some degree the use of estimates and assumptions that affect the assets and liabilities reported, the disclosure of contingent liabilities and receivables on the balance sheet and the income and expenses recognised. These assumptions and estimates primarily relate to the value of intangible assets, the uniform group-wide definition of the useful lives of property, plant and equipment as well as leased assets, the recoverability of receivables and the recognition and measurement of provisions. They are based on premises that in turn reflect the knowledge available at that point in time. In particular, estimates concerning the Company's expected future economic performance are based on the circumstances known as of the date on which the consolidated financial statements are prepared as well as realistic expectations as to future trends in business conditions. The amounts actually arising may vary from the original estimates as a result of unforeseeable developments beyond management's influence. In this case, the underlying assumptions and, if necessary, the carrying amounts of the assets and liabilities are restated.

The financial statements of Bertrandt AG and its domestic and foreign subsidiaries were prepared using uniform recognition and measurement methods pursuant to IAS 27.

Recognition of income and expenses
Revenues and other operating income are recognised once the service in question is provided or the risks pass to the customer. In the case of construction contracts for individual customers, revenues are recognised in accordance with the percentage-of-completion method, with due allowance made for threatened losses upon these becoming known. Operating expenses are charged to the income statement once the service in question is utilised or on the date on which such expenses are incurred.

Provisions for guarantees were set aside at the time the corresponding revenues were recognised. Government grants are recognised only where it is reasonably certain that the applicable conditions have been met and the grants will be disbursed. They are charged to the periods in which the expenses that the grants are to cover are incurred. Interest income and expenses are recognised in the period in which they arise and income or expenses placed on the books at the end of the fiscal year.

Intangible assets
Acquired or internally generated intangible assets are recognised pursuant to IAS 38 if future economic benefits are expected to flow from the asset and it is possible to measure the cost of the asset reliably. Production costs for internally generated intangible assets do not include interest paid on borrowings.

Intangible assets are shown at cost less straight-line amortisation in accordance with their useful lives. This useful life is deemed to be three to five years with the exception of goodwill from consolidation.

Since 1 October 2003 goodwill has no longer been written down on a straight-line basis. Instead, it is subjected to an annual impairment test pursuant to IAS 36 and IFRS 3. This test is carried out at least once a year and additionally always upon the occurrence of material events or any change in circumstances. Impairment testing is based on detailed corporate forecasts covering a period of three years and an assumed growth rate of up to 1.0 percent (previous year 1.0 percent) for the following years. In addition, depending on the assessment of the beta factors, a discount rate of between 9.5 percent (previous year 9.8 percent) and 12.1 percent (previous year 11.0 percent) is applied.

The corporate forecasts take account of current knowledge as well as historical performance. The discounted cash flow method is used to calculate the value in use from the derived future cash flows of the cash generating units. If the value in use is less than the carrying amount, the latter is written down accordingly. If the reasons for impairment loss recognised in previous periods no longer apply, it is reversed with the exception of goodwill.

With respect to the Digital Engineering, Physical Engineering and Electrical Systems/Electronics divisions, the main assumptions for the forecasts are based on the sector forecasts concerning the global automobile industry underlying marketing and capacity planning as well as specific contracts received from customers and specific internal adjustments, which also take account of planned cost adjustments.

Property, plant and equipment
Property, plant and equipment used in business operations for more than one year are carried at cost less scheduled depreciation. Cost includes all costs allocable to the production process as well as an appropriate part of the production-related overheads. Finance charges are not included. Scheduled depreciation is based on useful lives determined on a uniform basis within the Group. Buildings are assumed to have useful lives of between 20 and 40 years and technical equipment and machinery of five to twelve years. Assuming normal use, plant and office equipment are written off over a period of between three and ten years. Depreciation is calculated on the basis of expected actual use. New additions are generally written down using the straight-line method on a time proportionate basis.

Impairment losses
Impairment losses incurred on intangible assets with the exception of goodwill and on property, plant and equipment are calculated in accordance with IAS 36 if the value in use or the net recoverable value of the asset in question has dropped below its carrying amount. If the reasons for the impairment losses recognised in earlier years cease to apply, they are reversed.

Finance leases
IAS 17 stipulates that leases are to be classified according to the extent to which the risks and rewards incidental to ownership of the leased asset lie with the lessor or the lessee. If economic ownership is assumed to lie with the Bertrandt Group, the asset in question is recognised at the present value of the lease payments on the date of addition and written down on a straight-line basis over its expected useful life or the term of the lease, whichever is the shorter. Payment obligations arising from future lease payments are recognised as borrowings.

Financial assets
Loans granted are recognised at amortised cost.

Original financial instruments
Loans granted, receivables and liabilities are measured at amortised cost. This particularly comprises the following:
- Cash and cash equivalents,
- Trade receivables and payables,
- Other receivables, financial assets and liabilities,
- Borrowings.

Derivative financial instruments

As a service provider operating on an international level, the Bertrandt Group is exposed to interest and exchange-rate risks. Interest-rate risks are hedged by means of derivative financial instruments. Derivative financial instruments are recorded for the first time on their day of fulfilment. Interest and currency swaps are used to hedge and optimise net interest result on the current floating-rate debt of the Group and are classified pursuant to IAS 39 as available-for-sale financial instruments. Any changes in value are taken to the income statement. They are remeasured on the basis of their fair value.

Inventories

This item comprises raw materials and supplies as well as goods purchased, all of which are recognised at cost or their net realisable value, whichever is the lower.

Future receivables from construction contracts

Completed work as well as work in progress is classified as future receivables from construction contracts. Work in progress is recognised at cost plus a profit margin in line with the degree of completion provided that the economic benefits flowing from the completed work can be reliably measured. Advance payments received are netted against receivables from construction contracts.

Receivables and other assets

Receivables and other assets are recognised at amortised cost, with due allowance made for all discernible risks.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cheques received but not yet honoured and cash in hand, all of which are recognised at their nominal amounts.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised in accordance with IAS 12 for all temporary differences between the carrying amount pursuant to IFRS and the corresponding tax base and for consolidation measures taken to the income tax statement. Deferred tax assets also include tax rebate claims arising from the expected use of loss carryforwards in future years provided that there is a reasonable likelihood of such use. Deferred taxes are calculated on the basis of the tax rates applicable or expected in the individual countries in accordance with prevailing law on the date of recognition.

Provisions

Provisions for post-retirement benefits are calculated using the projected-unit-credit method allowing for the corridor approach as defined in IAS 19.
Tax and other provisions are set aside if there is any present obligation towards a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and a reliable estimate can be made of the amount of this obligation.

(in EUR million or as otherwise stated)

Liabilities

Liabilities under finance leases are recorded at the present value of the lease payments on the date on which the lease is signed. Other liabilities are recognised at amortised cost.

Government grants

Government grants for investments are reported under other non-current liabilities and are released to the income statement on a straight-line basis over the expected useful life of the assets concerned.

Notes on items of the Income Statement

[6] Revenues

Revenues are recognised once the service in question is provided or the risks pass to the customer. Moreover, changes in inventories of completed work and work in progress measured using the percentage-of-completion method are recognised under revenues net of value added tax and all discounts and bonuses claimed.

[7] Other internally generated assets

This item comprises internally generated tangible and intangible assets recognised pursuant to IAS 16 and 38 and written down over their expected useful lives on a straight-line basis.

[8] Other operating income

Other operating income breaks down as follows in fiscal 2006/2007:

	2006/2007	2005/2006
Work-related income	**3.782**	**4.139**
of which non-cash benefits to employees	1.570	1.864
of which rental income	2.212	2.275
Non-work-related income	**0.510**	**0.898**
of which income from disposal of assets	0.037	0.472
of which income from reversal of provisions	0.404	0.223
of which income from reversal of impairment losses	0.068	0.203
of which income from receipt of derecognised receivables	0.001	0
Miscellaneous other operating income	**0.678**	**0.978**
of which payments for damages received	0.008	0.041
of which income from exchange-rate differences	0.040	0.100
of which miscellaneous	0.630	0.837
Total	**4.970**	**6.015**

Future rental income equals EUR 0.812 million (previous year EUR 0.863 million) for up to one year and EUR 2.299 million (previous year EUR 0.459 million) for between one and five years on account of non-terminable basic terms.

[9] Raw materials and consumables used

This item includes expenditure on raw materials and manufacturing supplies of EUR 6.070 million (previous year EUR 3.712 million) as well as expenditure on work purchased of EUR 32.519 million (previous year EUR 19.693 million).

	2006/2007	2005/2006
Expenditure on raw materials and consumables used	**6.070**	**3.712**
Expenditure on work purchased	**32.519**	**19.693**
of which CAD costs	6.496	5.495
of which external work	25.977	14.168
of which incoming freight	0.046	0.030
Total	**38.589**	**23.405**

The cost of raw materials and consumables used increased by EUR 15.184 million in the year under review for project-related reasons.

[10] Staff costs

The Bertrandt Group employed a total average of 4,240 people as of the balance sheet date:

	30.09.2007	30.09.2006
Technical employees	342	249
Office employees	3,637	2,875
Trainees/undergraduates	54	52
Interns/post-graduates	121	68
Temporary staff	86	57
Total	**4,240**	**3,301**

This item includes expenditure on wages and salaries of EUR 183.844 million (previous year EUR 135.714 million) as well as expenditure on social security of EUR 35.104 million (previous year EUR 27.776 million) including the employer contribution to the statutory pension fund.

	2006/2007	2005/2006
Wages and salaries	**183.844**	**135.714**
Expenditure on social security	**35.104**	**27.766**
of which employer contribution to social security	18.312	14.919
of which expenditure on post-employment benefits	16.792	12.847
Total	**218.948**	**163.480**

(in EUR million or as otherwise stated)

[11] Depreciation

Depreciation expense breaks down as follows:

	2006/2007	2005/2006
Depreciation expense for		
intangible assets	2.550	3.585
Property, plant and equipment	6.593	5.813
Total	**9.143**	**9.398**

A detailed breakdown of the depreciation expense for individual items can be seen from the Statement of Changes in Assets under the corresponding items of the notes.

[12] Other operating expenses

Other operating expenses break down as follows:

	2006/2007	2005/2006
Miscellaneous manufacturing expenses	2.493	2.030
Office premises, furnishings and fittings	15.301	11.983
Miscellaneous staff expenses	9.012	6.679
General administrative expenses	1.391	0.979
Distribution expenses	7.331	5.887
Expenditure on exchange-rate differences	0.262	0.104
Non-work-related expenses	1.374	1.776
Other expenses	8.511	7.215
Total	**45.675**	**36.653**

[13] Net finance income

Thanks to systematic group-wide liquidity management as well as the substantial net free cash flow, the net finance result further improved by around EUR 1.077 million, with the result that net finance income was achieved for the first time. Interest income includes interest received of EUR 0.487 million (previous year EUR 0.285 million) as well as the fair value gains on derivatives in an amount of EUR 0.182 million (previous year EUR 0.083 million).

Interest expenditure on non-current bank liabilities stands at EUR 0.450 million (previous year EUR 0.609 million). Interest expenditure of EUR 0.001 million (previous year EUR 0.008 million) arose in connection with lease liabilities in the year under review. Net finance income comprises the share of profit of associates of EUR 0.089 million (previous year EUR 0.084 million).

Net finance income breaks down as follows:

	2006/2007	2005/2006
Interest income	0.722	0.399
Interest expenses	-0.537	-1.286
Share in profits of associates	0.089	0.084
Net finance income (previous year net borrowing costs)	**0.274**	**-0.803**

[14] Other taxes

Foreign tax expenditure primarily involves the subsidiaries in France.

	2006/2007	2005/2006
Domestic tax expense	0.064	0.260
Foreign tax expense	0.369	0.324
Other taxes	**0.433**	**0.584**

[15] Income taxes

Income taxes comprise corporate tax of 25.0 percent plus the solidarity surcharge of 5.5 percent as well as trade tax of 16.0 percent in Germany and comparable income taxes in other countries. In addition, this item includes deferred taxes on the temporary differences between the carrying amounts recognised pursuant to IFRS and corresponding tax bases as well as consolidation measures and, where applicable, usable loss carryforwards in accordance with IAS 12.

