



BAVARIA Industriekapital AG
Munich

Half-Year Report as of 30.06.2007

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Letter to the shareholders

August 2007

Fellow shareholders and
business associates,

We can look back on a very successful first six months of 2007. The Group's sales revenue shot up 97% to over EUR 193 million mainly as a result of changes in the scope of consolidation. Total EBITDA of the operating subsidiaries improved from EUR 2,5 million to EUR 6,2 million - producing a marked rise in the operative earnings power. Group EBITDA in the first six months of 2007 decreased from the previous year's EUR 15,8 million to EUR 6,1 million. However, this was mainly influenced by the effects of consolidation. On the assumption of a constant investment portfolio, we in the Group reckon with operative EBITDA based on HGB (German Commercial Code) of at least EUR 22 million for the whole of 2007 (without reversal of badwill).

Net cash in the holding company at the end of the first six months were EUR 18,8 million (previous year: EUR 19,2 million); in the Group itself they were at a figure of EUR 47,5 million (EUR 51,9 million as of 31/12/06). The EUR -4,4 million change in net cash is highly influenced by the EUR 6,6 million dividend payouts and a pronounced rise in inventory by EUR 5,9 million as a result of the favourable order situation.

The operative development of the Kienle + Spiess Group is particularly pleasing: the companies registered EBITDA of EUR 9,5 million (previous year: EUR -6,8 million) in the first six months of 2007. The expectation is for EBITDA of at least EUR 16 million for the Kienle + Spiess Group over the whole of 2007.

EBITDA on an HGB number basis in the first six months were EUR -2,0 million (previous year: EUR -0,3 million) for the equipment engineering companies (Langbein & Engelbracht, SwissTex, Hamba and Hering), which were included in the scope of consolidation as of 30 June 2007. This figure was principally affected by the negative EBITDA of SwissTex (EUR -2,7 million, not included the previous year) which was acquired in December 2006. The increase in deliveries in the second half of the year should see EBITDA of approx. EUR

7 million arising for our equipment engineering companies for the whole of 2007. Their order intake in the first six months was EUR 70,7 million; comparatively, this represents a 54 % jump over the previous year.

The results of the other companies (Neef IT Solutions and Elfotec) with EBITDA of EUR -1,0 million (previous year: EUR -0,5 million) were not satisfactory. However in view of a significant cutback in jobs and the concentration of Elfotec - which was only acquired in December 2006 – on a single site, our expectation is for a marked rise in earnings in the second half of the year.

The first six months were also characterized by a number of sales and continued development of our holding structures. For instance, we disposed of Alma Küchen to its management and Paulmann & Crone GmbH to K3 Industries. Two more sales are planned for the third quarter.

In March 2007 Executive Board member Jan C. Pyttel stepped down for reasons of health. Mr. Robin Laik, Chief Financial Officer up to July 2007, left the company in that month. To deal more effectively with the increased requirements of our company size and significantly strengthen best practice interchange between the portfolio companies, our plans are ongoing to appoint a new Chief Operations Officer and a new Chief Financial Officer. The creation of a new Executive Board role for Operations should lead to an improved use of synergies between portfolio companies and a further rise of the earnings power. The purpose of launching a Business Operating System is to improve ongoing monitoring of the measures planned.

Personnel numbers have been substantially increased in order to continue and extend BAVARIA's successful acquisition activities. This strengthening of the M&A team will be reflected by an increase in additional company acquisitions in the second half of the year. In fact, we acquired ALMEC S.p.A. (Italy) in August 2007. This company manufactures aluminium diecast components for the automobile industry and recorded turnover of some EUR 100 million in 2006. A further acquisition has already been finalized and will, in all probability, become legally binding and be published over the next few weeks. All in all, we reckon on just falling short of doubling our current turnover by the end of the year.

We would like to take this opportunity of expressly thanking our employees in the Group – approx. 2,100 as of 30 June – and particularly our managers for their effective work.

We can assure our shareholders and business associates that we have every confidence in the development of the holding company. Our thanks go out to you for the trust you have placed in us. Please let us know about any suggestions, improvement proposals or hints on other transactions that you might have.

Best regards,

A handwritten signature in blue ink, appearing to read 'Reimar Scholz', with a stylized initial 'R' and a long horizontal stroke.

