HEAR OUR COAL GROW SAFELY!

2007 ANNUAL REPORT
HANSEN SICHERHEITSTECHNIK AG

HANSEN
Safety and Power


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[TRACK I]

[TECHNOLOGIE]

HANSEN SICHERHEITSTECHNIK AG
DEVELOPS AND PRODUCES EXPLOSION-PROOF
ELECTRICAL AND ELECTRONIC SYSTEMS
FOR WORLD-WIDE USE IN MINING APPLICATIONS.

INTERNATIONAL MINING COMPANIES BENEFIT
FROM GERMAN TECHNOLOGY TO MAKE THEIR
UNDERGROUND ELECTRICAL SYSTEMS MORE
PRODUCTIVE AND SAFER.

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KEY FIGURES

HANSEN SICHERHEITSTECHNIK AG

Balance Sheet Figures	12/31/2007	12/31/2006		
	tEUR	tEUR	+/-	%
Balance sheet total	40,459.1	36,380.6	4,078.5	11.2
Shareholders' equity	27,035.6	23,663.8	3,371.8	14.2
Equity ratio (%)	66.8	65.0		
Trade accounts receivable	6,904.9	7,357.5	-452.6	-6.2
Trade accounts payable	2,778.8	3,178.6	-399.8	-12.6
Cash and cash equivalents	10,516.0	9,099.9	1,416.1	15.6
Working capital [2]	13,518.5	11,538.6	1,979.9	17.2

Cash Flow Key Figures	2007	2006		
	TEUR	TEUR	+/-	%
Cash flow from operating activities	5,003.6	5,269.4	-265.8	-5.0
Cash flow from investing activities	-1,328.3	-3,632.3	2,304.0	63.4
Cash flow from financing activities	-2,512.9	-524.6	-1,988.3	-379.0

Other Key Figures	2007	2006 [1]		
	TEUR	TEUR	+/-	%
Sales revenues	38,503.1	38,531.4	-28.3	-0.1
EBITDA	7,850.9	8,704.9	-854.0	-9.8
EBIT [3]	6,891.7	8,037.1	-1,145.4	-14.3
Net financial income/loss	39.9	-159.5	199.4	125.0
EBT	6,931.6	7,877.6	-946.0	-12.0
Consolidated net income	5,732.1	3,689.1	2,043.0	55.4
Earnings per share in EUR	1.60	0.78	0.8	105.1
Dividends per share in EUR [4]	0.60	0.50	0.1	20.0
Personnel expenses	8,107.9	7,656.8	451.1	5.9
Employees at year end	400	379	21.0	5.5

[1] 2006 adjusted
[2] Sum of inventories and accounts receivable from customers, less accounts payable to suppliers
[3] EBIT before income/loss from discontinued operations
[4] Subject to approval of the annual general meeting; 2006 adjusted

CORPORATE BODIES

DIPL.-ING. JÜRGEN TONN
CHAIRMAN OF THE SUPERVISORY BOARD

DIPL.-ING. MBA.
CHRISTIAN DREYER
CEO

MAG. CHRISTIAN NIMMERVOLL
VICE-CHAIRMAN OF THE SUPERVISORY BOARD

MAG. ANDREAS PALLAUF
SUPERVISORY BOARD

INTERVIEW

WITH THE CEO OF HANSEN SICHERHEITSTECHNIK AG

Mr. Dreyer, you sold the majority share of Hansen Sicherheitstechnik AG to the Polish Group KOPEX s.a. Was that hard for you to do after managing the Company for 16 years, and what led you to give up control?

It truly was not an easy decision. A business owner could keep his company in the family by passing it on to the next generation. I decided against that. In Germany we will find it more difficult in the future to make the best decisions for the mining segment because we do not have a home market here. I believe we that in the end run we will not be in a position in Germany to grow optimally over the long term as a mining supplier. It is different in Poland – there we anticipate several decades of strong prospects in the mining industry and, as a result, we see enormous opportunities to participate in the world market. Furthermore, it is already foreseeable now that in the future the relevant mining technology will come from China because the largest home market in the mining segment by far is there.

You mentioned China's future outlook as the dominant country for mining technology. How will the Hansen expansion take form there?

We have been saying for three years that China will play the decisive role in the mining industry. I visited many companies in China within my capacity as CEO of Hansen SIcherheitstechnik AG. During negotiations there I recognised that you need to have a great deal of patience, despite declarations of intent. Other than in Poland, the Czech Republic and South Africa, we couldn't implement our success strategy in China – fast growth by way of an acquisition. Instead of that, we are pursuing an alternative strategy: We are building our own plant in small steps. By doing so, our procedure is profitable through purchasing advantages from the first day on. There are not many German firms in China that can make that claim.

Hansen is profitable in all the countries where it is active. Why wasn't it possible to break the records from 2005 with sales of EUR 43.9 million and consolidated net income of nearly EUR 7.0 million in 2007?

In 2007 the main reason was the logjam in orders in Russia. For internal reasons which we cannot determine, the Russian approval authority for explosion protection was unable to extend the certificates for our products. I would like to point out here that this has nothing to do with Hansen Sicherheitstechnik AG's products. Since our business model is every bit as robust as our balance sheet, we would have otherwise met our targets. Therefore we are very satisfied with sales revenues of EUR 38.5 million and net income in the amount of EUR 5.7 million in 2007. We are hoping for continued growth from the new orders we will receive after joining with KOPEX s.a. and strong stimulus from new business.

In December 2007 you were able to report the largest delivery order in Hansen's history in the amount of EUR 22.0 million. Which additional milestones in the year 2007 stand out from your point of view?

The record order of EUR 22.0 million in South Africa already mentioned shows us that we are on the right path and that we are now also being noticed by large customers. Therefore we assess the strategic repurchase of 29.45 percent of our 100 percent stake in the South African subsidiary Hansen + Genwest as a success and a stable basis for the future. An additional milestone in 2007 is – on the one hand – the successful capacity reduction in Germany, which still had a negative impact on 2006 earnings. On the other hand, business was good in the Czech Republic with 3.8 percent growth in sales. We were able to land an additional large order, and at the same time achieve the first direct market entry in Central America, with a USD 3.8 million order from the Mexican coal mine Micare.

Your final words to the shareholders of Hansen Sicherheitstechnik AG?

First I would like to thank them for their trust which they have given us since the IPO on June 3, 2006. I wanted to repay the shareholders of Hansen Sicherheitstechnik AG for their trust. Not least, the change in the main owner is associated with a risk for the shareholders. For this reason I was convinced to commit the buyer KOPEX s.a. to a takeover offer of EUR 17.50 per share. This offer is backed by a bank guarantee and can be accepted by all of Hansen Sicherheitstechnik AG's shareholders within two time windows. Hansen shareholders who first bought shares can achieve a share price increase including dividend of nearly 470 percent in July 2008 at the latest. A takeover offer would not have been required by the Open Market of the Frankfurt Stock Exchange; I felt, however, that this was only being fair to Hansen shareholders. I think that this will create further trust in the future.

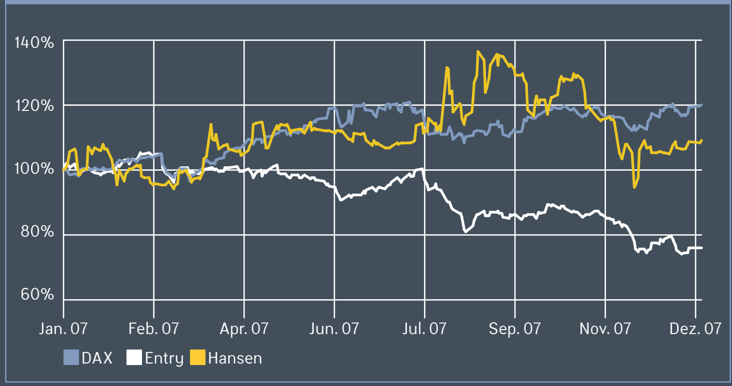
THE SHARE

INVESTOR RELATIONS

Stable stock market environment

Capital markets provided a mixed picture in the year 2007. While the German Stock Index (DAX) rose to a record of 8,106 points during the first seven months of the year, it fell again as the year went on – which was also caused by uncertainty concerning American mortgage banks. Despite the turbulencies of the subprime crisis, the DAX closed at 8,067 points at year-end. This corresponds to an increase of nearly 21% compared to the index at the beginning of the year.

Trends of Important Indexes in 2007



Difficult year for small- and mid-caps – industrial shares benefit

The Entry Standard's performance conformed for the most part in with the DAX during the first four months of 2007 and reached its high point for the year in the middle of February 2007 with 1,167 points. Afterwards, it had substantial losses up to the end of May 2007. In July 2007 the Entry Standard Index was able to recover in value – which the DAX did not do – and reached 1,111 points. As the year went on, the Index noted by higher transparency requirements for the open market could not consolidate its position and closed at year-end 2008 at 837 points, about 24 percent below its value at the beginning of the year.

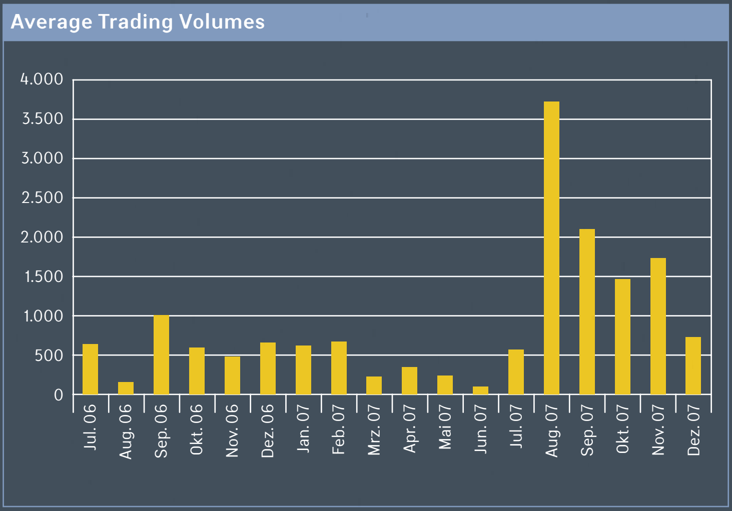
Price Trends of Hansen Sicherheitstechnik Share Since Listing

The Hansen share given a boost

The share of Hansen Sicherheitstechnik AG – traded on the Open Market of the Frankfurt Stock Exchange – has been able to increase its price by 475 percent since it started trading on June 3, 2006 at a price of EUR 3.25 (before the stock split EUR 6.50). The Hansen Sicherheitstechnik share price rose during 2007 from EUR 16.24 (pre-split price EUR 32.48) at the beginning of 2007 to a year-high EUR 22.19 in September 2007 and leveled off at EUR 17.70 at the end of 2007. Hansen Sicherheitstechnik's share price increased overall by 9 percent in 2007. Taking the EUR 0.50 (pre-split EUR 1.00) dividends distributed on June 22, 2007 into consideration, the share's total rate of return was nearly 12 percent. Taking this into account, the Hansen Sicherheitstechnik AG's share can look back on a very successful year 2007 – in contrast to the weaker trend of the small- and midcap market as a whole. Add to this the good economic situation; particularly the „raw material hunger" of the emerging markets led to the sector trend welcomed by mine suppliers. Kopex s.a.'s voluntary takeover bid made in May 2007, which was extended on November 23, 2007 to all current shareholders, also had a positive effect on the share price.

Stock split in July 2007 led to increased liquidity

The annual general meeting voted to authorise 1,250,000 new shares from retained earnings – in addition to the existing authorised 1,250,000 shares – and issue them to current shareholders free of charge on July 27, 2007. Mathematically speaking, the stock split cut the share price by half by doubling the number of shares in each shareholder's depot. The Company's market capitalisation was not affected. One of the objectives of this measure was to increase the Company's issued capital and the other objective was to increase the number of shares in free float. In addition to increased liquidity, Hansen Sicherheitstechnik AG has received increasing attention among new investor groups.



Strong dividend

Hansen Sicherheitstechnik AG has been noted in the past for its stable dividend policy and will continue to have its shareholders participate in the Company's success in the future. Consequently, the Company still plans to distribute 25 to 50 percent of consolidated net income as dividends. The Management will recommend a slightly higher dividend of EUR 0.60 per share at the 2008 annual general meeting.

Experts see target price at EUR 24.90

The analysis company Vara Research recommends that investors buy the Hansen Sicherheitstechnik share based on their research update from January 7, 2008. In conclusion the market experts computed a fair enterprise value of EUR 24.90 per share for the mine supplier. The good order backlog – reflected in part by the major South African order in the amount of EUR 22 million – and the ongoing cost-cutting program were positive highlights. Hansen Sicherheitstechnik AG's prospects for growth in China, the largest world-wide coal production region, provided for additional fantasy. Plus, Kopex s.a.'s takeover bid valid until July 31, 2008 of EUR 17.50 provides downside security for the share price.

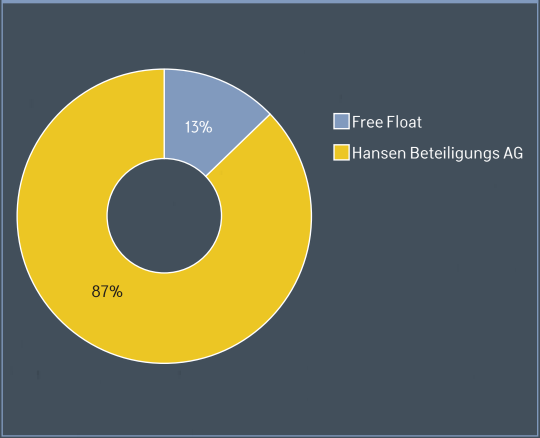
Transparency and continuity driving investor relations work

Hansen Sicherheitstechnik AG continued its active and transparent financial communication activities during 2007 and substantially surpassed the transparency guidelines set forth by Deutsche Börse AG for the Open Market. The activities included the immediate and comprehensive release of all of the Company's statements relevant to financial markets in German and English. While participating in the Small- and Midcap Conference held by Close Brothers Seydler AG in April 2007, the Company presented its business model to numerous financial market participants. Investor relations activities were rounded out by further road shows in Germany and abroad. In addition, we provide investors with current and comprehensive information all about Hansen Group's activities at the Company's home page under www.hansen-sicherheitstechnik.com. This is our way for the Company to further build trust and increase Hansen Sicherheitstechnik AG's recognition level on an ongoing basis.

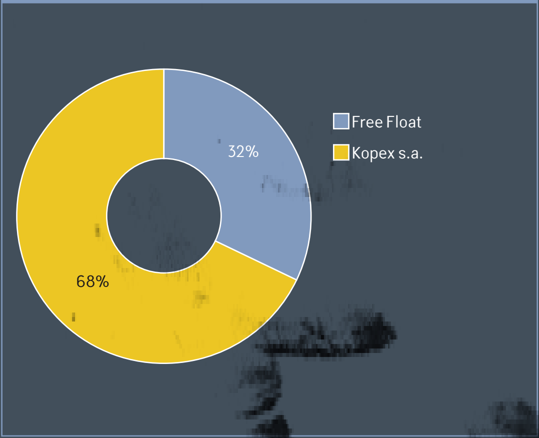
New majority shareholder Kopex S.A.

At the beginning of 2007, Hansen Beteiligungs GmbH, Salzburg – whose majority shareholder is Christian Dreyer (sole member of the Management Board of Hansen Sicherheitstechnik AG) – held 87 percent of Hansen Sicherheitstechnik AG. Hansen Beteiligungs GmbH's share decreased – due to the steady sale of shares – to roughly 68 percent by November 2007. At the same time the free float increased correspondingly to about 32 percent. On May 10, 2007, Hansen Sicherheitstechnik AG entered into a contract with the Polish company Kopex s.a. over the sale and purchase of 850,000 shares of Hansen Sicherheitstechnik AG (68 percent of issued capital with voting rights). In order to provide fair treatment of the other shareholders, Hansen Beteiligungs GmbH arranged the extension of the voluntary takeover bid to all of Hansen Sicherheitstechnik AG's shareholders. Then Kopex s.a. extended a voluntary takeover offer to Hansen Sicherheitstechnik AG's other shareholders – valid until July 31, 2008 – for a price of EUR 17.50 (before the stock split EUR 35.00) per share. This is not a legal requirement for the Company which is listed in the Open Market. All shareholders are therefore granted the right to accept the EUR 17.50 offer for each of their Hansen Sicherheitstechnik shares within two time frames (December 31, 2007 – January 31, 2008 or June 30, 2008 – July 31, 2008). Finally, Hansen Beteiligungs GmbH sold the remaining 68 percent to KOPEX s.a. on November 23, 2007 and then held a less than 1 percent share of Hansen Sicherheitstechnik.

Shareholder Structure 12/31/2006



Shareholder Structure 12/31/2007



Hansen Sicherheitstechnik share key figures

First listing	July 3, 2006
Issue price in EUR (adjusted for stock split)	3,25
ISIN	DE000HAST002
WKN	HAST00
Reuters code	H1SG.DE
Bloomberg code	H1S:GR
Traded at	Xetra, Frankfurt, Berlin, Stuttgart
Number of shares (December 31, 2006)	1.250.000
Number of shares (after stock split on July 27, 2007)	2.500.000
Market segment	Open Market/over-the-counter

Technical key figures	
52-week high in EUR	22,19
52-week low in EUR	14,45
Average trading volume in 2007 total	1.034
Average trading volume during the first half of 2007	365
Average trading volume during the second half of 2007	1.703
Price (December 28, 2007) in EUR	17,70
Market capitalisation (December 28, 2007) in EUR	44.250.000
Latest dividend in EUR (adjusted for stock split)	0,50
Total performance since listing (price and dividend)	475%

2007 CONSOLIDATED FINANCIAL STATEMENTS

HANSEN SICHERHEITSTECHNIK AG

[TECHNOLOGIE]

THE DANGER OF METHANE OUTBURSTS IS OMNIPRESENT BELOW GROUND. METHANE IS HIGHLY EXPLOSIVE AND IS IGNITED BY FIRE AND FLYING SPARKS. SINCE MOST EQUIPMENT SUCH AS EXCAVATORS, CONVEYORS, PUMPS, FANS ETC. IS ELECTRICALLY POWERED, EXPLOSION PROTECTION IS NECESSARY.

GROUP MANAGEMENT'S REPORT

1. BUSINESS AND BUSINESS CONDITIONS

The roughly 400 employees of Hansen Group develop and produce explosion-proof electrical systems for the mining industry – particularly for underground coal mining operations – and in doing so also provide engineering, service and repair services.

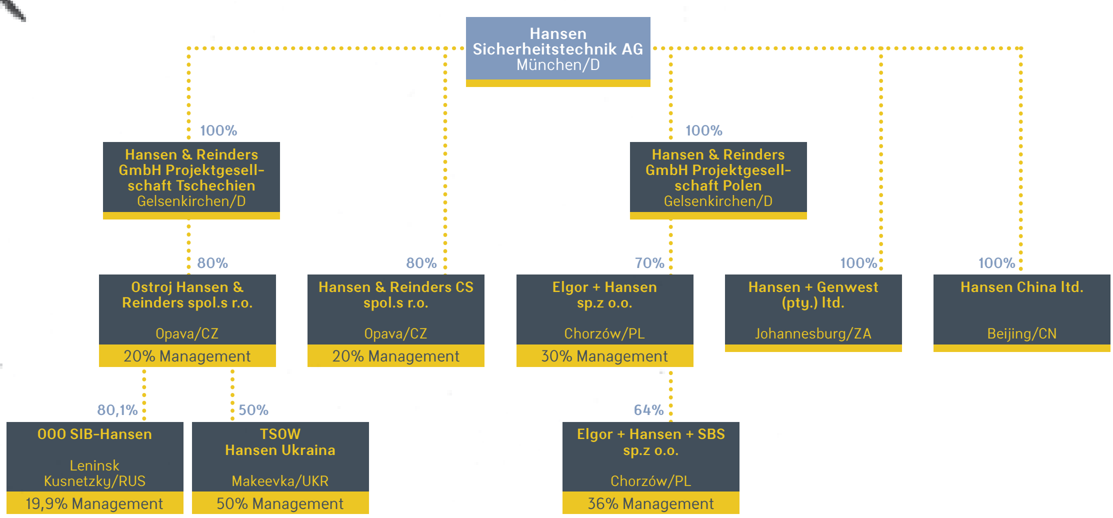
Although coal mining – which one must imagine today to be a highly automated industrial process – has been on the decline in Western Europe for the last 50 years due to geologically disadvantaged reserves, it is continuously expanding in other regions in the world. Coal is one of the cheapest and major sources of energy with long-term reserves (next to crude oil and natural gas), and is indispensable for making steel. Particularly in the last several years – due to the energy and steel demand of China and other threshold countries – there has been a strongly growing demand for coal. Considering the high price levels for crude oil, the markets do not expect demand to flatten out in the medium term.