As a result of the corporate tax reform taking effect in Germany in 2008, the domestic tax rates, which are applied to different tax bases, have dropped from 38.0 percent to 30.0 percent. Income taxes thus break down as follows:

	2006/2007	2005/2006
Actual domestic tax expense	11.385	3.035
Actual foreign tax expense	-0.029	0.005
Actual tax expense	**11.356**	**3.040**
Deferred tax expense	-1.421	2.082
Income taxes	**9.935**	**5.122**

The income tax expense of EUR 9.935 million calculated for fiscal 2006/2007 was EUR 2.281 million lower than the expected income tax expense of EUR 12.216 million that would have arisen had a tax rate of 38.0 percent (previous year 38.0 percent) been applied to consolidated pre-tax earnings.

Reconciliation of expected and actual income tax expense is as follows:

	2006/2007	2005/2006
Earnings before income tax	32.147	12.941
Expected tax rate	38.0%	38.0%
Expected income tax expense	**12.216**	**4.918**
Taxation differences outside Germany	-0.293	1.493
Tax effects of payouts and pre-year tax assessments	-1.125	-0.670
Tax effect of non-deductible operating expenses and other tax modifications	-0.121	-0.347
Effects of changes in tax rates	-0.900	0
Differing tax treatment of legal forms of business organisation	0.104	-0.261
Other effects	0.054	-0.011
Actual income tax expense	**9.935**	**5.122**
Effective tax rate (%)	30.9%	39.6%

The taxation differences outside Germany and differing tax treatment of legal forms of business organisation items include tax resulting from adjusted loss carryforwards totalling EUR 0.175 million (previous year EUR 1.042 million).

[16] Earnings per share

Earnings per share as defined in IAS 33 are as follows:

	2006/2007	2005/2006
Earnings after income tax	22.212	7.819
Minority interests	0	0
Profit attributable to the shareholders of Bertrandt AG	**22.212**	**7.819**
– Less number of treasury shares in thousands	-0.027	-0.027
Number of shares in thousands – diluted, basic, average weighting –	**10,117**	**10,077**
Earnings per share (EUR) – diluted, basic –	**2.20**	**0.78**

Notes on items in the balance sheet

Assets

Non-current assets

[17] Intangible assets

Additions to intangible assets primarily comprise CAD software licenses.

The intangible assets underwent regular impairment testing in accordance with IAS 36. The resultant impairment loss of EUR 0.585 million (previous year EUR 1.100 million), which is spread across all primary segments, is recorded in new impairment losses for fiscal 2006/2007.

	Concessions and licenses	Internally generated software	Goodwill	Intangible assets under develop-ment	Intangible assets
Historical costs					
Value on 01.10.2006	16.150	3.733	8.973	0	28.856
Currency differences	-0.015	0	0	0	-0.015
Additions	3.137	0	0	0	3.137
Disposals	1.799	0	0	0	1.799
Reclassifications	-0.010	0	0	0	-0.010
Value on 30.09.2007	17.463	3.733	8.973	0	30.169
Depreciation					
Value on 01.10.2006	14.335	2.962	0	0	17.297
Currency differences	-0.013	0	0	0	-0.013
Additions	1.802	0.163	0	0	1.965
Additions from impairment losses	0	0.585	0	0	0.585
Disposals	1.799	0	0	0	1.799
Reclassifications	-0.010	0	0	0	-0.010
Value on 30.09.2007	14.315	3.710	0	0	18.025
Residual carrying amount 30.09.2007	**3.148**	**0.023**	**8.973**	**0**	**12.144**
Residual carrying amount 30.09.2006	**1.815**	**0.771**	**8.973**	**0**	**11.559**

(in EUR million or as otherwise stated)

	Concessions and licenses	Internally generated software	Goodwill	Intangible assets under develop-ment	Intangible assets
Previous year					
Historical costs					
Value on 01.10.2005	15.942	1.331	8.973	2.465	28.711
Currency differences	0	0	0	0	0
Additions	0.623	0	0	0	0.623
Disposals	0.421	0.020	0	0.043	0.484
Reclassifications	0.006	2.422	0	-2.422	0.006
Value on 30.09.2006	16.150	3.733	8.973	0	28.856
Depreciation					
Value on 01.10.2005	13.311	0.745	0	0	14.056
Currency differences	0.001	0	0	0	0.001
Additions	1.368	1.117	0	0	2.485
Additions from impairment losses	0	1.100	0	0	1.100
Disposals	0.345	0	0	0	0.345
Reclassifications	0	0	0	0	0
Value on 30.09.2006	14.335	2.962	0	0	17.297
Residual carrying amount 30.09.2006	**1.815**	**0.771**	**8.973**	**0**	**11.559**
Residual carrying amount 30.09.2005	**2.631**	**0.586**	**8.973**	**2.465**	**14.655**

[18] Property, plant and equipment

	Land and buildings	Technical equipment and machinery	Other facilities factory and office equipment	Advance payments and work in progress	Total PPE
Historical costs					
Value on 01.10.2006	20.649	27.157	32.849	0.580	81.235
Currency differences	0	0	-0.016	0	-0.016
Additions	2.092	2.819	5.470	1.384	11.765
Disposals	0	0.970	2.654	0.245	3.869
Reclassifications	0	0.222	0.031	-0.243	0.010
Value on 30.09.2007	22.741	29.228	35.680	1.476	89.125
Depreciation					
Value on 01.10.2006	4.609	21.483	26.095	0	52.187
Currency differences	0	0	-0.014	0	-0.014
Additions	0.650	1.518	3.240	0	5.408
Additions from impairment losses	1.185	0	0	0	1.185
Disposals	0	0.908	2.579	0	3.487
Reclassifications	0	0	0.010	0	0.010
Value on 30.09.2007	6.444	22.093	26.752	0	55.289
Residual carrying amount 30.09.2007	**16.297**	**7.135**	**8.928**	**1.476**	**33.836**
Residual carrying amount 30.09.2006	**16.040**	**5.674**	**6.754**	**0.580**	**29.048**

(in EUR million or as otherwise stated)

	Land and buildings	Technical equipment and machinery	Other facilities factory and office equipment	Advance payments and work in progress	Total PPE
Prevoius year					
Historical costs					
Value on 01.10.2005	20.638	27.526	32.562	0.276	81.002
Currency differences	0	0	-0.002	0	-0.002
Additions	0.011	1.413	2.571	0.391	4.386
Disposals	0	1.846	2.279	0.020	4.145
Reclassifications	0	0.064	-0.003	-0.067	-0.006
Value on 30.09.2006	20.649	27.157	32.849	0.580	81.235
Depreciation					
Value on 01.10.2005	3.974	21.533	24.453	0	49.960
Currency differences	0	0	0	0	0
Additions	0.635	1.617	3.561	0	5.813
Additions from impairment losses	0	0	0	0	0
Disposals	0	1.667	1.919	0	3.586
Reclassifications	0	0	0	0	0
Value on 30.09.2006	4.609	21.483	26.095	0	52.187
Residual carrying amount 30.09.2006	**16.040**	**5.674**	**6.754**	**0.580**	**29.048**
Residual carrying amount 30.09.2005	**16.664**	**5.993**	**8.109**	**0.276**	**31.042**

Property, plant and equipment are carried at cost less scheduled depreciation in accordance with their respective useful lives. Depreciation recorded in fiscal 2006/2007 for land and buildings includes impairment losses of EUR 1.185 million (previous year nil) as a result of the impairment test stipulated by IAS 36 covering all three primary segments.

Leased assets such as technical equipment and machinery as well as factory and office equipment are capitalised and written down over their useful lives provided that the conditions relating to finance leases set out in IAS 17 are met. As of 30 September 2007, these assets had a carrying amount of EUR 0 million (previous year EUR 0.216 million).

Land and buildings are encumbered by mortgages in an amount of EUR 6.981 million (previous year EUR 8.155 million) pledged as security for long-term loans.

Technical equipment and machinery as well as other equipment, plant and office equipment primarily comprise CAD machines, prototype construction equipment as well as testing facilities.

[19] Financial assets

	Shares in associates	Non-current loans granted	Total financial assets
Historical cost			
Value on 01.10.2006	0.125	0.744	0.869
Additions	0.163	0.334	0.497
Disposals	0	0.269	0.269
Value on 30.09.2007	0.288	0.809	1.097
Depreciation			
Value on 01.10.2006	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30.09.2007	0	0	0
Residual carrying amount 30.09.2007	**0.288**	**0.809**	**1.097**
Residual carrying amount 30.09.2006	**0.125**	**0.744**	**0.869**

	Shares in associates	Non-current loans granted	Total financial assets
Previous year			
Historical cost			
Value on 01.10.2005	0.041	0.819	0.860
Additions	0.084	0.216	0.300
Disposals	0	0.291	0.291
Value on 30.09.2006	0.125	0.744	0.869
Depreciation			
Value on 01.10.2005	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30.09.2006	0	0	0
Residual carrying amount 30.09.2006	**0.125**	**0.744**	**0.869**
Residual carrying amount 30.09.2005	**0.041**	**0.819**	**0.860**

(in EUR million or as otherwise stated)

Shares in associated companies were accounted for using the equity method in the period under review.

The long-term loans granted comprise employer loans subject to an interest rate of 5.5 percent. The carrying amounts primarily match the fair values.

[20] Current and non-current receivables and other assets

Receivables and other assets are carried at amortised cost, which largely matches their fair value, with due allowance made for all discernible individual risks.

Receivables and other assets break down as follows:

	30.09.2007	< 1 year	1-5 years	> 5 years
Receivables	80.459	80.459	0	0
Other assets	5.410	3.850	0.124	1.436
Total	**85.869**	**84.309**	**0.124**	**1.436**
	30.09.2006	**< 1 year**	**1-5 years**	**> 5 years**
Receivables	56.442	56.319	0.123	0
Other assets	4.923	3.712	0.213	0.998
Total	**61.365**	**60.031**	**0.336**	**0.998**

Other current assets include receivables from employees, tax refund claims, other current receivables as well as advance payments made for services, the corresponding expense for which is to be allocated to future periods.

Other non-current assets comprise reinsurance claims of EUR 1.052 million (previous year EUR 0.998 million) and derivative financial instruments of EUR 0.438 million (previous year EUR 0.271 million). The carrying amount represents the maximum default risk for the derivative financial instruments. Adjustments of EUR 1.534 million (previous year EUR 1.177 million) were included.

[21] Current and non-current income tax assets

This item comprises the corporate tax refund claim in accordance with the Act on Ancillary Tax Measures for the Introduction of the European Corporation and to Adjust Other Tax Rules (SEStEG).

[22] Deferred taxes

Deferred taxes result from temporary differences between the carrying amounts used for the IFRS balance sheet and the tax base, from IFRS-based valuation as well as from the tax losses that are likely to be capable of being used. Deferred taxes were calculated in accordance with the rules laid down in IAS 12, according to which deferred taxes are determined on the basis of the tax rates applicable or expected in the individual countries in accordance with prevailing law on the date of recognition.

Deferred tax assets and liabilities break down as follows:

	30.09.2007		30.09.2006	
	Defferred tax assets	Deferred tax liabilities	Defferred tax assets	Defferred tax liabilities
Non-current assets	0.106	1.820	0.144	2.151
Inventories	0	2.667	0	2.979
Post-retirement benefit provisions	0.009	0.020	0	0.056
Other provisions	1.317	0	0.024	0.109
Unused tax losses	1.048	0	0.556	0
Liabilities	0.032	0	0.121	0
Consolidation	0	1.052	0	0
Other items	0.090	0.415	0.063	0.442
Total	**2.602**	**5.974**	**0.908**	**5.737**

Of the deferred tax assets, EUR 1.385 million (previous year EUR 0.700 million) have a residual maturity of more than one year. Of the deferred tax liabilities, EUR 2.743 million (previous year EUR 3.088 million) are current and EUR 3.231 million (previous year EUR 2.649 million) are non-current. In addition to the deferred tax assets arising from tax losses, there are unused tax losses from both German and foreign business in an amount of EUR 14.850 million (previous year EUR 13.518 million) not subject to any time limit with respect to their utilisation. In individual countries, utilisation is restricted to a 15-year period.