Reimar Scholz
Chief Operations Officer

Group Key Figures

	30.06.2007	31.12.2006	30.06.2006	31.12.2005
Key Earnings Figures in EUR million				
Group turnover	193,2	332,6	98,0	132,5
EBITDA	6,1	51,3	15,8	13,1
- thereof release of badwill	3,2	19,2	8,0	16,5
Consolidated net income	0,9	31,5	8,7	8,5
Key Balance Sheet Figures in EUR million.				
Equity	55,9	61,2	39,9	18,1
Total assets	210,1	232,4	225,1	100,0
Fixed assets	47,7	56,1	63,4	21,6
Cash Flow in EUR Million.				
Cash flow from current operations	3,3	15,6	na	-1,6
Cash flow from financing	-7,9	9,7	na	0,7
Cash and cash equivalents	48,0	53,6	35,6	24,1

The Share

Number of shares	2.205.000
Kind of shares	Bearer share certificates
Share capital	EUR 2.205.000
Voting rights	Each share has a vote entitlement
WKN	260555
ISIN	DE0002605557
Stock exchange symbol	B8A
Stock exchange segment	Entry Standard
Fiscal year	Same as calendar year
Accounting	In acc. with HGB (Commercial Code)
Designated sponsor	Concord Effekten AG
Announcements	Electronic Bundesanzeiger (German Federal Gazette)
Top Price (03.01.2007)	EUR 75,00
Lowest Price (13.06.2007)	EUR 39,50
Closing Price (29.06.2007)	EUR 48,50
Market capitalization (29.06.2007)	EUR 106,9 million
Earnings per share	EUR 14,30 (Fiscal year 2006)
Dividend per share	EUR 3,00 (Fiscal year 2006)

Group Management Report (Update)

Comments to group companies

Kienle + Spiess Group

Take-over by BAVARIA: June 2006

First-time consolidation: 30.06.2006

[in TEUR]	6 Months 1. HY 2007	12 Months 2006 *	6 Months 1. HY 2006 *
Sales	129.301	226.660	111.926
EBITDA	9.473	6.604	-6.758
	30.06.2007	31.12.2006	30.06.2006
Employees	1.482	1.527	1.535

* Kienle + Spiess Group has been consolidated in BAVARIA in 2006 since 30.06.2006. The numbers mentioned above are only for the purpose of comparison.

In the first-half year 2007 Kienle + Spiess Group has increased its sales considerably and decreased the order backlog. The merger of two sites in England, which was announced in 2006, will be completed in the 3rd quarter of 2007. In all plants, the production processes could be improved by use of approved methods.

For the whole year of 2007 we expect for Kienle + Spiess Group a further increase in sales to a total of EUR 234,0 million and an EBITDA of EUR 16,0 million.

Langbein & Engelbracht

Take-over by BAVARIA: May 2004

First-time consolidation: 24.05.2004

[in TEUR]	6 Months 1. HY 2007	12 Months 2006	6 Months 1. HY 2006
Sales	17.177	29.487	9.126
EBITDA	-363	1.230	-367
	30.06.2007	31.12.2006	30.06.2006
Employees	127	128	123

The sales of Langbein & Engelbracht have achieved EUR 17,2 million exceeding both the last year and the plan. Because of the very good order intake, management forecasts a sales revenue of EUR 38,4 million and an EBITDA of EUR 2,0 million for fiscal 2007.

SwissTex

Take-over by BAVARIA: December 2006

First-time consolidation: 01.12.2006

[in TEUR]	6 Months 1. HY 2007	12 Months 2006 *	6 Months 1. HY 2006 *
Sales	13.214	na	na
EBITDA	-2.714	na	na
	30.06.2007	31.12.2006	30.06.2006
Employees	83	na	na

* SwissTex was taken over by asset deal in December 2006. No comparative figures are available for 2006.

SwissTex has already introduced a clearly structured set of measures since the take-over by BAVARIA. In the 2nd half-year 2007 a significant improvement of earnings is expected. Because of the very good order intake management forecasts sales of EUR 37,5 million and a slightly negative EBITDA for the full year 2007.