The danger of methane outbursts is omnipresent in underground coal mines. Methane is highly explosive and is ignited by fire and flying sparks. Since most mining equipment such as excavators, conveyors, pumps, fans etc. are electrically powered, explosion protection is necessary. Hansen Group makes use of its specific mining-related experience, as well as Germany's quality and technology image to manufacture high-quality products in low-wage countries, and to market them under the Hansen brand.

Our range of products comprises mainly explosion-proof

>> Switchgear EEx d I (compact stations, power switches) 500 V to 3.3 kV
>> Thyristor soft starters EEx d I 500 V to 3.3 kV for motors up to 400 A
>> Dry-type transformers EEx d I up to 5000 kVA
>> Medium-high voltage switches EEx d I up to 11 kV
>> Monitor and process control systems EEx i a/b for conveyor systems (chain conveyors, belt conveyors) incl. visualisation
>> Press-to-talk intercom and shut-down/stop systems (emergency shut-off) EEx i a/b
>> Motors EEx d I (agents incl. repairs/service in certain regions)

Hansen Sicherheitstechnik AG („Hansen AG") is the holding company of Hansen Group. We currently have manufacturing companies in Poland, the Czech Republic and South Africa.



Hansen AG always likes to involve local managers by giving them a share of the equity or income of the subsidiary companies, to motivate and increase the responsibility of management at the local level.

Local co-shareholders are granted complete operating decision-making authority within the Group strategy; they can also leverage the Group's technical knowledge where necessary. These motivated co-shareholders, who regularly maintain good contacts to local customers, sell directly to the mines or mine operators. Step-by-step since 1991 we have been concentrating geographically on the Czech Republic, Poland, Russia and South Africa – due to the decreasing mining activity in Germany. In addition, we export – in part through partnerships with machinery and system manufacturers – explosion-proof electrical systems to mines in Kazakhstan, the Ukraine, Bosnia, Spain, Slovenia and Mexico. We are actively monitoring additional major coal-producing countries such as China, India, the USA and Australia. About our markets in detail:

In Western Europe we closed down our German operations in Gelsenkirchen after initially implementing massive capacity reductions. This step was necessary because there were hardly any new orders from German customers and the hoped-for Russian orders for German equipment did not materialise. As a result, the bankruptcy petition for H+R was filed on January 8, 2007. A bankruptcy petition was filed on March 29, 2007 for Deukalion, the general partner of H+R. The bankruptcy proceedings have been underway since then.

Our subsidiaries in Central and Eastern Europe were not quite able to maintain their volume of business after the record years 2005 and 2006. Elgor + Hansen sp.z o.o. („E+H") was, for example, not quite able to reach its above-average revenues from earlier years in 2007. Sales revenues decreased by about 4.9 % compared to 2006. This is explained by a slight decline in demand in the Polish mining industry. Despite this, Hansen Group is maintaining its position in Central and Eastern Europe as the market leader in the important mining country Poland, and, by constantly pushing further technical innovations – particularly of equipment for medium and high voltage levels, and of electronically managed variable-speed drives – further extending current sales. In the Czech Republic, we still assume that mining activities will continue to decline, so that the production of the manufacturing capacity of Ostroj – Hansen & Reinders spol. s.r.o. ("OHR") has already been directed towards Russia and the other nations of the Commonwealth of Independent States (CIS). Plus, in the Czech Republic there are plans to consolidate some mines due to production capacity. We were still able to increase revenues slightly – by roughly 3.8 % in 2007 compared to 2006. Furthermore, we generated our first revenues in the Ukraine, which were transacted through the Czech Republic.

We want to further extend our position in Russia – a country which in the meantime has become very strong financially – into Eastern Europe and Asia. As a part of this strategy, SIB Hansen is developing from a pure selling company into a company which, in addition to installation work, does a small amount of basic research and develops its own equipment. We are documenting our interest in the Ukraine as well with the investment in TSOW „Hansen Ukraina", which is not consolidated by Hansen Group due to reasons of materiality. We are also supplying other selected CIS states with smaller mining industries such as Kazakhstan or Belarus on a project basis, but without fixed business premises. We founded Hansen China ltd. in China in 2006; we are reserving up to 20 % of the shares for the local management to invest in. Hansen Sicherheitstechnik AG still holds all of the shares up to now. This company serves as a purchasing platform for Hansen Group. Hansen China has already made tEUR 532 worth of purchases for Hansen Group in 2007; we have already seen initial success in the form of lower material costs in the group. Because of China's fundamental significance as the largest mining country in the world, Hansen plans to set up its own production facility in China. The establishment process necessary to implement this plan is nearly complete, so that we can begin making individual components – initially for European affiliated companies – already in 2008. Due to the low technical and price levels it is still unclear, if and when we will enter the Indian market.

We want to further extend our market position in South Africa, which is already a strong one as well. Hansen + Genwest (pty.) ltd. („H+G") is continuing on the very encouraging course it set last year. In this manner we were able to increase revenues by about 22.4 % and earnings were quite positive. Besides that, Hansen AG exercised a buyback option and reacquired the minority share in the amount of 29.45% for a price of tEUR 94, so that Hansen AG once again holds 100 % of the subsidiary.

Our competitive advantage is based on the four columns of special expertise, licences, established customer bases and cross-border cooperation:

- >> Our employees in project management and development know the demands on electrical engineering in coal mines and are able to recognise and implement the requirements of mining customers concerning the definition and size of electrical and electronic systems. It is difficult for those outside this industry to acquire this special expertise.

- >> Having permits for explosion safety in accordance with international explosion safety standards and licenses from local mining regulatory authorities is the second column.

- >> Thirdly, we have created an established customer base. Hansen Group—in part through acquired predecessor firms—has maintained a presence in local mines for up to 50 years and has delivered equipment with a cumulated value of over EUR 200 mill. The mines which employ our equipment tend to prefer the trusted manufacturer when placing new orders. The high sense of responsibility of our local shareholding managers contributes strongly to the trust bonus.

- >> The local business units cooperate with each other by communicating bilaterally with each other on joint developments or on manufacturing agreements. This cooperation is based generally on voluntary agreements as between third parties, but we do hold conferences and meetings on certain topics at regular intervals. We pursue developments and implement projects – some of which deal with topics above and beyond normal business – which are of importance on a group-wide level, particularly entering new markets, developing new products, or addressing cost savings through joint purchasing or manufacturing.

Hansen Group performs basic research only in a limited scope. On the whole we concentrate on project management and development of electrical systems based on customer requirements from customer orders.

2. FINANCIAL AFFAIRS

Financial Position

ASSETS	12/31/2007		12/31/2006	
	tEUR	%	tEUR	%
Intangible assets	4,673.1	11.6	4,377.8	12.0
Property, plant and equipment	7,300.6	17.9	6,829.9	18.8
Financial assets	60.9	0.2	58.9	0.2
Non-current assets	**12,034.6**	**29.7**	**11,266.6**	**31.0**
Other receivables and assets	0.0	0.0	57.1	0.2
Deferred income taxes	714.5	1.8	443.8	1.2
Long-term assets	**12,749.1**	**31.5**	**11,767.5**	**32.4**
Inventories	9,392.4	23.2	7,359.7	20.2
Trade accounts receivable	6,904.9	17.1	7,359.7	20.2
Other receivables and assets	542.0	1.3	311.6	0.9
Current income tax assets	354.7	0.9	484.4	1.3
Cash and cash equivalents	10,516.0	26.0	9,099.9	25.0
Short-term assets	**27,710.0**	**68.5**	**24,613.1**	**67.6**
	40,459.1	**100.0**	**36,380.6**	**100.0**

SHAREHOLDERS' EQUITY AND LIABILITIES

Issued capital	2,500.0	6.3	1,250.0	3.5
Reserves	14,843.7	36.6	14,974.2	41.2
Unappropriated retained earnings	4,793.7	11.8	2,580.8	7.1
Hansen AG shareholders' portion of equity	**22,137.4**	**54.7**	**18,805.0**	**51.8**
Minority shareholders' portion of equity	4,898.2	12.1	4,858.8	13.4
Shareholders' equity	**27,035.6**	**66.8**	**23,663.8**	**65.2**
Pension provision	269.6	0.7	271.7	0.7
Provisions for deferred taxes	190.0	0.5	153.7	0.4
Long-term debt	**1,480.2**	**3.6**	**1,901.9**	**5.2**
Long-term provisions and liabilities	1,939.8	4.8	2,327.3	6.3
Short-term provisions	2,072.1	5.1	1,817.1	5.0
Short-term debt	4,956.0	12.3	3,599.8	9.9
Trade accounts payable	2,778.8	6.9	3,178.6	8.7
Other liabilities and deferrals	1,676.8	4.1	1,794.0	4.9
Short-term provisions and liabilities	**11,483.7**	**28.4**	**10,389.5**	**28.5**
	40,459.1	**100.0**	**36,380.6**	**100.0**

Within intangible assets, tEUR 4,065.9 is the unchanged balance of goodwill and tEUR 607.2 (2006: tEUR 311.9) is the balance of other intangible assets. Goodwill is no longer amortised after 2004 in accordance with IRFS 3 and is subject to an impairment test on an annual basis. In view of the positive earnings position, particularly in the foreign operating companies, and forecasts for 2008, no amortisation of goodwill was necessary.

The other intangible assets increased by tEUR 295.3 compared to their balance as of December 31, 2006. The increase is particularly from additions of development costs, which are amortised over three years. The Company invested tEUR 416.9 in intangible assets in 2007.

Property, plant and equipment increased by tEUR 470.7. This was caused by the investments made in 2007 for buildings (E+H, OHR), car fleet, and for technical equipment and machinery. In 2007, we invested tEUR 1,245.5 (2006: tEUR 3,556.9) in property, plant and equipment.

The shares in TSOW "Hansen Ukraina", which is not consolidated, are reported in 2007 and in 2006 under financial assets. The tEUR 2.0 increase is only from currency translation. After the deconsolidation of H+R and Deukalion, the historical cost and cumulated amortisation of the investments and loans due from affiliated companies which are now reported within financial assets did not change the carrying value of Group financial assets, since the carrying values of these additions are zero.

There were no longer any other long-term receivables and other assets as of December 31, 2007. The receivables as of December 31, 2006 were from finance lease contracts which were terminated ahead of time.

Inventories increased by tEUR 2,032.7 from December 31, 2006 to December 31, 2007. On the one hand, inventories increased because of the good order backlog for 2008, particularly at E+H and OHR; on the other hand, orders could no longer be delivered in 2007 by the sales companies EHS and SIB, causing a build-up of finished goods.

Corresponding to the decrease in sales compared to 2006, trade accounts receivable decreased by tEUR 452.6.

The short-term other receivables and assets increased by tEUR 230.4. This is mainly a note receivable from Hansen AG in the amount of tEUR 200.0 which is due in March 2008. The refund claims for other taxes is another major item within short-term receivables and assets.

Deferred income tax assets increased especially from consolidation measures. Unrealised intercompany profits in inventories in the amount of tEUR 858.3 (2006: tEUR 333.8) were eliminated as of December 31, 2007, necessitating recognition of deferred tax assets. Furthermore, deferred income tax liabilities offsetting the net deferred tax asset, which had been recognised as a result of the elimination of bad debt allowances on receivables due from H+R and Deukalion during elimination of intercompany payables and receivables, were derecognised after deconsolidation of these two companies. The decrease in current income tax assets is in connection with the tax refund claims from dividend distributions of both project companies to Hansen AG in 2006 which no longer arose in 2007 after execution of profit transfer agreements.

Cash increased by tEUR 1,416.1. Debt within the group rose by tEUR 934.5. TEUR 1,356.2 of the increase is from short-term debt; the decrease in long-term debt in the amount of tEUR 421.7 offset this increase. The net balance of cash, cash equivalents plus short- and long-term debt as of December 31, 2007 was tEUR 4,079.8 (2006: tEUR 3,598.2). Hansen Group's unused lines of credit as of the balance sheet date are tEUR 1,691.4 (2006: tEUR 1,842.2). There are restrictions concerning the purposes for which cash may be spent at E+H in the amount of tEUR 13.0. In this case it is legally restricted cash which must be available for employees' welfare. Due to foreign exchange laws, Hansen China's cash balance as of December 31, 2007 in the amount of tEUR 40.6 is also deemed not available to the group, so that unrestricted cash has a balance as of December 31, 2007 of tEUR 10,462.4 (2006: tEUR 8,960.7).

The issued capital in the amount of EUR 2,500,000.00 is divided into 2,500,000 bearer shares with a prorated share in the issued capital of EUR 1.00 per share. In accordance with the articles of association, each bearer share has one vote in the general meeting. We do not plan on limiting any voting rights. The increase of issued capital by tEUR 1,250.0 to tEUR 2,500.0 is a result of the resolution adopted by the general meeting on June 21, 2007 to increase the Company's capital. This is a capital increase from company funds. It was recorded in the companies register on July 9, 2007.

On November 23, 2007, after the final suspensive condition from the sale and transfer of shares contract dated May 10, 2007 was fulfilled, Hansen Beteiligungs GmbH, Salzburg (Austria), sold its 68 % majority share of Hansen Sicherheitstechnik AG to Kopex s.a., Katowice (Poland).

The capital reserves and revenue reserves, which include the retained earnings of the group and the gains and losses from consolidation measures as well as differences from currency translation of foreign consolidated companies, are reported in the reserves. The amounts capable of being distributed as dividends to Hansen shareholders are recorded in unappropriated retained earnings.

The minority shareholders' portion of equity – after dividend distributions, their portion of consolidated net income and disposals – increased from tEUR 4,858.8 by tEUR 39.4 to tEUR 4,898.2. In 2007, Hansen AG purchased the remaining shares of H+G. Hansen AG held 100 % of the shares in 2004 and did not participate when H+G issued new shares so that a minority shareholder could acquire a 29.45 % share of the company. On December 31, 2006, the minority shareholder's portion of equity was tEUR 187.7, which was offset against the purchase price during elimination of investments and their equity. The surplus amount is recorded in group reserves and not in income because the dilution of the majority investment in 2004 received the same accounting treatment.

The long-term provisions consist of provisions for pensions and deferred income taxes. This item only increased tEUR 34.2 overall.

Short-term provisions were mainly recorded for bonuses, warranties, annual financial statement and audit costs and for Hansen AG's administrative section. Short-term provisions increased by tEUR 255.0 in total; the deconsolidated companies are included in the balance as of December 31, 2006 in the amount of tEUR 85.1.

The trade accounts payable are exclusively due to third parties and decreased by tEUR 399.8 compared to 2006.

The other liabilities and deferrals are made up of tax liabilities, other liabilities and deferred items for public subsidies received. The tax liabilities increased by tEUR 300.6 compared to their balance as of December 31, 2006. The other liabilities decreased by tEUR 403.9; H+R contributed tEUR 471.2 to the other liabilities on December 31, 2006.

Earnings Position

	2007		adjusted 2006	
	tEUR	%	tEUR	%
Sales revenues	38,503.1	96.3	38,531.4	96.4
Change in inventories and own work capitalised	1,460.6	3.7	1,438.6	3.6
Total output	**39,963.7**	**100.0**	**39,970.0**	**100.0**
Other income	823.2	2.1	695.8	1.7
Material expenses	-20,451.5	-51.3	-20,638.8	-51.7
Personnel expenses	-8,107.9	-20.3	-7,656.8	-19.2
Depreciation/amortisation	-959.2	-2.4	-667.8	-1.7
Other operating expenses	-4,376.6	-11.0	-3,665.3	-9.2
Net financial income/loss	39.9	0.1	-159.5	-0.4
Income before taxes	**6,931.6**	**17.2**	**7,877.6**	**19.5**
Taxes on income and earnings	-1,834.9	-4.6	-1,968.5	-4.9
Income from continued operations	**5,096.7**	**12.8**	**5,909.1**	**14.8**
Net income/loss from discontinued operations	635.4	1.6	-2,220.0	-5.6
Consolidated net income	**5,732.1**	**14.4**	**3,689.1**	**9.2**

Hansen Group closed the 2007 financial year with net income of tEUR 5,732.1, of which tEUR 4,004.5 is allocated to Hansen Sicherheitstechnik AG's shareholders.

Because of the bankruptcies of H+R and Deukalion, the earnings effects and prior year figures of the companies are reported under income/loss from discontinued operations.

Consolidated net income increased by tEUR 2,043.0 compared to 2006. Because of the bankruptcies of H+R and Deukalion and their associated deconsolidation as of January 1, 2007, the earnings effects and prior year figures of the companies are reported under income/loss from discontinued operations. The increase in consolidated net income compared to 2006 results on the one hand from the net income from discontinued operations which improved by tEUR 2,855.4 and the change in earnings from continued operations which went in the other direction in the amount of tEUR 812.4. Compared to 2006, the earnings of the subsidiaries at the separate financial statement level improved overall, if you eliminate the non-recurring effects from the bankruptcies of H+R and Deukalion, which were already recognised in the separate financial statements as of December 31, 2006, the sum of their net incomes compared to 2006 went down. Delays in deliveries contributed to the negative earnings trend, which made it necessary to eliminate unrealised intercompany profits in inventories worth a total of tEUR 385.0 and the the margins from external sales did not take effect.

EBIT in 2007 decreased by tEUR 1,145.4 compared to 2006. This equates to an EBIT margin based on sales revenues of 17.9 %; in 2006 an EBIT margin of 20.9 % was attained.

Consolidated sales revenues hardly changed. It was, however, particularly at E+H that the poor demand in the Polish coal mining industry and delays in orders resulted in a 4.9 % decrease in sales revenues compared to 2006. H+G provided a welcome trend by recording a 22.4 % increase in sales over 2006 and was also awarded a major contract with a volume of EUR 22.0 million at the end of the year, which will generate sales revenues over the next five years.

The changes in inventories and own work capitalised are staying at 2006 levels.

Improved purchasing terms in particular were able to lower material expenses in relation to total output. This is especially due to the cost-cutting programs which were implemented successfully. Hansen China also made purchases in the amount of tEUR 531.8 for Hansen Group in 2007 and made an initial successful contribution to lower material costs.

Personnel expenses increased by tEUR 451.1 compared to 2006. This increase was particularly due to increased wages from collective bargaining agreements, salary increases and additions to bonus provisions. There was an average of 383 employees during 2007 based on the number of employees at the end of each quarter. Adjusted for the employees of H+R, there was an average of 382 employees in the group in 2006.

The increase in depreciation in the amount of tEUR 291.4 is primarily the result of additional investing activities in property, plant and equipment in 2007 and prior years.