[23] Future receivables from construction contracts

Future receivables from construction contracts, which comprise work in progress as well as work that has been completed but not yet delivered, are measured using the percent-of-completion method. The percent of completion is determined by comparing the costs incurred with the total costs (cost-to-cost method). Work that has been completed but not yet delivered is measured at the value of the contract in question.

	30.09.2007	30.09.2006
Construction contracts not yet completed	21.424	16.423
Completed construction contracts	11.039	5.456
Advance payments received on construction contracts	-9.031	-4.712
Total	**23.432**	**17.167**

(in EUR million or as otherwise stated)

[24] Inventories

The Bertrandt Group's inventories were valued as follows on the balance sheet date:

	30.09.2007	30.09.2006
Materials and supplies to be consumed in the production process	0.371	0.310

[25] Cash and cash equivalents

Cash and cash equivalents primarily comprise cash at hand, bank balances and cheques. Foreign-currency balances were translated into the Group currency at the mean exchange rate prevailing on 30 September 2007. Cash and cash equivalents have a residual term of a maximum of three months. Cash and cash equivalents are broken down in the cash flow statement.

Equity and liabilities

Capital and reserves

[26] Issued capital

The issued capital of Bertrandt AG amounted to EUR 10,143,240 on 30 September 2007. The issued capital is thus divided into 10,143,240 no-par-value shares with a notional value of EUR 1.00 each.

Authorised capital
The Management Board is authorised to increase the share capital with the Supervisory Board's approval by issuing new shares on a cash or non-cash basis once or multiple times up to a maximum amount of EUR 4 million by 31 January 2010.

The Management Board is authorised with the Supervisory Board's approval
a) to exclude the shareholders' subscription rights once or repeatedly, however only up to a total of EUR 1 million, if the issue amount of the new shares falls short by no more than five percent of the average price of Bertrandt AG stock for the five trading days preceding the date on which the Management Board passes the resolution to issue the new shares. For this purpose, the applicable price equals the closing price in XETRA trading (or a comparable replacement system) for Bertrandt AG stock;
b) to exclude the shareholders' subscription rights once or repeatedly, however only up to a total of EUR 3 million, if the non-cash equity issue is for the purpose of acquiring all or part of other companies;
c) to exclude the shareholders' subscription rights to fractional amounts.

[27] Share premium

The share premium comprises solely the premium on the issue of new shares.

[28] Retained earnings

The statutory reserves included in retained earnings amount to EUR 1.014 million (previous year EUR 1.014 million). The balance is constituted by other retained earnings.

Translation differences arising from the consolidation of the subsidiaries' equity are netted with retained earnings.

On the balance sheet date, the Company held 26,632 treasury shares, which were netted with retained earnings at their acquisition cost of EUR 0.573 million. These treasury shares account for 0.26 percent of the Company's issued capital.

[29] Minority interests

Shares held by other parties are recognised as an equity component and are assigned to minority interests.

(in EUR million or as otherwise stated)

Non-current liabilities

[30] Provisions for post-employment benefits

Provisions for post-employment benefits are calculated using the internationally standard projected-unit-credit method stipulated by IAS 19 in the light of foreseeable future trends on the basis of the following assumptions:

	30.09.2007	30.09.2006
Interest rate	5.50%	4.50%
Assumed rate of salary increase	2.50%	2.50%
Assumed rate of pension increase	2.50%	2.50%
Probability of mortality and invalidity according to Heubeck	2005G	2005G
Valuation of widow (pension) entitlement	Collective	Collective
Retirement age	65 years	65 years
Average remaining life expectancy of persons with active entitlement	14 years	15 years

On 30 September 2006, provisions for post-employment benefits stood at EUR 1.546 million. Following an allocation of EUR 0.175 million in the year under review (previous year EUR 0.181 million), this item came to EUR 1.721 million on the balance sheet date (previous year EUR 1.546 million).

Net expenditure on post-employment benefit plans in fiscal 2006/2007 breaks down as follows:

	2006/2007	2005/2006
Service cost	0.050	0.051
Interest expense	0.098	0.093
Amortisation of actuarial gains/losses	0.027	0.037
Total	**0.175**	**0.181**

The actuarial present value of pension obligations changed as follows:

	30.09.2007	30.09.2006
Present value at beginning of year	**2.183**	**2.186**
Service cost	0.050	0.051
Interest expense	0.098	0.093
Actuarial gain (-) / loss (+)	-0.481	-0.147
Present value at the end of year	**1.850**	**2.183**

The actuarial present value of the obligations in previous years stood at EUR 2.186 million on 30 September 2005, EUR 1.489 million on 30 September 2004 and EUR 1.409 million on 30 September 2003.

The actuarial gains (-) / losses (+) from historical adjusted stood at EUR -0.013 million in fiscal 2006/2007 (previous year EUR -0.012 million).

The funding of post-employment benefit obligations breaks down as follows as of 30 September 2007:

	30.09.2007	30.09.2006
Actuarial present value of benefit entitlement not financed by investment funds	1.850	2.183
Adjustment for actuarial losses not yet netted	-0.129	-0.637
Net post-employment benefit plan obligations pursuant IAS 19	**1.721**	**1.546**

(in EUR million or as otherwise stated)

[31] Current and non-current other provisions

Other provisions were formed whenever there was a current obligation towards a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and a reliable estimate can be made of the amount of this obligation. For this purpose it is assumed that the outflow will occur within a year. Other provisions break down as follows:

	Personnel provisions	Provisions for ongoing business operations	Other provisions	Unallocated provisions	of which less than 1 year	of which more than 1 year
Value on 01.10.2006	**6.368**	**1.505**	**3.906**	**11.779**	**11.779**	**0**
Currency difference	0	-0.011	-0.003	-0.014	-0.014	0
Utilisation	6.367	1.196	2.867	10.430	10.430	0
Reversal	0.001	0.002	0.401	0.404	0.404	0
Addition	20.336	5.462	11.074	36.872	33.495	3.377
30.09.2007	**20.336**	**5.758**	**11.709**	**37.803**	**34.426**	**3.377**

Personnel provisions primarily comprise amounts for profit sharing arrangements and bonuses as well as handicapped employee levies and dues for industrial compensation societies. Provisions for obligations resulting from ongoing business operations largely comprise guarantee obligations. Other provisions have been set aside for numerous discernible individual risks including those from pending transactions.

[32] Current and non-current borrowings

There were no liabilities under finance leases as of the balance sheet date. Current liabilities to banks arising from the utilisation of overdraft facilities are negligible. Borrowings primarily relate to investments in machinery, technical equipment, real estate and shares in associates, which are financed by means of long-term bank loans with fixed regular repayments.

Borrowings were down substantially on the previous year. As in the previous year, ongoing investments were financed from the cash flow.

	30.09.2007	< 1 year	1-5 years	> 5 years
Liabilities to bank	7.823	1.624	4.255	1.944
Liabilities under finance leases	0	0	0	0
Borrowings	**7.823**	**1.624**	**4.255**	**1.944**
	30.09.2006	< 1 year	1-5 years	> 5 years
Liabilities to bank	15.748	8.148	4.001	3.599
Liabilities under finance leases	0.183	0.183	0	0
Borrowings	**15.931**	**8.331**	**4.001**	**3.599**

The interest rates are between 3.47 percent and 6.50 percent (domestic) for non-current borrowings and between 5.41 percent and 7.00 percent for current borrowings (domestic and foreign).

The carrying amount largely matches the fair value due to ongoing monitoring and regular interest-adjustment dates.

As of the balance sheet, no leased assets were capitalised:

	30.09.2007	30.09.2006
Technicale equipment	0	0.052
Hardware	0	0.146
Software	0	0.018
Total	**0**	**0.216**

All the leases for CAD equipment have a term of 36 months and those for machinery a term of between 48 and 72 months. Contracts whose term exceeded most of the expected useful life of the asset in question were classified as finance leases.

(in EUR million or as otherwise stated)

Market interest rates, which differ depending on the time the contract was signed, were applied to each capitalised leasing contract. The table below shows which payments under finance leases will come due in the next few years:

30.09.2007	until 30.09.2008	until 30.09.2012	from 30.09.2012	Total
Lease payments	0	0	0	0
Amounts discounted	0	0	0	0
Present value	**0**	**0**	**0**	**0**
30.09.2006	until 30.09.2007	until 30.09.2011	from 30.09.2011	Total
Lease payments	0.183	0	0	0.183
Amounts discounted	0.001	0	0	0.001
Present value	**0.182**	**0**	**0**	**0.182**

[33] Current and non-current other liabilities

The carrying amounts of the other liabilities, all of which are current in nature, largely match their fair values and break down as follows:

	30.09.2007	< 1 year	1-5 years	> 5 years
Taxes	8.179	8.179	0	0
Payroll and church tax	2.942	2.942	0	0
Social security	1.011	1.011	0	0
Wages and salaries	0.510	0.510	0	0
Personnel obligations	12.582	12.582	0	0
Derivate financial instruments	0.107	0	0.107	0
Miscellaneous other	2.983	2.358	0.625	0
Other liabilities	**28.314**	**27.582**	**0.732**	**0**
	30.09.2006	< 1 year	1-5 years	> 5 years
Taxes	2.903	2.903	0	0
Payroll and church tax	2.204	2.204	0	0
Social security	0.846	0.846	0	0
Wages and salaries	0.277	0.277	0	0
Personnel obligations	9.899	9.899	0	0
Derivate financial instruments	0.135	0	0.135	0
Miscellaneous other	6.457	5.797	0.660	0
Other liabilities	**22.721**	**21.926**	**0.795**	**0**

The sum total of the fair value of derivative financial instruments comprises interest swaps with a nominal value of EUR 2.000 million (previous year EUR 4.494 million). The fair values are calculated on the basis of standard market interest forward curves and came to EUR 0.107 million on the balance sheet date (previous year EUR 0.135 million).

Other liabilities include an investment grant of EUR 0.660 million (previous year EUR 1.344 million), which was received as a government grant for a realised investment. In accordance with IAS 20, an amount of EUR 0.036 million (previous year EUR 0.038 million) was released to the income statement in accordance with the useful life of the assets concerned.

Current liabilities

[34] Tax provisions

Tax provisions have primarily been set aside for income tax. Deferred taxes are shown as separate items in the balance sheet.

[35] Trade payables

	30.09.2007	< 1 year	1-5 years
Trade payables	**7.222**	7.222	0
	30.09.2006	< 1 year	1-5 years
Trade payables	**5.362**	5.362	0

The carrying amounts primarily match the fair values.

[36] Notes on the cash flow statement

The cash flow statement shows how the Bertrandt Group's liquidity position has changed in the course of the year under review as a result of cash inflows and outflows. In accordance with IAS 7, cash flows are distinguished according to operating, investing and financing activities. The item cash and cash equivalents comprises solely the cash and cash equivalents recognised on the face of the consolidated balance sheet. The changes in the individual items are derived from the consolidated balance sheet and income statement.

Using net profit after tax as a basis, the cash flow statement was prepared in accordance with the indirect method. Net profit after tax was adjusted for non-cash expenses and income. Allowing for changes in working capital, this produces cash flow from operating activities of EUR 36.242 million (previous year EUR 17.685 million).

There was a net cash outflow of EUR 15.074 million (previous year EUR 4.307 million) from investing activities and free net cash inflow of EUR 21.168 million (previous year EUR 13.378 million) for the year under review. This free cash flow was used to discharge liabilities. The inflow and outflow of funds from operating activities includes interest income of EUR 0.487 million (previous year EUR 0.378 million) net of interest expenses of EUR 0.533 million (previous year EUR 1.095 million) as well as tax payments of EUR 7.986 million (previous year EUR 0.007 million).
Investments in finance leases was disregarded as no cash transactions were involved.

[37] Notes on segment reporting

The primary segment report is broken down into the Digital Engineering, Physical Engineering and Electrical Systems/Electronics divisions.

The Digital Engineering division comprises the design of vehicle components such as power trains, chassis, body shells as well as the complete development of entire vehicles including technical calculations using the usual design methods such as CAD.

The Physical Engineering division is made up of activities related to model construction, trials, vehicle bodies, rapid prototyping and rapid tooling as well as the construction of steel-plate prototypes and plastics engineering.

