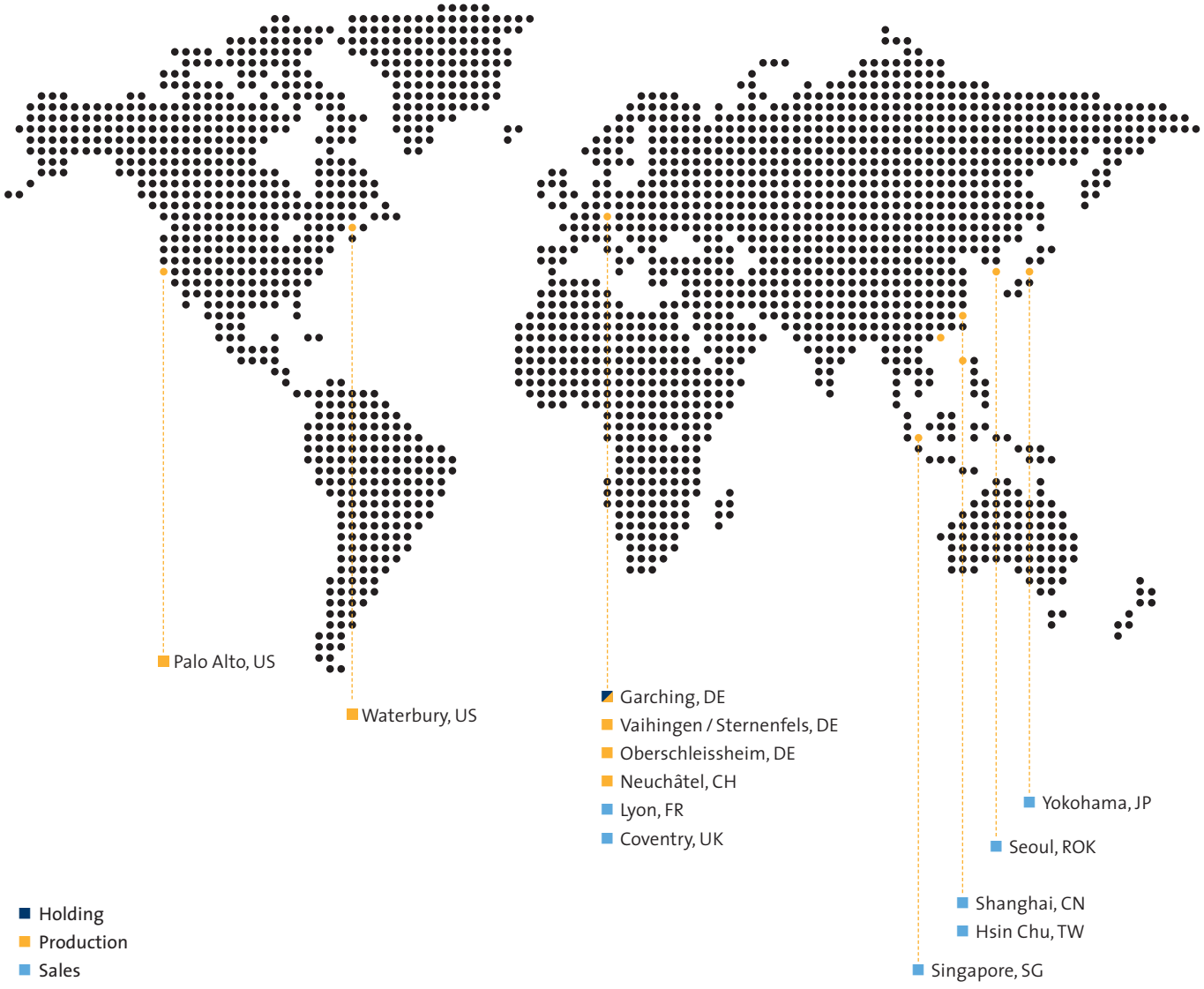
SÜSS MicroTec

DIMENSIONS

Annual Report 2009

CONTENTS

SUSS MICROTEC – A GLOBAL PLAYER



NORTH AMERICA

Employees 2009: 145
Sales 2009: € 24.2 million

EUROPE

Employees 2009: 379
Sales 2009: € 39.7 million

JAPAN

Employees 2009: 38
Sales 2009: € 12.0 million

REST OF ASIA

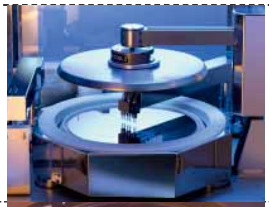
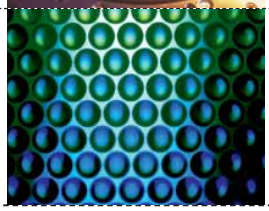
Employees 2009: 52
Sales 2009: € 44.4 million