Elfotec Group

Take-over by BAVARIA: December 2006

First-time consolidation: 31. December 2006

[in TEUR]	6 Months 1. HY 2007	12 Months 2006 **	6 Months 1. HY 2006 **
Sales	5.217	12.064	6.453
EBITDA	-937	-424	178
	30.06.2007	31.12.2006	30.06.2006
Employees	64	59	64

** Elfotec Group was first consolidated in BAVARIA Group on 31.12.2006. The numbers mentioned above are only for the purpose of comparison.

BAVARIA has acquired 50% of the shares in December 2006 and further 25% in April 2007. The sales and earnings of Elfotec Group are so far not yet satisfying, however the earning situation will be improved by the planned merger of plants in the 2nd half-year. For the full year we forecast sales of about EUR 14,1 million and a negative EBITDA of EUR -0,9 million.

NEEF IT Solutions

Take-over by BAVARIA: September 2004

First-time consolidation: 30.09.2004

[in TEUR]	6 Months 1. HY 2007	12 Months 2006	6 Months 1. HY 2006
Sales	5.159	12.933	5.136
EBITDA	-65	-346	-541
	30.06.2007	31.12.2006	30.06.2006
Employees	74	93	84

NEEF IT Solutions could adjust its cost structure and improve its EBITDA up to about EUR -0,1 million. We expect sales of EUR 14,4 million and an EBITDA of EUR 0,3 million for the full year 2007.

Hering

Take-over by BAVARIA: January 2004

First-time consolidation: 01.01.2004

[in TEUR]	6 Months 1. HY 2007	12 Months 2006	6 Months 1. HY 2006
Sales	4.042	8.985	3.241
EBITDA	2.479	574	489
	30.06.2007	31.12.2006	30.06.2006
Employees	77	70	72

The development of sales of Hering was very favorable and sales will rise up to about EUR 10,3 million in the end of year. The very good EBITDA of EUR 2,5 million in the 1st half year 2007 is affected by the sale of real estate, which led to a one-time profit of EUR 2,2 million. Hering is expected to reach an EBITDA of EUR 2,9 million in 2007.

Hamba

Take-over by BAVARIA: April 2004
First-time consolidation: 26.03.2004

[in TEUR]	6 Months 1. HY 2007	12 Months 2006	6 Months 1. HY 2006
Sales	3.796	27.046	6.023
EBITDA	-1.405	1.932	-413
	30.06.2007	31.12.2006	30.06.2006
Employees	123	120	121

As in prior years, Hamba will recognize the majority of its sales in the 2nd half year. Until the end of 2007, more than 10 further machines will be delivered to the clients. This highly concentrated creation of value was made possible by the significantly increased flexibility of Hamba, which was mainly achieved by outsourcing. The newly developed modular machine "Flexline" will be a significant competitive advantage.

The sales revenue for full 2007 will increase to approximately EUR 31,5 million, exceeding the previous year by +16%. A significant increase of EBITDA to about EUR 3,0 million is expected for the whole year 2007 due to a strict cost management.

Subsequent events after the balance sheet date

The General Shareholders Meeting of 25 May 2007 passed a resolution to increase capital by 4.410.000,00 EUR from company funds. On 26 July 2007, the capital increase was recorded in the trade register and therefore becomes effective. A stock split-up is following this capital increase; each one of the former shares will be split up into three share. No new shares were issued to the shareholders. The stock split-up will be effective on 30 August 2007. The trade of new shares will begin thus on 30 August 2007.

On 2 August 2007, BAVARIA acquired 100% of the shares of the Italian ALMEC S.p.A. ALMEC S.p.A. is a producer of aluminum pressure die casting parts for the automobile industry located in Nusco (Italy). The subsidiary Rifometal, an aluminum producer, was taken over along with ALMEC. ALMEC manufactures pressure die casting parts such as clutch and transmission cases for the motorcycle and automobile industry and supplies prominent manufacturers as Getrag, Ford, Fiat and Piaggio. The consolidated sales of the company in 2006 amounted to ca. EUR 100 million. BAVARIA takes over all employees of the two plants. A further acquisition is already signed and will presumably become effective and will be published in the next weeks.

Outlook

We expect the present portfolio to develop very positively. Statements of sales and result expectation of BAVARIA cannot be made precisely, since this depends substantially on the number and the size as well as the restructuring level of the enterprises acquired and sold.

