

May 11, 2007

Board of Management speech:

Heinz Harling, Chairman of the Board of Management

Dirk Engel, Finance Director

- Check against delivery -

Ladies and Gentlemen,
Dear Shareholders,

On behalf of the whole Board of Management, allow me to extend a warm welcome to everyone to this year's Shareholders' Meeting: not just those present here in the Congress Room of the Münsterland Hall, but also the viewers watching our Shareholders' Meeting on their computer screens over the internet. As well as broadcasting this Shareholders' Meeting on the internet, this year we are again offering our shareholders the option of participating in today's votes via the internet. We regard that as our contribution towards making it as easy as possible for our shareholders to exercise their rights. These efforts appear to be bearing fruit, because we are able to report a rise in attendance – albeit a slight one – for the first time in quite a number of years.

Before proceedings get under way, I should also like to take the opportunity to introduce you to the new Board of Management members who joined our executive body last summer. Henry Brickenkamp is now 39 years old, and lives in Halle, Westphalia. He has been Sales Director of technotrans since 2005 and has since been able to exploit the experience acquired in the automotive industry in building on technotrans' strategic positioning as a systems supplier in the printing industry. We are convinced that by approaching that process proactively, we will be able to perform vital groundwork for the continuing future success of technotrans and moreover respond to the interests of our customers. Also here on the podium, I would like to introduce you to Dirk Engel, who is 40 years of age and lives in Telgte. As Head of our Group Accounts and Controlling since the early part of 2004, he had consequently already acquired a comprehensive insight into the company's workings before being appointed as the new Finance Director last summer. In addition to being "local boys", both new Board of Management members bring experience from other industries and larger companies to technotrans, they have become extensively familiarised with the company before assuming responsibility at such a high level and, thanks to their relative youth, they reduce the average age of the Board of Management by all of five years at a stroke. This deliberate rejuvenation of course goes hand in hand with our long-term human resources planning for the Board of Management.

Before we now take stock of the past year and deliver the Board of Management's report on the 2006 financial year, I would like to map out briefly how our industry is currently faring.

Because the positive development of the global economy has also created a benign environment for the printing industry. In our most important markets of the USA and Germany, capacity utilisation is growing and printers' propensity to invest is rising. The first chart in today's presentation also provides evidence of this positive business climate. The index was already largely positive for 2006, but the start to the new year looks particularly promising. This fact has of course not yet been reflected in the blue line, which indicates technotrans AG's growth forecasts, because those forecasts are based on the budgeting process that was conducted at the end of 2006.

Experts believe that the reinvestment cycles of American companies, which had lengthened considerably in recent years, will now shorten again significantly. Interest here focuses on equipment that substantially improves productivity at printers. Developing countries in both Asia and South America are moreover becoming increasingly significant, posting growth rates way above the average. All in all, therefore, we can conclude that the climate in our industry is decidedly healthy and that technotrans is benefiting directly from it.

We have seized the opportunity provided by this positive climate to strengthen our company's structures yet further. First of all, we closed down our American location in California in the second half of 2006 and merged it with our other American location in Chicago. You will recall that we completed a minor acquisition in the USA in 2001, predominantly in order to establish our own location for building a specific equipment series locally in order to tap that market more effectively. We have now achieved that strategic objective, as the rising US revenue of recent years reveals. We had reached the point in 2006 where the time had come to exploit the potential for optimising operations, and this led to the relocation to Chicago, where we have a second, larger location. The costs of the relocation were absorbed during the past financial year and we will already begin to see evidence of an improvement in efficiency in our figures in the course of this year.

We and the company IST Metz GmbH also took the joint decision last year to terminate our sales partnership in the North American market for UV dryers in view of the change in the business model. This decision means that technotrans is forgoing trade revenue in the high single-digit millions. The fact that our targets for the current financial year do not show a drop of the same magnitude is thanks to the acquisition of rotoclean, which should go some way towards plugging that gap.

We were able to announce this latest important step in the development of our company this February – the takeover of rotoclean GmbH and of its technologies. rotoclean is one of the leading manufacturers of cleaning systems for newspaper web presses and has enjoyed rapid expansion in recent years. It posted revenue of approximately € 7 million in 2006. In acquiring the technologically convincing, patent-protected technology used by rotoclean, technotrans is extending its own product range of cleaning systems. In addition to the contex.c blanket cleaner that we have developed independently over the past few years, there is now a brush-type cleaner for newspaper web presses. With rotoclean already having achieved a leading market position in Europe, we are now able to market the system globally through our worldwide sales network. The technology has been entirely integrated into technotrans' Gersthofen location, near Augsburg, which is the group's centre of expertise for blanket cleaners, and the previous owner Richard Munz has joined technotrans AG's management team. One of these cleaning systems is on display out in the foyer today, and our employees will be pleased to explain its operating principle to you.

These two strategic developments are of course also reflected in the figures for 2006 and the first quarter of 2007, so I should now like to hand over to our Finance Director Dirk Engel for the report on that period, complete with details of the most pertinent facts.