KEY FIGURES

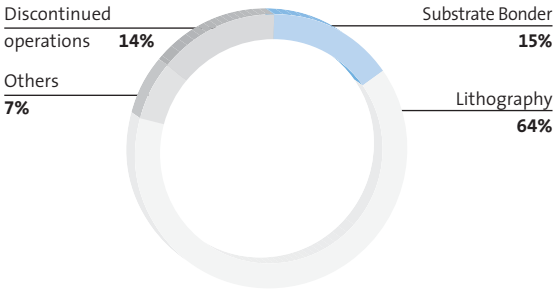
in € million	2009	2008	Change
Continuing operations			
Order entry	96.3	118.2	-18.5%
Order backlog as of 12/31	57.0	65.1	-12.4%
Total sales	103.9	121.5	-14.5%
Sales margin	0.5%	-9.5%	10.0%-points
Gross profit	38.8	38.3	1.3%
Gross margin	37.4%	31.6%	5.8%-points
Costs of sales	65.1	83.1	-21.7%
R&D costs	4.9	5.7	-14.0%
Continuing operations			
EBITDA	7.6	9.2	-17.4%
EBITDA margin	7.3%	7.6%	-0.3%-points
EBIT	2.8	-8.7	132.2%
EBIT margin	2.7%	-7.2%	9.9%-points
Earnings after tax	0.5	-11.6	104.3%
Earnings per share	0.03	-0.68	104.4%
Continuing and discontinued operations			
Earnings after tax	-4.9	-13.9	64.7%
Earnings per share	-0.28	-0.82	65.9%
Balance sheet and cash flow			
Equity	86.1	90.6	-5.0%
Equity ratio	63.1%	59.0%	4.1%-points
Return on equity	0.6%	-12.8%	13.4%-points
Balance sheet total	136.4	153.6	-11.2%
Net cash	18.4	9.4	95.7%
Free cash flow*	8.9	1.9	368.4%
Further key figures			
Investments	3.1	9.0	-65.6%
Investment ratio	3.0%	7.4%	-4.4%-points
Depreciation	4.8	17.9	-73.2%
Employees as of 12/31**	498	545	-8.6%
Employees as of 12/31***	614	674	-8.9%

* before consideration of purchased available-for-sale securities
** continuing operations
*** continuing and discontinued operations

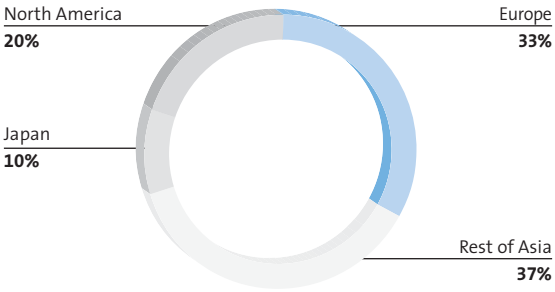
SEGMENT INFORMATION

Segments		Product Lines		Target Markets
LITHOGRAPHY				
		Mask Aligner		Advanced Packaging
Sales:	€ 77.6 million	Developer		3D Integration
Result:	€ 11.7 million	Spin and Spray Coater		MEMS
				Compound Semiconductors
SUBSTRATE BONDER				
Sales:	€ 18.3 million			3D Integration
Result:	€-3.8 million	Substrate (Wafer) Bonder		MEMS
				Semiconductor Industry
OTHERS				
		Masks		Micro-optics
Sales:	€ 8.0 million	Micro-optics and lenses		Semiconductor Industry
Result:	€-5.1 million	C4NP		Advanced Packaging (C4NP)

Sales by Segments



Sales by Regions



LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

In the last two years, the financial markets and the entire global economy have been knocked out of equilibrium and plunged into a crisis more extreme than anything seen in the past sixty years. At the same time, the semiconductor industry found itself in a cyclical downturn worldwide, and, in 2009, recorded one of the worst years since the dot-com bubble burst in 2001. As a result, the past fiscal year was without a doubt among the most difficult and challenging in our Company's history.

