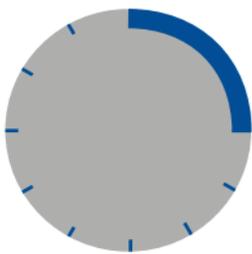


QUARTERLY FINANCIAL REPORT 2010



January 1 – March 31, 2010

ISIN: DE000A0XYGA7

 **technotrans**

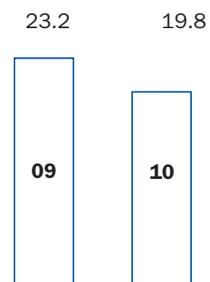
technotrans is a technology and service company that concentrates successfully on applications derived from its core skill of liquid technology. With 18 locations and around 600 employees, technotrans enjoys a presence in all major markets worldwide. Over many years, technotrans has concertedly been exploring new segments and areas of application for its core skills of temperature control, measuring and metering technology, process control, filtration and separation, and cleaning technologies. Its strategy focuses on sustained, profit-driven development.

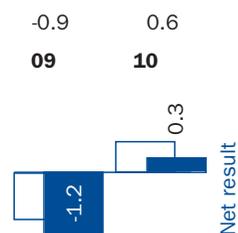
technotrans' business is divided into two segments: Technology and Services. In the Technology segment, which normally generates around two-thirds of total revenue, the company places the emphasis on developing and selling applications for offset printing. As a leading systems supplier of equipment to the printing industry, the product range comprises a wide range of systems and equipment for controlling and monitoring printing processes that involve liquid technology.

In close cooperation with its customers, the company is steadily broadening its range of products and thus tapping fresh market potential. Major printing press manufacturers worldwide are our key customers. They frequently equip their printing presses ex works with technotrans equipment. In addition, various products aimed directly at end users have been developed in recent years; these further automate procedures in printing shops worldwide or pave the way for the more efficient use of resources.

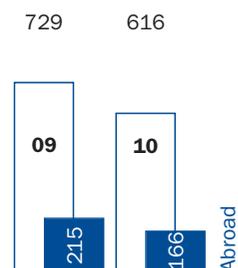
The Technology segment is complemented by the Services segment. The extensive range of services provided round off technotrans' activities. These include providing customer support for the installation, maintenance and operation of systems and equipment. The Technical Documentation division represents another key area of activity for the company, with its practical software solutions and services used by a diverse portfolio of customers from many different sectors.

REVENUE

 1. 1.–31. 3.
(in € million)

EBIT

 1. 1.–31. 3.
(in € million)

EMPLOYEES

(at March 31)


technotrans Group

Key data acc. to IFRS

Earnings

	T€
Revenue	T€
Technology	T€
Services	T€
Gross profit	T€
EBITDA ¹	T€
Earnings before interest and tax (EBIT)	T€
Net profit for the period	T€
as % of revenue	%
Net profit per share (IFRS)	€
Dividend per share	€

Balance sheet

	T€
Issued capital	T€
Equity	T€
Equity ratio	%
Return on equity	%
Balance sheet total	T€
Working capital	T€

Employees

	T€
Number of employees (average)	
Personnel expenses	T€
as % of revenue	%
Revenue per employee	T€

Cash flow

	T€
Cash flow ²	T€
Free cash flow ³	T€

Shares

	€
Number of shares outstanding at end of period	€
Share price (max)	€
Share price (min)	€