The 2006 financial year

Revenue and earnings for 2006

Ladies and Gentlemen, you will have the Annual Report for the past financial year in front of you or will have been sent a copy some weeks ago. Its 180 pages include not only a large proportion of our employees, but also an immense array of facts and figures on the 2006 financial year. I would therefore like to limit my comments and explanations to the key aspects.

2006 was yet another decidedly good financial year for technotrans – in fact, it was the most successful financial year since the IPO in 1998! With revenue reaching € 151.3 million, the rate of growth was much higher than initially planned (we had originally been targeting a figure of around € 140 million). This development was attributable not only to the positive climate; the growth achieved was also the result of the successful strategy of "more technotrans per printing press" and the expansion of our international network.

Despite the financial burdens from the relocation in the USA and the amortisation of goodwill from the Toolex acquisition, earnings outperformed revenue at all levels of the Income Statement. For example the EBIT margin, in other words the ratio of earnings before interest and taxes to revenue, was 10.4 percent compared with 10.0 percent in the previous year. A share of these earnings was moreover allocated to our employees, because you will recall that we agreed a remuneration model that is linked to the threshold of 10 percent.

We reported net income for the year of €10 million, up 32.7 percent on the previous year, and consequently well up on the figure originally planned of €8.5 to 9 million. One of a number of positive factors was that we had to capitalise the corporation tax credit balance from previous years of around €600,000 to comply with new legislation. In what was the best year in the company's history to date, we were thus able to report earnings per share of €1.48.

The cash flow, too, bears all the hallmarks of strong growth. Net cash flow from operating activities was only slightly down on the previous year, at €12.3 million. With the level of capital expenditure

having returned to a normal level in 2006 following the completion of our new plant in Gersthofen, the free cash flow rose to € 8.2 million. These figures serve to illustrate that technotrans is in a position to finance its dynamic growth under its own steam.

Employees

Our growth is also reflected in the employment figures. The employee total rose by more than 50 in the course of the past year, to 752. The majority of the new jobs were created in Germany. On the one hand production capacities were increased, and on the other hand a number of key "second-tier" functions were created and filled. Our investment in higher qualifications was also reflected in the personnel expenses, which rose slightly faster than the employee total at 14.4 percent. However, productivity again showed a significant improvement on the previous year, with revenue per capita rising to € 209 thousand.

They, the employees of technotrans, again played a crucial role in our success last year, and on behalf of the Board of Management I would like to take this opportunity to thank them. We know that years with high growth rates place considerable demands on them in many areas of the company. They deserve our wholehearted applause for their immense efforts over the past year. We are proud of this team, are convinced that together we will likewise successfully master the challenges that await us.

2007 dividend

I would like to conclude my remarks on the 2006 financial year with by turning my attention to the dividend. The Board of Management and Supervisory Board are today proposing to distribute € 0.70 per share from technotrans AG's profits. In doing so, we remain faithful to our long-standing policy of distributing around half of the consolidated net profit in the form of dividend. Our proposal moreover represents an increase in dividend of 27.3 percent on the previous year. Our shareholders are consequently sharing in the financial year's good performance. A total amount of around € 4.7 million is thus being distributed.

To finish, I should like to provide a brief overview of the latest figures for the first quarter of the current financial year.

Revenue and earnings for first quarter of 2007

The Quarterly Report was published last Tuesday, and you will either have received a copy here in the foyer or been sent it by post or e-mail. I will therefore once again keep to the principal data.

As you may well recall, we had an exceptionally dynamic start to the past financial year. Bearing that in mind and remembering that we are no longer trading in UV dryers in the USA, we are very pleased with the first-quarter growth of 1.6 percent, from € 37.8 million to € 38.4 million. rotoclean is included in these figures, as it was taken over at the end of February. EBIT was up 5.2 percent and the margin reached 10.3 percent in the first quarter, compared with 9.9 percent in the corresponding prior-year quarter. As a result of the negative profit contributions of the subsidiaries in America and China, the effective tax rate rose to 41.7 percent at the end of the first quarter. The net income for the period was therefore only € 2.2 million, or 33 cents per share.

The next chart shows how the revenue of the Technology and Services segments has developed since the first quarter of last year. The Technology segment's revenue of € 29.3 million was roughly unchanged from the prior-year quarter which, as I have already mentioned, was exceptionally successful. The Services segment posted revenue of € 9.1 million, representing growth of 11.5 percent.

Profitability, too, improved. Overall EBIT climbed to € 4 million, equivalent to growth of 5.2 percent compared with the first quarter of the previous year. The Technology segment is lagging behind slightly in this respect. This was due among other things to higher personnel expenditure, a higher proportion of subcontractors involved in realising the higher volume of project business, and a slight increase in the cost of materials. We expect the situation particularly at our American subsidiary to improve as the financial year progresses.