To get straight to the point: we persevered and, despite the adverse conditions, even slightly exceeded our own goals and expectations. We were able to maintain our outstanding market position and even gain market share as a result of our broad portfolio of innovative products and global positioning.

At the same time, we succeeded in rapidly adapting our cost structure to the changed environment and continually improving our liquidity position over the course of the year. In this context, it was also encouraging that, despite the omnipresent credit crunch, we were able not only to extend our domestic credit line at the beginning of the year, but also to gain Deutsche Bank AG as a new and third syndicate member.

The 2009 Fiscal Year in Figures

As already forecast in the beginning of 2009, economic conditions caused a significant decline in both order entry and sales in the past fiscal year. Excluding the discontinued Test Systems division, the Company generated sales of € 103.9 million, falling short of the previous year's level of € 121.5 million by approximately 14%. Order entry declined from the previous year by approximately 19% to € 96.3 million (previous year: € 118.2 million). Despite the significant reduction in sales, we succeeded in achieving positive earnings before interest and taxes (EBIT) of € 2.8 million in 2009 within the continuing operations. In the previous year, extraordinary expenses of € 17.2 million had a major impact on EBIT, which came in at € -8.7 million. In order to achieve this goal, we began to implement both operational and structural measures as early as the second half of 2008. These measures were continued systematically in 2009. As early as the beginning of the year, the SUSS MicroTec Group's significantly improved liquidity reflected the initial success of these measures. Net liquidity increased substantially by the end of 2009, coming in at € 18.4 million (previous year: € 9.4 million). In addition, we clearly achieved our goal of generating positive free cash flow, which, before consideration of available-for-sale securities, totaled € 8.9 million after € 1.9 million in the previous year.

Comprehensive Package of Measures to Combat the Crisis

As previously mentioned, the semiconductor industry already found itself in a cyclical downturn in 2008. This situation was intensified by the brewing global financial market crisis in the second half of 2008. The low demand for semiconductor equipment caused by manufacturing overcapacity was further impaired by growing uncertainty in the global markets. Both factors forced us to take early and quick action. In addition to general limits on travel spending, the cost reduction and restructuring measures included highly restrictive budgeting of orders to external service providers as well as the reanalysis and approval of all investment projects. Other operational measures, which had a uniformly positive impact on the Group's liquidity position, included the reduction of inventories and receivables as well as the optimization of purchasing and procurement.

Among the structural steps that were taken were the consolidation of sales offices in Thailand and Singapore, the reorientation of sales activities for the Test Systems division in France and Taiwan from direct to indirect sales, and the reorganization of the sales and service structure in North America. In addition, the administration of sales and service activities in France and England was relocated to headquarters in Garching, Germany. It was possible to achieve additional lasting savings by consolidating administrative areas at the German subsidiaries.

Furthermore, we were able to adapt production capacities at German facilities to lower demand by means of reductions in working hours and compensation time accounts. However, in 2009, layoffs were once again unavoidable. This impacted a total of sixty employees worldwide.

All in all, we were able to lower our breakeven point for the 2010 fiscal year to a sales level of € 110 – 115 million. We are convinced that, given the measures taken in the past fiscal year, we have created a solid foundation for emerging from the crisis in a sustainably strengthened position.

Left:
Michael Knopp
Chief Financial Officer

Right:
Frank Averdung
Chief Executive Officer

Strategic Development

Aside from this comprehensive package of measures, we have also set a strategic course for the future in important ways. Highly noteworthy was the negotiation of a total of four cooperative development agreements in the area of three-dimensional system integration, also known as 3D integration, in the 2009 fiscal year. In addition to 3M and Thin Materials AG, new development partners from the fields of industry and research include the Belgian research center for nanoelectronics and nanotechnology IMEC and the Taiwan-based Industrial Technology Research Institute (ITRI), one of the world's leading research institutes in the semiconductor industry. The focus of cooperation is on the further development of technologies in the area of chip packaging. In particular, these technologies include processing solutions for thin wafer handling as well as the temporary and permanent bonding of stacked chips and through-silicon vias. These cooperative agreements are the logical extension of the Company's 3D strategy. They are consistent with the goal of expanding our fabrication systems into a platform for the application of broad range of technological solutions that completely satisfy diverse customer requirements.