Based on the existing portfolio, sales for 2007 will presumably amount to approximately EUR 390 million; on this basis we expect an operational EBITDA of approximately EUR 22 million (not including releases from badwill).

We expect further company acquisitions and sales up to the end of the year 2007.

Consolidated Profit And Loss Account: 01 January – 30 June 2007

	30. June 2007		30. June 2006	
	TEUR	TEUR	TEUR	TEUR
1. Sales	193.163		98.031	
2. Increase or reduction of the inventories in finished and non-finished products	4.530		8.036	
3. Other work capitalized	<u>5</u>		<u>0</u>	
		197.698		106.067
4. Other operating income		10.032		15.827
5. Cost of materials				
a) Raw materials, supplies and merchandise for resale	-106.764		-40.923	
b) Purchased services	<u>-11.076</u>		<u>-22.248</u>	
		-117.840		-63.171
6. Personnel costs				
a) Wages and salaries	-42.429		-23.603	
b) Social insurance and other social charges and benefits pensions	<u>-10.529</u>		<u>-5.856</u>	
		-52.959		-29.459
7. Depreciation on intangible assets of the fixed assets and property, plant & equipment		-5.586		-2.684
8. Other operating expenses		-30.878		-13.527
9. Other interest and similar income		1.000		209
10. Interest and similar expenses		-187		-289
11. Depreciation on financial assets and on marketable securities of the current assets		<u>-22</u>		<u>0</u>
12. Profits/loss on ordinary operations		1.258		12.972
13. Extraordinary income	0		73	
14. Extraordinary expenses	<u>0</u>		<u>-16</u>	
15. Extraordinary result		0		57
16. Taxes on income and earnings		-275		-4.299
17. Other taxes		<u>-73</u>		<u>0</u>
18. Net income		910		8.730
19. Net profit carried forward from previous year		41.041		13.802
20. Dividends		-6.615		0
21. Profit relating to other shareholders		<u>1.904</u>		<u>40</u>
22. Consolidated profit		<u>37.240</u>		<u>22.572</u>

Consolidated balance sheet as of 30 June 2007

Assets

	30. June 2007		30. June 2006	
	TEUR	TEUR	TEUR	TEUR
A. Fixed assets				
I. Intangible assets				
1. Patents, trademarks, licenses and similar rights	353		551	
2. Goodwill	<u>6.789</u>		<u>9.199</u>	
		7.142		9.750
II. Property plant & equipment				
1. Land, leasehold rights and buildings incl., buildings on leased land.	19.126		24.800	
2. Machinery and equipment	17.013		24.595	
3. Other equipment, plant and office equipment	2.243		2.990	
4. Advance d payments and construction-in-progress	<u>2.091</u>		<u>1.198</u>	
		40.472		53.583
III. Financial assets				
1. Shareholdings in affiliated companies	51		22	
2. Other loans	<u>0</u>		<u>1</u>	
		51		23
		47.666		63.356
B. Current assets				
I. Inventories				
1. Raw materials and supplies	20.562		27.518	
2. Work-in-progress	20.744		22.653	
3. Finished products & merchandise	15.491		14.017	
4. Advance payments	<u>1.561</u>		<u>842</u>	
		58.357		65.030
II. Receivables and other assets				
1. Receivable from trade and affiliated companies	46.526		51.790	
2. Other assets	<u>8.956</u>		<u>7.189</u>	
		55.482		58.978
III. Marketable securities				
1. Other marketable securities		0		104
IV. Cash-in-hand, balances with bands		<u>47.973</u>		<u>35.578</u>
		161.813		159.690
C. Prepaid expenses		648		2.016
		<u>210.127</u>		<u>225.062</u>

Liabilities

	30. June 2007		30. June 2006	
	TEUR	TEUR	TEUR	TEUR
A. Equity				
I. Subscribed capital		2.205		2.205
II. Capital reserve		12.795		12.795
III. Retained earnings		6		6
1. Restricted reserve	6		6	
IV. Difference from currency translation		1.819		-58
V. Offsetting item for holdings of other shareholders		1.818		2.347
VI. Consolidated profit		<u>37.240</u>		<u>22.572</u>
		55.883		39.867
B. Difference from the consolidation of capital (badwill)		4.678		20.647
C. Special reserve with an equity portion		0		4
D. Accruals				
1. Accruals for pensions and similar commitments	50.478		52.275	
2. Tax reserves	5.091		9.297	
3. Other accruals	<u>27.387</u>		<u>28.380</u>	
		82.956		89.953
E. Liabilities				
1. Debt due to banks	441		1.744	
2. Advance payments received on orders	23.761		12.341	
3. Trade payables	33.493		47.356	
4. Notes payables	0		360	
5. Other liabilities	<u>6.866</u>		<u>10.562</u>	
		64.561		72.364
F. Deferred income		2.049		2.228
		<u>210.127</u>		<u>225.062</u>