1.1.–31.3.10
1.1.–31.3.09
2009
2008

Revenue	19,793	23,220	82,208	141,677
Technology	11,198	14,246	48,808	103,840
Services	8,595	8,974	33,400	37,837
Gross profit	6,467	6,280	16,657	35,745
EBITDA ¹	1,448	17	-4,284	12,177
Earnings before interest and tax (EBIT)	624	-891	-11,929	-38
Net profit for the period	320	-1,209	-10,347	-2,852
as % of revenue	1.6	-5.2	-12.6	-2.0
Net profit per share (IFRS)	0.05	-0.19	-1.65	-0.45
Dividend per share	–	–	0	0
Issued capital	6,908	6,908	6,908	6,908
Equity	31,986	41,043	31,287	41,816
Equity ratio	45.1	48.7	45.2	47.7
Return on equity	1.0	-2.7	-28.3	-5.8
Balance sheet total	70,979	84,278	69,242	87,612
Working capital	8,951	25,778	7,847	26,177
Number of employees (average)	620	746	676	823
Personnel expenses	7,272	9,180	31,975	41,628
as % of revenue	36.7	39.5	38.9	29.4
Revenue per employee	31	31	122	172
Cash flow ²	2,060	5,504	3,640	6,747
Free cash flow ³	1,841	5,056	2,435	363
Number of shares outstanding at end of period	6,311,415	6,271,797	6,311,415	6,271,797
Share price (max)	5.90	3.75	6.10	17.09
Share price (min)	4.40	3.00	2.97	3.54

Dear shareholders,

We are delighted to be able to mention various positive developments in this Quarterly Report, for the first time in about 18 months. Revenue has edged up slightly compared with the previous two quarters; meanwhile, we have achieved our target of posting a positive result from this low level of revenue. We are therefore back "in the black" for both EBIT, which has already reached a margin of 3.2 percent, and profit after tax.

"One swallow doesn't make a summer", as the saying goes, so we do not wish to fall into the trap of over-hyping the first-quarter figures. We still need business to recover more strongly in the coming quarters if we are to achieve our revenue targets for the 2010 financial year. Nevertheless, we believe the prospects are good. For example, demand from the growing Asian market is already developing better than planned and has given us a flying start to the second quarter. We will see whether the rather more upbeat mood is also in evidence e.g. at the IPEX show, which takes place in Birmingham in May.

You can read about other important occurrences in the first few months of the year in this Quarterly Report. For example, we have successfully concluded negotiations with our banks on a new financing structure. In addition, we showcased our technologies at the Hanover Fair for the first time this year – a move that is designed to help us access new customer groups outside the printing industry. We hope this report makes for interesting reading.

¹ EBITDA = EBIT + amortisation of goodwill + depreciation of property, plant and equipment and intangible assets

² Cash flow = Net cash from operating activities acc. to Cash flow Statement

³ Free Cash flow = Net cash from operating activities + net cash used for investments acc. to Cash flow Statement

Interim Management Report

Report on the financial performance, financial position and net worth in the first quarter of 2010

Revenue: slight upturn in business

The technotrans Group posted revenue of € 19.8 million in the first quarter of the new financial year. Although this is 14.5 percent down on the prior-year first quarter (€ 23.2 million), it represents a slight improvement on the fourth quarter of 2009 (€ 19.6 million). With various printing press manufacturers extending their factory shutdown until mid-January, business was initially very slow at the start of the new year. The Technology segment in particular felt the impact of this effect, with its Q1 revenue still falling short of expectations. However, business picked up as the weeks went by, with the result that the quarter as a whole proved to be relatively satisfactory, among other things thanks to comparatively strong Services business.

We currently anticipate that this slight recovery in business will continue in the second quarter. This expectation is underpinned in particular by demand from the Asian region. Nevertheless, there is still no sign of a dynamic rebound in the printing industry worldwide.

Earnings: back in the black

The cost-cutting measures have significantly lowered the break-even point. We are therefore able to report figures consistently in the black in the first quarter of 2010. The gross margin is once again at an acceptable level of 32.7 percent; gross profit has benefited in particular from the product mix and the improved costs framework in the first quarter. Distribution costs, administrative expenses and development costs have been cut considerably year on year. The operating result (EBIT) is thus € 624 thousand (previous year € -891 thousand), equivalent to an EBIT margin of 3.2 percent. Looking ahead, the anticipated revenue uplift will provide an added boost in the coming quarters.

The first-quarter interest result is dominated by the continuing favourable market terms for short-term financing. Following the successful agreement and implementation of our new financing structure, we expect to see a generally moderate increase in this figure in future.

Net income after three months was € 320 thousand (previous year € -1.2 million), equivalent to earnings per share (average number of shares outstanding) of € 0.05 (previous year € -0.19).