Certainly among the fiscal year's milestones were the two investment and divestment projects that were successfully concluded in 2010. By purchasing HamaTech APE, a wholly owned subsidiary of Singulus Technologies AG, we sensibly extended our product portfolio in the area of wet processing, which consists of the Coater and Developer lines. HamaTech APE's 20 years of experience in developing processes and equipment along with its highly innovative cleaning technology for semiconductor lithography photo masks ideally complement the SUSS MicroTec Group's core competency. By acquiring the land and state-of-the-art HamaTech production facility at the Sternenfels site, we have also set the stage for its expansion into a Group-wide competence center. The relocation of our Coater and Developer production, now located approximately 20 kilometers away in Vaihingen, to Sternenfels is anticipated as early as mid-2010.

In addition, the sale of SUSS MicroTec Test Systems GmbH, which is based in Sacka near Dresden, Germany, to the US competitor Cascade Microtech, Inc. had a material and direct impact on the consolidated financial statements for 2009. As a result of the sale of the recently unprofitable Test Systems division, we will be able to focus entirely on our manufacturing solutions for microstructuring in microelectronics in the future. The tough competitive situation in the market for electronic probe and testing systems for integrated circuits has increasingly led to margin pressure in recent years and ultimately precluded profitable operations despite a technologically leading product range. Therefore, it is that much more satisfying that with the sale to Cascade Microtech, Inc., we found an ideal solution for both involved parties as well as our customers. The acquisition of the Test Systems division of SUSS MicroTec will enable Cascade Microtech to continue to expand its leadership position in the market for semiconductor test systems. Cascade Microtech will now reach critical mass to focus in the future on technological challenges in the area of testing and measurement tools, with which semiconductor manufacturers will be confronted as they develop processes and chip designs in the coming years. SUSS MicroTec will also benefit from this development via its strategic partnership with Cascade Microtech in the area of 3D integration.

Outlook

The global economy appears to have moved beyond the trough of the recession, although only a gradual economic recovery is expected in 2010. Despite these ongoing critical constraints, we intend to invest more heavily in research and development in 2010. This should enable us to expand our market and technological position in our targeted markets and create the foundation for lasting, profitable growth after the crisis. At the same time, we are paying particular attention during the current year to the relocation of our Coater and Developer manufacturing to the Sternenfels site and the integration of HamaTech APE into the SUSS MicroTec Group.

For 2010 fiscal year, we anticipate a stabilization of sales and positive free cash flow adjusted for the impact of the purchase of HamaTech APE and the building at the Sternenfels site. We will, therefore, provide more concrete statements on the current, 2010 fiscal year in the scope of the quarterly reports.

The SUSS MicroTec Group has put a difficult year behind it and is now looking forward to a less demanding one. Liberated from the burdens of the past, we are now moving into the new fiscal year and the period thereafter with determination and tremendous self-confidence. We are confident that we will overcome our current challenges just as successfully as we overcame those of the past. We are well positioned and our business partners as well as the capital markets appreciate our efforts. We hope that you find this report both impressive and informative.

Finally, we offer sincere thanks to all of our employees around the world as well as the former members of the Management and Supervisory Boards for their extraordinary dedication in the past year.

Garching, Germany, March 2010

Frank Averdung
Chief Executive Officer

Michael Knopp
Chief Financial Officer

REPORT OF THE SUPERVISORY BOARD

In the following report, the Supervisory Board provides information about its activities in the 2009 fiscal year. The primary focus of its deliberations was on the impact of the global financial and economic crisis on the SUSS MicroTec Group, strategic cooperation in the area of 3D integration, and strategic investment and divestment projects.

Dear Shareholders,

During the reporting period, the Supervisory Board fulfilled the duties and responsibilities incumbent upon it by law, its Articles of Incorporation, and the Company bylaws. We regularly advised the Management Board on directing the Company and monitored its activities. The Supervisory Board was directly involved in all decisions that were of vital importance to the Company. The Management Board provided us with regular, prompt, and comprehensive information – both in written and verbal form – about corporate planning, business progress, and the Group's current position. When business development deviated from plans, deviations were explained to us in detail and reviewed by us based on available documents and information. The Management Board coordinated the Company's strategic orientation with us. We extensively discussed significant business events for the Company based on the Management Board's reports and gave our consent to the transactions requiring our approval. During the 2009 fiscal year, the Supervisory Board held a total of eleven regular meetings and one extraordinary meeting. All members of the Supervisory Board routinely participated in these meetings. When necessary, the Supervisory Board prepared its decisions in writing.