Development of group capital

TEUR	<i>Subscribed capital</i>	<i>Capital reserve</i>	<i>Retained earnings</i>	<i>Currency conversion Difference from the</i>	<i>Deferred Item for shares of other shareholders</i>	<i>Group profit</i>	<i>Group equity</i>
31. December 2006	2.205	12.795	6	1.413	3.748	41.040	61.207
Annual net profit 1. HY 2007						910	910
Divident pay-out						-6.615	-6.615
Capital increase							0
Adjustment in retained earnings							0
Foreign currency differences				406			406
Shares of other partners					-1.930	1.905	-25
30. June 2007	2.205	12.795	6	1.819	1.818	37.240	55.883

Consolidated statement of cash flows 01 January – 30 June 2007

The cash and cash equivalent funds include all cash balances and cash equivalents as far as they are not subject to third-party claims. The effects from changes of consolidation scope have been eliminated.

	<u>TEUR</u>
Consolidated net income before extraordinary items	910
Earnings proportions of minority shareholders without payment-effective holdings	1.964
Depreciation on fixed assets	5.608
Changes in accruals	1.599
Release of badwill	-3.185
Payment-ineffective losses from deconsolidation	4.384
Profits from the sale of fixed assets	-2.256
Gross cash flow	9.024
Change in inventories	-5.914
Change in receivables, other assets and rest of the assets	4.573
Changes in liabilities and rest of total equities & liabilities	-2.860
Other payment-ineffective items	-1.486
Cash flow current operations	3.337
Deposits from the sale of fixed assets	2.292
Disbursements for investments in the immaterial fixed assets and tangible assets	-3.184
Deposits from the sale of company shares	50
Payments for capital expenditure into financial assets	-50
Cash flow from investment activities	-892
Payouts to shareholders (dividends)	-6.615
Payouts to minority shareholders	-60
Payments from repayments of financial liabilities	-1.259
Cash flow from financing activities	-7.934
Payment-effective change of the cash and cash equivalents	-5.489
Net funds addition from change in scope of consolidation	-190
Currency differences	64
Cash and cash equivalents at start of the period	53.438
Cash and cash equivalents as of 30. June	47.823

Segment Reporting

Segment Reporting in TEUR – Page 1 (to be continued, Page 2)

30.06.2007	Hering	Hamba	L&E	NEEF	P&C	Alma	Steelt.	K+S
<i>Sales</i>								
– with external third parties	4.042	3.796	17.177	5.159	0	7.466	7.706	129.301
– with group companies	33		0	105	0	0	0	28.181
<i>Segment net income</i>	2.364	-1.440	-581	-111	0	-887	3	4.465
– Depreciation included therein	55	138	157	43	0	472	142	4.152
<i>Total Assets</i>								
(including portfolio investments)	3.579	23.002	16.952	4.332	0	0	0	118.161
Investment in long-term assets	46	75	47	10	0	268	144	2.475
Total assets less equity	2.049	21.705	12.407	4.568	0	0	0	90.623

30.06.2006	Hering	Hamba	L&E	NEEF	P&C	Alma	Steelt.	K+S
<i>Sales</i>								
– with external third parties	3.241	6.023	9.126	5.136	36.520	12.218	25.767	0
– with group companies	0	0	0	5	0	0	0	0
<i>Segment net income</i>	385	-496	-604	-596	-2.471	-326	2.282	0
– Depreciation included therein	42	146	180	57	1.306	562	301	0
<i>Total Assets</i>								
(including portfolio investments)	3.086	19.327	16.659	2.783	16.583	11.954	16.314	116.269
Total assets less equity	3.865	15.743	10.634	2.693	21.678	10.848	10.699	98.314