Financial performance of the segments

Technology: start of year leaves room for improvement

Revenue of € 11.2 million for the Technology segment for the first three months falls well short of the prior-year quarter's level (€ 14.2 million, -21.4 percent) and is also down slightly on the fourth quarter of 2009 (€ 11.7 million). The extended plant shutdowns at our major customers at the start of the year resulted in an extremely hesitant start to the financial year. Despite a marked improvement in subsequent months, over the quarter as a whole it was not possible to compensate for this shortfall both year on year and compared with the target for the period. We expect that the continuing rise in demand from the Asian region will moreover have a positive influence on the second-quarter revenue figure. However, whether the market conditions themselves actually improve in the second half remains to be seen.

The Q1 result for the segment was still negative at € -651 thousand. Alongside low revenue, this was also due in part to the product mix. We expect that the segment's loss will shrink if revenue grows as expected.

Services: positive revenue and earnings performance

The Services segment posted revenue of € 8.6 million, an improvement on the previous two quarters but still 4.2 percent down on the corresponding quarter of the previous year (€ 9.0 million). Technical Documentation again accounted for a sizeable portion of expanding service business, especially following the successful market entry of gds AG in Switzerland.

Profitability progressed well and the result for the segment of just under € 1.3 million (previous year € 1.1 million) reached a satisfactory level. This represents a rate of return for the segment of 14.6 percent.

[T€]		Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
Technology	Revenue	14,246	11,953	10,926	11,683	11,198
	EBIT	-2,067	-2,325	-5,557	-6,226	-651
Services	Revenue	8,974	8,509	7,997	7,920	8,595
	EBIT	1,131	1,057	1,137	921	1,254

Financial position

Based on a net profit of € 320 thousand for the first-quarter period, the cash flow from operating activities before changes in net current assets totalled € 1.4 million (€ -176 thousand). Whereas it had been possible to release around € 7.5 million in cash and cash equivalents from receivables and inventories in the prior-year period, in the first three months of the new financial year it proved necessary to finance working capital to the tune of € 0.8 million. Mainly for that reason, net cash from operating activities initially totalled only € 917 thousand (previous year € 6.1 million).

However, rebates of tax payments on account for the 2009 financial year released further financial resources, ultimately pushing net cash from operating activities up to € 2.1 million (previous year € 5.5 million).

Investing activities remain pared back to the bare minimum. The free cash flow for the first quarter is again positive at more than € 1.8 million.

Scheduled repayments of loans amounted to € 538 thousand (previous year € 1.1 million). Cash and cash equivalents at the end of the quarter of € 11.7 million were a good € 1.0 million up on the first quarter of 2009 (previous year € 10.7 million) and also above the 2009 year-end level (€ 10.3 million).

Net worth

There has been a modest rise in the balance sheet total of 2.5 per cent since the start of the year, to € 71.0 million (previous year € 69.2 million). The main changes on the assets side concerned property, plant and equipment as well as intangible assets, which fell further as a result of amortisation. On the back of the slight recovery in standard business, inventories grew by around € 1.3 million to € 17.3 million, while cash and cash equivalents simultaneously rose by around € 1.4 million to € 11.7 million.

Changes on the equity and liabilities side are largely restricted to trade payables, which rose by over € 1.4 million to € 5.9 million in tandem with the slight increase in working capital on the assets side.

Net debt, in other words interest-bearing liabilities less cash, continued to fall to € 10.5 million (end of 2009: € 12.4 million). Gearing at the reporting date was 32.8 percent.

Following the successful conclusion of negotiations on the new financing concept with the principal banks in April, the concept is now being implemented. The emphasis of financial liabilities will consequently shift from current to non-current.

Other information

New markets

We mentioned in our most recent publications that we are eager to target additional applications outside the printing industry for technotrans' core skills. We have launched the umbrella programme "technotrans industrial system solutions" (ttiss) for these activities. In future we will be including updates in these reports on our progress in this area.

Over the past few decades technotrans has acquired a remarkable level of expertise in certain subject areas such as temperature control, metering and filtration. A large number of potential application areas are currently being investigated to identify which markets offer technotrans the best prospects for successfully capitalising on these core skills. To present our technologies and forge new contacts, technotrans attended the Hanover Fair for the first time this year. The response was very encouraging but it will take some time to evaluate the opportunities identified, plan the next moves and then start to realise results.