Other operating expenses increased by 1.8 % points in relation to total output. Other operating expenses are broken down as follows:

	2007	2006
	tEUR	tEUR
Building costs	627.6	477.2
Legal, advisory and financial statement costs	509.8	454.8
Advertising costs	499.8	482.7
Investor relations, annual general meeting and listing costs	338.6	139.1
Exchange losses (realised)	314.4	448.9
Book value losses on disposal of non-current assets	264.5	145.5
Business supplies	259.4	169.6
Exchange losses (unrealised)	210.4	16.3
Travel expenses	204.7	179.2
Motor vehicle costs	199.6	194.7
Other taxes	113.6	47.6
Bank charges	95.7	104.0
Insurance and contributions	85.1	114.2
Bad debt losses	54.8	91.6
Bankruptcy liquidation costs H+R and Deukaliion	0.0	110.0
Sundry other operating expenses	598.6	489.9
	4,376.6	**3,665.3**

Net financial expense improved by tEUR 199.4, also caused by the positive exchange rate differences from consolidation measures which were recorded there. In addition, net interest income/expense increased by tEUR 157.2 compared to 2006; this was also caused by increased interest and securities income.

Current taxes and deferred taxes are included in income taxes. The decrease compared to 2006 is particularly due to the decline in earnings from continued operations. Deferred taxes on loss carry forwards have not been recognised at Hansen AG up to this time. The group tax rate has been lowered from 40.9 % to 30.0 % because of the 2008 corporate tax reform. Material deferred taxes are recorded during consolidation when eliminating unrealised intercompany profits.

H+R and Deukalion have been deconsolidated in 2007 with their consolidated balances from December 31, 2006. In particular, the deconsolidation of H+R's losses accrued since belonging to Hansen Group had a positive impact. The material items having a negative impact were the recognition of previously eliminated bad debt losses on loans and short-term receivables which had been recorded as of December 31, 2006.

3. SIGNIFICANT SUBSEQUENT EVENTS (SUBSEQUENT REPORT)

There were no events of special significance after the end of the financial year on which to report.

4. INTERDEPENDENCE REPORT

In accordance with Sec. 312 Aktiengesetz (German Stock Corporation Act), the Management Board of Hansen AG has prepared a report on relationships to affiliated companies for the 2007 financial year (Interdependence Report), which concludes with the following statement: Our company received appropriate consideration for every legal transaction stated in the report on relationships to affiliated companies. There were no measures during the financial year which we are required to report. This assessment is based on circumstances known at the time of the events we are required to report.

5. RISK REPORT

In 2007, Hansen AG used and further developed the risk control system which it created in-house. Risks are recorded and evaluated for the Management Board in the risk management manual. This system has various systems for early recognition and handling of risks. The central components of the system are particularly the controlling system. Through near-real-time reporting during the financial year, the controlling department informs the Management Board at regular intervals as well as on an ad-hoc basis on identified risks and deviations from the actual and the forecasted course of business at Hansen AG and its subsidiaries. In this way, countermeasures for defeating a risk can be taken early on. The risk management system is employed group-wide so that an effective monitoring instrument is also available for companies new to Hansen Group. Hansen Group has the following main risks.

Influence of financial instruments on the financial, earnings and assets position in accordance with IFRS 7

Hansen Group only reports original financial instruments in its balance sheet. All original financial instruments are reported at carrying value, which corresponds to their fair value.

Loans granted and receivables are recorded at cost. In addition to loans, all receivables and other assets are included in this item. For these line items all recognisable individual risks and the general credit risk based on past experience are accounted for through valuation allowances. Loans receivable bear interest at market rates.

Liabilities are basically recorded in the amount of the consideration received less the costs of issue at the point in time when they arise. Liabilities from finance lease contracts are recorded at the present value of the lease instalments at the time when the contract is executed.

Foreign exchange receivables and payables are recorded at the exchange rate prevailing on the balance sheet date. Exchange differences from translation are recognised in income.

There as a permanent currency risk associated with Hansen Group's foreign-based subsidiaries. The currencies of Hansen's two most profitable locations in Poland and the Czech Republic had a positive effect on Hansen Group's asset, financial and earnings position in 2007. The Polish zloty gained about 6 % and the Czech koruna gained about 3.2 % in 2007. The other currencies in Hansen Group such as the the Chinese renminbi-yuan, the South African rand and the Russian rouble have lost against the EURO in 2007; the rand lost the most with about 7.6 %.

In order to present individual exchange rate effects, Hansen Group companies' individual earnings in 2007 and equity as of December 31, 2007 are translated with different exchange rates in the following schedule. In order to show the impact of exchange rates, equity is translated at the rates on December 31, 2007 and December 31, 2006 and 2007 earnings are translated at the average rates from 2007 and 2006. If equity had been translated at the exchange rate from 2006, Hansen Group's equity would have been less in the amount of tEUR 699.8. The overall effects on the consolidated financial statements would have been immaterial.

	2007 exchange rate		2006 exchange rate		Differences	
	Shareholders' equity	Net income	Shareholders' equity	Net income	Shareholders' equity	Net income
	12/31/2007	2007	12/31/2007	2007	12/31/2007	2007
	tEUR	tEUR	tEUR	tEUR	tEUR	tEUR
E+H	9,951.1	3,346.8	9,351.4	3,249.9	599.7	96.8
EHS	1,133.3	464.9	1,065.0	451.4	68.3	13.5
H+G	1,200.0	631.3	1,294.2	715.6	-94.2	-84.3
Hansen China	152.0	69.4	158.6	72.2	-6.6	-2.8
HRCS	108.9	30.2	105.5	29.6	3.4	0.6
OHR	5,014.2	1.963.7	4,855.9	1,923.1	158.3	40.6
SIB	755.2	274.3	784.4	281.5	-29.2	-7.2
					699.8	**57.1**

There is a latent interest risk associated with the variable interest rates of the loans reported under debt, if interest rates do increase for an extended period of time. OHR's loans bear variable interest at the PRIBOR (Prague Interbank Offered Rate) plus a premium between 1.0 % and 1.3 %. E+H's loans bear variable interest at the WIBOR (Warsaw Interbank Offered Rate) plus a premium between 1.5 % and 1.6 %. If the European Central Bank raises interest rates, this would affect the PRIBOR and WIBOR and, in turn, impact the interest situation at OHR and E+H. The PRIBOR ranged between 2.6 % and 4.2 % in 2007 and the WIBOR varied between 4.4 % and 6.2 % during the year.

Because of the ongoing crisis in financial markets, cash is currently invested in call money and fixed-term deposits. The risk of higher interest rates for debt is mitigated by the opportunities within cash and cash equivalents, whose balance exceeds the balance of debt by tEUR 4,079.8 as of December 31, 2007.

Product and market risks

Hansen Group's product market – coal mining – is a tight market segment and heavily dependent on the world market demand for raw materials and energy, particularly for coal. Demand for steel and steel prices are also important as determinants of coal demand. A leveling-out of the current world-wide raw material boom, particularly the demand for steel and coal, would have a negative impact on the demand for Hansen products because mines in all markets world-wide would not invest as heavily as is currently the case because of the decreased production.

Operating risks

Hansen Group's electrical systems are implemented in coal mines, where – particularly in Russia and China – accidents often occur. If Hansen's systems are brought into a direct relationship with such accidents, Hansen Group could be sued for heavy damages, against which Hansen Group has not insured itself due to the difficulty of calculating the risk; this could lead to high follow-on costs. Such an occurrence could also undermine customers' trust in Hansen Group's products and lead to lower sales.

Political, legal and cultural risks

Any political instability in China, as the largest consumer of coal in the world, would put a damper on the demand for coal and may cause raw material prices to sink, with negative effects on mines and their demand for Hansen products.

Any political instability in Russia, currently the second largest customer of Hansen products, would probably have a negative impact on Russian mines and their demand for Hansen products.

Any worsening of the relations between the European Union and the Russian Federation would probably have negative effects on Russian mines' demand for Hansen products.

Replicas of Hansen products

Hansen Group's products are not protected through patents from being replicated, rather only through licensing according to local mining regulations. Potential competitors could attempt to make replicas of Hansen equipment to receive a local licence and then sell the replicas for less. Hansen products are, however, not available on the market to competitors, so that it would be difficult to attempt to build a replica.

Inefficient mines of existing customers

Hansen Group generates a material share of its revenues with services (about one-third of sales) and replacement sales from business with existing customers. If mining companies that are Hansen Group's customers decommission capacity due to inefficient mines, this would impact directly on Hansen Group's revenue position.

World-wide climate protection agreement

If countries do come to terms on a reduction of world-wide carbon dioxide emissions, which would be achieved by way of the energy mix and not by way of modern coal power plants with high efficiency, this would have a direct impact on mining capacity and therefore on Hansen's most important ultimate customer group.

6. COMPENSATION REPORT

The compensation system provides for fixed as well as variable compensation components for the Management Board. The variable compensation share is calculated from the shareholders' share of consolidated net income. After deduction of a basic amount of tEUR 1,500.0 from the shareholders' share of consolidated net income – adjusted by the bonus provision – the CEO receives variable compensation in the amount of 5 % of the remaining balance. The CEO received non-profit-based remuneration in the amount of tEUR 230.6 in 2007. TEUR 130.0 has been recorded as a provision in the financial statements for the 2007 bonus. In addition to that, the pension provision was increased. The CEO receives an annual pension in the amount of tEUR 104 when he reaches his 65th birthday.

7. FORECAST REPORT

We assume, despite the risks mentioned above, that sales and earnings of Hansen Group will be able to continue to develop positively in the medium term, assuming the basic business policy will remain the same.

We nearly reached the goals we set for 2007. Sales revenues were EUR 38.5 mill. after EUR 41.5 mill. in 2006. Based on 2006 adjusted sales without those of bankrupt H+R, we would be at 2006 levels. The EBIT margin lies in the area of roughly 18 % of sales.

We forecast revenues of around EUR 45 mill. for the 2008 financial year, about 15% above those of 2007. This should stabilize the revenue surge from past years. Our revenue estimates were made assuming that oil prices will remain stable. These expectations are supported by E+H's confirmed order backlog, OHR and particularly H+G. For example, H+G reported the largest delivery order in Hansen's history at the end of 2007. The order has a volume of about EUR 22.0 mill. and runs until 2012. Just because of this order, H+G alone will contribute roughly EUR 6.0 mill. on top of its regular business to Group sales in 2008 at a nearly unchanged operating margin. The contribution will be about EUR 5.0 mill. in 2009 and 2010. In addition, there were delays in deliveries – particularly at OHR – whose additional sales will hit the books in 2008.

Furthermore, our earnings targets are backed up decisively by the cost-cutting programs we have just implemented. This is, on the one hand, the closing of the unprofitable German location. By doing so we saved about EUR 1.0 mill. in personnel costs annually. On the other hand there is further cost-cutting potential through purchasing components in China. We intend to spend roughly one third of material expenses on purchases in China in the mid-term, at prices which lie about one third below the world market level. We already saved costs in 2007 and hope that this trend continues. The target is to lower material costs in 2008 by about EUR 2.5 mill. in this manner.

In addition, of course we expect the close cooperation with our new majority shareholder KOPEX s.a. in Poland to have certain synergy potential for Hansen Group. KOPEX s.a. is already very successful – in China as well by the way – and could open up new sales opportunities for Hansen Group. Furthermore, KOPEX s.a. is already present in other countries such as Indonesia, countries which Hansen currently only has under observation. This could have a positive effect as well, since Hansen could benefit from existing sales channels and market entry would be easier. We are, however, just at the beginning and first need to continue with the integration process with KOPEX s.a., so that it is difficult to make specific statements at this point in time.

In the past, we have – including acquisitions – shown 15 % average growth; we want to maintain this level in the coming years, the accomplishment of which depends on the acquisitions. Acquisitions serve above all to access foreign markets. Especially the major coal mining countries China, India, USA and Australia are interesting in this respect. Therefore, in the next few years the Chinese market will be the most important growth driver, a market where we want to position ourselves in the high-value product segment (monitor and process control systems). We also see meaningful growth potential in Russia and South Africa, in which case Russia will be supplied by the Czech operation.

The Polish market is stable without any major possibilities for expansion, we are already clearly the market leader, and the margin level is high. The picture is similar for the Czech domestic market, except the market is much smaller. Therefore, in the Czech Republic as well as in Poland, we are producing for the Russian market, which offers favourable sales potential.

On the technical side, we expect continued increasing demands on the performance of our electrical systems. Customers are demanding ever higher operating voltages for increasing engine powers. In addition, we expect increasingly broader use of electronically managed variable-speed drives (frequency converters, thyristor soft starters) and increasing demands for process monitor and control, particularly regarding information about operating and error conditions, among other demands.

Our production and purchasing strategy is aimed towards a manageable level of vertical integration in production and an optimal cost structure. We try to limit ourselves to development and assembly; we only manufacture parts where we cannot find a competent external supplier or where it concerns know-how-intensive core components, such as explosion-proof enclosures or vacuum contactors. We assemble as much as possible in countries with favourable wage costs, like the Czech Republic and Poland. We do not plan any major investments at this time. Since our typical electrical assembly is labour-intensive, not machinery-intensive, we just add on to existing buildings and production machinery, such as the administration building completed in 2007 in Poland, for example.

In the future, our dividend policy will be aimed at distributing an annual dividend in the amount of roughly 25 % to 50 % of consolidated net income, provided there are no attractive alternatives such as acquisitions or expansion projects. The CEO will propose to increase the dividend for 2007 to EUR 0.60 per share. The Company would then pay out a total of EUR 1.5 mill. to the shareholders.

Munich, February 29, 2008
Hansen Sicherheitstechnik AG

CEO/Management Board

CONSOLIDATED INCOME STATEMENT

OF HANSEN SICHERHEITSTECHNIK AG FOR THE YEAR ENDED 12/31/2007

	Note	1/1/-12/31 2007 tEUR	adjusted 1/1/-12/31/ 2006 tEUR	1/1/-12/31 2006 tEUR
Sales revenues	1	38,503.1	38,531.4	41,511.0
Other income	2	823.2	695.8	795.7
Change in goods inventories and other own work capitalised	3	1,460.6	1,438.6	1,224.9
Material expenses	4	-20,451.5	-20,638.8	-22,960.9
Personnel expenses	5	-8,107.9	-7,656.8	-9,591.4
Depreciation/amortization	6	-959.2	-667.8	-816.4
Other operating expenses	7	-4,376.6	-3,665.3	-4,382.1
Financing expenses	8	-561.5	-369.6	-387.1
Other financial income, net	8	601.4	210.1	264.6
Income before taxes		**6,931.6**	**7,877.6**	**5,658.3**
Taxes on income and earnings	9	-1,834.9	-1,968.5	-1,969.2
Income from continued operations		**5,096.7**	**5,909.1**	**3,689.1**
Income/loss from discontinued operations	10	635.4	-2,220.0	0.0
Consolidated net income		**5,732.1**	**3,689.1**	**3,689.1**
Hansen AG shareholders' portion of net income		4,004.5	1,861.1	1,861.1
Minority shareholders' portion of consolidated net income	11	1,727.6	1,828.0	1,828.0
Consolidated net income		**5,732.1**	**3,689.1**	**3,689.1**
		EUR	**EUR**	**EUR**
Undiluted earnings per share	12	1.60	0.78	0.78
Diluted earnings per share	12	1.60	0.78	0.78
Undiluted earnings/loss per share from discontinued operations	12	0.25	-0.93	-
Diluted earnings/loss per share from discontinued operations	12	0.25	-0.93	-
Shares (number; weighted in 2006)	12	2,500,000	2,397,945	2,397,945

CONSOLIDATED BALANCE SHEET

OF HANSEN SICHERHEITSTECHNIK AG AS OF 12/31/2007

ASSETS	Note	12/31/2007	12/31/2006
		tEUR	tEUR
Goodwill	14	4,065.9	4,065.9
Other intangible assets	15	607.2	311.9
Property, plant and equipment	16	7,300.6	6,829.9
Financial assets	17	60.9	58.9
Non-current assets	**13**	**12,034.6**	**11,266.6**
Other receivables and assets	18	0.0	57.1
Deferred income tax assets	22	714.5	443.8
Long-term receivables and assets		**714.5**	**500.9**
Long-term assets		**12,749.1**	**11,767.5**
Inventories	**19**	**9,392.4**	**7,359.7**
Trade accounts receivable	20	6,904.9	7,357.5
Other receivables and assets	21	542.0	311.6
Current income tax assets	22	354.7	484.4
Short-term receivables		**7,801.6**	**8,153.5**
Cash and cash equivalents	23	10,516.0	9,099.9
Short-term assets		**27,710.0**	**24,613.1**
Balance sheet total		**40,459.1**	**36,380.6**

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	12/31/2007	12/31/2006
		tEUR	tEUR
Issued capital	24	2,500.0	1,250.0
Reserves	25	14,843.7	14,974.2
Unappropriated retained earnings	26	4,793.7	2,580.8
Hansen AG shareholders' portion of equity		**22,137.4**	**18,805.0**
Minority shareholders' portion of equity	27	**4,898.2**	**4,858.8**
Shareholders' equity		**27,035.6**	**23,663.8**
Provisions for pensions and similar obligations	28/29	269.6	271.7
Deferred income tax provisions	29	190.0	153.7
Long-term provisions		**459.6**	**425.4**
Debt	30	1,480.2	1,901.9
Long-term liabilities		**1,480.2**	**1,901.9**
Long-term provisions and liabilities		**1,939.8**	**2,327.3**
Other provisions	29	2,072.1	1,817.1
Short-term provisions		**2,072.1**	**1,817.1**
Debt	30	4,956.0	3,599.8
Trade accounts payable	31	2,778.8	3,178.6
Tax liabilities	32	818.7	518.1
Other liabilities	33	755.8	1,159.7
Unearned income	34	102.3	116.2
Current liabilities		**9,411.6**	**8,572.4**
Short-term provisions and liabilities		**11,483.7**	**10,389.5**
Balance sheet total		**40,459.1**	**36,380.6**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQU

	Issued capital	Capital reserves	Revenue reserves
	tEUR	tEUR	tEUR
Balance on December 31, 2005	**1,125.0**	**0.0**	**14,813.1**
Currency translation	0.0	0.0	0.0
Capital increase 2006	125.0	687.5	0.0
Costs of the capital increase 2006	0.0	-149.3	0.0
Unrealised gains/losses of financial instruments	0.0	0.0	0.0
2006 consolidated net income	0.0	0.0	0.0
Dividend distributions	0.0	0.0	0.0
Transfers from revenue reserves	0.0	0.0	-658.0
Other changes	0.0	0.0	35.3
Balance on December 31, 2006	**1,250.0**	**538.2**	**14,190.4**
Currency translation	0.0	0.0	0.0
Capital increase out of company funds	1,250.0	0.0	-1,250.0
Acquisition of 29.45 % of the shares of H+G	0.0	0.0	94.0
Unrealised gains/losses of financial instruments	0.0	0.0	0.0
2007 consolidated net income	0.0	0.0	0.0
Dividend distributions	0.0	0.0	0.0
Appropriation to retained earnings	0.0	0.0	541.6
Other changes	0.0	0.0	1.2
Balance on December 31, 2007	**2,500.0**	**538.2**	**13,577.2**