Segment Reporting in TEUR – Page 2

30.06.2007	Swisstex	Elfotec	Others	Bavaria AG and Holdings	Conso- lidation	Group
<i>Sales</i>						
– with external third parties	13.214	5.217	0	85	0	193.163
– with group companies	0	1.933	0	1.635	-31.887	0
<i>Segment result</i>	-3.185	-1.688	0	-4.170 *	6.140	910
– Depreciation included therein	114	193	0	4.808 *	-4.688	5.586
<i>Total Assets</i>						
(including portfolio investments)	14.316	3.215	0	30.001	-3.431	210.127
Investment in long-term assets	77	32	0	87	472	3.733
Total assets less equity	13.490	2.623	0	2.922	3.857	154.244

30.06.2006	Swisstex	Elfotec	others	Bavaria AG and Holdings	Conso- lidation	Group
<i>Sales</i>						
– with external third parties	0	0	0	0	0	98.031
– with group companies	0	0	216	236	-457	0
<i>Segment result</i>	0	0	-60	4.500	6.116	8.730
– Depreciation included therein	0	0	5	4	81	2.684
<i>Total Assets</i>						
(including portfolio investments)	0	0	52	26.304	-4.269	225.062
Total assets less equity	0	0	62	4.416	6.244	185.196

* The result and the depreciation of the segment "Bavaria AG and Holdings" are affected by the depreciation on the share book value of Steeltech in the amount of EUR 4.8 million in the 1st half-year 2007.

Notes to the half-year report

Accounting and valuation techniques

These consolidated financial statements have been drawn up in accordance with the valid German commercial code (HGB) and were not subject to an audit. The interim report has not been changed in the accounting and valuation techniques compared with the financial statements in fiscal year 2006.

Scope of Consolidation

The consolidated financial statements include BAVARIA Industriekapital AG as the parent company and affiliated companies in which BAVARIA Industriekapital AG either directly or indirectly has the majority of the voting rights or in which direct control is handled in another way. Eight subsidiaries have not been included in the consolidation, mainly consisting of shell companies without operational business. The scope of consolidation has changed as follows in comparison to the last interim report on 31 March 2007 and likewise in comparison to the last year-end as of 31 December 2006:

- Steeltech s.a.r.l. was deconsolidated as of 01 April 2007.
- alma Holding GmbH and alma Küchen GmbH & Co. KG were sold on 13 June 2007 and were de consolidated as of 31 May 2007.
- Bavariaring 0405 AG was sold on 14 June 2007 and was deconsolidated as of 31 May 2007.
- In April 2007, further 25% of Bavaria Chemicals GmbH, and thus of Elfotec AG and Elfotec Ltd., were acquired. Due to the resulting total ownership of 75%, the consolidation method was changed from pro-rate-consolidation to full consolidation in the half-year report.

Notes to Individual Balance Sheet and P&L items

Goodwill from the Consolidation of Capital

Development as of 30 June 2007 in EUR thousands

Book Value 31.12.2006	Addit.	Dissol.	Final consolidation	Book Value 30.06.2007
6.696	486	386	-7	6.789

Development as of 30 June 2006 in EUR thousands

Book Value 31.12.2005	Addit.	Dissol.	Final consolidation	Book Value 30.06.2006
1.381	7.978	160	0	9.199

Subscribed capital

As of 30 June 2007, the nominal capital amounts to EUR 2.205.000,00.

Events occurring after the balance sheet date

On 25 May 2007 the General Shareholders' Meeting passed a resolution to raise the nominal capital by 4.410.000,00 EUR. The registration in the commercial register was completed on 26 July 2007, on this date the capital rise becomes effective.

The capital increase is reflected by a share-split on 30 August 2007. Each existing share is split into three shares, the market share price was split accordingly. There were no new shares issued to the shareholders.

The "contingent capital I" of up to EUR 170.500,00 from the issuance of up to 170.500 bearer share certificates (employee participation program), has been changed accordingly to EUR 511.500,00 (up to 511.500 bearer shares).

The "contingent capital II" of up to EUR 16.500,00 from the issuance of up to 16.500 bearer share certificates (convertible bonds for members of the Supervisory Board) has been changed accordingly to EUR 49.500,00 (up to 49.500 bearer shares).