The Electrical Systems/Electronics division entails conventional automotive electrical systems together with modern automotive electronics, including the development of electronic modules such as onboard networks, software and simulated deployment.

Segment information is based on the same recognition and measurement methods as the consolidated financial statements. Receivables and liabilities, income and expenses as well as intra-group results have been eliminated for reconciliation purposes. Internal revenues are invoiced at normal market prices in compliance with the arm's-length principle. The assets assigned to the individual divisions comprise the intangible assets, property, plant and equipment, inventories and receivables required to operate the segment. Segment liabilities include other provisions, trade payables and other liabilities. Goodwill breaks down as follows: Digital Engineering EUR 6.064 million (previous year EUR 6.064 million) and Physical Engineering EUR 2.909 million (previous year EUR 2.909 million).

The following table reconciles the segment report by division and region on the one hand with the figures carried in the income statement and the balance sheet on the other:

	Total for segments and regions		Reconciliation		Group	
	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
Non-current assets	45.980	40.730	6.465	2.988	52.445	43.718
Current assets	104.262	76.172	18.288	5.579	122.550	81.751
Non-current liabilities	4.109	0.795	13.894	14.883	18.003	15.678
Current liabilities	69.230	39.068	10.201	12.542	79.431	51.610

Other disclosures

[38] Contingent liabilities

Consolidated contingent liabilities, which came to EUR 6.999 million (previous year EUR 8.210 million) on 30 September 2007.

	30.09.2007	30.09.2006
Land charges	6.981	8.155
Collateral pledges	0.018	0.055
Total	**6.999**	**8.210**

They comprise solely collateral pledged to banks. The collateral pledged comprises a hydraulic press with a collateral value of EUR 0.017 million (previous year EUR 0.052 million) and a measuring plate with a collateral value of EUR 0.001 million (previous year EUR 0.003 million).

(in EUR million or as otherwise stated)

[39] Other financial obligations

Future financial obligations resulting from rental, maintenance and leasing contracts, which are carried at their nominal values, fall due as follows:

	30.09.2007	30.09.2006
< 1 year	19.041	13.831
1-5 years	19.662	21.007
> 5 years	16.138	17.745
Total	**54.841**	**52.583**

The obligations under leases of EUR 27.901 million (previous year EUR 29.966 million) included here arise from operating leases and are carried on the lessor's balance sheet. Theses assets involve mostly leased vehicles and software as well as office and business equipment.

[40] Hedging policies and financial derivatives

As a service provider operating on an international level, the Bertrandt Group is exposed to financial risks. These risks comprise the risk of default on receivables from customers, liquidity risks as well as risk of fluctuation in interest and exchange rates. The group treasury department handles all hedging of such risks. The risk of customer default is very largely averted by means of preventive credit rating checks and ongoing monitoring of accounts receivable. A liquidity preview covering a fixed future period, a credit facility available to the Bertrandt Group but not utilised as well as alternative finance instruments ensure ample liquidity at all times. Derivatives are used to manage the individual fixed-interest period and currency segments. The following financial derivatives were in use as of the balance sheet date to hedge currency and interest fluctuation:

	Nominal volume		Fair value	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Swaps	**2.212**	**4.494**	**-0.102**	**-0.135**
< 1 year	0.212	0	0.005	0
1-5 years	2.000	4.494	-0.107	-0.135
5-10 years	0	0	0	0
Caps	**10.000**	**15.000**	**0.438**	**0.256**
< 1 year	0	0	0	0
1-5 years	4.000	9.000	0.054	0.039
5-10 years	6.000	6.000	0.384	0.217
Currency forwards	**0.248**	**1.168**	**0.004**	**0.015**
< 1 year	0.248	0	0.004	0
1-5 years	0	1.168	0	0.015
Total	**12.460**	**20.662**	**0.340**	**0.136**

Derivative instruments are recognised as other assets or other liabilities, as the case may be, and measured at their fair value. The fair value of the interest derivatives shown is the price at which third parties would acquire the rights and/or obligations under this financial instrument on arm's length terms. Fair values are calculated on the basis of the market information available on the balance sheet date. Interest derivatives are predominantly denominated in euro.

[41] Disclosure pursuant to Sections 21

Disclosure pursuant to Section 21 (1) of the German Securities Trading Act
Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen represented by its shareholder/managing director Dietmar Bichlar, Germany, notified us pursuant to Section 21 (1) Sentence 1 of the German Securities Trading Act that it had dropped below the 10 percent threshold of the voting capital in Bertrandt Aktiengesellschaft, Ehningen on 25 August 2004. As of 25 August 2004, it holds 6.82 percent of the voting capital.

Disclosure pursuant to Sections 21 (1) and 22 (1) Sentence 1, Number 1 of the German Securities Trading Act
Mr Dietmar Bichler, Germany, notified us pursuant to Sections 21 (1), 22 (1) Sentence 1, Number 1 of the German Securities Trading Act that his share of the voting rights in Bertrandt Aktiengesellschaft, Ehningen had dropped below the 10 percent threshold of the voting capital on 25 August 2004. As of 25 August 2004, he holds 7.81 percent of the voting capital. Of this share, a total of 6.82 percent of the voting capital is attributable to him via Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen pursuant to Section 22 (1) Sentence 1 Number 1 of the German Securities Trading Act.

Disclosure pursuant to Section 21 (1) of the German Securities Trading Act
In a letter dated 4 October 2005, Absolute Return Europe Fund, George Town, Grand Cayman, Cayman Islands, notified us pursuant to Section 21 (1) of the German Securities Trading Act that its share in the voting capital of Bertrandt Aktiengesellschaft had dropped below the 5 percent threshold on 31 August 2005 and now stood at 2.89 percent.

Disclosure pursuant to Section 21 (1) of the German Securities Trading Act
In a letter dated 15 December 2005, which we received on 23 December 2005, FM Fund Management Limited, George Town, Grand Cayman, Cayman Islands, notified us pursuant to Section 21 (1) of the German Securities Trading Act that its share in the voting capital of Bertrandt AG had dropped below the 5% voting right threshold on 9 December 2005 and now stood at 0%.

Disclosure pursuant to Sections 21 (1), 22 (1) Sentence 1, Number 1 and Number 6, Sentence 2 of the German Securities Trading Act
In a letter dated 15 December 2005, which we received on 23 December 2005, CSI Asset Management Establishment, Vaduz, Liechtenstein notified us pursuant to Section 21 (1) of the German Securities Trading Act that its share in the voting capital of Bertrandt AG had dropped below the 5% voting rights threshold on 12 December 2005 and now stood at 3.77%. Of this, 3.77% of the voting rights are attributable to CSI Asset Management Establishment pursuant to Section 22 (1) Number 1 and Number 6 in connection with Sentence 2 of the German Securities Trading Act.

Disclosure pursuant to Sections 21 (1), 22 (1) Sentence 1, Number 1 and Number 6 of the German Securities Trading Act

In a letter dated 15 December 2005, which we received on 23 December 2005, Absolute Capital Management Holding Limited, Grand Cayman, Cayman Islands, notified us pursuant to Section 21 (1) of the German Securities Trading Act that its share in the voting capital of Bertrandt AG had dropped below the 5% voting right threshold on 12 December 2005 and now stood at 3.77%. Of this, 3.77% of the voting rights are attributable to Absolute Capital Management Holdings Limited pursuant to Section 22 (1) Number 1 and Number 6 of the German Securities Trading Act.

Disclosure pursuant to Sections 21 (1), 41 (3) and 41 (2) Sentence 1 of the German Securities Trading Act

In accordance with Section 21 (1) of the German Securities Trading Act, Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart informed us on 24 March 2006 that the share held by Dr. Ing. h.c. F. Porsche Aktiengesellschaft in the voting capital of Bertrandt AG

- exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- reached the 25 percent threshold on 26 September 2003 and thereupon stood at 25.00 percent;
- dropped below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent, and
- exceeded the 25 percent threshold on 24 October 2005, thereupon stood at 25.01 percent and now stands at 25.14 percent.

In accordance with Section 41 (2) Sentence 1 of the German Securities Trading Act, Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart sent us a message on 24 March 2006 correcting its disclosure of 25 April 2002 according to which the share held by Dr. Ing. h.c. F. Porsche Aktiengesellschaft in the voting rights of Bertrandt AG stood at 24.99 percent on 1 April 2002 and retracted the aforementioned disclosure of 25 April 2002.

Disclosure pursuant to Sections 21 (1) Sentence 1, 22 (1) Sentence 1, Number 1, 41 (3) and 41 (2) Sentence 1 of the German Securities Trading Act

Disclosure pursuant to Sections 21 (1) Sentence 1 and 22 (1) Sentence 1, Number 1, of the German Securities Trading Act

a) In accordance with Section 21 (2) Sentence 1 of the German Securities Trading Act, Porsche GmbH, Stuttgart, Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch GmbH, Stuttgart, Ferdinand Alexander Porsche GmbH, Stuttgart, Gerhard Porsche GmbH, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Hans-Peter Porsche GmbH, Stuttgart, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), Louise Daxer-Piëch GmbH, Salzburg (Austria), Prof. Ferdinand Alexander Porsche GmbH, Salzburg (Austria), Gerhard Anton Porsche GmbH, Salzburg (Austria), Ing. Hans-Peter Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch, Vienna (Austria), Mag. Josef Ahorner, Vienna (Austria), Mag. Louise Kiesling, Vienna (Austria), Prof. Ferdinand Alexander Porsche, Gries/Pinzgau (Austria), Dr. Oliver Porsche, Salzburg (Austria), Kai-Alexander Porsche, Innsbruck (Austria), Mark Philipp Porsche, Innsbruck (Austria), Gerhard Anton Porsche, Mondsee (Austria), Dr. Wolfgang Porsche, Munich, Hans-Peter Porsche, Salzburg (Austria) and Peter Daniell Porsche, Hallein/Rif (Austria) each informed us on 27 March 2006 that the share in the voting capital of Bertrandt AG held by each of the aforementioned disclosing parties

- exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- reached the 25 percent threshold on 26 September 2003 and thereupon stood at 25.00 percent;
- dropped below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 01 September 2004 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent, and
- exceeded the 25 percent threshold on 24 October 2005, thereupon stood at 25.01 percent and now stands at 25.14 percent and that the aforementioned shares in the voting rights were or are attributable to the disclosing parties in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

b) In accordance with Section 21 (1) Sentence 1 of the German Securities Trading Act, Familie Porsche Beteiligung GmbH, Stuttgart informed us on 27 March 2006 that the share held by Familie Porsche Beteiligung GmbH in the voting capital of Bertrandt AG

- exceeded the 5 percent and 10 percent thresholds on 30 December 2002 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- reached the 25 percent threshold on 26 September 2003 and thereupon stood at 25.00 percent;
- dropped below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 01 September 2004 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent, and
- exceeded the 25 percent threshold on 24 October 2005, thereupon stood at 25.01 percent and now stands at 25.14 percent
  and that the aforementioned shares in the voting capital were or are attributable to Familie Porsche Beteiligung GmbH in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

c) In accordance with Section 21 (1) Sentence 1 of the German Securities Trading Act, Familie Porsche-Daxer-Piëch Beteiligung GmbH, Stuttgart informed us on 27 March 2006 that the share held by Familie Porsche-Daxer-Piëch Beteiligung GmbH in the voting capital of Bertrandt AG

- exceeded the 5 percent and 10 percent thresholds on 19 December 2003 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 01 September 2004 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;

- exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent, and
- exceeded the 25 percent threshold on 24 October 2005, thereupon stood at 25.01 percent and now stands at 25.14 percent

and that the aforementioned shares in the voting capital were or are attributable to Familie Porsche-Daxer-Piëch Beteiligung GmbH in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

d) In accordance with Section 21 (2) Sentence 1 of the German Securities Trading Act Ferdinand Piëch GmbH, Wiernsheim, Hans-Michel Piëch GmbH, Wiernsheim, Dipl.-Ing. Dr.h.c. Ferdinand Piëch GmbH, Salzburg (Austria), Dr. Hans Michel Piëch GmbH, Salzburg (Austria), Dr. Ferdinand Piëch, Salzburg (Austria), and Dr. Hans Michel Piëch, Salzburg (Austria), each informed us on 27 March 2006 that the share in the voting capital of Bertrandt AG held by each of the aforementioned disclosing parties

- exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- reached the 25 percent threshold on 26 September 2003 and thereupon stood at 25.00 percent;
- dropped below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 01 September 2004 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- dropped below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent, and
- exceeded the 25 percent threshold on 24 October 2005, thereupon stood at 25.01 percent and now stands at 25.14 percent

and that the aforementioned shares in the voting rights were or are attributable to the disclosing parties in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

2. Disclosure pursuant to Sections 41 (2) Sentence 1 and 22 (1) Sentence 1, Number 1, of the German Securities Trading Act

a) In accordance with Section 41 (2) Sentence 1 of the German Securities Trading Act, Porsche GmbH, Stuttgart, Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch GmbH, Stuttgart, Ferdinand Alexander Porsche GmbH, Stuttgart, Gerhard Porsche GmbH, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Hans-Peter Porsche GmbH, Stuttgart, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), Louise Daxer-Piëch GmbH, Salzburg (Austria), Prof. Ferdinand Alexander Porsche GmbH, Salzburg (Austria), Gerhard Anton Porsche GmbH, Salzburg (Austria), Ing. Hans-Peter Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch, Vienna (Austria), Mag. Josef Ahorner, Vienna (Austria), Mag. Louise Kiesling, Vienna (Austria), Prof. Ferdinand Alexander Porsche, Gries/Pinzgau (Austria), Dr. Oliver Porsche, Salzburg (Austria), Kai-Alexander Porsche, Innsbruck (Austria), Mark Philipp Porsche, Innsbruck (Austria), Gerhard Anton Porsche, Mondsee (Austria), Dr. Wolfgang Porsche, Munich, Hans-Peter Porsche, Salzburg (Austria) and Peter Daniell Porsche, Hallein/Rif (Austria) each informed us on 1 April 2002 that the share held by each of the aforementioned parties in the voting capital of Bertrandt AG stood at 24.99 percent and that this share was attributable to the aforementioned disclosing parties in accordance with Section 22 (1) Sentence 1, No. 1 of the German Securities Trading Act.

b) In accordance with Section 41 (2) Sentence 1 of the German Securities Trading Act, Ferdinand Piëch GmbH, Wiernsheim, Hans-Michel Piëch GmbH, Wiernsheim, Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg (Austria), Dr. Hans Michel Piëch GmbH, Salzburg (Austria), Dr. Ferdinand Piëch, Salzburg (Austria), and Dr. Hans Michel Piëch, Salzburg (Austria), each informed us on 27 March 2006 that the share held by each of the aforementioned disclosing parties in the voting capital of Bertrandt AG stood at 24.99 percent and that this share was attributable to the aforementioned disclosing parties in accordance with Section 22 (1) Sentence 1, No. 1 of the German Securities Trading Act.

Disclosure in accordance with Section 21 (1) of the Securities Trading Act

In a letter dated 27 October, SEB AG, Frankfurt am Main, notified us in accordance with Section 21 (1) of the German Securities Trading Act that its share in the voting capital of Bertrandt AG had exceeded the 5 and 10 percent thresholds on 23 October 2006 and now stands at 14.87 percent. On 24 October 2006, it dropped below the 10 and 5 percent thresholds again. It currently holds 0 percent of the voting capital.

Disclosure in accordance with Section 21 (1) of the Securities Trading Act

In a letter dated 27 October 2006, Ferdinand Porsche Privatstiftung located in Salzburg, A-5020 Salzburg, and Ferdinand Porsche Holding GmbH located in Salzburg, A-5020 Salzburg, informed us in accordance with Section 21 (1) Sentence 1 of the German Securities Trading Act that the share held by these two disclosing parties in the voting capital of Bertrandt AG exceeded the 5, 10 and 25 percent thresholds on 20 October 2006 and now stands at 25.01 percent. These shares are attributable to the disclosing parties in accordance with Section 22 (1) No. 1 of the German Securities Trading Act.

Disclosure pursuant to Section 21 (1) of the German Securities Trading Act
In a letter dated 17 November 2006, Ferdinand Porsche Privatstiftung located in Salzburg, A-5020 Salzburg, and Ferdinand Porsche Holding GmbH located in Salzburg, A-5020 Salzburg, informed us in accordance with Section 21 (1) Sentence 1 of the German Securities Trading Act that the share held by these two disclosing parties in the voting capital of Bertrandt AG exceeded the 5, 10 and 25 percent thresholds on 13 November 2006 and now stands at 25.01 percent. These shares are attributable to the disclosing parties in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

Disclosure pursuant to Sections 26, 41 (4a), 21 (1) of the German Securities Trading Act
In a letter dated 9 February 2007, received on 9 February 2007, ThyssenKrupp AG notified us as follows:

Following the issue of new shares by Bertrandt Aktiengesellschaft in accordance with the authorization granted by the shareholders at the annual general meeting with respect to the creation of contingent capital subject to the exclusion of pre-emptive subscription rights in 2006, the share held by ThyssenKrupp Steel AG in Bertrandt Aktiengesellschaft dropped to 10.0004 % and the share held by ThyssenKrupp Automotive AG to 15.006 %.

In accordance with Sections 41 (4a), 21 (1), 22 (1) No. 1 of the German Securities Trading Act, we hereby make the following declarations with respect to the exercise of voting rights on our own behalf and on behalf of our wholly owned subsidiary ThyssenKrupp Technologies AG, Am Thyssenhaus 1, 45128 Essen, as well as ThyssenKrupp Steel AG, Kaiser-Wilhelm-Straße 100, 47166 Duisburg:

1. The voting rights of 15.006 percent in Bertrandt Aktiengesellschaft, Birkensee 1, 71139 Ehningen held by ThyssenKrupp Automotive AG were transferred to ThyssenKrupp Technologies AG on 16 January 2007 as a result of an amalgamation in the form of inclusion (Section 2 (1) of the German Corporate Conversion Act). The share in the voting rights held by ThyssenKrupp Technologies AG in Bertrandt Aktiengesellschaft thus exceeded the 5, 10 and 15 percent thresholds on 16 January 2007, standing at 15.006 percent (equivalent to 1,522,112 shares).

2. The share in the voting rights held by ThyssenKrupp Technologies AG in Bertrandt Aktiengesellschaft stood at 15.006 percent (equivalent to 1,522,112 shares) on 20 January 2007.

3. The share in the voting rights attributable to ThyssenKrupp AG in accordance with Section 22 (1) No. 1 of the German Securities Trading Act via its two subsidiaries ThyssenKrupp Steel AG and ThyssenKrupp Technologies AG stood at 25.0064 percent (equivalent to 2,536,852 shares) on 20 January 2007.

Disclosures after 30 September 2007:

Disclosure pursuant to Sections 26, 1, 21 (1) of the German Securities Trading Act
In a letter dated 14 November 2007 received on the same day, Dr. Ing. h.c. F. Porsche Aktiengesellschaft in Stuttgart informed us as follows:

The background to this statement is the fact that on 13 November 2007 the business operations of Dr. Ing. h.c. F. Porsche Aktiengesellschaft were spun off to Porsche Vermögensverwaltung AG. At the same time, the transferring entity Dr. Ing. h.c. F. Porsche Aktiengesellschaft was converted into "Porsche Automobil Holding SE" and Porsche Vermögensverwaltung AG was renamed "Dr. Ing. h.c. F. Porsche Aktiengesellschaft".

On behalf of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, (previously doing business under the name "Porsche Vermögensverwaltung AG") entered in the commercial register of the Local Court of Stuttgart under HRB 722287, we hereby inform you in accordance with Section 21 (1) of the German Securities Trading Act that the share of voting rights held by Dr. Ing. h.c. F. Porsche Aktiengesellschaft in Bertrandt Aktiengesellschaft, Birkensee 1, 71139 Ehningen, exceeded the 3, 5, 10, 15, 20 and 25 percent thresholds on 13 November 2007 and as of that date stands at 25.01% of the voting rights (2,537,095 voting rights).

[42] Exemption from the obligation to compile financial statements pursuant to the rules applicable to corporations

Pursuant to Section 264b of the German Commercial Code, ZR-Zapadtka + Ritter GmbH & Co. KG is exempt from the obligation to prepare notes and a management report of its own.

[43] Declaration of compliance with the Corporate Governance Code

The Management Board and Supervisory Board of Bertrandt AG have issued a declaration of compliance with the Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act and have made this available to shareholders on the internet at (www.bertrandt.com).

[44] Disclosure on the Company's corporate governance bodies Management Board

Management Board

Dietmar Bichler
Chairman of the Management Board

- President of the Board of Directors of Bertrandt Spain S.A., Esparreguera
- President of the Board of Directors and Director of Bertrandt France S.A., Bièvres
- Member of the Board of Directors and Director of Bertrandt S.A., Bièvres
- President of the Board of Directors and Director of Bertrandt S.A., Sochaux
- Member of the Supervisory Board of ThyssenKrupp Umformtechnik GmbH, Bielefeld
- Member of the Advisory Board of Kreissparkasse Böblingen, Böblingen

Ulrich Subklew
Member of the Management Board; COO Market and Customer

- Member of the Board of Directors of Bertrandt Spain S.A., Esparreguera
- Member of the Board of Directors of Bertrandt France S.A., Bièvres
- President of the Board of Directors of Bertrandt S.A., Bièvres
- Member of the Board of Directors of Bertrandt S.A., Sochaux
- Member of the Board of Directors of Bertrandt US Inc., Detroit
- President of the Board of Directors of Bertrandt UK Ltd., Dunton
- Member of the Board of Directors of Bertrandt Sweden AB, Trollhättan

The short-term total remuneration paid to the Management Board in fiscal 2006/2007 comes to EUR 1.809 million (previous year EUR 1.562 million) and includes a fixed element and a performance-tied component. The additions to post-retirement benefit provisions for members of the Management Board include service cost of EUR 0.038 million for the current year (previous year EUR 0.039 million).

Provisions amounting to EUR 0.749 million (previous year EUR 0.661 million) were set aside to cover post-retirement benefits payable to former members of the Management Board.

Changes in the holdings of Bertrandt shares owned by members of the Management Board during fiscal 2006/2007 are shown in the following table:

	Balance at 30.09.2007	Balance at 30.09.2006
Number	Shares*	Shares
Dietmar Bichler	801.094	801.094
Ulrich Subklew	51.449	81.449
Total	**852.543**	**882.543**

* Convertible bonds are no longer being issued.
The corresponding programme terminated with the 2005/2006 financial year.
Options are not disclosed here as there is currently no option program.