ITY

Differences from currency translation	Reserve for unrealised gains/losses of financial instruments	Total reserves	Unappro-priated retained earnings	Hansen Sicherheits-technik AG share-holders' port-ion of equity	Minority share-holders' portion of equity	Total equity
tEUR	tEUR	tEUR	tEUR	tEUR	tEUR	tEUR
50.4	**0.0**	**14,863.5**	**1,311.7**	**17,300.2**	**4,168.7**	**21,468.9**
239.0	0.0	239.0	0.0	239.0	86.5	325.5
0.0	0.0	687.5	0.0	812.5	0.0	812.5
0.0	0.0	-149.3	0.0	-149.3	0.0	-149.3
0.0	-8.5	-8.5	0.0	-8.5	-3.0	-11.5
0.0	0.0	0.0	1,861.1	1,861.1	1,828.0	3,689.1
0.0	0.0	0.0	-1,250.0	-1,250.0	-1,221.4	-2,471.4
0.0	0.0	-658.0	658.0	0.0	0.0	0.0
-35.3	0.0	0.0	0.0	0.0	0.0	0.0
254.1	**-8.5**	**14,974.2**	**2,580.8**	**18,805.0**	**4,858.8**	**23,663.8**
474.2	0.0	474.2	0.0	474.2	240.4	714.6
0.0	0.0	-1,250.0	0.0	0.0	0.0	0.0
0.0	0.0	94.0	0.0	94.0	-187.7	-93.7
0.0	8.5	8.5	0.0	8.5	3.0	11.5
0.0	0.0	0.0	4,004.5	4,004.5	1,727.6	5,732.1
0.0	0.0	0.0	-1,250.0	-1,250.0	-1,743.9	-2,993.9
0.0	0.0	541.6	-541.6	0.0	0.0	0.0
0.0	0.0	1.2	0.0	1.2	0.0	1.2
728.3	**0.0**	**14,843.7**	**4,793.7**	**22,137.4**	**4,898.2**	**27,035.6**

CONSOLIDATED CASH FLOW STATEMENT

	Note	2007	2006
		tEUR	tEUR
Cash from operating activities	35		
Consolidated net income		5,732.1	3,689.1
Depreciation of non-current assets		959.1	816.4
Other non-cash expenses and income as well as exchange rate differences		-304.2	175.9
Loss from disposals of non-current assets		94.2	86.5
Increase in inventories		-1,902.9	-336.0
Decrease in receivables and other assets		929.8	1,910.4
Increase (+) / decrease (-) in provisions		313.0	-284.7
Decrease in liabilities (excluding debt)		-182.0	-788.2
Deconsolidation gain from disposal of H+R and Deukalion		-635.4	0.0
		5,003.7	**5,269.4**
Cash used in investing activities	36		
Proceeds from disposal of property, plant and equipment and intangible assets		172.3	50.4
Disposal of cash from H+R and Deukalion		-66.8	0.0
Cash paid for investments in property, plant and equipment and intangible assets		-1,140.0	-3,634.3
Cash paid for investments in shares of affiliated companies		-93.8	0.0
Cash paid for investments in financial assets and for credits and loans granted		-200.0	-48.4
		-1,328.3	**-3,632.3**
Cash used in financing activities	37		
Cash received from capital increase 2006, net of capital increase costs		0.0	737.0
Payment of subsidiary companies' dividends to minority interests		-1,743.9	-1,221.4
Payment of dividends to Hansen shareholders		-1,250.0	-1,250.0
Cash received from taking out loans		2,517.8	1,835.2
Payments for repayment of principal of loans		-2,036.8	-625.4
		-2,512.9	**-524.6**
Change in cash and cash equivalents		**1,162.5**	**1,112.5**

	Note	2007	2006
Changes in cash	38		
Cash and cash equivalents, beginning of the period		9,099.9	7,799.3
Exchange-rate related changes in cash and cash equivalents		253.6	188.1
Change in cash and cash equivalents		1,162.5	1,112.5
Cash and cash equivalents, end of the period		**10,516.0**	**9,099.9**

NOTES TO THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

GENERAL DISCUSSION

Hansen Sicherheitstechnik AG („Hansen AG"), with headquarters in 80333 Munich, Brienner Str. 10, is the parent company of Hansen Group and is a stock corporation by German law, whose shares are traded in the Open Market on the Frankfurt Stock Exchange. The Company is registered at the Local Court of Munich (HRB 159053).

Hansen Beteiligungs GmbH, Salzburg (Austria) was majority shareholder of Hansen Sicherheitstechnik AG up to November 23, 2007 and up to that time had been the top-tier parent company which compiles the consolidated financial statements for the largest group of consolidated companies. Since November 23, 2007 KOPEX s.a., Katowice (Poland) has been the majority shareholder of Hansen Sicherheitstechnik AG and is also the top-tier company which compiles the consolidated financial statements for the largest group of consolidated companies. The consolidated financial statements of KOPEX s.a. are lodged at the Katowice local court (Register No. 0000026782). The consolidated financial statements of Hansen Beteiligungs GmbH are lodged at the Salzburg regional court (Firmenbuch No. FN 259414 t). The consolidated financial statements of Hansen Sicherheitstechnik AG are published in the electronic companies register.

The German subsidiary, Hansen Engineering GmbH & Co. KG (hereinafter „H+R"), filed a bankruptcy petition on January 8, 2007; the general partner of the limited partnership "Deukalion" Vermögens-ver-waltungsgesellschaft mbH (hereinafter „Deukalion") filed its bankruptcy petition in March 2007. The companies have already been deconsolidated as of January 1, 2007 because it was not possible to receive information on both companies when control was lost over them. The consolidated income statement for 2006 has been adjusted for comparison purposes. In this column the consolidated group is represented as if both companies had already left the group of consolidated companies in 2006 and – due to their bankruptcies – their 2006 income as well as the consolidation adjustments are reported in the special line item „income/loss from discontinued operations".

Hansen AG is the parent company of Hansen Group. We currently have manufacturing companies in Poland, the Czech Republic and South Africa. Customers are for the most part international hard coal mines who use this technology to make their underground mining operations more productive and safer.

Hansen AG's consolidated financial statements for the year ending December 31, 2007 have been compiled in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date. The term IFRS also includes the International Accounting Standards (IAS) that are still valid. All of the IFRS and IAS regulations as well as interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and the Standing Interpretations Committee (SIC) effective for the 2007 financial year have been complied with. The following accounting standards and interpretations were published but whose application is not yet required are: IFRS 8, IFRIC 11, 12, 13 and 14. IFRS 7 – Financial Instruments: Disclosures was initially applied. Standards whose effective dates lie after the year-end date were not applied ahead of time. In addition, we comply with the regulations under German commercial law as set forth in Sec. 315a para. 1 HGB (Handelsgesetzbuch – German Commercial Code). We voluntarily compiled the consolidated financial statements in accordance with international accounting standards (Sec. 315a para. 3 HGB). The Company's consolidated financial statements have been compiled under the assumption it is a going concern. We refer to the Group Management's Report for risk reporting in accordance with IFRS 7.

The financial year of Hansen AG and its subsidiaries is the calendar year. The financial statements are compiled in Euro. If not otherwise noted, all amounts are presented in thousands of Euro (tEUR). This can result in rounding differences.

By resolution of the Management Board, the consolidated financial statements as of December 31, 2007 including the Group Management's Report for the 2007 financial year are being released to the public on February 29, 2008.

CONSOLIDATION PRINCIPLES AND METHODS

All material companies are included in the consolidated financial statements; these are companies over which Hansen AG has direct or indirect power to dictate their financial and business policy to gain an advantage from their activities (subsidiary companies). Generally control is exercised through a majority of voting rights in management bodies. If the possibility of controlling the subsidiary company ends, the respective company is no longer consolidated.

The separate financial statements of Hansen AG and its subsidiaries, which have been audited and compiled using uniform recognition, measurement and consolidation methods, are the basis for compiling the consolidated financial statements.

CONSOLIDATED COMPANIES

In accordance with the provisions of IAS 27, two (2006: four) German and seven (2006: seven) foreign subsidiaries along with the parent company are consolidated in Hansen AG's consolidated financial statements in accordance with the principles of full consolidation. The following companies are consolidated by Hansen AG as of December 31, 2007:

Company	Abbreviation	Location	Country	Share
Elgor + Hansen sp.z o.o.	E+H	Chorzow	PL	70.00
Elgor + Hansen + SBS sp.z o.o.	EHS	Chorzow	PL	44.80
Hansen + Genwest (pty.) ltd.	H+G	Johannesburg	ZA	100.00
Hansen China ltd.	Hansen China	Beijing	CN	100.00
Hansen & Reinders CS spol.s r.o.	HRCS	Opava	CZ	80.00
Hansen & Reinders GmbH Projektgesellschaft Tschechien	HRPI	Gelsenkirchen	D	100.00
Hansen & Reinders GmbH Projektgesellschaft Polen	HRPII	Gelsenkirchen	D	100.00
Ostroj - Hansen & Reinders spol. s r.o.	OHR	Opava	CZ	80.00
OOO SIB-Hansen	SIB	Leninsk Kusnetzky	RUS	64.08

H+R and Deukalion have been deconsolidated as of January 1, 2007. The deconsolidation gain is reported in the consolidated income statement under income/loss from discontinued operations.

The share is the calculated pass-through share of Hansen AG. OHR holds an 80.1% share of SIB and E+H holds a 64.0 % share of EHS. HRPI and HRPII own the shares of OHR and E+H. In 2007, Hansen AG purchased the remaining 29.45 % share of H+G. The investment in H+G increased in 2007 from 70.55 % to 100.0 % as a result. Hansen AG spent tEUR 93.8 for the investment.

In mid-2006 the subsidiary TSOW „Hansen Ukraina", Makeevka, Donetzk Region (the Ukraine), ("Hansen Ukraine") became operational. The company was not consolidated in 2006 and 2007 due to its immateriality. The unaudited financial statements for the year ending December 31, 2006 report equity in the amount of tEUR 109.0 and net income in the amount of tEUR 49.0. Financial statements for the year ending December 31, 2007 were not available by the time the consolidated financial statements were released for publication. Hansen continues to hold a 40.0 % (calculated pass-through) share of OHR as of December 31, 2007.

Shareholders' equity and annual earnings (IFRS) of consolidated subsidiaries

Abbreviation	Shareholders' equity 12/31/2007 tEUR	Net income 2007 tEUR	Shareholders' equity 12/31/2006 tEUR	Net income (-)loss 2006 tEUR
DEUKALION	-	-	-60.8	-74.5
E+H	9,951.1	3,346.8	10,169.3	4,053.8
EHS	1,133.3	464.9	761.4	228.0
H+G	1,200.0	631.3	637.5	180.6
Hansen China	152.0	69.4	88.3	-11.0
H+R	-	-	-2,722.1	-2,213.7
HRCS	108.9	30.2	74.9	-143.6
HRPI	127.9	0.0	127.9	0.0
HRPII	102.3	0.0	102.3	0.0
OHR	5,014.2	1,963.7	5,054.0	1,960.8
SIB	755.2	274.3	507.8	193.2

Currency translation

The financial statements of foreign subsidiaries are translated according to the functional currency method. In all cases it is the currency of the country in which the company has its location. Beginning in 2005, the translation of assets, liabilities and balance sheet footnotes as well as goodwill accrued to the foreign companies is at the middle rate between the buy and sell rates on the balance sheet date. The equity serving as the basis for elimination of investments and their equity is translated at the rate on the date of initial consolidation. Differences to the exchange rate at the period-end rate are recorded in revenue reserves and minority interests, bypassing the income statement. The line items of the income statement and therefore the net income stated there is translated at the average exchange rate for the year.

Differences from translating the financial statements of foreign subsidiaries do not affect profit or loss and are reported in reserves. The exchange rate differences are then reversed through profit or loss in the year when these companies are deconsolidated.

Exchange rates

Period	Currency	Period-end rate	Average rate
2007	CZK	26.61735	27.78192
2007	PLN	3.60115	3.79249
2007	RUB	36.0851	35.02915
2007	ZAR	10.02809	9.67099
2007	CNY	10.7542	10.43471
2006	CZK	27.48496	28.36785
2006	PLN	3.83211	3.9055
2006	RUB	34.74401	34.13256
2006	ZAR	9.29844	8.53141
2006	CNY	10.30423	10.02488

CONSOLIDATION METHODS

The purchase method was used for consolidating investments and their equity. According to this method, the purchase costs of the investment are offset against the share of revalued equity at the time of the acquisition of the subsidiary. Any differences from the consolidation of company acquisitions are capitalised as goodwill. Negative differences are eliminated through profit or loss.

Receivables and payables and provisions between consolidated companies are eliminated against each other. Insofar as third-party debt relationships are given during consolidation, this option is exercised.

Intercompany sales and other income and the corresponding expenses are eliminated. Unrealised income and expenses from intercompany sales and services are derecognised and deferred taxes are recorded against income.

MEASUREMENT PRINCIPLES, RECOGNITION AND MEASUREMENT METHODS

The financial statements of the companies consolidated in the group are compiled using uniform recognition and measurement principles. Items in the consolidated financial statements are recorded solely in accordance with the substance of the assets, financial and earnings position within the framework of the provisions of the IASB – regardless of tax law.

Sales and other operating income are realised when delivery has occurred or when the risk of loss transfers to the customer. Operating expenses are realised when the goods or services are used or at the point in time when they are incurred. Interest income and expenses are recorded in their proper accounting period. Development costs are basically expensed when incurred. Financing costs are expensed in the period to which they accrue.

Assets are capitalised when the group holds all material risks and rewards connected with them. Assets are recorded—with the exception of certain financial assets—at cost.

Cost comprises all consideration that was expended to acquire the asset and to bring it into service. The cost of conversion is calculated on the basis of direct costs and the overheads and depreciation that can be attributed to it directly. Financing costs for the acquisition or the period of manufacture are not capitalised. No selling costs are capitalised either.

Intangible assets and property, plant and equipment with limited useful lives are depreciated using the straight-line method over their estimated useful lives, unless another depreciation method would be preferred due to the actual usage as an exception. We test the value of assets if events or reasons exist that indicate that an asset is impaired. Impairment losses are recorded when the future realisable amount from the asset is less than its carrying amount. The realisable amount is the higher of net realisable and the present value of the future cash flows attributed to the asset (value in use). If the reasons for impairment recorded in the past no longer exist, the impairment is reversed against other income. No appreciation is recorded on goodwill.

Purchased goodwill from company acquisitions is capitalised and not amortised in accordance with application of IFRS 3 "Business Combinations". At least once per year after the annual budgeting process is completed during compilation of the financial statements, capitalised goodwill is subjected to an impairment test.

Other purchased intangible assets are recorded at cost. Internally generated intangible assets are recorded at cost insofar as it is probable that future economic benefits will flow to the group and they can be measured reliably and the other requirements of IFRS 38.57 are met.

Property, plant and equipment is recorded at cost less depreciation and impairment in individual cases. Residual values are not taken into consideration when calculating depreciation due to their immateriality.

Useful lives

	Nutzungsdauern
Development costs	Up to 3 years
Software (purchased) and other rights	Up to 4 years
Licences	Up to 5 years
Buildings	Up to 50 years
Leasehold improvements	Up to 20 years
Technical equipment and machinery	Up to 15 years
Leased products	Up to 7 years
Car fleet	Up to 7 years
Other equipment, operating and business equipment	Up to 15 years

The costs for maintenance and repair of non-current assets are recorded as expense. Renovation and maintenance expenses are recorded as subsequent production costs if they lead to a materially longer useful life, a substantial improvement or a major change in usage of the property, plant and equipment.

The shares of Hansen Ukraine are recorded at cost in the amount of tEUR 60.9. The investment was not recorded at equity, because audited financial statements for the years ended December 31, 2006 and December 31, 2007 were not available.

Inventories are recorded at cost or the lower net realisable value. The net realisable value is the estimated selling price less the additional costs incurred up to the sale. Individual valuation allowances were made to all inventories to the extent that the net realisable values were lower than the carrying amounts of the inventories. If the reason for a valuation allowance of inventory no longer exists, the carrying amount is adjusted upwards accordingly. Inventory assets of the same type are recorded according to the average value method.

Loans granted and receivables are recorded at cost. In addition to loans, all receivables and other assets are included in this item. For these line items all recognisable individual risks and the general credit risk based on past experience are accounted for through valuation allowances.

Available-for-sale securities are initially recorded at cost and subsequently at their market value. The market value changes between purchase and period-end are recorded in the reserve for unrealised gains/losses of financial instruments and do not affect earnings. When the securities are sold, the cumulated gain or loss is recognised in earnings in the income statement.

Liabilities are basically recorded in the amount of the consideration received less the costs of issue at the point in time when they arise. Liabilities from finance lease contracts are recorded at the lower fair value or at the present value of the lease instalments at the time when the contract is executed.

Foreign exchange receivables and payables are recorded at the exchange rate prevailing on the balance sheet date. Exchange rate differences from translation are recorded in material expenses insofar as they occur in the course of the normal operating process. If they are attributed to other circumstances, they are reported under other operating expenses and income.

The valuation of the pension provision is based on the projected unit credit method set forth in IAS 19 for defined benefit plans.

Tax provisions and other provisions are recorded for uncertain liabilities towards third parties when these obligations will probably lead to a future outflow of assets. They are recorded at the expected settlement amount and are not offset with recourse claims. Long-term provisions are recorded at their net present value if the effect is material.

Income tax provisions are offset with the corresponding tax refund claims if they exist in the same tax jurisdiction and their type and due dates are the same. Starting in 2006, short-term current income tax liabilities are reported uniformly under short-term liabilities.

The recognition and measurement of deferred taxes is in accordance with IAS 12 using the balance sheet-based liability method based on the tax rate when the deferred taxes are realised. The tax consequences of dividend distributions are not recognised until there is a resolution on appropriation of earnings. Deferred tax assets are recorded for the expected realisable tax benefits of loss carry-forwards.

Public investment subsidies are recorded as unearned income and amortised at the same rate as depreciation.

IFRS 7 „Financial Instruments: Disclosures" was initially applied in the consolidated financial statements.

Required disclosures on financial instruments in accordance with IFRS 7.8

	Measurement category as per IAS 39	Book Value 12/31/2007	Measurement as per IAS 39 at amortised cost
Assets		tEUR	tEUR
Loans granted to unconsolidated affiliated companies	LaR	0.0	0.0
Trade accounts receivable	LaR	6,904.9	6,904.9
Other receivables and assets	LaR	542.0	542.0
Cash and cash equivalents	LaR	10,516.0	10,516.0
Shareholders' equity and liabilities			
Interest bearing loans and borrowings	FLAC	1,276.6	1,276.6
Current interest-bearing loans and borrowings	FLAC	4,807.6	4,807.6
Trade accounts payable	FLAC	2,778.8	2,778.8
Finance lease liabilities	n.a.	352.0	352.0
Other short-term liabilities	FLAC	755.8	755.8

LaR: Loans and Receivables – FLAC: Financial Liabilities Measured at Amortised Cost

While compiling the consolidated financial statements we made assumptions and estimates which have influenced the amount and disclosure of the assets and liabilities in the balance sheet, income and expenses and contingent liabilities. The assumptions and estimates are mainly concerning the determination of group-wide useful lives, the recognition and measurement of provisions and the ability to realise future tax benefits. In addition, we made assumptions and estimates while reviewing the value of goodwill. The actual values can differ from the assumptions and estimates made in individual cases. These differences will be recorded against income when we have better knowledge.

SEGMENT REPORTING

Hansen Group develops and produces explosion-proof electrical systems for use in mining, particularly the underground mining of hard coal, and provides service and repair services. Hansen is also a systems supplier in this segment, i.e. in addition to electrical switchgear, transformers and process monitor and control systems, we also offer maintenance, project management and consulting services. Customers are nearly exclusively international hard coal mines who use these technologies to make their underground mining operations more productive and safer. Hansen does not currently have any additional material stand-alone product lines which would also be classified internally as a segment. For this reason the primary and single reporting format for segment reporting is by geographical segment. Hansen groups its subsidiaries located in various geographic regions into segments. This corresponds to the breakdown of assets by location in accordance with IAS 14.13.