Difference from the consolidation of capital (Badwill)

Development as of 30 June 2007 in EUR thousands

Book Value 31.12.2006	Additions	Dissol.	Final- consolidation	Book Value 30.06.2007
9.233	1.149	3.185	-2.519	4.678

The EUR 2.519 thousands disposal from final consolidation results from the final consolidation of Steeltech as of 1 April 2007.

Development as of 30 June 2006 in EUR thousands

Book Value 31.12.2005	Additions	Dissol.	Final- consolidation	Book Value 30.06.2006
7.110	21.535	7.998	0	20.647

Other operating income

	30.06.2007	30.06.2006
	TEUR	TEUR
Income from dissolution of differences (release of badwill)	3.185	7.998
Income from sale of fixed assets	2.259	2
Income from debt consolidation	1.486	6.253
Exchange rate gains (subsidiary level)	1.298	1
Exchange rate gains (group level)	564	0
Income from final consolidation	397	0
Income from release of accruals	154	610
Other	689	963
	10.032	15.827

Other operating expenses

	30.06.2007	30.06.2006
	TEUR	TEUR
Losses from final consolidation	4.783	0
Packaging and freight	3.755	1.335
Repairing and maintenance	3.678	1.121
Administration expenses	2.574	292
External services, insurance and contributions	2.380	1.016
Travel and service expenses	1.477	685
Rental fee	1.470	1.794
Exchange rate losses	1.214	10
Leasing and other rent	975	1.066
Commissions	591	210
Advertising	565	580
Other	7.416	5.418
	30.878	13.527

The loss of EUR 4.8 millions from final consolidation in the first half-year 2007 results mainly from the final consolidation of Alma Küchen GmbH & Co. KG.

List of share ownership as of 30 June 2007

	Anteil am Kapital in %	
	direkt	indirekt
Konzern-Muttergesellschaft		
BAVARIA Industriekapital AG, München		
Anteilsbesitz		
Executive Consulting AG, München	100,00	
Hering Wärmetauscher Holding AG, München	95,00	
Hering AG, Gunzenhausen		90,00
Neef Services AG i. Ins., Karlsruhe – in Insolvenz	100,00	
Neef IT Solutions AG, Karlsruhe	78,00	
BAVARIA Maschinenbauholding AG, München	90,00	
Hamba Filltec GmbH & Co. KG, Neunkirchen	100,00	
BAVARIA Maschinenbau Holding II AG, München	90,75	
Langbein & Engelbracht GmbH, Bochum		85,31
Langbein & Engelbracht Industrial Eng.& Co., Shanghai/ China		85,31
Verwaltungsgesellschaft 0906 GmbH (vormals Beyss Holding GmbH), München	100,00	
Steeltech S.A.R.L. France i. Ins., Creutzwald/ Frankreich - in Insolvenz		90,00
Hamba Verwaltungsges. mbH, Neunkirchen		90,00
Paul Weinbrenner GmbH, Weil der Stadt		100,00
Hamba Filling Technology Services GmbH, München		90,00
Blitz 05-316 GmbH & Co. KG, München	100,00	
R&E Automatisierungs GmbH, Fellbach-Schmidlen	50,00	
Kienle + Spiess GmbH, Sachsenheim	94,90	
Kienle + Spiess Hungary Kft, Tokod/ Ungarn		94,90
Wardstorm Ltd., Ellesmere Port/ UK		94,90
Sankey Laminations Ltd., Ellesmere Port/ UK		94,90
G.L. Scott & Co. Ltd., Ellesmere Port/ UK		94,90
Bavariaring 0906 GmbH, München	100,00	
SwissTex Winterthur AG, Winterthur/ Schweiz	100,00	
Force Ltd., Birmingham/ UK	75,00	
Oldenburg Ltd., Birmingham/ UK	100,00	
Bavaria Chemicals GmbH, München	75,00	
Bavaria Maschinenbau Ltd., Sliema/ Malta	100,00	
Elfotec AG, Mönchaltorf/ CH		75,00
Elfotec Ltd., Annacotty/ Irland		75,00
baikap Holding 010607 GmbH, München	100,00	
baikap Holding 020607 GmbH, München	100,00	

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26. November 2007:

Publication of 3rd Quarter 2007 result

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Publication of Group Accounts and Individuals Accounts as of 31 December 2007

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