Supervisory Board

Dr. Klaus Bleyer
Chairman of the Supervisory Board
- Chairman of the Supervisory Board of Mahle GmbH, Stuttgart
- Chairman of the Supervisory Board of Klöckner Pentaplast S.a.r.l., Luxembourg (until 9 July 2007)
- Chairman of the Supervisory Board of Faurecia Automotive GmbH, Frankfurt am Main
- Deputy Chairman of the Supervisory Board of Lindauer Dornier GmbH, Lindau
- Chairman of the Supervisory Board of Ravensburger AG, Ravensburg
- Member of the Supervisory Board of Behr GmbH & Co., Stuttgart
- Chairman of the University Council of the University of Ulm, Ulm

Maximilian Wölfle
Deputy Chairman
- Member of the Administrative Board of Westiform Holding AG, Bern-Niederwangen
- Chairman of the Advisory Committee of J. Wizemann GmbH & Co., Stuttgart
- Member of the Advisory Committee of Heinrich von Wirth GmbH & Co., Stuttgart
- Member of the Advisory Committee of Kaiser-Brauerei W. Kumpf GmbH & Co. KG, Geislingen/Steige
- Member of the Advisory Committee of Südwestbank AG, Stuttgart
- Member of the Advisory Committee of Paul Lange & Co., Stuttgart

Horst Binnig
- Chairman of the Management Board of KS Aluminium-Technologie AG, Neckarsulm
- Member of the Supervisory Board of Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd. (KPSNC), Shanghai

Prof. Dr.-Ing. Wilfried Sihn
- Professor of operating engineering and system planning at the Institute of Management Science of the Technical University of Vienna, Vienna, Austria
- Head of the Fraunhofer project group for production management and logistics in Vienna, Austria
- Deputy Chairman of the Supervisory Board of Rohwedder AG, Bermatingen
- Deputy Chairman of the Supervisory Board of flexis AG, Stuttgart
- Deputy Chairman of the Supervisory Board of WITTENSTEIN AG, Harthausen

Daniela Brei
Staff representative
- Commercial clerk

Martin Diepold
Staff representative
- Designer

On the basis of the proposed dividend, the Supervisory Board will receive total remuneration of EUR 0.152 million for its activities in fiscal 2006/2007 (previous year EUR 0.114 million), comprising a fixed component of EUR 0.099 million and a variable component of EUR 0.053 million. The amounts payable breakdown by Supervisory Board member as follows:

	2006/2007		
EUR	Fixed	Variable	Total
Dr. Klaus Bleyer	27,500	14,000	41,500
Maximilian Wölfle	22,000	10,500	32,500
Horst Binnig	13,750	7,000	20,750
Prof. Dr.-Ing. Wilfried Sihn	13,750	7,000	20,750
Daniela Brei	11,000	7,000	18,000
Martin Diepold	11,000	7,000	18,000
Total	**99,000**	**52,500**	**151,500**

The share issued by Bertrandt and held by members of the Supervisory Board break down as follows:

	Balance at 30.09.2007	Balance at 30.09.2006
Number	Shares*	Shares
Dr. Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr.-Ing. Wilfried Sihn	0	0
Daniela Brei	142	142
Martin Diepold	25**	425
Total	**167**	**567**

* Convertible bonds are no longer being issued.
The corresponding programme terminated with the 2005/2006 financial year.
Options are not disclosed here as there is currently no option program.
** The reduction is due to the sale of shares on 22 May 2007 as well as a to correction in a custodian account.

(in EUR million or as otherwise stated)

[45] Shares owned by Bertrandt AG

In %	Share in equity capital
Germany	
Bertrandt Ingenieurbüro GmbH, Neckarsulm	100.00
Bertrandt Ingenieurbüro GmbH, Gaimersheim	100.00
Bertrandt Ingenieurbüro GmbH, Cologne	100.00
Bertrandt Ingenieurbüro GmbH, Munich	100.00
Bertrandt Ingenieurbüro GmbH, Ginsheim-Gustavsburg	100.00
Bertrandt Ingenieurbüro GmbH, Hamburg	100.00
Bertrandt Ingenieurbüro GmbH, Tappenbeck	100.00
Bertrandt Technikum GmbH, Ehningen	100.00
Bertrandt Projektgesellschaft mbH, Ehningen	100.00
Bertrandt Services GmbH, Ehningen	100.00
ZR-Zapadtka + Ritter GmbH & Co. KG, Bretzfeld	100.00
ZR-Zapadtka + Ritter Geschäftsführungs GmbH, Bretzfeld	100.00
Bertrandt Automotive GmbH & Co. KG, Eschborn	15.00
Bertrandt Entwicklungen AG & Co. OHG, Sindelfingen	30.00
aucip. automotive cluster investment platform GmbH & Co. KG, Eschborn	24.80
aucip. automotive cluster investment platform Beteiligungs GmbH, Eschborn	24.80
EUROAER GmbH, Hamburg	33.33
Non-Germany	
Bertrandt France S.A., Bièvres, France	99.97
Bertrandt S.A., Bièvres, France	99.99
Bertrandt S.A., Sochaux, France	99.84
Bertrandt UK Limited, Dunton, United Kingdom	100.00
Bertrandt Spain S.A., Barcelona/Esparreguera, Spain	100.00
Bertrandt Sweden AB, Trollhättan, Sweden	100.00
Bertrandt US Inc., Detroit, Michigan, United States	100.00

The breakdown of the voting rights is in accordance with the shareholder structure. The exercise by Bertrandt AG of a material influence on Bertrandt Automotive GmbH & Co. KG is determined on the basis of the provision of material technical information as well as the possibility for exerting information on key business transactions.

The net assets and results of operations of the associates accounted for at equity are as follows:

	30.09.2007	30.09.2006
Assets	27.785	51.896
Liabilities	26.720	51.447
Revenues	44.516	68.685
Net profit for the year	1.019	0.773

Bertrandt Automotive GmbH & Co. KG, aucip. automotive cluster investment platform GmbH & Co. KG, aucip. automotive cluster investment platform Beteiligungs GmbH and EUROAER GmbH adopted the calendar year as their financial year, while Bertrandt Entwicklungen AG & Co. OHG has the same balance sheet date as the Bertrandt Group.

The supply/delivery and business relationships between Bertrandt AG and these companies were based on arm's length prices. The net sales volume of these companies in the period under review was EUR 0.200 million (previous year EUR 3.927 million) in the case of Bertrandt Automotive GmbH & Co. KG, EUR 3.638 million (previous year EUR 2.506 million) in the case of Bertrandt Entwicklungen AG & Co. OHG and EUR 12.876 million in the case of EUROAER GmbH. All three companies were accounted for in the consolidated financial statements at equity.

[46] Auditor's fees

The auditor's fees, which are expensed in accordance with Section 319 (1) of the German Commercial Code, break down as follows:

	2006/2007	2005/2006
Audit of financial statements	0.142	0.141
Tax consulting services	0.062	0.039
Other services	0.046	0.055
Total	**0.250**	**0.235**

[47] Profit allocation proposal

In accordance with Section 58 (2) of the German Stock Corporation Act, the dividend distributed by Bertrandt AG is based on the unappropriated surplus recorded by Bertrandt AG in the financial statements prepared according to German commercial law for the year ending 30 September 2007.

The Management Board proposes using Bertrandt AG's unappropriated surplus of EUR 9,507,667.10 to pay a dividend of EUR 0.80 per dividend-entitled share and carrying forward the balance of EUR 1,393,075.10. In accordance with the German Stock Corporation Act, any treasury shares held by Bertrandt AG at the time the proposal is adopted are not entitled to a dividend. The amount applicable to such shares with no par value that are not entitled to any dividend is also carried forward.

[48] Day of release for publication

The Management Board of Bertrandt AG has submitted the consolidated financial statements to the Supervisory Board, which will make a decision concerning these on 3 December 2007.

Ehningen, 16 November 2007

The Management Board

Auditor’s Report
We have audited the consolidated financial statements prepared by Bertrandt Aktiengesellschaft, Ehningen – comprising the balance sheet, income statement, statement of equity movements, cash flow statement and notes – and the management report for the fiscal year from 1 October 2006 through 30 September 2007. The preparation of the consolidated financial statements and the Group management report in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the additional accounting provisions in accordance with Section 315a (1) HGB is the responsibility of the Company’s Management Board. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated annual financial statements in accordance with the applicable principles of proper accounting and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Group annual financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the financial statements of the companies included in the Group, the definition of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by the Management Board as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

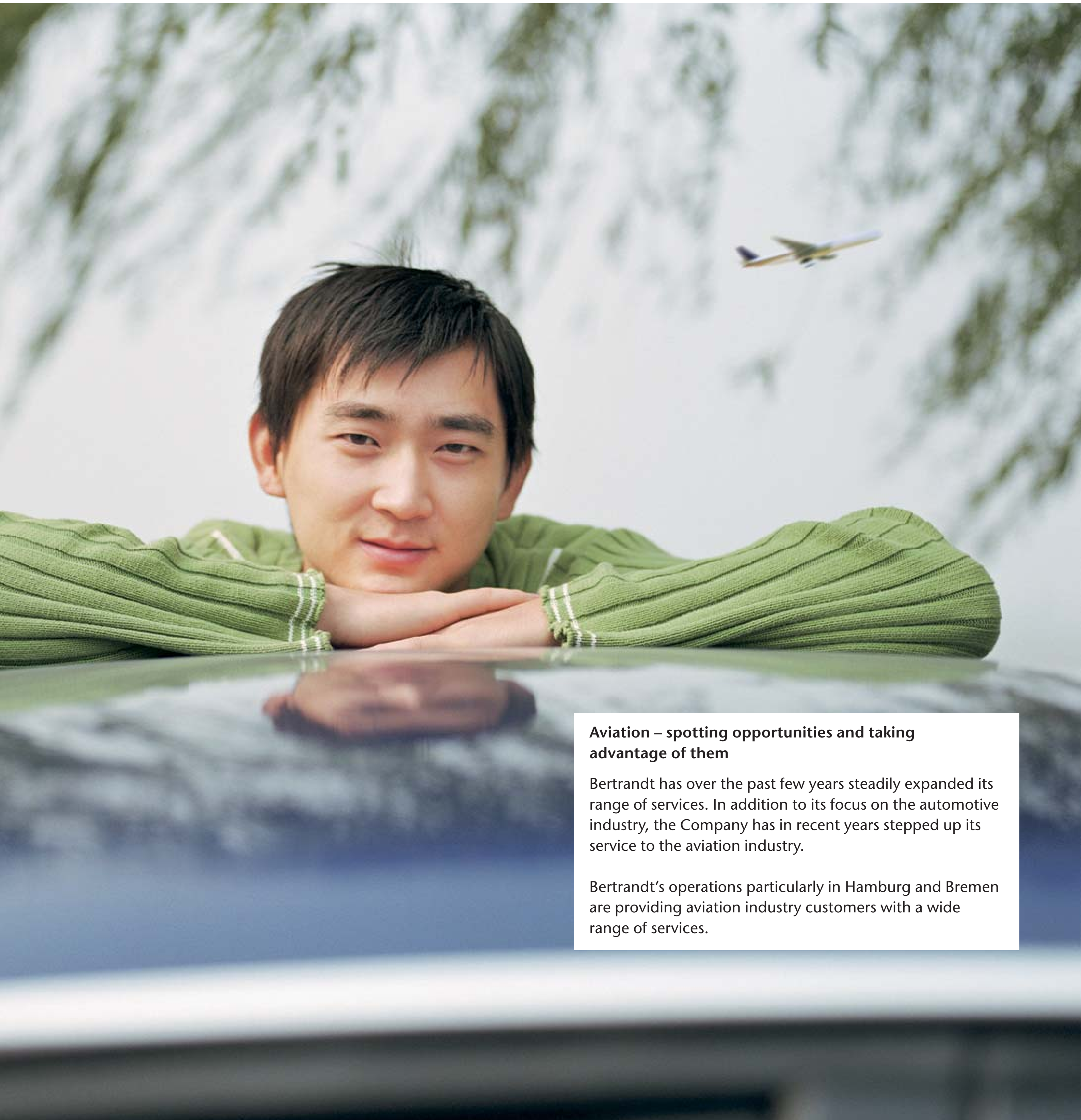
In our opinion based on the results of our audit, the consolidated financial statements comply with IFRS as they are to be applied in the EU, the supplementary provisions of German commercial law in accordance with Section 315a (1) HGB and in the light of these provisions give a true and fair view of the net assets, financial position and results of operations of the Group. The Group management report is consistent with the consolidated annual financial statements and on the whole provides a suitable understanding of the Group’s position and suitably presents the risks to future development.

Stuttgart, 19 November 2007

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Bäder) Certified Public Accountant	(ppa. Rundag) Certified Public Accountant

Corporate governance



Aviation – spotting opportunities and taking advantage of them

Bertrandt has over the past few years steadily expanded its range of services. In addition to its focus on the automotive industry, the Company has in recent years stepped up its service to the aviation industry.

Bertrandt's operations particularly in Hamburg and Bremen are providing aviation industry customers with a wide range of services.

Corporate governance at Bertrandt

Declaration on the German Corporate Governance Code in accordance with § 161 of Stock Corporation Act (AktG)

The Management and Supervisory Board of Bertrandt Aktiengesellschaft hereby declare in accordance with Article 161 of Stock Corporation Act that the recommendations of the government commission German Corporate Governance Code as amended on June 12, 2006 – officially announced in the electronic Federal Bulletin on July 24, 2006 – were fundamentally complied with. The recommendations based on items 3.8 paragraph 2, 4.2.3 paragraph 3, 4.2.5 paragraph 2 and 3, 5.5.2, 5.5.3 sentence 1 German Corporate Governance Code were not and will not be adopted.