Hansen differentiates in 2006 between the following six segments: a) subsidiary in Germany, b) subsidiaries in the Czech Republic, c) subsidiaries in Poland, d) subsidiary in Russia, e) subsidiary in South Africa, f) subsidiary in China and g) the activities of the parent company, whereby Hansen AG based in Munich, HRPI and HRPII and Deukalion, each based in Gelsenkirchen, Germany, are grouped together here. The last three companies are sub-holding companies, or the general partner of H+R. All three companies are non-operationally active. The activities of the parent company, Hansen AG, located in Munich, are on the one hand the administration, monitoring and management of the subsidiaries, on the other hand business activities that are logically performed for the whole group, such as international sales or purchasing. With the bankruptcies of Deukalion and H+R at the beginning of 2007, segment a) subsidiaries in Germany has been discontinued and within segment g) the activities of the parent company beginning in 2007 contains Hansen AG as well as HRPI and HRPII. We did not adjust the 2006 prior year figures caused by the disposal of Deukalion in segment g) the activities of the parent company, because the company had only contributed tEUR -12.3 to segment earnings.

The geographic segmentation mirrors the management structure of the Company and also represents the risk and earnings structures of the world-wide business. Included in segment expenses are charges for support services by the parent company segment and amortisation of intangible assets and depreciation of property, plant and equipment and are therefore reflected in segment earnings.

The segment sales include sales to third parties as well as intercompany sales of group companies between the segments. Intercompany sales and income are generally delivered at the same prices as those when sold to third parties. The depreciation reported in the segments relates to intangible assets and property, plant and equipment. Impairment losses in segment a) subsidiaries in Germany on intangible assets and property, plant and equipment in the amount of tEUR 83.6 are included in 2006 segment earnings.

Segment earnings correspond to EBIT, earnings before interest and taxes. Neither in 2007 nor in 2004 were there other material non-cash expenses requiring disclosure as per IAS 14.61. Segment assets include all assets except for cash and deferred tax assets and segment debt includes all liabilities and provisions except for deferred income tax provisions. The transition column contains on the one hand all of the effects from consolidation measures, on the other hand, the amounts resulting from different definitions of the contents of segment line items compared to the corresponding consolidated line items.

The regional segmentation of sales by customer location required by IAS 14.71 is reported in the notes under "sales".

[PRODUCTS]

HANSEN PLANS, DEVELOPS, MANUFACTURES AND DELIVERS THE FOLLOWING PRODUCTS FOR MINES AND OTHER EXPLOSIVE AREAS:

>> SWITCHGEAR EEX D L (COMPACT STATIONS, POWER SWITCHES) 500 V TO 3.3 KV
>> THYRISTOR SOFT STARTERS EEX D I 500 V TO 3.3 KV FOR MOTORS UP TO 400 A
>> DRY-TYPE TRANSFORMERS EEX D L UP TO 5,000 KVA
>> MEDIUM-HIGH VOLTAGE SWITCHES EEX D L UP TO 11 KV
>> MONITOR AND PROCESS CONTROL SYSTEMS EEX I A/B FOR CONVEYOR SYSTEMS (CHAIN CONVEYORS, BELT CONVEYORS) INCL. VISUALISATION
>> PRESS-TO-TALK INTERCOM AND SHUT-DOWN/STOP SYSTEMS (EMERGENCY SHUT-OFF) EEX I A/B
>> MOTORS EEX D L (AGENTS INCL. REPAIRS/SERVICE IN CERTAIN REGIONS)

Activities of the subsidiaries in

2007	Germany tEUR	Czech Republic tEUR	Poland tEUR
External sales	0.0	10,972.3	19,957.6
Intercompany sales	0.0	3,956.0	5,376.7
Segment sales	0.0	14,928.4	25,334.2
Segment expenses	0.0	12,287.0	21,132.6
Net segment income/loss	0.0	2,875.1	4,610.9
Net financial income	–	–	–
Income before taxes	–	–	–
Tax expense	–	–	–
Income from continued operations	–	–	–
Net income from discontinued operations	–	–	–
Consolidated net income	–	–	–
Segment assets	0.0	11,033.4	13,515.9
Segment debt	0.0	6,887.2	5,785.5
Segment investments	0.0	118.4	1,235.1
Segment depreciation	0.0	278.7	589.1
Employees as of 12/31/2007	0	195	138

2006	Germany tEUR	Czech Republic tEUR	Poland tEUR
External sales	2,979.7	9,915.0	21,051.5
Intercompany sales	95.4	4,302.1	3,491.8
Segment sales	3,075.0	14,217.3	24,543.3
Segment expenses	5,425.6	11,537.8	19,624.3
Net segment income/loss	-2,250.7	2,758.7	5,310.2
Net financial loss	–	–	–
Income before taxes	–	–	–
Tax expense	–	–	–
Consolidated net income	–	–	–
Segment assets	570.0	8,359.1	13,779.3
Segment debt	3,358.3	5,332.9	6,313.7
Segment investments	48.9	523.3	3,096.6
Segment depreciation	148.5	214.9	381.1
Employees as of 12/31/2006	31	186	130

Russia	South Africa	China	Activities of the parent company	Total of the segments	Transition	Group
tEUR	tEUR	tEUR	tEUR	tEUR	tEUR	tEUR
3,185.5	4,387.7	0.0	0.0	38,503.1	0.0	38,503.1
0.0	437.3	702.1	27.0	10,499.1	0.0	10,499.1
3,185.5	4,825.1	702.1	27.0	49,002.3	0.0	49,002.3
2,834.6	3,971.4	598.5	1,418.1	42,242.2	–	–
395.3	862.5	103.6	-1,264.2	7,583.2	-691.5	6,891.7
–	–	–	–	–	–	39.9
–	–	–	–	–	–	6,931.6
–	–	–	–	–	–	-1,834.9
–	–	–	–	–	–	5,096.7
–	–	–	–	–	–	635.4
–	–	–	–	–	–	5,732.1
1,727.0	1,659.0	192.8	3,886.0	32,014.1	-2,785.6	29,228.5
1,324.9	752.6	84.2	1,479.4	16,313.8	-3,080.3	13,233.5
196.1	109.2	0.7	2.8	1,662.3	0.0	1,662.3
26.3	42.9	1.6	20.6	959.2	0.0	959.2
16	48	2	1	400	–	400

3,739.3	3,825.5	0.0	0.0	41,511.0	0.0	41,511.0
0.0	115.4	92.7	9.3	8,106.7	0.0	8,106.7
3,739.3	3,940.8	92.7	9.3	49,617.7	0.0	49,617.7
3,605.7	3,706.6	108.4	1,676.4	45,684.8	–	–
263.5	278.0	-15.7	-1,596.4	4,747.6	1,033.2	5,780.8
–	–	–	–	–	–	-122.5
–	–	–	–	–	–	5,658.3
–	–	–	–	–	–	-1,969.2
–	–	–	–	–	–	3,689.1
1,361.0	772.2	17.7	4,171.0	29,030.3	-2,193.4	26,836.9
997.2	334.3	6.9	1,629.2	17,972.5	-5,409.4	12,563.1
46.4	20.6	16.3	92.0	3,844.1	0.0	3,844.1
23.3	40.9	0.6	7.1	816.4	0.0	816.4
13	46	3	1	410	–	410

EXPLANATORY COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

1. Sales revenues (by customer location)

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Poland	14,707.6	16,887.1	16,887.1
Russia and CIS	10,327.1	9,112.0	9,136.8
Czech Republic	7,455.6	7,032.0	7,032.0
South Africa	4,387.7	3,825.5	3,825.5
Rest of Europe	967.6	1,522.2	1,637.4
The Americas	502.0	141.4	141.4
Germany	133.8	11.2	2,850.8
Asia	21.7	0.0	0.0
	38,503.1	**38,531.4**	**41,511.0**

Other income

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Exchange gains (realised)	255.3	271.5	271.5
Disposal of non-current assets	172.0	47.5	61.5
Income from derecognised receivables	151.4	185.8	185.8
Exchange gains (unrealised)	72.1	22.0	22.0
Income from reversal of provisions	37.1	14.3	38.2
Income relating to other accounting periods	18.7	0.4	2.9
Other operating income	116.6	154.3	213.8
	823.2	**695.8**	**795.7**

3. Change in goods inventories and other own work capitalised

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Change in inventories	1,184.2	943.6	729.9
Own work capitalised	276.4	495.0	495.0
	1,460.6	**1,438.6**	**1,224.9**

4. Material expenses

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Expenses for raw materials, consumables and supplies	16,127.9	16,201.7	18,454.5
Expenses for purchased goods	2,455.7	2,080.1	2,080.1
Expenses for purchased services	1,867.9	2,357.0	2,426.3
	20,451.5	**20,638.8**	**22,960.9**

5. Personnel expenses

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Wages and salaries	6,450.9	6,194.1	7,790.0
Social security contributions	1,428.4	1,232.1	1,565.1
Expenses for pension plans	115.8	63.0	63.0
Other social benefits	59.2	75.3	81.0
Other personnel expenses	53.6	92.3	92.3
	8,107.9	**7,656.8**	**9,591.4**

In 2007 Hansen had an average of 383 employees: in 2006 there were 416 including H+R and 382 without the employees of H+R.

6. Depreciation/amortisation

	2007	2006 adjusted	2006
Depreciation/amortisation	tEUR	tEUR	tEUR
of intangible assets	140.4	64.9	100.3
of property, plant and equipment	818.8	602.9	632.5
	959.2	**667.8**	**732.8**
Impairment allowances to non-current assets			
of intangible assets	0.0	0.0	49.0
of property, plant and equipment	0.0	0.0	34.6
	0.0	0.0	83.6
Total depreciation/amortisation and impairment allowances	**959.2**	**667.8**	**816.4**

The impairment allowances in 2006 all concern non-current assets of H+R.

7. Other operating expenses

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Building costs	627.6	477.2	659.6
Legal, advisory and financial statement costs	509.8	454.8	535.1
Advertising costs	499.8	482.7	518.3
Investor relations, annual general meeting and listing costs	338.6	139.1	139.1
Exchange losses (realised)	314.4	448.9	448.9
Book value losses on disposal of non-current assets	264.5	145.5	145.5
Business supplies	259.4	169.6	239.1
Exchange losses (unrealised)	210.4	16.3	16.3
Travel expenses	204.7	179.2	265.9
Motor vehicle costs	199.6	194.7	268.3
Other taxes	113.6	47.6	47.6
Bank charges	95.7	104.0	107.0
Insurance and contributions	85.1	114.2	138.1
Bad debt losses	54.8	91.6	153.0
Bankruptcy liquidation costs H+R and Deukaliion	0.0	110.0	110.0
Sundry other operating expenses	598.6	489.9	590.3
	4,376.6	**3,665.3**	**4,382.1**

8. Financing expenses and other net financial expense

	2007	2006 adjusted	2006
Financing expenses	tEUR	tEUR	tEUR
Interest and similar expenses to unconsolidated affiliated companies	0.1	0.0	0.0
Interest and similar expenses to third parties	561.4	369.6	387.1
	561.5	369.6	387.1

	2007	2006 adjusted	2006
Other financial expense, net	tEUR	tEUR	tEUR
Losses from the sale of securities	-53.4	0.0	0.0
Gains from the sale of securities	146.2	3.0	3.0
Other interest and similar income from unconsolidated affiliated companies	7.4	46.6	101.1
Other interest and similar income from third parties	377.6	132.3	132.4
Exchange differences from consolidation eliminations	123.6	28.2	28.1
	601.4	**210.1**	**264.6**

9. Taxes on income and earnings

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Current income taxes	1,875.2	1,832.1	1,832.8
Deferred income taxes	-40.3	136.4	136.4
	1,834.9	**1,968.5**	**1,969.2**

Current income taxes by country	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Poland	948.3	1,032.6	1,032.6
Czech Republic	546.7	723.6	723.6
Russia	142.0	74.4	74.4
South Africa	205.5	1.5	1.5
Germany	0.7	0.0	0.7
China	32.0	0.0	0.0
	1,875.2	**1,832.1**	**1,832.8**

Deferred income taxes by country	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Poland	5.7	3.6	3.6
Czech Republic	67.4	-125.2	-125.2
Russia	-21.0	-4.2	-4.2
South Africa	35.5	72.5	72.5
China	2.2	-5.3	-5.3
	89.8	**-58.6**	**-58.6**
Consolidation measures	-130.1	195.0	195.0
	-40.3	**136.4**	**136.4**

During consolidation of intercompany payables and receivables in 2006, bad debt losses of Group companies on receivables due from H+R and Deukalion which resulted from the bankruptcies of both companies in the amount of tEUR 939.1 were eliminated. As a result of the eliminations, deferred tax expenses of foreign companies (HRCS, OHR and H+G)—reported under consolidation measures and calculated with the country-specific tax rate—of tEUR 176.9 are recorded and offset with deferred tax assets. No deferred taxes were recorded for the bad debt losses of Hansen AG and Deukalion. Deferred taxes from consolidation measures in 2007 are mainly the result of elimination of unrealised intercompany profits in inventories.

In 2007, Hansen AG is subject to an average trade income tax rate in Munich of about 19.7 % of trade income, which is deductible when computing corporate income tax. The corporate income tax rate has been 25.0 % through the year 2007 plus a solidarity surcharge of 5.5 % on the corporate income tax. All deferred tax items from consolidation measures in 2006 were generally recorded at a tax rate of 40.9 %. Income taxes from foreign countries are based on the applicable laws and regulations. In 2008 the German combined corporate tax rate was reduced to about 30 %, this rate has already been applied to the consolidation measures in 2007. These changes did not have any material impact on the consolidated financial statements.

Deferred taxes are determined in accordance with IAS 12 according to the balance sheet-based liability method. According to this method deferred taxes are recorded for the probable future tax benefits and liabilities from temporary differences between the carrying amounts in the consolidated financial statements and the tax bases of assets and liabilities. If the temporary differences between the financial accounting base and the tax base concern line items that directly increase or decrease equity, then the deferred taxes on these differences are offset directly against equity.

Deferred tax assets and liabilities recognised in the balance sheet by temporary difference type

	Asset 12/31/2007 tEUR	Liability 12/31/2007 tEUR	Asset 12/31/2006 tEUR	Liability 12/31/2006 tEUR
Different depreciation methods and useful lives	4.8	113.7	3.8	62.7
Finance lease transactions	1.0	37.6	0.0	11.9
Recognition differences in receivables and other assets	168.3	7.0	165.9	10.9
Market value measurement of financial instruments	0.0	0.0	0.0	3.0
Valuation of pension provisions	0.0	0.0	0.0	3.8
Recognition differences in other provisions	221.3	34.8	259.9	48.0
Other transactions	71.4	3.0	63.1	22.2
Capitalisation of tax benefits from realisable losses carried forward	0.0	0.0	13.2	0.0
Offsetting of deferred tax assets and liabilities	-6.1	-6.1	-8.8	-8.8
Elimination of unrealised income	257.5	0.0	136.5	0.0
Consolidation of intercompany payables and receivables	-3.7	0.0	-189.8	0.0
	714.5	**190.0**	**443.8**	**153.7**

Deferred taxes from consolidation measures are reported in full under assets. There is a net deferred tax asset as of December 31, 2006 from the deferred taxes from elimination of unrealised intercompany income and debt consolidation and the deferred taxes recorded by the companies. Hansen AG's deferred tax asset from its pension obligation has been offset in full by recording a valuation allowance.

Composition of tax loss carryforwards

	12/31/2007	12/31/2006
	tEUR	tEUR
Hansen AG corporation tax	5,015.7	4,240.3
Hansen AG trade tax	3,005.9	2,230.7
H+R trade tax	-	3,576.4
Deukalion corporation tax	-	46.5
Deukalion trade tax	-	80.3
Foreign loss carryforwards (Hansen China)	0.0	13.3

Hansen AG's tax loss carryforwards as of December 31, 2006 have been adjusted in accordance with the tax returns that have since been received; these tax returns are subject to change.

The German loss carryforwards reported as of December 31, 2006 of Deukalion and H+R as well are meaningless after the companies' bankruptcies in 2007. Due to the lack of sufficient probability concerning the ability to realise the remaining tax benefits at Hansen AG, we did not record any deferred tax assets in 2007 or in 2006.

Development of capitalised tax benefits

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Capitalised tax benefits at the beginning of the financial year	**4.4**	**91.2**	**91.2**
Currency adjustment	-0.2	0.0	0.0
Utilisation of loss carryforwards	-4.2	-88.3	-88.3
Valuation allowance on deferred tax assets from loss carryforwards recognised in past years	0.0	-2.9	-2.9
Capitalisation of tax benefits from loss carryforwards	0.0	4.4	4.4
Capitalised tax benefits at the end of the financial year	**0.0**	**4.4**	**4.4**

The capitalised tax benefit recognised as of December 31, 2006 concerned only Hansen China and was offset against income in full in 2007.

Hansen China's loss carryforwards expire in five years; Hansen AG's can be carried forward indefinitely. Regardless of the unlimited ability to carry German losses forward which continues to exist, the annual utilisation is limited by the introduction of the minimum tax since the 2004 financial year. The reported loss carryforwards have not been assessed by the tax authorities and could change drastically after a tax audit.

Reconciliation from expected to actual income tax expense

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Consolidated net income before income taxes	7,567.0	5,657.6	5,658.3
Expected income tax expense	3,134.3	2,314.3	2,314.3
Variance from the difference between the actual tax rates to the expected tax rate	-1,549.0	-1,275.5	-1,275.5
Tax-free income	-265.4	-219.0	-219.0
Non-tax-deductible expenses	562.0	462.3	462.3
Temporary differences and losses for which no deferred taxes were recorded	212.3	777.9	777.9
Tax expenses and benefits from other tax periods	-5.4	-49.6	-48.9
Deconsolidation H+R and Deukalion	-259.9	0.0	0.0
Other deviations	6.0	-41.9	-41.9
	1,834.9	**1,968.5**	**1,969.2**

The material reconciliation item is the difference between the actual tax rates and the expected tax rate. In Poland the tax rate is 19 %, in the Czech Republic 24 % and in South Africa 29 % while the expected income tax expense is calculated with the Group tax rate of 40.9 %. The unrecognised loss carryforwards of Hansen AG (in 2006 including Deukalion and H+R) are reported in the temporary differences and losses. The increase in 2006 is particularly due to the unrecognised losses of H+R as well as Hansen AG's increased loss carryforward.

10. Income/loss from discontinued operations

	2007	2006 adjusted	2006
	tEUR	tEUR	tEUR
Deconsolidation of H+R and Deukaliion	635.4	0.0	0.0
Discontinued operations	0.0	-2,220.0	0.0
	635.4	-2,220.0	0.0

H+R and Deukalion have been deconsolidated in 2007 with their consolidated balances from December 31, 2006. In particular, the deconsolidation of H+R's losses accrued since belonging to Hansen Group had a positive impact. The material items having a negative impact were the recognition of previously eliminated bad debt losses on loans and short-term receivables which had been recorded as of December 31, 2006.

The net loss from discontinued operations for 2006 is made up of the following income statement line items:

	2006
	tEUR
Sales revenues	2,979.7
Other income	99.8
Change in goods inventories and other own work capitalised	-213.7
Material expenses	-2,322.1
Personnel expenses	-1,934.6
Depreciation/amortisation	-148.5
Other operating expenses	-716.9
Financing expenses	-17.6
Other financial income, net	54.6
Loss before taxes	**-2,219.3**
Taxes on income and earnings	-0.7
Net loss from discontinued operations	**-2,220.0**

11. Minority interests' share of consolidated net income

	2007	2006
	tEUR	tEUR
E+H	1,004.1	1,216.1
EHS	226.3	125.9
H+G	0.0	53.2
HRCS	6.0	-28.7
OHR	392.7	392.2
SIB	98.5	69.3
	1,727.6	1,828.0

12. Earnings per share

In accordance with IAS 33, undiluted earnings per share are calculated by dividing consolidated net income allocated to the shareholders of Hansen AG by the weighted average number of bearer shares outstanding during the financial year.

The annual general meeting passed the resolution on June 21, 2007 to increase issued capital by tEUR 1,250.0 to tEUR 2,500.0. The issued capital in the amount of tEUR 2,500.0 is divided into 2,500,000 bearer shares with a prorated share of EUR 1.00 per share of issued capital. This was a capital increase from company funds. It was recorded in the companies register on July 9, 2007.