In addition to participating in Supervisory Board meetings, the Chairman of the Supervisory Board maintained regular contact with the Management Board and remained informed about the business situation and significant events. In the 2009 reporting year, the Supervisory Board concluded a cooperative agreement with Thin Materials AG. At this time, their Chief Executive Officer Dr. Franz Richter was simultaneously Chairman of the Supervisory Board of SUSS MicroTec AG. The contract governs cooperation between the two companies in the area of thin wafer processing. In his capacity as Chairman of the Supervisory Board of SUSS MicroTec AG, Dr. Richter abstained from votes on the contract. Otherwise, there were no conflicts of interest of members of the Management and Supervisory Boards, which must immediately be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting.

Meetings and Main Topics of Discussion

The Supervisory Board conducted routine discussions regarding the order, sales, and earnings development of SUSS MicroTec AG, its subsidiaries, and the Group, as well as their financial position and investment/divestment projects. The Management Board provided regular and comprehensive information about corporate planning, strategic direction, business progress, and the Group's current condition. In addition, decisions were made regarding personnel issues in the Management Board. Furthermore, the Supervisory Board occupied itself with monitoring the financial reporting process as well as the effectiveness of the internal control and risk management systems.

In the meeting on February 6, 2009, the Supervisory Board dealt primarily with the Management Board's report on the preliminary figures for the fourth quarter and the 2008 fiscal year. The discussion focused particularly on the development of the margin and cash flow as well as extraordinary effects. The Management Board's plans for the 2009 fiscal year were approved after extensive discussions, particularly regarding the topics of subsidized projects, foreign subsidiaries, and cost structure. Furthermore, the Supervisory Board addressed strategic projects in the area of thin wafer handling during this meeting. The Management Board presented us with the key points of the planned cooperation with Thin Materials AG, and we discussed them intensively. In addition, we were informed of the intended cooperation with 3M.

At the meeting on March 24, 2009, following an in-depth examination, the Supervisory Board approved the annual financial statements and consolidated financial statements of SUSS MicroTec AG prepared for the 2008 fiscal year by the Management Board. In addition, the Supervisory Board's report for the past fiscal year was adopted by resolution. The auditor participated in this meeting and informed the Supervisory Board about the key results of the audit. With the auditor's representatives, we discussed accounting and other significant issues in the past fiscal year and their impact on the net assets, financial position, and results of operations. Furthermore, the auditor explained the key findings of the annual and consolidated financial statement audit. We acknowledged the Management Board's report on the 2008 fiscal year and the current business situation. Furthermore, we discussed potential agenda items for the Shareholders' Meeting on June 24, 2009. The Management Board reported on the employees bonus system in 2009. The approach for establishing goals for the variable remuneration of the Management Board in 2009 was approved. In addition, a resolution was adopted regarding the variable remuneration of Mr. Knopp and Dr. Schneidewind. With respect to the issuance of stock options in 2009, the setting of an additional exercise threshold was discussed. We also received a report about the implementation of projects in the area of operations designed to improve procurement and inventory management. Following the meeting, we conducted an examination of the efficiency of our activities in accordance with the German Corporate Governance Code.

Dr. Stefan Reineck
Chairman of the
Supervisory Board

In the extraordinary meeting on April 8, 2009, the Supervisory Board dealt with the resignation of Dr. Franz Richter and the resulting special Supervisory Board member election at the 2009 Shareholders' Meeting. It established the job requirements for Dr. Richter's successor. In addition, the Supervisory Board approved a resolution to issue stock options from the Stock Option Plan of 2008 to the Management Board.

In the meeting on April 30, 2009, the Supervisory Board occupied itself with the preliminary financial figures for the first quarter of 2009 and the outlook for the entirety of 2009, as presented by the Management Board, and received an explanation of discrepancies from plans. We adopted a resolution regarding the proposals of the Supervisory Board to the Shareholders' Meeting. In connection with strategic projects, we addressed the possible sale of SUSS MicroTec Test Systems GmbH, and a contemplated additional cooperative agreement in the area of thin wafer handling.