Finally, to round off our survey of the financial figures, let us take a look at the balance sheet. The balance sheet total has risen from € 89.9 million to € 103.2 million since the end of the past financial year. This 14.8 percent increase is reflected on the assets side by a rise in intangible assets, attributable to the acquisition of rotoclean's technologies and also to SAP licences, and in the inventories, which to some degree reflect the rise in project business.

On the equity and liabilities side, there was a rise in prepayments and liabilities, in both cases in the order of around € 4 million. This took total liabilities to € 47 million, compared with € 36 million at the end of the past financial year. A low-interest loan for € 2.5 million was arranged to finance the acquisition.

All in all we can state that we feel very comfortable with this strong balance sheet, because it definitely provides us with ample leeway for the company's scheduled growth. At which point I would like to hand you back to Heinz Harling for a few more comments, in particular on the outlook.

Shares

I would like to dwell on the development in our share price for a few moments. As you can see, technotrans investors adopting a long-term investment horizon have every reason to be satisfied with the rise in the share price, which has outperformed the TecDax for the past three years. But we also see that its development over the past four or five months has not met with general approval.

This is not for lack of interest, because the number of analysts covering the company remains high and they rate the shares as a "buy", with upside targets of up to €30 or more. There are other analysts currently considering whether to start covering it.

We believe there are two principal reasons for this development. On the one hand the printing industry is considered to be a cyclical one. technotrans has progressed highly successfully in recent years and the global economy is now advancing full steam ahead. This gives rise to the question of whether the company can remain as successful in future as it is during the present period of economic buoyancy. Allow me to answer that first question straight off:

There were two factors behind technotrans' high growth rates in recent years. As well as participating in the upturn in our industry, we also unveiled new products that tapped into additional revenue potential. Our strategy of "more technotrans per printing press" has been successful for around 20 years and we will continue pursue that goal. We consequently expect technotrans to continue benefiting overproportionally from the positive trend in the industry over the next few years.

And that brings me directly to the second reason for the unsatisfactory development in the share price in recent months. Investors are waiting for the first order for our cleaning systems. Allow me therefore to comment briefly on that project's status.

The product going by the name of contex.c, of which we exhibited a prototype at this meeting last year, has been developed, subjected to field tests and revised, and is now ready for shipping. From a technical viewpoint we are offering a sophisticated solution for automatic cleaning in sheet-fed offset presses. From an economic point of view, our product costs less than comparable systems that are already on the market. We had decided to focus our development work initially on one particular system for one particular printing press of one particular manufacturer. We are now using this development capacity to adapt the technology to other printing presses from other manufacturers. This approach has been very well received, and we aim to embark on the corresponding field tests in a few weeks' time. So there is absolutely no doubt that our cleaning system will arrive on the market. The only question is when, and which printing press manufacturer will be the first to use it. It is, however, clearly only a side issue as to whether it will be used first on a small-series printing press or makes its debut on a different model. As I have said, therefore, there is absolutely no doubt that this product will be a success.

We will now ensure that this message is broadcast on the capital market and that investors who are holding back to see how we fare receive the reassurance that the whole project is absolutely on track.

That brings me to my general assessment of what awaits us in the next few months.

Outlook and strategy

Printing press manufacturers' healthy levels of incoming orders, revenue and order backlogs should guarantee that technotrans' basic business continues to flourish. By unveiling new products and in particular by entering the market for cleaning systems, we will furthermore be able to tap into considerable additional potential that will be a driving force behind growth over the next few years. By expanding our international network, we will also be able to access markets where we previously did not have any direct sales and service operations of our own.

We have recently taken a further step in this direction by establishing our new base in Australia, and the establishment of further subsidiaries in the United Arab Emirates and Russia are currently in the

pipeline. On top of this, we are currently developing our location in China into a fully-fledged production plant that will shortly start manufacturing complete devices for the local market.

Thanks to the growth of recent years and the bright prospects for the future, we will be erecting new premises at Sassenberg before the end of this year in order to increase our capacity especially in the areas of sales and service, and also with a view to streamlining administrative processes. At its meeting yesterday, the Supervisory Board granted its fundamental approval of the project, with the result that we can now finalise the plans. As matters stand we believe it should be possible to occupy the new building as early as the first quarter of next year.

So all in all we continue to regard the market context as positive and are confident that this will be conducive to the company's further development over the coming months and quarters. Looking beyond such a time frame, we find that 2008 is another drupa year. The printing industry's leading exhibition takes place every four years in Düsseldorf, and customarily represents a peak in the level of orders received by printing press manufacturers. We consequently believe that everything points towards 2008 likewise being a good year for our industry. We are initially planning for revenue of € 160 to 165 million next year, and aim to achieve net income of around € 10.5 to 11 million. Unlike the figures in the Annual Report, these figures already include the acquisition of rotoclean. If further opportunities arise in the course of the year, we will examine them carefully. Our market is experiencing consolidation, and we aim to play an active role in the process.

I would like to end on that note and hope that you will now use the opportunity to ask us your questions and continue the discussion. Please now feel free to have your say, and thank you for your attention.