When issuing new shares the denominator of the fraction for calculating earnings per share is adjusted accordingly. When the number of shares is changed without a corresponding receipt of cash or other consideration, as is the case for a capital increase from company funds (IAS 33.22), the change in the number of shares is assumed to occur at the beginning of the reporting period. The number of shares has been adjusted as well for computing the earnings per share of the previous period in order for it to be comparable to the current earnings per share figure.

The number of shares is 2,500,000 for the year 2007, accordingly.

In the consolidated financial statements for the year ending December 31, 2006 the earnings per share based on the weighted average of bearer shares issued and outstanding during the financial year was computed as follows:

Calculation of the 2006 weighted number of shares before adjustment

	Shares	Days	Weighting
Shares until May 29, 2006	1,125,000	149	459,247
Shares after May 29, 2006	1,250,000	216	739,726
		365	1,198,973

The Company issued 125,000 new shares in 2006 and with the entry of the capital increase in the companies register on May 29, 2006 there were a total of 1,250,000 shares issued. This results in a weighted average number of 1,198,973 shares. With this number of shares, the earnings per share in 2006 was EUR 1.55.

Because of the capital increase from company funds executed in 2007, the weighting of the shares issued and outstanding in 2006 has been adjusted for reasons of comparability. This was done by doubling the number of shares until May 29, 2006 and after May 29, 2006.

	Shares	Days	Weighting
Aktien bis 29. Mai 2006	2,250,000	149	918,493
Aktien ab 29. Mai 2006	2,500,000	216	1,479,452
		365	2,397,945

This weighting has been reflected in the calculation of earnings per share in the consolidated income statement.

Diluted earnings per share are the same as the undiluted earnings per share, since no options or other equity instruments have been issued.

COAL MINES INVEST ROUGHLY 500 MILL. EUROS
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EXPLANATORY COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The long- and short-term assets as well as long- and short-term liabilities and provisions are reported in separate classes in the balance sheet. Deferred taxes are as a rule reported in the long-term classes. Items are aggregated within short-term assets and liabilities which we expect to be realised or fulfilled within twelve months after the balance sheet date.

13. Non-current assets

	Balance 01/01/2007	Currency adjustment
	tEUR	tEUR
Intangible assets		
Goodwill	7,167.3	0.0
Other intangible assets		
Development costs	256.6	19.9
Software (purchased)	235.9	10.0
Licences	66.3	0.3
Other intangible assets	62.3	3.7
	621.1	**33.9**
	7.788.4	**33.9**
Property, plant and equipment		
Land	186.3	7.9
Buildings	2,329.9	211.6
Leasehold improvements	54.4	2.9
Technical equipment and machinery	1,729.4	65.8
Leased products	812.6	43.0
Car fleet	806.4	42.3
Other equipment, operating and business equipment	945.9	21.1
Payments on account and assets under construction	2,291.6	21.9
Other property, plant and equipment	43.3	0.0
	9,199.8	416.5
Financial assets		
Shares of unconsolidated affiliated companies	58.9	2.0
Loans granted to unconsolidated affiliated companies	0.0	0.0
	58.9	**2.0**
Non-current assets	**17,047.1**	**452.4**

H+R's non-current assets are reported in long-term assets with a balance of tEUR 20.0 as of December 31, 2006. We did not reclassify this item to short-term assets as of December 31, 2006 as a result of the deconsolidation which will be recorded in 2007 for reasons of materiality.

				Cost
Disposals from deconsolidation	Additions	Disposals	Re-classifications	Balance 12/31/2007
tEUR	tEUR	tEUR	tEUR	tEUR
0.0	0.0	0.0	0.0	7,167.3
0.0	367.7	0.0	0.0	644.2
97.3	48.3	0.0	0.0	196.9
56.4	0.0	0.0	0.0	10.2
0.0	0.9	0.0	0.0	66.9
153.7	**416.9**	**0.0**	**0.0**	**918.2**
153.7	**416.9**	**0.0**	**0.0**	**8,085.5**
0.0	0.0	0.0	0.0	194.2
0.0	346.0	0.0	2,013.7	4,901.2
10.5	1.5	0.0	0.7	49.0
82.4	193.8	27.8	299.1	2,177.9
0.0	187.4	359.9	0.0	683.1
9.6	310.3	132.2	0.0	1,017.2
468.5	206.4	27.2	0.0	677.7
0.0	0.0	0.0	-2,313.5	0.0
43.3	0.0	0.0	0.0	0.0
614.3	1,245.4	547.1	0.0	9,700.3
0.0	0.0	0,0	6,100.1	6,161.0
0.0	0.0	0,0	1,124.4	1,124.4
0.0	**0.0**	**0,0**	**7,224.5**	**7,285.4**
768.0	**1,662.3**	**547,1**	**7,224.5**	**25,071.2**

Schedule of leased assets

	Cost				
	Balance 1/1/2007	Currency adjustment	Additions	Disposals	Balance 12/31/2007
	tEUR	tEUR	tEUR	tEUR	tEUR
Technical equipment and machinery	14.3	4.6	70.3	0.0	89.2
Car fleet	517.5	35.7	238.3	114.2	677.3
Other equipment, operating and business equipment	0.0	5.2	98.3	0.0	103.5
	531.8	**45.5**	**406.9**	**114.2**	**870.0**

14. Goodwill

By contract dated December 22, 1995 and July 5, 1996, Hansen AG acquired 99 % of the shares in the company now called H+R. Deukalion purchased the remaining 1 % share by contract dated December 22, 1995. H+R was then the parent company of HRPI and HRPII, which hold the shares in OHR and E+H. In 1998 HRPI and HRPII were sold to Hansen AG.

Hansen AG and Deukalion spent tEUR 6,136 for the shares. After allocation of the goodwill recorded in H+R's separate financial statements to group goodwill, a difference of tEUR 7,071 remained, which is reported in full under group goodwill. Goodwill had been amortised over a useful life of 20 years up to the year 2003. Pursuant to this accounting treatment, total amortisation in the amount of tEUR 3,101.4 has been accrued. Additional goodwill in the amount of tEUR 180.0 and tEUR 130.0 was recognised from additional acquisitions of shares of E+H and OHR, all of which except tEUR 43 had been amortised by December 31, 2003. As of December 31, 2005, a payment obligation at Hansen AG from the acquisition of H+R in 1995 and 1996 in the amount of tEUR 218.8 – which was removed from the books to income – was offset against the acquisition costs at that time and reduced goodwill by this amount in 2005.

The deconsolidation of H+R and Deukalion recorded in 2007 did not have any impact on current group goodwill, because group goodwill was allocated to the Eastern European companies during initial consolidation. The acquisition was executed at the time under consideration of the substantial opportunities in the Eastern markets and therefore the substance of the transaction was the purchase of the shares in E+H and OHR held by H+R.

Goodwill is no longer amortised after 2004 in accordance with IRFS 3 and is subject to an impairment test on an annual basis.

In the impairment test, the carrying values of the tested units plus the goodwill allocated to them are compared with the realisable amount from the units. The realisable amount is the higher of the fair value less selling costs and the value in use. Impairment is recognised in the amount that the carrying amounts exceed their realisable amount. Since the fair value less costs of selling generally exceeds the value in use, the impairment tests will be performed using exclusively the fair value less selling costs. The fair value less selling costs corresponds to the amount for which the cash generating unit under consideration could be exchanged between knowledgeable, willing parties in an arm's length transaction, after deducting selling costs. Since there was no active market available to determine the fair value for the units undergoing testing, the fair values were determined by discounting the projected operating cash surpluses. The projections are based on consistently successful financial years, Depreciation/amortisation

Balance 1/1/2007	Currency adjustment	Depreciation 2007	Disposals	Balance 12/31/2007	Carrying amounts 12/31/2007	Carrying amounts 12/31/2006
tEUR	tEUR	tEUR	tEUR	tEUR	tEUR	tEUR
8.9	1.5	17.7	0.0	28.1	61.1	5.4
209.9	11.4	105.6	100.0	226.9	450.4	307.6
0.0	1.0	18.0	0.0	19.0	84.5	0.0
218.8	**13.9**	**141.3**	**100.0**	**274.0**	**596.0**	**313.0**

so that the Management Board is convinced that the units are valuable and that there is no basis for recording an impairment loss for goodwill.

15. Other intangible assets

The other intangible assets are amortised using the straight-line method over their useful lives. Of the total of tEUR 1,620.6 in research and development costs incurred in 2007 (2006: tEUR 1,070.0), development costs in the amount of tEUR 367.7 (2006: tEUR 161.3) were capitalised.

16. Property, plant and equipment

In 2007, we invested tEUR 1,245.5 (2006: tEUR 3,556.8) in property, plant and equipment. In January 2007, construction was completed on a new building at E+H; this major project, which was reported under payments on account and assets under construction in 2006, has been reclassified under the buildings line item. As was the case in 2006, E+H and OHR had most of the investing activity. E+H invested tEUR 956.7 and OHR invested tEUR 116.3; this makes up about 86.2 % of all additions to property, plant and equipment.

17. Financial assets

OHR's shares in TSOW "Hansen Ukraina", Makeevka, Donetzk-Region (Ukraine) are recorded under shares in unconsolidated affiliated companies within financial assets. The addition reported in the schedule of non-current assets is a currency adjustment made in 2007 in the amount of tEUR 2.0.

The amounts reported in the reclassification columns are from H+R and Deukalion. As a result of the deconsolidation of H+R and Deukalion, the historical cost and cumulated depreciation will be reported under shares of unconsolidated affiliated companies from now on. This is also how we reported loans granted by Hansen AG that had been written off in past years.

18. Other receivables and assets

Receivables from finance leasing contracts that fall due between one and five years had been recorded here up to December 31, 2006. Since the finance leasing contracts were canceled ahead of time, they no longer exist as of December 31, 2007. As of December 31, 2006, the future leasing installments to be received were tEUR 64.0; the interest portion was tEUR 6.9.

19. Inventories

	12/31/2007	12/31/2006
	tEUR	tEUR
Raw materials, consumables and supplies	4,905.1	3,657.9
Work and services in process	1,664.6	1,338.8
Finished goods and merchandise	2,764.8	2,174.6
Payments on account	57.9	188.4
	9,392.4	**7,359.7**
Valuation allowances on inventories included in the above	**210.3**	**1,812.1**

Breakdown of the valuation allowance on inventories	12/31/2007	12/31/2006
	tEUR	tEUR
Raw materials, consumables and supplies	110.8	1,657.4
Work and services in process	4.0	4.3
Finished goods and merchandise	95.5	150.4
	210.3	**1,812.1**

The changes in the valuation allowances are recorded in material expenses. Of the inventories as of December 31, 2006, tEUR 865.1 was pledged as collateral for liabilities. The decrease in valuation allowances is mainly a result of the deconsolidation of H+R, which had recorded valuation allowances in the amount of tEUR 1,611.5 on its inventories.

20. Trade accounts receivable

	12/31/2007	12/31/2006
	tEUR	tEUR
Receivables from third parties	6,674.3	7,306.1
Receivables from unconsolidated affiliated companies	230.6	51.4
	6,904.9	7,357.5
Allowances for doubtful accounts	**1,022.7**	**500.9**
Pledged as collateral for liabilities	**2,629.9**	**363.8**

The increase in the allowance for doubtful accounts is particularly due to the deconsolidation of H+R and Deukalion. The allowances recorded in 2006 were eliminated during consolidation in 2006 and did not take effect until deconsolidation in 2007. Trade accounts receivable due from H+R with a total amount of tEUR 685.1 for which allowances had been recorded as of December 31, 2006 were converted to cash in 2007. Additional allowances in the amount of tEUR 203.5 were recorded and allowances in the amount of tEUR 389.3 were derecognised in 2007. Currency adjustments in the amount of tEUR 22.5 were necessary.

21. Other receivables and assets

	12/31/2007	12/31/2006
	tEUR	tEUR
Refund claims of other taxes	235.3	78.2
Credit receivable	200.0	0.0
Prepaid expenses	67.0	40.8
Deferred interest	17.7	39.5
Receivables from finance lease	0.0	31.7
Payments on account	0.0	8.3
Other assets	22.0	113.1
	542.0	**311.6**

The receivables from finance leasing as of December 31, 2006 consist of the leasing instalment receivable of tEUR 42.0 less the interest portion of tEUR 10.3 and are due within one year.

22. Deferred and current income tax assets

	12/31/2007	12/31/2006
	tEUR	tEUR
Deferred income tax assets	714.5	443.8
Current income tax assets	354.7	484.4
	1,069.2	**928.2**

See number 9 for discussion of deferred tax assets.

Current income tax assets as of December 31, 2007 belong mainly to OHR and E+H. The current income tax assets as of December 31, 2006 are mostly a result of dividend distributions of HRPI and HRPII to Hansen AG.

23. Cash and cash equivalents

	12/31/2007	12/31/2006
	tEUR	tEUR
Bank balances	10,488.7	4,701.6
Cash equivalents (securities)	0.0	4,369.2
Cash on hand and checks	27.3	29.1
	10,516.0	**9,099.9**

Cash and cash equivalents are discussed under number 38 in detail.

CONSOLIDATED SHAREHOLDERS' EQUITY

See the statement of changes in shareholders' equity for changes in Hansen Group's equity.

24. Issued capital

The issued capital in the amount of EUR 2,500,000.00 is divided into 2,500,000 bearer shares with a prorated share in the issued capital of EUR 1.00 per share. In accordance with the articles of association, each bearer share has one vote in the general meeting. We do not plan on limiting any voting rights.

The general meeting held January 16, 2006 passed a resolution authorising the Management Board – with the Supervisory Board's approval – to issued new shares in an amount of up to EUR 562,500.00 until January 15, 2011, either at once or successively, in exchange for cash or non-cash contributions; it can exclude current shareholders from participating in the capital increase (authorised capital 2006/I).

The general meeting held June 21, 2007 passed a resolution authorising the Management Board – with the Supervisory Board's approval – to issued new shares in an amount of up to EUR 687,500.00 until June 15, 2012, either at once or successively, in exchange for cash or non-cash contributions; it can exclude current shareholders from participating in the capital increase (authorised capital 2007/I).

25. Reserves

See the statement of changes in shareholders' equity for the composition and changes in reserves.

Capital reserves

The capital reserves only contain deposits and withdrawals by Hansen AG. Capital reserves from the subsidiaries' separate financial statements are reclassified as revenue reserves during consolidation. A total of tEUR 538.2 from the 2006 increase in capital was recorded in 2006. The amount consists of the share premium in the amount of tEUR 687.5 and the transaction costs in the amount of tEUR 149.3.

Revenue reserves

Revenue reserves are actually other revenue reserves according to German accounting standards. They include appropriations from earnings of the financial year or earlier years as well as the consolidation measures affecting income including earlier amortisation of goodwill and the revenue reserves established by Hansen AG. Hansen AG appropriated tEUR 60.2 in 2005 from 2005 net income to the legal reserve. In 2006, Hansen AG appropriated tEUR 1,250.0 from 2006 net income into other revenue reserves in accordance with Sec. 58 para. 2 AktG (German Stock Corporation Act). Hansen AG's increase in capital from company funds in the amount of tEUR 1,250.0 was reclassified from other revenue reserves.

Differences from currency translation

The reserve for differences from currency translation contains differences from translating the financial statements of foreign subsidiaries into Euros.

Unrealised gains/losses of financial instruments

Available-for-sale securities are initially recorded at cost and subsequently at their market value. The market value changes between purchase and period-end are recorded in the reserve for unrealised gains/losses of financial instruments and do not affect earnings. When the securities are sold, the cumulated gain or loss is recognised in earnings in the income statement.

26. Unappropriated retained earnings

In accordance with Sec. 58 para. 2 AktG (German Stock Corporation Act), the unappropriated retained earnings in the financial statements of Hansen AG as per German accounting standards determine dividend distributions to shareholders of Hansen AG. This item is reported as unappropriated retained earnings in the consolidated financial statements. The adjusting entry is recorded to revenue reserves.

Reconciliation of unappropriated retained earnings of Hansen AG

	2007	2006
	tEUR	tEUR
Unappropriated retained earnings of Hansen AG before dividend distributions	2,580.8	1,311.7
Hansen AG shareholders' portion of net income	4,004.5	1,861.1
Dividends to shareholders	-1,250.0	-1,250.0
Withdrawal from reserves	0.0	658.0
Appropriation to reserves	-541.6	0.0
Unappropriated retained earnings of Hansen AG	**4,793.7**	**2,580.8**

The general meeting on June 21, 2007 passed a resolution to distribute a dividend of EUR 1.00 (EUR 1,250,000.00 in total) for every available share from unappropriated retained earnings as of December 31, 2006 and to appropriate the remainder of EUR 1,330,758.84 to unappropriated retained earnings.

The Management Board and the Supervisory Board intend to propose the following appropriation of earnings to the next general meeting:

	EUR
Dividend distribution of EUR 0.60 for every bearer share entitled to a dividend	1,500,000.00
Carry forward of unappropriated retained earnings	3,293,679.59
Unappropriated retained earnings	**4,793,679.59**

27. Minority interests

	12/31/2007	12/31/2006
	tEUR	tEUR
Minority interests		
E+H	1,978.5	1,832.1
EHS	399.3	294.4
H+G	0.0	134.6
HRCS	15.7	43.7
OHR	604.3	613.0
SIB	172.8	113.0
	3,170.6	**3,030.8**
Minority shareholders' portion of consolidated net income	**1,727.6**	**1,828.0**
	4,898.2	**4,858.8**

The minority shareholders' portion of consolidated net income by company is discussed under number 11.

28. Pension provisions

Hansen AG has granted the CEO a pension (defined benefit plan). We have taken out insurance to finance the pension later, which has been pledged to the Management Board member to secure his pension claim if Hansen AG were to go out of business. The insurance claims (plan assets) in Hansen AG's balance sheet as per German accounting standards have been offset with the pension provision in accordance with IFRS.

In accordance with IAS 19, the pension benefits granted are recorded based on the projected unit credit method using actuarial data. The pension provision and the calculation of pension cost are within the 10 % corridor and the gains and losses beyond the 10 % corridor are deferred and amortised over the average period of service of the Management Board member.

The valuation is based on the following assumptions:

Interest rate:	5.25 percent (2006: 4.5 percent)
Future salary increases:	1.5 percent (2006: 1.5 percent)

The actuarial calculation base is K. Heubeck's 2005 mortality tables.

The development of the pension provision is shown in simplified form in the provisions schedule in the following section.

A detailed analysis of the provision in 2007 is as follows:

	Obligation	Plan assets	Actuarial gains	Total
	tEUR	tEUR	tEUR	tEUR
Balance January 1, 2007	**349.1**	**-94.2**	**16.8**	**271.7**
Current service cost	22.5	0.0	0.0	22.5
Interest cost	15.7	0,0	0.0	15.7
Expected return on plan assets	0.0	-3.8	0.0	-3.8
Employer contributions	0.0	-36.2	0.0	-36.2
Balance December 31, 2007	**387.3**	**-134.2**	**16.8**	**269.9**

The accumulated gains as of December 31, 2007 total tEUR 73.8 (2006: tEUR 16.8) and lie outside of the 10 percent corridor for the first time; they will be recognised in the income statement accordingly beginning in 2008.