In the meeting on June 24, 2009, immediately before the ordinary Shareholders' Meeting, the Management Board informed us about the current business situation, particularly regarding order entry and backlog. In addition, we adopted a resolution regarding the amount of variable remuneration for Mr. Schubert for his period of service on the Management Board.

Immediately after the ordinary Shareholders' Meeting on June 24, 2009, Dr. Stefan Reineck was elected as Chairman of the Supervisory Board and Mr. Jan Teichert was elected as Deputy Chairman. The Management Board reported on the status of divestiture plans for SUSS MicroTec Test Systems GmbH and was requested to examine strategic alternatives.

In the Supervisory Board's meeting on July 6, 2009, the Management Board reported on the current business situation, and we discussed various order entry scenarios and their impact. The Management Board reported on the structure and performance of financial reporting as well as the functioning of the risk management system, and we discussed further optimization of these systems with the Management Board. In addition, the Management Board reported on the status of cooperative agreements in the area of 3D integration. Furthermore, during this meeting with the Management Board, we discussed possible options for organizational changes within the SUSS MicroTec Group and for the divestiture of the Test Systems division. Finally, we discussed the possible acquisition of HamaTech APE with the Management Board.

The main topics of discussion at the meeting on July 31, 2009 were the preliminary financial figures for the second quarter as well as the first half of 2009 and the latest provisional forecast for the entire fiscal year. In addition, the Supervisory Board discussed the Group's significant research and development projects and their accounting treatment. The Management Board notified us of changes in the area of IR activities. We were informed of the status of divestiture plans for SUSS MicroTec Test Systems and approved further steps in this direction, following extensive discussion and analysis of the alternative courses of action. The Management Board reported on progress and additional steps regarding the takeover of HamaTech APE. During this meeting, we also took up the issue of expanded internal corporate insider regulations.

During our meeting on September 28, we discussed and developed the structure of a new variable remuneration system for the Management Board with an independent management consultant. The Management Board briefed us on the status of the appeals process against Shareholders' Meeting resolutions. In addition, it informed us about the current business situation and reported on the structure and functioning of the cash management system. Furthermore, the Management Board issued a report on the status of divestiture plans for Test Systems as well as the purchase of HamaTech APE. After extensive deliberations, the Supervisory Board approved the continuation of discussions both with respect to the acquisition of HamaTech APE and the execution of a term sheet.

In the meeting on November 3, 2009, the Management Board presented the preliminary financial figures for the third quarter as well as the forecast for the 2009 fiscal year to the Supervisory Board. We discussed the situation and prospects in the individual divisions with the Management Board and were informed about progress with the operations project designed to improve procurement and inventory management. We discussed its presentation on strategy for the Coater area with the Management Board. In addition, the Management Board reported on the status of the HamaTech APE acquisition project. Following intensive discussions about overall conditions, we approved a continuation of negotiations. Based on a status report on the planned sale of the Test Systems division and after weighing the pros and cons, we approved the continuation of those negotiations as well. Furthermore, the Supervisory Board adopted a resolution to extend Mr. Michael Knopp's contract until July 31, 2015. His term in office would have expired on July 31, 2010. We also agreed to issue him a new employment contract for this period. Addenda to the employment contracts for the current appointment period of Mr. Knopp and Mr. Averdung were also part of this resolution. Furthermore, the Supervisory Board adopted a resolution on a declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG).

The meeting on December 3, 2009 featured wide-ranging discussions of the previously mentioned investment and divestment projects. After discussing the term sheet draft, expected synergies, and the possible impact of the acquisition of HamaTech APE on the Company's net assets, financial position, and results of operations, the Supervisory Board approved the execution of a term sheet and the commencement of purchase contract negotiations. With respect to the sale of the Test Systems division, the Supervisory Board approved additional negotiations for a term sheet with Cascade Microtech and subsequent purchase contract negotiations. Based on an extensive report by the Management Board, we also deliberated on preliminary planning for the 2010 fiscal year as well as two-year cash flow planning.

The meeting on December 23, 2009, which was conducted via teleconference, focused on deliberations regarding the planned acquisition of HamaTech APE. The Management Board presented us with the draft of the company purchase agreement. After discussing related issues and the post-merger integration of HamaTech APE into the SUSS MicroTec Group, we approved the acquisition of HamaTech APE. The Management Board reported on the status of contract negotiations regarding the planned sale of the Test Systems division. The Management Board also reported on the current business situation.