Research and development

Development expenditure amounted to € 635 thousand in the first quarter, equivalent to 3.2 percent of revenue. The low level is also due in part to the fact that certain new developments such as the new contex.sat cleaning system are now in the product launch phase. On the other hand, the ideas bracketed within the "ttiss" programme have not yet taken on sufficiently firm contours to have led to new development projects.

Personnel

At the reporting date of March 31, 2010 the technotrans Group employed a total of 616 persons, 113 or 16.9 percent fewer than at the corresponding point of the previous year. Not least as a result of the transfer of production to Sassenberg, the cutbacks in the international workforce of -22.8 percent were more trenchant than in Germany (-12.5 percent). Personnel levels are still slightly too high in relation to the current revenue level. We are therefore using short-time as a means of adjusting to the prevailing volume of business in order to shield earnings from this burden, and expect to retain this practice over the next few months.

Personnel expenses amounted to € 7.3 million in the first quarter (previous year € 9.2 million, -20.8 percent). Measured against the revenue posted for the period, the level is still a comparatively high 36.7 percent. However, it also reflects the consequences of the shift in emphasis of revenue towards Services (44 percent of total revenue).

Shares

technotrans shares started the new year on € 5.74. The trading price reached a high of € 5.90 in the course of January, then over the next few weeks fell back to a low for the quarter of € 4.40 in March. This price performance means the shares have gained around 50 percent compared with the first quarter of the previous year but are still well short of the analysts' targets, the current consensus view being that the trading price should be heading for € 7.

In talks held with investors over the past few weeks it became clear that many have stepped back from actively participating in the market in order to monitor how business progresses and assess whether the management's forecasts prove to be correct. We are therefore confident that interest in our shares will bounce back in the foreseeable future.

Report on significant transactions with related parties

(Position at March 31, 2010)

	Shares
Henry Brickenkamp	40,000
Dirk Engel	5,200
Klaus Beike	441
Manfred Bender	0
Dr. Norbert Bröcker	250
Heinz Harling	64,854
Matthias Laudick	884
Joachim Voss	0

Report on expected developments

Revenue and earnings for 2010

Demand from the printing industry continues to paint a very mixed picture worldwide. While the recovery in the Asian region has taken on comparatively firm contours, the crisis has not yet been definitively overcome in traditionally developed industrial nations. It requires considerable optimism to assume that there will be an economic upturn in the remainder of the year.

For those reasons, our revenue target for the current financial year is exposed to a number of risks. All the same, we continue to perceive an array of opportunities over and above the direct impact of economic developments. For some product lines, inventories at our customers now appear to have been run down to the extent that their order volume is returning to normal. The latest announcements by printing press manufacturers furthermore point to a slight revival in their business. Projects for the new cleaning systems and spray dampening systems are making good progress, and we likewise expect demand for them to rise in the future. Last but not least, this year we expect "technotrans industrial system solutions" – new markets away from the printing industry – to make minor but ground-breaking revenue contributions.

Following on from the low revenue in the first quarter, we therefore believe there are good prospects of nevertheless achieving our goal of returning to sustained profitability in the 2010 financial year. The break-even point was already successfully lowered during the crisis, allowing us to turn a profit even on the low first-quarter revenue. If business should pick up further in the course of the year – and we expect that it will – a corresponding improvement in results should be possible.

Technology segment

The revenue of the Technology segment has more than halved over the past 18 months. This downturn has been driven by a reluctance to invest among printers worldwide, who were badly affected in many ways by the dramatic economic crisis. Because of the indisputable surplus capacity in many industrial countries that is only gradually being eliminated through a process of consolidation, coupled with the comparatively still-low volume of business in developing countries, we concur with other market operators that the market will not return to its pre-crisis level in the foreseeable future.

We have seized the opportunity brought forth by the crisis to increase our market shares, we have adjusted our structures to the lower revenue volume, and a whole array of products in our range still have ample potential for growth, which we intend to tap over the next few years. We are therefore convinced that technotrans will emerge from the crisis in a stronger position.