29. Pension, income tax and other provisions

	Opening balance 01/01/2007	Currency adjustment	Disposals from decon-solidation	Utilisation
	tEUR	tEUR	tEUR	tEUR
Long-term provisions				
Provisions for pensions and similar obligations	271.7	0.0	0.0	0.0
Deferred income tax provisions	153.7	6.1	0.0	3.5
	425.4	**6.1**	**0.0**	**3.5**
Other short-term provisions				
Personnel provisions				
Vacation pay, 13th salary and overtime, time credits	192.4	6.0	27.0	149.4
Bonuses	919.3	36.8	0.0	924.0
Other personnel-related provisions	0.7	0.0	0.0	0.7
	1,112.4	**42.8**	**27.0**	**1,074.1**
Provisions from operating activities (warranty)	**251.3**	**11.0**	**7.8**	**139.8**
Various other provisions				
Outstanding invoices	96.9	0.7	0.0	73.4
Accident and disability insurance premiums	22.3	0.0	22.3	0.0
Auditing costs	217.5	0.4	28.0	187.2
Annual report	0.0	0.0	0.0	0.0
Annual General Meeting	0.0	0.0	0.0	0.0
Sundry other provisions+	116.7	0.2	0.0	55.3
	453.4	1.3	50.3	315.9
Total other short-term provisions	**1,817.1**	**55.1**	**85.1**	**1,529.8**
Total provisions	**2,242.5**	**61.2**	**85.1**	**1,533.3**

			12/31/2007			12/31/2006
			Due			Due
Amortisation	Additions	Closing balance 12/31/2007	Within 1 year	Between 1-5 years	Over 5 years	Over 1 year
tEUR	tEUR	tEUR	tEUR	tEUR	tEUR	tEUR
2.1	0.0	269.6	0.0	0.0	269.6	271.7
52.8	86.5	190.0	0.0	90.9	99.1	153.7
54.9	**86.5**	**459.6**	**0.0**	**90.9**	**368.7**	**425.4**
15,3	155.9	162.6	162.6	0.0	0.0	0.0
0,9	1,073.2	1,104.4	1,104.4	0.0	0.0	0.0
0,0	1.1	1.1	1.1	0.0	0.0	0.0
16,2	**1,230.2**	**1,268.1**	**1,268.1**	**0.0**	**0.0**	**0.0**
0,0	**152.7**	**267.4**	**267.4**	**0.0**	**0.0**	**0.0**
17,5	50.5	57.2	57.2	0.0	0.0	0.0
0,0	0.0	0.0	0.0	0.0	0.0	0.0
1,3	203.8	205.2	205.2	0.0	0.0	0.0
0,0	50.0	50.0	50.0	0.0	0.0	0.0
0,0	34.0	34.0	34.0	0.0	0.0	0.0
0,0	128.6	190.2	190.2	0.0	0.0	0.0
18,8	466.9	536.6	536.6	0.0	0.0	0.0
35,0	**1,849.8**	**2,072.1**	**2,072.1**	**0.0**	**0.0**	**0.0**
89,9	**1,936.3**	**2,531.7**	**2,072.1**	**90.9**	**368.7**	**425.4**

30. Debt

	12/31/2007			12/31/2006	
	Due				Due
	Within 1 year	Between 1-5 years	Total	Total	Over 1 year
	tEUR	tEUR	tEUR	tEUR	tEUR
Liabilities due to banks	1,943.7	1,276.6	3,220.3	2,894.8	1,757.9
Liabilities from finance leases	148.4	203.6	352.0	228.2	144.0
Other debt	2,863.9	0.0	2,863.9	2,378.7	0.0
	4,956.0	**1,480.2**	**6,436.2**	**5,501.7**	**1,901.9**

Liabilities due to banks

	12/31/2007			12/31/2006	
	Due				Due
	Within 1 year	Between 1-5 years	Total	Total	Over 1 year
	tEUR	tEUR	tEUR	tEUR	tEUR
E+H	645.5	963.6	1,609.1	1,565.7	1,252.6
H+R	0.0	0.0	0.0	294.1	0.0
OHR	1,298.2	313.0	1,611.2	1,035.0	505.3
	1,943.7	**1,276.6**	**3,220.3**	**2,894.8**	**1,757.9**

E+H was granted a loan by PKO BP S.A. Bank in a total amount equivalent to tEUR 1,337.8 (2006: tEUR 1,565.7, translated at the respective year-end exchange rate). The loan has a short-term and a long-term portion. Variable interest in 2007 was charged between 5.61 % and 7.17 %, it is tied to the one-month WIBOR (Warsaw Interbank Offer Rate) plus a 1.5 % premium. The loan is due on July 31, 2011. E+H as taken out an additional short-term loan from Raiffeisen Bank Polska S.A. in the amount of tEUR 271.3. Variable interest in 2007 was charged between 5.69 % and 7.03 %, it is tied to the one-week WIBOR (Warsaw Interbank Offer Rate) plus a 1.6 % premium. The loan is due on September 30, 2008. The WIBOR ranged between 4.4 % and 6.2 % in 2007. E+H has – in addition to other collateral – pledged cash in the amount of tEUR 1,637.5 as collateral for bank loans at PKO BP S.A. Bank; the Company has unrestricted access to these funds.

Cheskoslovenska Obchodni Banka (CSOB) has granted OHR three loans, two of which are due within one year. The long-term loan is due in 2010. The loans bear variable interest at the PRIBOR (Prague Interbank Offered Rate) plus a premium between 1.0 % and 1.3 %. The PRIBOR ranged between 2.6 % and 4.2 % in 2007.

Of H+R's total bank debt in 2006 of tEUR 294.1, tEUR 91.0 was due to IKB Deutsche Industriebank AG, Munich (IKB) and to Raiffeisen Landesbank Oberösterreich Southern German Branch, Passau. By security pool contract dated November 21, 2003, Hansen AG assumed joint liability for a maximum amount of tEUR 600.0 for bank liabilities of H+R due to IKB Deutsche Industriebank AG, Munich (IKB) and SEB AG, Essen branch (SEB). Because of H+R's bankruptcy, Hansen AG repaid the loan in January 2007. The loan bore 4.75 % interest and had been due at the end of September 2007. Hansen AG also repaid the note payable due to Raiffeisen Landesbank Oberösterreich Southern Germany Branch, Passau, in the amount of tEUR 203.1 at the beginning of January 2007 because of the letter of comfort it issued assuming liability for the loan. This note payable bore 5.14 % interest.

H+G did not have any overdrafts at the Standard Bank of South Africa, Benoni (South Africa) at year end. Hansen AG agreed with the Standard Bank of South Africa, Benoni (South Africa), to provide H+G with financing up to an amount of TZAR 2,000.0 (about tEUR 199.4 at the Group period-end exchange rate on December 31, 2007), so that the company is always able to pay on time its present and future obligations to the Standard Bank of South Africa Limited. This obligation expired on May 31, 2007. In addition, Hansen has an additional guarantee in the form of a bank guarantee to the Commerzbank AG, Munich, for tEUR 77.0.

Hansen Group's unused lines of credit as per IAS 7.50 (a) as of the balance sheet date are tEUR 1,691.4 (2006: tEUR 1,842.2).

Liabilities from finance leases

Liabilities from finance leases have been discounted in the amount of tEUR 16.8 (2006: tEUR 9.8) for short-term liabilities and in the amount of tEUR 9.2 (2006: tEUR 8.1) for long-term liabilities.

Other debt

Other debt consists exclusively of the internal company savings and loan of OHR in the amount of tEUR 2,863.9 (2006: tEUR 2,378.7).

Liabilities secured by real estate liens, assignment as security or similar rights

	12/31/2007	12/31/2006
	tEUR	tEUR
Due to banks	3,220.3	2,894.8
Due to non-banks	0.0	24.1
	3,220.3	**2,918.9**

31. Trade accounts payable

The payables are exclusively due to third parties.

32. Tax liabilities

	12/31/2007	12/31/2006
	tEUR	tEUR
Income taxes payable	284.2	420.3
Other taxes payable	534.5	97.8
	818.7	**518.1**

33. Other liabilities

	12/31/2007	12/31/2006
	tEUR	tEUR
Due to employees	290.9	684.7
Social security liabilities	266.2	259.7
Payments received on account	164.2	29.6
Liabilities due to unconsolidated affiliated companies	0.0	14.8
Sundry other liabilities	34.5	170.9
	755.8	**1,159.7**

34. Unearned income

Public subsidies are included in unearned income in the amount of tEUR 102.3 (2006: tEUR 116.2), which E+H and OHR have received for investments in non-current assets. There are no unfulfilled conditions as per IAS 20.39 (c).

Other financial obligations and contingent liabilities

Other financial obligations	12/31/2007			12/31/2006	
	Due				Due
	Within 1 year	Between 1-5 years	Total	Total	Over 1 year
	tEUR	tEUR	tEUR	tEUR	tEUR
Order commitments					
for property, plant and equipment	41.5	0.0	41.5	140.4	0.0
for operations	3,099.8	0.0	3,099.8	1,431.6*	0.0
for administration	52.5	0.0	52.5	0.0	0.0
Building rents and leases (operating lease)	186.6	81.9	268.5	389.3	201.9
Car fleet (operating lease)	29.8	65.4	95.2	41.3	28.3
Other operating lease obligations	5.6	9.6	15.2	30.5	22.9
Total	**3,415.8**	**156.9**	**3,572.7**	**2,033.1**	**253.1**
Fair value	**3,245.4**	**141.6**	**3,387.0**	**1,935.2***	**231.8**
Expenses for operating leases in 2007 and 2006			**321.8**	**238.9**	

* 2006 figure adjusted

The present value of other financial obligations was determined by discounting the future expenditures at an annual market interest rate of 5.25 % (2006: 4.5 %). Had the obligations been discounted with the same interest rate as last year in the amount of 4.5 %, the present value would have been tEUR 25.4 higher.

E+H has liabilities from guarantees in the amount of tEUR 64.7 (2006: tEUR 0.0).

Contingent liabilities

Contingent liabilities are off-balance-sheet obligations that are reported in the estimated amount required to fulfill the obligation on the balance sheet date.

H+R filed a lawsuit at the Muenster Tax Court regarding the recognition of a corporate reorganisation in 1996 and 1997, which was classified in the course of a tax audit as a misuse of structural alternatives. H+R won this lawsuit in the first instance; the Gelsenkirchen-South tax authorities have appealed the decision to the federal tax court in January 2007. The risk of loss as of December 31, 2005 is estimated at tEUR 750 (including solidarity surcharge and interest). As of December 31, 2006 the risk had decreased to about tEUR 417.3 due to the bankruptcies of Deukalion and H+R. We are assuming that the risk is unchanged at tEUR 417.3 as of December 31, 2007. As in 2006, no provisions were recorded because Hansen believes that the federal tax court will have the same opinion as the Muenster tax court. If we were to lose the lawsuit unexpectedly, Hansen AG would only lose loss carry forwards in the amount of about tEUR 417.3.

Former employees and the works council of H+R demand severance payments from Hansen AG due to H+R's bankruptcy, for which, in the view of Hansen AG, there is no legal basis, We do not anticipate any financial obligations since the severance pay claimants share the same fate as the other bankruptcy creditors.

CASH FLOW STATEMENT

The cash flow statement shows how Hansen Group's cash and cash equivalents changed during the financial year. The cash flow statement in accordance with IAS 7 separates cash flows into those from operating activities, which consists of the cash provided by ongoing business activities, those from investing activities and those from financing activities. Investing and financing activities that do not lead to a change in cash or cash equivalents are – in accordance with IAS 7 – not a part of this cash flow statement.

The cash flows of foreign consolidated companies are translated in the cash flow statement at the corresponding average exchange rate.

The cash flow statements of H+R and Deukalion are included in the 2006 cash flow statement; they were no longer consolidated in 2007.

Cash flow statements of H+R and Deukalion before consolidation

	H+R	Deukalion	Total
	2006	2006	2006
	tEUR	tEUR	tEUR
Cash used in operating activities	**-313.2**	**-2.1**	**-315.3**
Cash used in investing activities	-48.9	0.0	-48.9
Cash provided by financing activities	273.4	2.1	275.5
Change in cash and cash equivalents	-88,7	0.0	-88.7

Change in cash and cash equivalents of H+R and Deukalion	**H+R**	**Deukalion**	**Total**
	2006	2006	2006
Cash and cash equivalents, beginning of the period	154.9	0.6	155.5
Change in cash and cash equivalents	-88.7	0.0	-88.7
Cash and cash equivalents, end of the period	**66.2**	**0.6**	**66.8**

35. Cash provided by operating activities

Interest received and interest paid is included in cash provided by operating activities. In 2007, interest in the amount of tEUR 207.1 (2006: tEUR 218.4) was received and interest in the amount of tEUR 409.0 (2006: tEUR 364.2) was spent. In 2007, a total of tEUR 2,005.6 (2006: tEUR 2,174.0) was spent on income taxes.

E+H (tEUR 61.8) and OHR as well (tEUR 87.0) received subsidies from the European Union in 2006 for the purchase of several assets. No public subsidies were granted in 2007.

36. Cash used in investing activities

Cash paid for investments in property, plant and equipment and in intangible assets and cash received from their sale do not correspond with the additions and disposals shown in the schedule of non-current assets. The difference is mainly the result of the accrual to different periods of payments for additions in 2006 and 2007. The cash used in investing activities is mainly the result of investments in Poland and the Czech Republic. TEUR 93.8 was spent to acquire the remaining shares of H+G in 2007.

37. Cash used in financing activities

The Company received tEUR 812.5 from the capital increase carried out in 2006. This item is offset by the costs of the capital increase in the amount of tEUR 149.3, of which tEUR 73.8 was already spent in 2005.

TEUR 522.5 more was paid to minority interests in 2007 than in 2006. The dividend distribution to Hansen Sicherheitstechnik's shareholders remained the same compared to 2006. A total of tEUR 2,993.9 (2006: tEUR 2,471.4) was paid in dividends to shareholders and to minority interests.

In 2007, we once again assumed debt to finance planned investments. The material new loans were granted to OHR in 2007. Included in payments for repayment of principal of loans is tEUR 294.1 which

Hansen AG paid to H+R's creditors who asserted their claims from Hansen AG's joint liability and letter of comfort.

Cash and cash equivalents increased in 2007 by tEUR 1,162.5.

38. Changes in cash

Cash includes all liquid assets, i.e. cash on hand, bank balances and checks less current account liabilities due to banks and cash equivalents.

Cash equivalents are short-term, extremely liquid financial investments, which can be converted into cash at any time and are subject to minimal risks of fluctuations in value. The due date serves as an additional classification criterion. In accordance with IAS 7.7, a financial investment is generally only considered a cash equivalent when it has a maturity of no longer than three months. Longer or shorter maturities are admissible, however, if particular company circumstances or particular investment forms dictate their classification as cash equivalents. Hansen Group's liquid assets in 2007 were also in the form of higher interest-bearing investments than the customary call money or fixed-term deposits; these are highly liquid and can be converted to cash at any time. The alternative investment types selected by Hansen were only subject to a small amount of risk prior to the financial crisis in the capital markets. The Management Board decided in December 2007 to sell all of the securities held by Hansen AG and to put the proceeds back into call money and fixed-term deposits.

Hansen Group's cash and cash equivalents as of December 31, 2006 and December 31, 2007 correspond to the cash and cash equivalents reported in the balance sheet under assets.

	12/31/2007	12/31/2006
	tEUR	tEUR
Total cash and cash equivalents	**10,516.0**	**9,099.9**
Restricted cash and cash equivalents		
Cash, Hansen China	40.6	72.4
Cash, E+H	13.0	0.0
Cash, H+R and Deukaliion	0.0	66.8
	53,6	**139.2**
Unrestricted cash and cash equivalents	**10,462.4**	**8,960.7**

Due to foreign exchange laws, Hansen China's cash balance for both 2007 and 2006 is deemed not available to the group. E+H has cash which can only be spent for certain purposes by law and has been set aside for employees' welfare and is therefore deemed not available to the Group.

Cash within the group increased from tEUR 9,099.9 at the beginning of 2007 by tEUR 1,416.1 to tEUR 10,516.0 as of December 31, 2007.

OTHER INFORMATION

Information on relationships to related companies and persons

Information on business transactions with affiliated companies

Company	Company	Business events	2007 tEUR	2006 tEUR
Deukalion	Hansen AG	Financial transactions	0.0	8.3
Deukalion	H+R	Goods and services transactions	0.0	23.7
Deukalion	H+R	Financial transactions	0.0	0.5
E+H	EHS	Goods and services transactions	5,322.1	3,472.5
E+H	EHS	Investment income	101.3	0.0
E+H	EHS	Financial transactions	19.3	0.0
E+H	Hansen AG	Services transactions	12.0	0.0
E+H	H+R	Goods and services transactions	0.0	25.3
E+H	HRPII	Investment income	2,889.7	2,117.8
E+H	HRPII	Financial transactions	1.1	5.2
E+H	Hansen China	Goods and services transactions	48.6	4.1
E+H	OHR	Goods and services transactions	1,056.0	1,428.3
EHS	OHR	Goods and services transactions	63.0	15.1
Hansen AG	H+R	Goods and services transactions	0.0	120.9
Hansen AG	H+R	Financial transactions	0.0	54.5
Hansen AG	H+R	Warranty contract/ comfort letter	0.0	294.1
H+G	Hansen AG	Services transactions	11.9	0.0
H+G	Hansen AG	Warranty contract	199.4	215.1
H+G	H+R	Goods and services transactions	0.0	115.4
H+G	OHR	Goods and services transactions	523.7	78.8
Hansen AG	HRPI	Profit transfers	1,694.4	1,725.8
Hansen AG	HRPI	Financial transactions	0.0	18.3
Hansen AG	HRPII	Profit transfers	2,931.9	3,614.4
Hansen AG	HRPII	Financial transactions	0.0	11.7
Hansen AG	OHR	Goods and services transactions	15.0	8.1
H+R	HRCS	Goods and services transactions	0.0	69.6
H+R	HRPI	Goods and services transactions	0.0	3.1
H+R	HRPII	Goods and services transactions	0.0	3.1
H+R	OHR	Goods and services transactions	0.0	110.9
HRCS	OHR	Goods and services transactions	389.7	165.4
HRPI	OHR	Goods and services transactions	0.0	0.6
HRPI	OHR	Financial transactions	0.0	2.7
HRPI	OHR	Investment income	1,706.0	993.4
Hansen China	OHR	Goods and services transactions	653.5	88.6
OHR	Hansen Ukraine	Goods and services transactions	227.5	661.9
OHR	SIB	Goods and services transactions	2,403.7	2,497.3
Hansen AG	Hansen Beteiligungs GmbH	Financial transactions	0.0	101.1
Hansen AG	BNS GmbH, Düsseldorf	Goods and services transactions	96.8	42.0

Information on outstanding balances between affiliated companies

		12/31/2007 tEUR	12/31/2006 tEUR
Deukalion	Hansen AG	0.0	36.3*
Deukalion	H+R	0.0	60.0*
E+H	EHS	534.8**	825.7
E+H	Hansen AG	12.0	0.0
E+H	HRPII	0.0	24.1
E+H	OHR	189.5	255.5
EHS	OHR	9.9	3.1
H+G	H+R	0.0	121.8*
H+G	OHR	410.3	0.1
Hansen AG	H+R	0.0	1,214.4*
Hansen AG	HRPI	378.1	393.6
Hansen AG	HRPII	162.0	196.1
Hansen AG	OHR	15.0	0.0
Hansen China	OHR	112.2	0.0
H+R	HRCS	0.0	181.1*
H+R	HRPI	0.0	11.4*
H+R	OHR	0.0	397.7*
HRCS	OHR	79.3	33.2
HRPI	OHR	0.0	0.6
OHR	Hansen Ukraina	153.3	23.6
OHR	SIB	1,147.9	820.0
Hansen AG	BNS GmbH, Düsseldorf	68.0	27.8

*) Adjusted balances in companies' separate financial statements due to the bankruptcy of H+R and Deukalion, at exchange rates as of December 31, 2006
**) Balance without valuation allowance of tEUR 20.3

As of December 31, 2006 the receivables due from H+R were adjusted due to bankruptcy; particularly in the separate financial statements of H+G, OHR and HRCS they were written off in full. Since H+R was still consolidated in Hansen Group in 2006, the impact of the allowances was reversed at group level against income. In 2007 the write-offs of the receivables were recognised in the income statement and are included in the item „income/loss from discontinued operations" in the consolidated income statement.