Since July 20, 2007 the recommendations of the government commission German Corporate Governance Code as amended on June 14, 2007 – officially announced in the electronic Federal Bulletin on July 20, 2007 – have been and are being fundamentally complied with. The recommendations based on items 3.8 paragraph 2, 4.2.3 paragraph 3, 4.2.5 paragraph 2 and 3, 5.5.2, 5.5.3 sentence 1 German Corporate Governance Code were not and will not be adopted. As of today the new recommendations based on itmes 5.3.2 sentence 1 and 5.3.3 of the German Corporate Governance Codex are complied with as well.

Ehningen, 17 September 2007

The Management Board	The Supervisory Board
Dietmar Bichler Chief Executive Officer	Dr. Klaus P. Bleyer Chairman of the Supervisory Board

Report pursuant to Section 3.10 of the German Corporate Governance Code

Pursuant to Article 161 of the German Public Companies Act, the Management Board and the Supervisory Board declare once a year whether the recommendations set out in the German Corporate Governance Code (hereinafter referred to as "GCGC") were and are still complied with and which recommendations were or are not applied. Bertrandt issued this declaration for the current year in September 2007. It is reproduced in our annual report for fiscal 2006/2007 and on our website at www.bertrandt.com.

The basic structure of Bertrandt AG's corporate governance is determined by the mandatory assignment of duties as specified by the German Public Companies Act:

Management Board
The Management Board manages Bertrandt Aktiengesellschaft autonomously and is its statutory representative. Notwithstanding the overall responsibility of the Management Board as a whole, specific tasks are assigned to its members in accordance with a business allocation plan. The members of the Management Board are solely committed to furthering the Group's interests. Any significant outside business transactions require the approval of the Supervisory Board.

Supervisory Board
The Supervisory Board of Bertrandt Aktiengesellschaft monitors the Management Board and is responsible in this capacity for appointing the members of the Management Board. It has established a personnel and an auditing committee for ensuring effective and efficient performance of its duties. The personnel committee has also been the nomination committee since the Supervisory Board's decision on 17 September 2007. Intensive, ongoing communication takes place between the Management Board and the Supervisory Board, with the Management Board briefing the Supervisory Board on the Group's business performance, its situation (including risk exposure and risk management as well as compliance) and corporate planning as well as orientation regularly, comprehensively and without delay.

Annual General Meeting
The shareholders take advantage of their rights at the Annual General Meeting, where they exercise their voting rights. Each share has one vote. There are no shares with multiple, preferential or maximum voting rights. At the Annual General Meeting, the shareholders pass resolutions on such matters as the exoneration of the members of the Management Board and the Supervisory Board, the selection of the Company auditors and election of members to the Supervisory Board.

Holdings of shares or related equity instruments by members of the Management Board and the Supervisory Board

Changes in the holdings of Bertrandt shares held by members of the Management Board during fiscal 2006/2007 are shown in the following table:

	Balance at 30.09.2007	Balance at 30.09.2006
Number	Shares*	Shares
Dietmar Bichler	801,094	801,094
Ulrich Subklew	51,449	81,449
Total	**852,543**	**882,543**

* Convertible bonds are no longer included.
The corresponding programme terminated with the 2005/2006 financial year.
Options are not disclosed here as there is currently no option program.

The shares issued by Bertrandt and held by members of the Supervisory Board break down as follows:

	Balance at 30.09.2007	Balance at 30.09.2006
Number	Shares*	Shares
Dr. Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr.-Ing. Wilfried Sihn	0	0
Daniela Brei	142	142
Martin Diepold	25**	425
Total	**167**	**567**

* Convertible bonds are no longer included.
The corresponding programme terminated with the 2005/2006 financial year.
Options are not disclosed here as there is currently no option program.
** The reduction is due to the sale of shares on 22 May 2007 as well as to a correction in a custodian account.

Management Board remuneration

The total remuneration paid to the members of the Management Board in fiscal 2006/2007 came to EUR 1.809 million (previous year EUR 1.562 million).

The remuneration paid to each member of the Management Board comprises fixed and variable components pursuant to the individual employment contracts signed. The variable components of remuneration are linked to consolidated earnings.

At the moment, no share options have been issued to the members of the Management Board. Nor are any planned. Given that every member of the Management Board holds shares in the Company as disclosed in the annual report, there is no need for any share-related remuneration.

Both members of the Management Board are provided with a car for business and private use. Both Management Board members are also covered by a group accident insurance policy. There are retirement benefit obligations vis-à-vis one active member as well as one former member of the Management Board.

For competitive reasons, the remuneration paid to members of the Management Board is disclosed only to the extent required by prevailing accounting law. On 15 February 2006, the shareholders approved the continuation of the long-standing reporting practice by passing a non-disclosure resolution in accordance with the Management Remuneration Act.

Supervisory Board remuneration

The members of the Supervisory Board received the following remuneration in fiscal 2006/2007:

	2006/2007		
EUR	Fixed	Variable	Total
Dr. Klaus Bleyer	27,500	14,000	41,500
Maximilian Wölfle	22,000	10,500	32,500
Horst Binnig	13,750	7,000	20,750
Prof. Dr.-Ing. Wilfried Sihn	13,750	7,000	20,750
Daniela Brei	11,000	7,000	18,000
Martin Diepold	11,000	7,000	18,000
Total	**99,000**	**52,500**	**151,500**

The members of the Supervisory Board were not paid any compensation or benefits in the 2006/2007 financial year for services provided in a personal capacity, in particular involving consulting and brokerage services.

Purchase or sale of shares in the Company or of financial instruments relating to shares by persons specified in Section 6.6 of the GCGC
The following purchase or sale transactions subject to mandatory disclosure under Article 15a of the German Securities Trading Act took place in fiscal 2006/2007:

Date	Name	Transaction	Price	Amount
16.05.2007	Ulrich Subklew	Sale	EUR 27.50	EUR 825,000.00
22.05.2007	Martin Diepold	Sale	EUR 28.70	EUR 10,762.50

Disclosure on Company share option programmes and similar security-based incentive schemes
Bertrandt AG does not have any share option programmes or similar security-based incentive schemes.

Explanation of individual deviations from the GCGC recommendations
The Management Board and the Supervisory Board of Bertrandt Aktiengesellschaft have deliberated at length on the GCGC recommendations. In the interests of the Company, however, it was deemed necessary to deviate from individual recommendations:

Section 3.8 (2) of the GCGC
Bertrandt Aktiengesellschaft has taken out directors and officers (D&O) insurance. Contrary to the provisions contained in Section 3.8 of the GCGC, however, this cover does not provide for any suitable deductible because Bertrandt Aktiengesellschaft had already taken out this cover prior to the promulgation of the GCGC to protect its interests in a hypothetical risk event.

Section 4.2.3 (3) as well as Sections 4.2.5 (2) and (3) of the GCGC
As a matter of principle, the overall compensation paid to the members of the Management Board complies with the recommendations contained in Section 4.2.3 of the GCGC and comprises fixed and variable components. The principles underlying compensation are described in greater detail on page 111 of this report. However, the remuneration did not and does not contain any components with a long-term incentive effect containing risk elements as defined in Section 4.2.3 (3) of the GCGC. There is currently no need for any share-based compensation because every member of the Management Board holds shares. This is disclosed on page 110 of this report.

Notwithstanding the recommendation in Section 4.2.5 of the GCGC, the remuneration paid to members of the Management Board was and is disclosed only to the extent required by prevailing accounting law for competition-related reasons. On 15 February 2006, the shareholders approved the continuation of the long-standing reporting practice by passing a non-disclosure resolution in accordance with the Management Remuneration Act.

Section 5.5.2 and Section 5.5.3 Sentence 1 of the GCGC
In its byelaws, the Supervisory Board has specified how it treats any conflict of interest autonomously and at variance to the recommendations contained in Sections 5.5.2 and 5.5.3 Sentence 1 of the GCGC. The byelaws require each member of the Supervisory Board to disclose any conflict of interest to the Chairman of the Supervisory Board, who, himself, is required to disclose any such conflict to the Deputy Chairman of the Supervisory Board. These rules go beyond the scope provided for in Section 5.5.3 Sentence 1 of the GCGC and do not make any distinction on the basis of whether conflicts of interest are material or only temporary. Rather, all conflicts of interest must be disclosed. The public discussion of such disclosures may be waived to permit the members of the Supervisory Board to discuss with the Chairman even only apparent conflicts of interest on a confidential basis.

Section 5.3.2 Sentence 1 as well as 5.3.3 of the GCGC
The new recommendations contained in Section 5.3.2 Sentence 1 as well as Section 5.3.3 of the GCGC have been complied with since 17 September 2007. In its meeting on that day, the Supervisory Board adopted the amendment to its bylaws to the extent that the auditing committee is now expressly also charged with matters of compliance and that the personnel committee shall also be the nomination committee, and that the latter shall in the future propose suitable candidates for the Supervisory Board to put before the annual general meeting for election.

Ehningen, 3 December 2007

The Management Board	The Supervisory Board
Dietmar Bichler / Ulrich Subklew	Dr. Klaus Bleyer / Maximilian Wölfle

Report of the Supervisory Board

Dr. Klaus Bleyer, Chairman of the Supervisory Board

Ongoing dialogue

The Supervisory Board of Bertrandt AG regularly advised the Management Board on the management of the Company and monitored the Management Board's activities on an ongoing basis. It was regularly briefed by the Management Board in written and oral reports that provided comprehensive and up-to-date information on the Company's situation. Moreover, it ensured that the applicable statutory provisions, the Company's Articles of Association as well as the bylaws of the Supervisory Board and the Management Board were complied with.

The Supervisory Board and the Management Board collaborated in an open and solution-oriented spirit and continue to do so. In particular, the consultations between the Chairman of the Supervisory Board and the Chairman of the Management Board were intensive and characterised by continuous dialogue. The Chairman of the Supervisory Board passed key findings and information arising from this dialogue to the board's other members, thus ensuring that they were as up to date on all pertinent matters and providing opportunity for contributing their council.

Focal points of the Supervisory Board's deliberations

Throughout the entire fiscal year, the Supervisory Board monitored the Management Board's actions aimed at achieving sustained growth in revenues and earnings, and provided it with advice. One regular subject on the agenda of the Supervisory Board's meetings concerned the business performance of Bertrandt AG and the Group as well as fundamental issues relating to corporate strategy, and its implementation in short and medium-term planning. In addition to the parent company's business performance, the Supervisory Board also concerned itself with the performance of individual subsidiaries. As well as this, it reviewed the Company's foreign operations. The Supervisory Board was provided with detailed information on the Company's business, financial condition, market and competitive situation as well as its personnel situation.

The Supervisory Board held four meetings in the year under review: on 4 December 2006, on 14 February 2007, on 9 May 2007 and on 17 September 2007.

The Supervisory Board has formed two committees – the auditing and the personnel committee. The auditing committee met on 4 December 2006 to examine the annual financial statements of Bertrandt AG and the Group. The personnel committee also met on 4 December 2006 as well as on 17 September 2007, and dealt with the Management Board's personnel matters.

Corporate governance

The Supervisory Board consulted on the German Corporate Governance Code and issued the declaration of conformity required by Article 161 of the German Public Companies Act on 17 September 2007. During the same meeting, the Supervisory Board adopted the amendments to its bylaw stating that the personnel committee shall simultaneously act as nomination committee. It also amended its bylaws relating to the auditing committee to the extent that this committee also deal with compliance issues. The Company complies with numerous recommendations set out in the Code. The small number of deviations is explained in the Corporate Governance Report on page 112 of this Report. In addition, the Supervisory Board again reviewed the efficiency of its own activities.

Audit of the annual financial statements

The annual financial statements and management report for Bertrandt AG and the consolidated financial statements and Group management report for the 2006/2007 fiscal year together with the accounting were audited by public accountants PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Stuttgart, and issued with an unqualified auditor's certificate.