Corporate Governance

The Supervisory Board also concerned itself during the 2009 fiscal year with the content and implementation of the German Corporate Governance Code. Information on the Company's corporate governance as well as an extensive report on the amount and structure of remuneration for the Management and Supervisory Boards are provided in a separate Corporate Governance Report on pages 32–41 of this Annual Report. In their meetings on November 3, 2009, the Management and Supervisory Boards approved the declaration of compliance pursuant to Section 161 of the German Stock Corporation Law (AktG) and made this declaration permanently available to shareholders on the Company's website. Consistent with the legal requirements and recommendations of the Code, we addressed the remuneration system for the Management Board in detail. Furthermore, in its judgment, the Supervisory Board determined that it has a sufficient number of independent members.

Audit of the Annual and Consolidated Financial Statements

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, Germany, audited the annual financial statements and management report of SUSS MicroTec AG as of December 31, 2009, which were prepared in accordance with the German Commercial Code (HGB), as well as the consolidated financial statements and Group management report as of December 31, 2009 and issued an unqualified audit opinion for both. The consolidated financial statements and Group management report were prepared in accordance with Section 315a of the HGB based on International Financial Reporting Standards, as they are to be applied in the EU. The auditors conducted the audit in accordance with the generally accepted accounting principles promulgated by the Institute of Public Auditors in Germany (IDW) and with the International Standards on Auditing (ISA).

The audit reports of KPMG AG Wirtschaftsprüfungsgesellschaft were presented to all members of the Supervisory Board and were extensively addressed at the financial statements meeting of the Supervisory Board on March 23, 2010 in the presence of the auditor. The auditor reported on the primary results of the audit and stated that there were no substantive weaknesses in the internal control and risk management systems. In particular, the auditor provided explanations on the net assets, financial position, and results of operations of the Company and the Group and was available to us in order to provide additional information. The auditor also elaborated on the scope, key findings, and costs of the audit.

We audited the annual financial statements of the Company and the Group as well as the condensed management report in the Group management report. There were no objections. We noted with approval the reports of the auditor after examination of the reports.

The annual financial statements prepared by the Management Board were approved by the Supervisory Board and, thus, adopted. The Supervisory Board also approved the consolidated financial statements. We approved the combined management report of the Corporation and the Group and, in particular, the assessment regarding the further development of the Company.

Changes in the Supervisory and Management Boards

At the conclusion of the ordinary Shareholders' Meeting on June 24, 2009, Dr. Franz Richter relinquished his position as Chairman and member of the Supervisory Board. His resignation was the consequence of potential conflicts of interest, which might have arisen from his function as Chairman of the Supervisory Board of SUSS MicroTec AG and Chief Executive Officer of Thin Materials AG, Eichenau, Germany, after both companies entered into a cooperative agreement in the past fiscal year – although SUSS MicroTec did not rule out additional cooperative agreements in the area of thin wafer handling. Mr. Sebastian Reppegather was elected as successor for the remainder of Dr. Franz Richter's original term. Dr. Richter had served in office since June 19, 2008.

On February 1, Mr. Frank Averdung assumed the position of Chief Executive Officer. He was appointed by resolution of the Supervisory Board on November 25, 2008. Mr. Christian Schubert, who had been appointed as an interim member of the Management Board on October 2, 2008, resigned from the Management Board on May 31, 2009. Mr. Michael Knopp's contract was extended until July 31, 2015.

We would like to express our personal thanks to the former members of the Management and Supervisory Boards for their valuable contributions to the Company's success. In addition, we would also like to thank the members of the Management Board, all of the employees, and the workers' representatives for their personal commitment and efforts in a difficult economic environment.