Of H+R's total bank debt of tEUR 294.1, tEUR 91.0 was due to IKB Deutsche Industriebank AG, Munich (IKB) and to Raiffeisen Landesbank Oberösterreich Southern German Branch, Passau. By security pool contract dated November 21, 2003, Hansen AG assumed joint liability for a maximum amount of tEUR 600.0 for bank liabilities of H+R due to IKB Deutsche Industriebank AG, Munich (IKB) and SEB AG, Essen branch (SEB). Because of H+R's bankruptcy, Hansen AG repaid the loan in January 2007. Hansen AG also repaid the note payable due to Raiffeisen Landesbank Oberösterreich Southern Germany Branch, Passau, in the amount of tEUR 203.1 at the beginning of January 2007 because of the letter of comfort it issued assuming liability for the loan.

In 2007, tEUR 1,755.1 (2006: tEUR 1,668.0) was spent on current fixed and variable compensation to the Management (not incl. Management Board members of Hansen AG) in accordance with IAS 24.16 (a). The outstanding balances in 2007 were tEUR 13.3 (2006: tEUR 11.8).

There were other business transactions with related parties in accordance with IAS 24.18 (g) in 2007 in the amount of tEUR 2,253.6 (2006: tEUR 3,540.3). The outstanding balances total tEUR 311.0 (2006: tEUR 2,190.0).

Liabilities from the internal company savings and loan of OHR and the minority interests of OHR together had a balance as of December 31, 2007 of tEUR 1,900.6 (2006: tEUR 1,612.3). Interest expense for these liabilities in the 2007 financial year had a balance of tEUR 121.0 (2006: tEUR 162.5).

Report in accordance with Sec. 20 AktG (German Stock Corporation Act)

In its report dated February 23, 2006, Hansen Beteiligungs GmbH, Salzburg (Austria) reported that it holds an investment in accordance with Sec. 20 para. 4 AktG (German Stock Corporation Act). In a statement dated November 23, 2007, which Hansen Sicherheitstechnik received on December 1, 2007, Hansen Beteiligungs GmbH stated that the investment in Hansen Sicherheitstechnik AG no longer exists.

In its statement from November 23, 2007 – which Hansen Sicherheitstechnik AG received on November 30, 2007 – KOPEX s.a. notified the Company of its majority share holding of Hansen Sicherheitstechnik AG.

Hansen Sicherheitstechnik AG has published the following statements in the electronic federal gazette on December 5, 2007.

Hansen Sicherheitstechnik AG
Munich
Report in accordance with Sec. 20 AktG
(German Stock Corporation Act)

We now inform you that Hansen Beteiligungs GmbH, Salzburg (Austria) has no longer held a majority share of Hansen Sicherheitstechnik AG since November 23, 2007 and an investment in accordance with Sec. 20 para. 1 AktG (German Stock Corporation Act) no longer exists. With the transfer of the majority share to the buyer and payment of the purchase price by the buyer to Hansen Beteiligungs GmbH, Salzburg (Austria), the suspensive conditions of the contract for the sale and transfer of shares dated May 10, 2007 have been fulfilled on November 23, 2007.

Hansen Sicherheitstechnik AG

Hansen Sicherheitstechnik AG
Munich
Report in accordance with Sec. 20 AktG
(German Stock Corporation Act)

We now inform you that KOPEX s.a., Katowice, Poland, has held a majority share of 68 % of Hansen Sicherheitstechnik AG since November 23, 2007. With the transfer of the majority share from the seller, Hansen Beteiligungs GmbH, Salzburg (Austria), and payment of the purchase price by KOPEX s.a. to Hansen Beteiligungs GmbH, Salzburg (Austria), the suspensive conditions of the contract for the sale and transfer of shares dated May 10, 2007 have been fulfilled on November 23, 2007.

Hansen Sicherheitstechnik AG

Control and profit-transfer agreements

On April 25, 2005, a control and profit-transfer agreement with Hansen & Reinders GmbH Projektgesellschaft Tschechien, Gelsenkirchen, was executed which was recorded in the companies register on October 24, 2005.

On the same date, a control and profit-transfer agreement was entered into with Hansen & Reinders GmbH Projektgesellschaft Polen, Gelsenkirchen, which was recorded in the companies register on January 31, 2006. The general meeting held on November 10, 2006 approved the extension contract dated July 31, 2006. The extension contract was recorded in the companies register on December 14, 2006.

CEO/Management Board

Christian Dreyer, Salzburg (Austria)

Mr. Dreyer is not a member of any other supervisory boards or control organs. Mr. Dreyer was the sole member of the Management Board and is exempt from the restrictions set forth in Sec. 181 of the German Civil Code.

Supervisory Board

Supervisory Board members are:

Dipl. Ing. Jürgen Tonn, Scharbeutz, – Management Board Chairman of Schuler AG – (Chairman)

Further supervisory board duties: Prensas Schuler S.A., Sao Paulo (Brazil)
Schuler Incorporated, Columbus (USA); Chairman
Schuler Hydroforming Incorporated, Canton (USA); Chairman.

Mag. Christian Nimmervoll, Grieskirchen (Austria) – Investment Manager – (Vice Chairman)

Further supervisory board duties: Flottweg GmbH & Co. KGaA, Vilsbiburg; Chairman
Bionorica AG, Neumarkt
APOFIN Beteiligungs GmbH, Hallein (Austria); Vice Chairman.

Herr Mag. Andreas Pallauf, Salzburg (Austria); Attorney – (no other supervisory board duties)

In the general meeting held on November 10, 2006, all of the current members of the Supervisory Board were re-elected for a period of five years.

Shares owned by corporate bodies

Mr. Tonn and Mr. Pallauf each held 2,000 shares as of December 31, 2006; Mr. Nimmervoll 500 shares indirectly and Mr. Dreyer 70 shares indirectly. Mr. Dreyer is, with a 75% share, majority shareholder of Hansen Beteiligungs GmbH, which holds 1,089,160 shares of Hansen AG as of December 31, 2006.

As of December 31, 2007, Hansen Beteiligungs GmbH holds 12,886 shares of Hansen Sicherheitstechnik AG. As of December 31, 2007, Mr. Pallauf holds 2,000 shares and Mr. Dreyer holds 70 shares of Hansen Sicherheitstechnik AG.

Compensation

The compensation system provides for fixed as well as variable compensation components for the CEO Christian Dreyer. The variable compensation share is calculated from the shareholders' share of consolidated net income. After deduction of the basic amount of tEUR 1,500.0 from shareholders' share of consolidated net income – adjusted by the bonus provision – the CEO receives variable compensation in the amount of 5 % of the remaining balance. The CEO received non-profit-based remuneration in the amount of tEUR 230.6 in 2007. TEUR 130.0 has been recorded as a provision in the financial statements for the 2007 bonus. In addition to that, the pension provision was increased. The CEO receives an annual pension in the amount of tEUR 104.0 when he reaches his 65th birthday.

The Supervisory Board received remuneration in the amount of tEUR 18.0 in 2007. Mr. Tonn received tEUR 13.0 and Mr. Pallauf received tEUR 5.0. Mr. Nimmervoll is not compensated for his activities.

Disclosure of auditors' fees as per Sec. 314 No. 9 HGB (German Commercial Code)

The fees for the audit of the 2007 consolidated financial statements by the auditor Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Munich, which were accrued in these financial statements have a total amount of tEUR 30.0 (2006: tEUR 30.0).

Declaration on the German Corporate Governance Code

Hansen AG currently does not comply with the provisions of the German Corporate Governance Code above and beyond the legal requirements and does not provide a declaration in accordance with Sec. 161 AktG (German Stock Corporation Act). Since its shares are only traded on the Open Market, the Company does not have to satisfy this requirement. The Company is, however, contemplating complying with individual provisions of the German Corporate Governance Code in the future, if it is feasible from an organisational point of view and from a cost-benefit standpoint.

Munich, February 29, 2008
Hansen Sicherheitstechnik AG

C. Dreyer

Christian Dreyer
(CEO)

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Munich, February 29, 2008
Hansen Sicherheitstechnik AG

Christian Dreyer
(CEO)

PROPOSAL FOR APPROPRIATION OF EARNINGS

The Management Board and the Supervisory Board intend to propose the following appropriation of earnings to the general meeting:

	EUR
Dividend distribution of EUR 0.60 for every bearer share entitled to a dividend	1,500,000.00
Carry forward of unappropriated retained earnings	3,293,679.59
Unappropriated retained earnings	**4,793,679.59**

INDEPENDENT AUDITOR'S REPORT

We have audited the consolidated financial statements – consisting of the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement and the notes to the financial statements – as well as the consolidated Management's Report for the financial year ended December 31, 2007 which Hansen Sicherheitstechnik AG, Munich, compiled. The Company's legal representatives are under the obligation to compile consolidated financial statements and a consolidated Management's Report in accordance with the International Financial Reporting Standards (IFRS) to be applied as prescribed in the EU and, in addition, the provisions of Sec. 315a para. 1 HGB (German Commercial Code) in context with Sec. 315a para. 3 HGB, as well as the supplementary provisions of the Articles of Association. It is our responsibility to render an opinion to the consolidated financial statements and consolidated Management's Report based on our audit.

We audited the consolidated financial statements pursuant to Sec. 317 HGB, taking into account the principles for the proper auditing of financial statements laid down by the Institut der Wirtschaftsprüfer (IDW = Institute of Auditors). These standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and results of operations of the consolidated financial statements prepared in accordance with the applicable accounting regulations and the Group Management's Report are detected with reasonable assurance. When planning the audit, we take our knowledge of the Group's business activity, the business and legal environment as well as expectations on possible misstatements into consideration. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group Management's Report are examined primarily on a test basis within the framework of the audit. The audit includes a judgement of the financial statements of all companies included in the consolidated financial statements, the composition of consolidated companies, the recognition and consolidation principles and material estimates made by legal representatives as well as the presentation of the consolidated Management's Report as a whole. We believe that our audit provides sufficient evidence for our audit opinion.

Our audit did not lead to any objections.

Based on the findings of our audit, we believe that the consolidated financial statements are in compliance with the IFRS to be applied in the EU and, in addition, the provisions of Sec. 315a para. 1 HGB in context with Sec. 315a para. 3 HGB, as well as the supplementary provisions of the articles of association, and, with due regard to the generally accepted accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and earnings of the Group. The consolidated Management's Report corresponds with the consolidated financial statements, presents a true and fair view of the Group's situation and accurately outlines the risks and rewards of future trends.

Munich, February 29, 2008

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

RÖDL & PARTNER GMBH
Wirtschafts-
prüfungs-
gesellschaft
NÜRNBERG

Dr. Jordan
Wirtschaftsprüfer

Leupold
Wirtschaftsprüfer

SUPERVISORY BOARD'S REPORT

The Management Board of Hansen Sicherheitstechnik AG regularly informed us on the position and course of business of the Company and of the Group in 2007. We thoroughly discussed basic questions of business policy in common meetings. In doing so we convinced ourselves that the Management Board is managing properly. Furthermore, the Chairman of the Supervisory Board was in constant telephone or personal contact with the Management Board.

The Supervisory Board did not convene any committees for particular topics within the Supervisory Board.

The Supervisory Board met four times during the 2007 financial year: on February 1, 2007; May 10, 2007; August 24, 2007, and November 15, 2007. The subjects of the meetings were particularly the establishment of a new Chinese production company in Xuzhou, consultations concerning new international acquisitions as well as the course of business thus far and Hansen Group's earnings forecasts for the 2007 financial year. In the last meeting, Christian Dreyer informed the Supervisory Board that Hansen Sicherheitstechnik AG's parent company, Hansen Beteiligungs GmbH, based in Salzburg (Austria), will sell its majority share in the amount of 68 % to Kopex S.A., Poland. In its report dated February 23, 2006, Hansen Beteiligungs GmbH, Salzburg (Austria) reported that it holds an investment in accordance with Sec. 20 para. 4 AktG (German Stock Corporation Act). In a statement dated November 23, 2007, which Hansen Sicherheitstechnik received on December 1, 2007, Hansen Beteiligungs GmbH stated that the investment in Hansen Sicherheitstechnik AG no longer exists.

The financial statements for the financial year ending December 31, 2007 provided by the Management Board were audited by KPMG Deutsche Treuhandgesellschaft AG, Wirtschaftsprüfungsgesellschaft, Essen, and rendered an unqualified auditor's opinion. The consolidated financial statements for the financial year ending December 31, 2007 and Group Management's Report provided by the Management Board were audited by Rödl & Partner GmbH, Munich, and rendered an unqualified auditor's opinion.

The audit reports provided by the auditor were available to all Supervisory Board members and were discussed in detail, together with the auditors, during the Supervisory Board meeting held April 17, 2008.

The Supervisory Board recognised the auditor's audit findings with approval and, after completing its own review, does not raise any reservations. The Supervisory Board has approved the financial statements and consolidated financial statements for the 2007 financial year which were compiled by the Management Board. The financial statements for the year ending December 31, 2007 of Hansen Sicherheitstechnik AG are therefore adopted.

The Supervisory Board has also recognised the report of the Management Board on relations to affiliated companies in accordance with Sec. 312 AktG (German Stock Corporation Act). The Supervisory Board has, in accordance with Sec. 314 para. 3 AktG (German Stock Corporation Act), no objections in respect to the Management Board's declaration at the end of the report. It agrees with the findings of the auditor, who rendered the following opinion in accordance with Sec. 313 para. 3 AktG (German Stock Corporation Act) on the report of the Management Board:

„Following our examination, which we carried out in conformity with professional standards, and evaluation, we confirm that
1. the factual information in the report is correct, 2. the Company's services in respect of the transactions listed in the report were not disproportionately large."

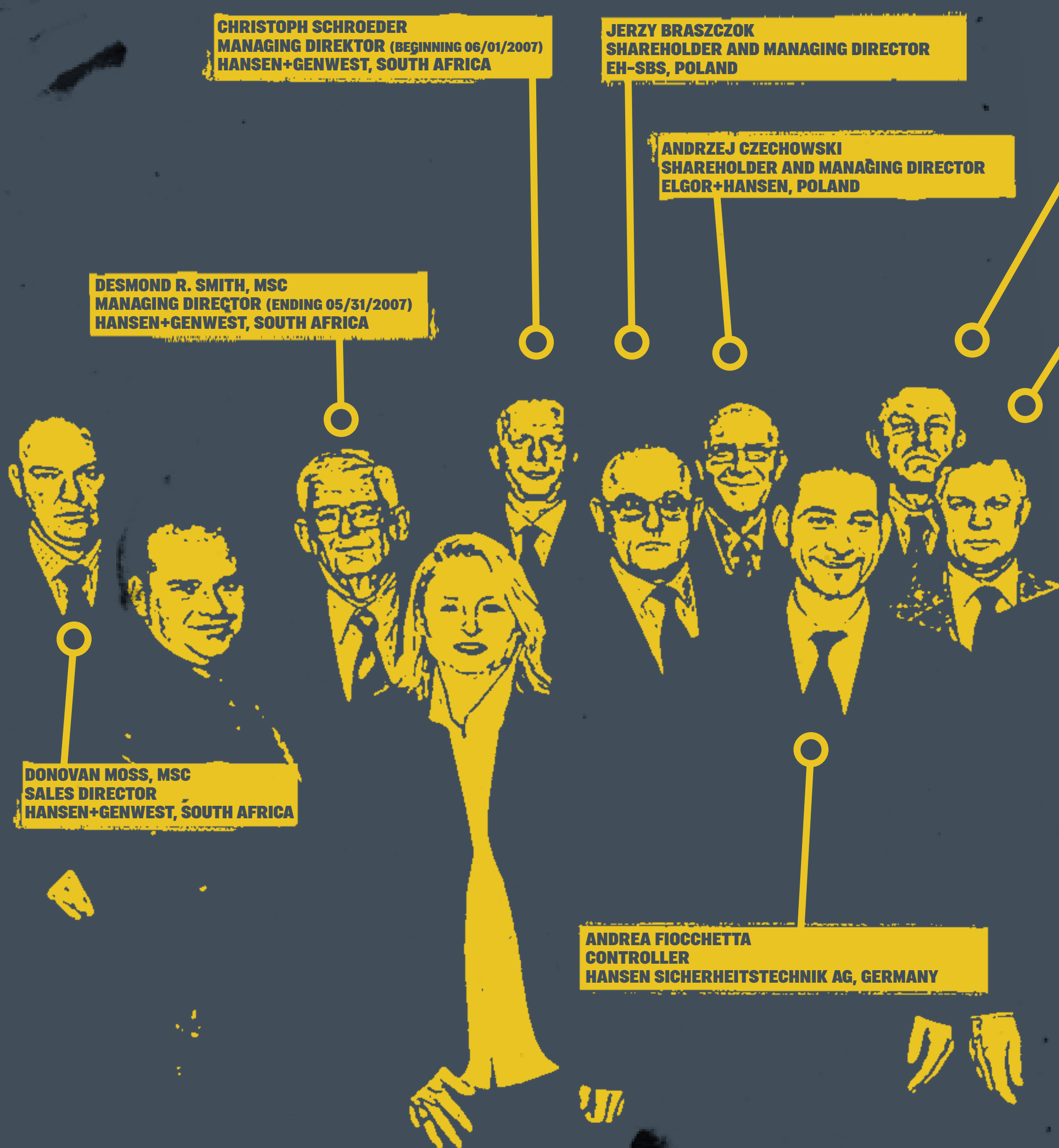
The Supervisory Board thanks the Management Board and all the employees for the work they performed during the financial year and thanks the shareholders for their loyalty to the Company and wish them much success for the year 2008.

Munich, April 17, 2008

Jürgen Tonn
Chairman of the Supervisory Board

FORWARD-LOOKING STATEMENTS

The annual report, particularly the forecast report as part of the Group Management's Report, contains various forecasts and expectations as well as statements concerning future development of Hansen Group. These statements are based on assumptions and estimates and could be connected with known and unknown risks and uncertainties. Actual developments and results as well as the financial and assets position could deviate materially from the stated expectations and assumptions. The reasons for deviations can be, in addition to other market swings, the development of world market prices for raw materials as well as financial markets and exchange rates, amendments of national and international laws and regulations or basic changes in the economic and political environment. It is neither intended, nor does Hansen assume a special obligation to update forward-looking statements or to adjust them to events or developments after the appearance of this annual report.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MANAGING DIREKTOR (BEGINNING 06/01/2007)
HANSEN+GENWEST, SOUTH AFRICA
JERZY BRASZCZOK
SHAREHOLDER AND MANAGING DIRECTOR
EH-SBS, POLAND
ANDRZEJ CZECHOWSKI
SHAREHOLDER AND MANAGING DIRECTOR
ELGOR+HANSEN, POLAND
DESMOND R. SMITH, MSC
MANAGING DIRECTOR (ENDING 05/31/2007)
HANSEN+GENWEST, SOUTH AFRICA
DONOVAN MOSS, MSC
SALES DIRECTOR
HANSEN+GENWEST, SOUTH AFRICA
ANDREA FIOCCHETTA
CONTROLLER
HANSEN SICHERHEITSTECHNIK AG, GERMANY


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HENRYK SONTAG
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MBA CHRISTIAN DREYER
CEO HANSEN GROUP
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IMPRESSUM

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CONCEPT/DESIGN

gimona wagenhofer, X Werbeagentur GmbH
5020 Salzburg (Österreich)

PRINTER

Samson Druck
5582 St. Margarethen (Austria)

AUDIO EQUIPMENT

Mex Media Worx
5301 Eugendorf (Austria)

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