As well as our focus on the printing industry, we have assembled a team that will concern itself with identifying new applications for our technologies in other areas. The aim behind this initiative is to cement technotrans' long-term growth. Our aim is to generate a substantial portion of revenue outside the printing industry in three to five years' time.

The result for the Technology segment was still negative in the first quarter. Here too, we are confident that this will soon change once the revenue volume picks up.

Services segment

The Services segment, which comprises on the one hand installation, maintenance, repair and parts business and on the other hand Technical Documentation (gds AG), progressed according to plan in the first three months. It therefore plays an important part in stabilising technotrans' business.

We are optimistic that this welcome development will continue throughout the year, because this area too harbours further potential in very many respects. For example, we are able to offer printers a service for retrofitting their equipment so that it can be remotely maintained over the internet. We will be demonstrating this at the forthcoming IPEX industry exhibition. gds AG, too, expects that the investment backlog among those interested in its software solution will be gradually released as the repercussions of the crisis recede into the distance.

The positive results delivered by the Services segment should therefore continue to be a feature of the coming quarterly periods.

All in all, we stand by our targets for the full year of a revenue volume of € 85 to 90 million and an EBIT margin of three to five percent. The planned rises will have to materialise in the next few quarters if we are to achieve our revenue targets. On the other hand, we are confident of achieving our earnings targets

Opportunities and risks report

The principal opportunities and risks of the group's anticipated future development are described in the group management report for the past financial year. In the period under review no significant changes over and above those portrayed in this report, and in particular in the report on post-balance sheet date events below, have occurred in respect of developments in the remaining months of the current financial year.

Report on post-balance sheet date events

Negotiations on the new financing concept with the principal banks were brought to a successful conclusion in April. Borrowing arrangements at globally the previous level were agreed, and the emphasis was shifted back towards medium to long-term maturities.

Corporate Bodies

technotrans AG parted company with Norman Sack by mutual agreement on March 19, 2010. Mr. Sack resigned from the company's Board of Management with immediate effect.

Concise financial statements for the first quarter 2009 (IAS 34)

Consolidated balance sheet

	31.03.2010	31.12.2009
	T€	T€
ASSETS		
Property, plant and equipment	21,408	21,985
Goodwill	0	0
Intangible assets	2,486	2,650
Income tax receivable	402	402
Financial assets	621	622
Deferred tax	4,356	4,325
Total non-current assets	29,273	29,984
Inventories	17,298	16,045
Trade receivables	10,918	10,654
Income tax receivable	119	566
Other current assets	1,657	1,719
Cash and cash equivalents	11,714	10,274
Total current assets	41,706	39,258
Total assets	70,979	69,242
EQUITY AND LIABILITIES		
Equity		
Issued capital	6,908	6,908
Capital reserve	40,322	40,322
Retained earnings	1,564	13,243
Other reserves	-17,128	-18,839
Net profit / net loss for the period	320	-10,347
Total equity	31,986	31,287
Liabilities		
Non-current financial liabilities	4,942	5,338
Long-term provisions	1,068	975
Other non-current liabilities	216	219
Deferred tax	12	12
Total non-current liabilities	6,238	6,544
Current financial liabilities	16,207	16,335
Trade payables	5,947	4,524
Prepayments received	1,577	1,976
Short-term provisions	6,853	6,752
Income tax payable	221	144
Other current liabilities	1,950	1,680
Total current liabilities	32,755	31,411
Total liabilities	38,993	37,955
Total equity and liabilities	70,979	69,242