All members of the Supervisory Board received copies of these financial statements and management reports as well as the auditor's reports in good time prior to the meeting at which they were to be deliberated upon. The auditing committee initially dealt with these documents in a preparatory capacity, after which they were discussed by the Supervisory Board at its meeting of 3 December 2007. These meetings were also attended by the auditors who had certified the annual and consolidated financial statements. They reported on the audit as a whole as well as on the main aspects of their activities. In addition, they answered the questions asked by members of the Supervisor Board. The Supervisory Board did not have any objections. The board therefore approved the audit report and, after its own examination of the annual financial statements and management report for Bertrandt AG and the consolidated financial statements and Group management report for fiscal 2006/2007, accepted the annual and consolidated financial statements prepared by the Management Board. Accordingly, the annual financial statements have been adopted and the consolidated financial statements approved. The Supervisory Board agreed with the Management Board's proposal for the allocation of the Company's unappropriated profit.

Dr. Klaus Bleyer, Chairman of the Supervisory Board
Maximilian Wölfle, Deputy Chairman of the Supervisory Board
Horst Binnig
Prof. Dr.-Ing. Wilfried Sihn
Daniela Brei, Staff representative
Martin Diepold, Staff representative

Members of the Supervisory Board

The Supervisory Board wishes to thank the Management Board and all the employees of the Bertrandt Group for their dedication and work they have done. They have achieved very good results under demanding market conditions.

Ehningen, 3 December 2007

Dr. Klaus Bleyer
Chairman of the Supervisory Board

Interiors – the inner values are what matter

Attractive interiors appeal to customers and motivate them to buy. Individual designs on the one hand and quality as well as well though-out functions on the other are decisive features that set a brand apart.

Comprehensive component and module solutions, such as for example a sports seat or elegant cockpit solutions, are seamlessly covered within the Bertrandt Group. From design through to the functional mass-production solution, Bertrandt offers virtually all interiors-related development services.

Additional information

Glossary

A

Ad-hoc

Company bullites that may influence the share price are published in the form of ad hoc announcements pursuant to Section 15 of the Securities Trading Act (WpHG). Ad hoc bulletins are intended to ensure equal availability of information to all market participants.

Ad hoc bulletins

The Securities Trading Act obliges companies to issue ad hoc bulletins without delay on important news concerning the company that might have a considerable effect on its share. This is intended to rule out the possibility that share-relevant news is known only to insiders, who might exploit their advantage in terms of knowledge.

Arm's-length principle

Internal sales are invoiced at normal market prices and as a matter of principle are thus in line with sales to third parties.

At equity

A method of accounting applied to associated businesses over which significant influence is exercised. Subsequent measurement of the carrying amounts of investments in the consolidated financial statements of the parent company by the pro-rata result for the period of the company in which the equity is held.

Authorised capital

Contingent resolution passed by the shareholders authorising the management board of a public company to increase the capital up to a certain amount and within a certain timeframe.

B

Borrowings

Capital raised externally by taking on loans.

C

Capital and reserves

Funds made available to a company by its legal owners. Corresponds to the balance of the company's assets after deducting all debts.

Capital gains tax

Tax on investment income.

Capital increase

Issue of new shares on a cash or non-cash basis or by using the company's own funds.

Cash and cash equivalents

Cash at hand plus bank balances, cheques and securities carried as current assets.

Cash flow

Cash flow represents the funds generated from own operating activity and shows the ability of a company to fund itself (net profit plus depreciation/amortisation and transfer to long-term provisions).

Cash flow from operating activities

See cash flow, plus changes in working capital.

Cash flow hedge

Hedges of future cash flows against the risk of changes in value that are highly likely to occur.

Convertible bonds	Bonds that are issued by a public company entitling the creditor to subscribe to shares by converting the bonds.
Corporate Governance Code	The Corporate Governance Code imposes major legal requirements on the managing and monitoring of listed German companies and contains both internationally and nationally recognised standards of good and responsible corporate governance. The rules that apply in Germany to corporate governance and monitoring are transparent to both national and international investors.

D

Deferred income/prepaid expenses	Allocation of expenses and income to the respective financial year in which they arise.
Deferred taxes	Income tax arising in future periods as a result of temporary differences between the IFRS carrying values and the tax base.
Derivative financial instruments	Products that are derived from a base asset and whose price depends to a large extent on the price of the underlying financial instrument. They make it possible to control market price risks. Derivatives include the following types of product: forex forward transactions, swaps, options and option-like instruments (caps, floors etc.).
Designated sponsor	Banks or financial service providers that look after smaller or medium-sized listed enterprises and guarantee ongoing trade in their shares.
Distributable profit	The surplus of net profit or net loss plus profit or loss carryforwards, less retained profit and minority interests.
Dividend	The earnings for a period that are due to and paid out to shareholders.

E

Earnings per share	Derived by dividing the earnings for a period that are due to the shareholders by the average number of share outstanding during the period.
EBIT	Earnings before interest and taxes.
EBT	Earnings before tax.
Equity ratio	Ratio of shareholders' equity to total capital.

F

Free cash flow
Cash flow from current business operations less cash flow to capital spending. The amount available to a company to discharge debt and to pay dividends.

Free float
Shares in a public company not held by major investors. As defined by Deutsche Börse AG, blocks of shares of less than five percent are classified as free float unless they are held by asset managers, investment funds, trusts and pension funds.

G

Goodwill
Intangible asset. Corresponds to the future economic benefit of assets that cannot be individually identified or separately carried.

Gross domestic product
Income from the output of all production factors employed in a domestic market less depreciation/amortisation.

Gross national product
Sum of economic output that the inhabitants of a country generate in a given period.

I

IAS
The International Accounting Standards are intended to ensure that accounting and reporting is comparable on an international level.

IFRS
International Financial Reporting Standards refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

Impairment test
A method of testing the value of assets.

Institutional investor
Institutional investors may be insurance companies, pension funds, capital investment companies or also banks that regularly have investment requirement. Other investor groups comprise professional traders and private investors.

ISIN
International Security Identification Number. This ten-digit number is prefixed with a country code (DE = Germany, CH = Switzerland) and serves to make securities internationally identifiable.

Issue price
The price that investors must pay for new shares.

Issued capital
The share capital in a public company or company with limited liability that is to be recorded in the balance sheet.

M

Market capitalisation
Reflects the current stock-market value of the company. Derived by multiplying the number listed shares by the closing-day share price.

O

Operating profit	cf. EBIT.
Ordinary share	Unrestricted shareholder right to participate in, vote at and receive information during the annual general meeting, as well as dividend entitlement, right to subscribe to capital increases and share in liquidation proceeds.

P

Payout	Dividends, bonuses, bonus shares as well as liquidation proceeds that are paid out to shareholders.
Percentage-of-completion method	Degree of completion; used to value unfinished work.
Price-earnings ratio	Ratio of the current share price to earnings per share.

R

Research	Analysis of a security with respect to its prospects or of a company with respect to its earnings power etc. The term research is used to describe systematic study of value and price-determining factors relating to a security.

T

Tax rate	Ratio of actual income taxes to earnings before income taxes.
Total assets/liabilities	The sum of all assets or the sum of shareholders' equity and liabilities.

W

WKN	German abbreviation for security code number.
Working capital	Current assets (trade receivables, future receivables from construction contracts, inventories and other current assets) less current liabilities (trade payables and other current liabilities not attributable to financing activity).

(in EUR million or as otherwise stated)

Multiyear overview

Income statement

	FY 02/03	FY 03/04	FY 04/05	FY 05/06	FY 06/07
Revenues	**225.716**	**220.800**	**217.165**	**241.107**	**339.528**
Other internally generated assets	1.202	0.485	0.260	0.142	0.163
Total revenues	**226.918**	**221.285**	**217.425**	**241.249**	**339.691**
Other operating income	3.979	4.740	4.665	6.015	4.970
Raw materials and consumables used	-30.238	-24.602	-21.386	-23.405	-38.589
Staff costs	-144.389	-145.598	-149.849	-163.480	-218.948
Depreciation	-12.196	-10.518	-9.336	-9.398	-9.143
Other operating expenses	-38.011	-39.397	-39.700	-36.653	-45.675
Operating profit	**6.063**	**5.910**	**1.819**	**14.328**	**32.306**
Net finance income	-2.245	-1.710	-1.437	-0.803	0.274
Profit from ordinary activity	**3.818**	**4.200**	**0.382**	**13.525**	**32.580**
Other taxes	-0.540	-0.507	-0.405	-0.584	-0.433
Earnings before tax	**3.278**	**3.693**	**-0.023**	**12.941**	**32.147**
Income taxes	-2.023	-1.671	0.095	-5.122	-9.935
Earnings after income tax	**1.255**	**2.022**	**0.072**	**7.819**	**22.212**
Minority interests	0.653	0.249	0	0	0
Profit attributable to the shareholders of Bertrandt AG	**1.908**	**2.271**	**0.072**	**7.819**	**22.212**
Number of shares (in thousands) – basic, weighted average –	10,056	10,065	10,073	10,077	10,117
Number of shares (in thousands) – diluted, weighted average –	10,109	10,121	10,109	10,077	10,117
Earnings per share (in EUR) – basic –	**0.19**	**0.23**	**0.01**	**0.78**	**2.20**
Earnings per share (in EUR) – diluted –	**0.19**	**0.22**	**0.01**	**0.78**	**2.20**

Balance sheet

	30.09.2003	30.09.2004	30.09.2005	30.09.2006	30.09.2007
Assets					
Non-current assets	**52.901**	**53.667**	**51.254**	**43.718**	**52.445**
Intangible assets	12.248	13.312	14.655	11.559	12.144
Property, plant and equipment	35.831	34.404	31.042	29.048	33.836
Financial assets	0.991	0.923	0.860	0.869	1.097
Receivables and other assets	0.670	1.298	1.550	1.334	1.560
Income tax assets	0	0	0	0	1.206
Deferred taxes	3.161	3.730	3.147	0.908	2.602
Current assets	**81.234**	**74.308**	**70.392**	**81.751**	**122.550**
Inventories	0.928	0.964	0.407	0.310	0.371
Future receivables from construction contracts	15.193	15.413	11.139	17.167	23.432
Receivables and other assets	57.905	51.447	54.741	60.031	84.309
Income tax assets	0	0	0	0	0.170
Cash and cash equivalents	7.208	6.484	4.105	4.243	14.268
Total assets	**134.135**	**127.975**	**121.646**	**125.469**	**174.995**
Equity and liabilities					
Capital and reserves	**50.485**	**51.549**	**49.820**	**58.181**	**77.561**
Issued capital	10.064	10.069	10.081	10.143	10.143
Share premium	26.180	26.207	26.275	26.625	26.625
Retained earnings	9.673	11.264	13.461	17.557	31.283
Minority interests	0.150	0.129	0.003	0.002	0.002
Consolidated distributable profit	4.418	3.880	0	3.854	9.508
Non-current liabilities	**25.181**	**23.093**	**18.646**	**15.678**	**18.003**
Provisions	1.112	1.237	1.365	1.546	5.098
Borrowings	17.556	14.811	10.613	7.600	6.199
Other liabilities	0.851	0.761	0.810	0.795	0.732
Deferred taxes	5.662	6.284	5.858	5.737	5.974
Current liabilities	**58.469**	**53.333**	**53.180**	**51.610**	**79.431**
Tax provisions	3.036	1.565	1.413	4.212	8.577
Other provisions	5.718	6.683	8.273	11.779	34.426
Borrowings	25.088	21.417	18.972	8.331	1.624
Trade payables	5.273	5.286	4.368	5.362	7.222
Other liabilities	19.354	18.382	20.154	21.926	27.582
Total equity and liabilities	**134.135**	**127.975**	**121.646**	**125.469**	**174.995**

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Financial Calendar

Annual press and analysts' conference

6 December 2007
Stuttgart/Frankfurt

Report on the 1st quarter 2007/2008

11 February 2008

Annual General Meeting

13 February 2008
10:30
City Hall Sindelfingen

Report on the 2nd quarter 2007/2008

8 May 2008

Third capital market day

8 May 2008
Ehningen

Report on the 3rd quarter 2007/2008

20 August 2008

Annual press and analysts' conference

4 December 2008
Stuttgart/Frankfurt

Annual General Meeting

18 February 2009
10:30
City Hall Sindelfingen

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