Consolidated Income Statement

	01.01.- 31.03.2010	01.01.- 31.03.2009
	T€	T€
Revenue	19,793	23,220
Technology	11,198	14,246
Services	8,595	8,974
Cost of sales	-13,326	-16,940
Gross profit	6,467	6,280
Distribution costs	-2,944	-3,456
Administrative expenses	-2,394	-3,042
Development costs	-635	-1,077
Other operating income	688	884
Other operating expenses	-558	-480
Earnings before interest and tax (EBIT)	624	-891
Financial income	6	18
Financial charges	-213	-320
Net finance costs	-207	-302
Profit before tax	417	-1,193
Income tax expense	-97	-16
Net result for the period	320	-1,209
of which:		
Profit/loss attributable to technotrans AG shareholders	320	-1,209
Profit/loss attributable to minorities	0	0
Earnings per share (basic, €)	0.05	-0.19
Earnings per share (diluted, €)	0.05	-0.19
Consolidated statement of recognised income and expense	Q1 2010	Q1 2009
Net profit/net loss for the period	320	-1,209
Other result		
Exchange differences from the translation of foreign group companies	251	132
Exchange rate differences from the net investment in a foreign business	128	300
Change in the fair value of cash flow hedges	0	4
Other profit after tax	379	436
Overall result for the financial year	699	-773
of which		
Profit/loss attributable to technotrans AG shareholders	699	-773
Profit/loss attributable to minorities	0	0

Cash Flow Statement

	31.03.2010	31.03.2009
	T€	T€
Cash flows from operating activities		
Net result	320	-1,209
Adjustments for:		
Depreciation and amortisation	824	908
Income tax expense	97	16
Losses/gains on the disposal of fixed assets	-14	8
Foreign exchange gains/losses	-47	-201
Financial income	-6	-18
Financial charges	213	320
Cash flow from operating activities before working capital changes	1,387	-176
Change in receivables	-326	6,397
Change in inventories	-996	1,094
Change in other long-term assets	17	1
Change in liabilities	568	-867
Change in provisions	267	-339
Cash from operating activities	917	6,110
Interest income	6	18
Interest expense	-166	-282
Income taxes paid	1,303	-342
Net cash from operating activities	2,060	5,504
Cash flows from investing activities		
Acquisition of intangible assets and of property, plant and equipment	-248	-456
Proceeds from the sale of property, plant and equipment	29	8
Net cash used for investing activities	-219	-448
Cash flow from financing activities		
Acquisition of intangible assets and of property, plant and equipment	0	0
Proceeds from sale of property, plant and equipment	-538	-1,102
Distribution to investors	0	0
Net cash used for investing activities	-538	-1,102
Net effect of currency translation in cash and cash equivalents	137	-194
Net increase in cash and cash equivalents	1,440	3,760
Cash and cash equivalents at beginning of period	10,274	6,928
Cash and cash equivalents at end of period	11,714	10,688

Statement of movements in equity

	2010	2009
	T€	T€
Equity at January 1st	31,287	41,816
Overall result for the financial year	320	-1,209
Other result		
Exchange differences from the translation of foreign group companies	251	132
Exchange rate differences from the net investment in a foreign business	128	300
Change in the fair value of cash flow hedges	0	4
Other result	379	435
Overall result for the financial year	698	-773
Transactions with shareholders of technotrans AG		
Distributions	0	0
Share buy-back	0	0
Issuance of treasury shares	0	0
Transactions with shareholders of technotrans AG	0	0
Equity at March 31st	31,986	41,043

Notes and explanations:

Statements made in this report relating to future developments are based on our cautious estimate of future events. The actual performance of the company may differ substantially from that planned, as it depends on a large number of market-related and economic factors, some of which are beyond the company's control.

Mirroring the consolidated financial statements for the full year, this Quarterly Financial Report has been produced in accordance with the International Financial Reporting Standards (IFRS), in particular IAS 34 for interim reporting. The Quarterly Financial Report is subject to the same accounting policies.

This Quarterly Financial Report has not been audited in accordance with Section 317 of German Commercial Code or subjected to any other formal audit examination.

Imprint

Editor technotrans AG, Sassenberg

Print Druckerei Buschmann, Münster
on Roland 300 with technotrans dampening solution preparation alpha.line, alcosmart, aquados and central water cooling system.



technotrans financial calendar

Publications and dates

Shareholders' Meeting 2010	6/5/2010
Interim Report 1-6/2010	10/8/2010
Interim Report 1-9/2010	9/11/2010
Annual Report 2010	8/3/2011

For the latest version of this financial calendar and the individual reports, visit us on the internet at www.technotrans.com.

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