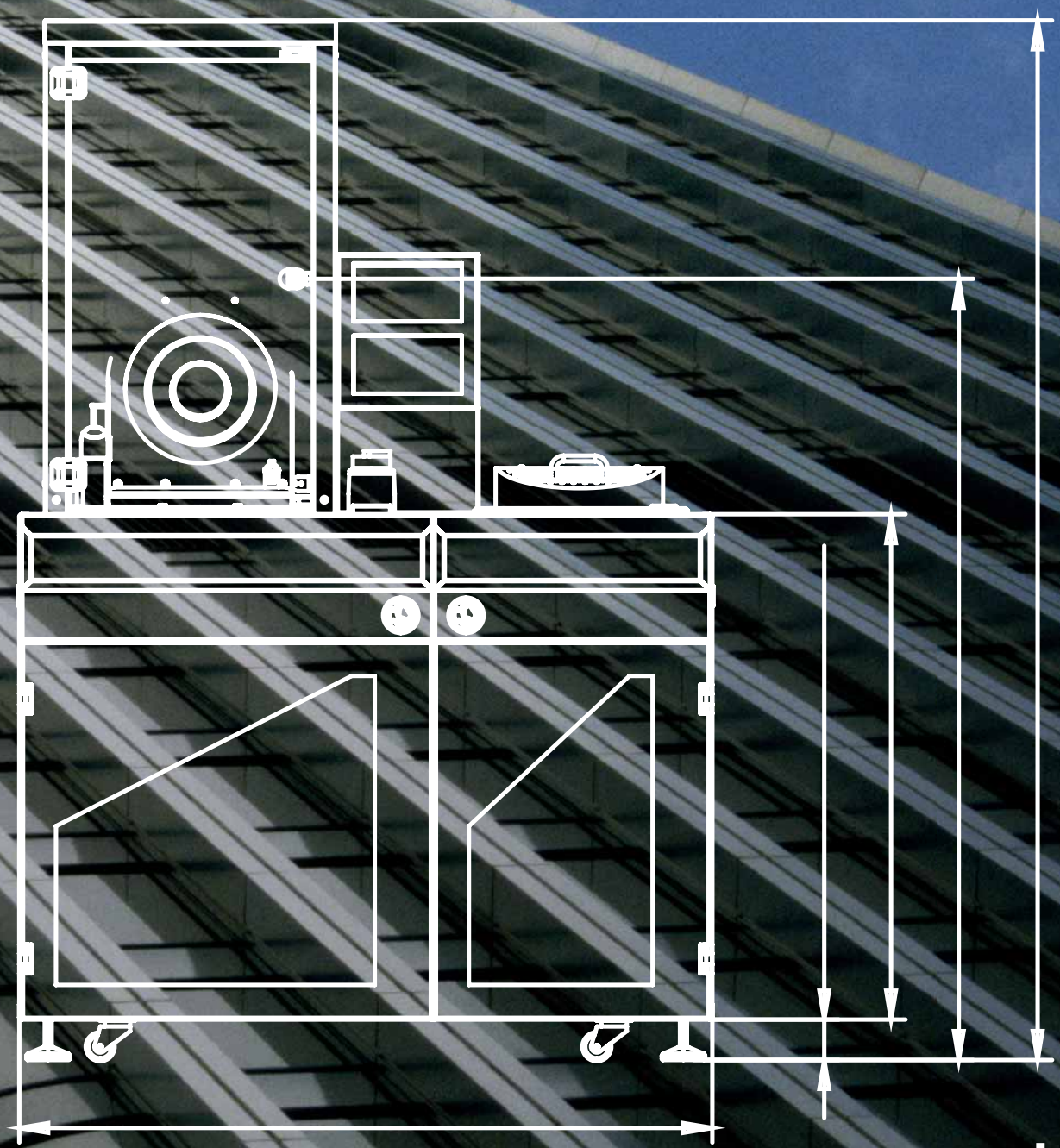
Garching, Germany, March 23, 2010

On behalf of the Supervisory Board,

Dr. Stefan Reineck
Chairman of the Supervisory Board


IMPROVED
PERFORMANCE

Greater performance in a smaller space?
The semiconductor industry has discovered the third dimension and is increasingly working on implementing three-dimensional chip designs in the style of modern urban architecture.



MORE THAN MOORE

The demand for ever-more powerful and simultaneously leaner as well as lighter wireless devices remains intact. In the past, semiconductor manufacturers responded to the conflict between less available space and simultaneously higher performance as well as complexity requirements with reduced structure sizes. Now, industry experts view three-dimensional system integration as a trendsetting production process for the semiconductor industry.

Gordon Moore, one of the founders of Intel, formulated the law known as "Moore's Law" in 1965. It stipulated that the complexity of integrated circuits would double every two years. To date, Moore's theory has remained valid. Since the mid-1960s, the increase in performance in the semiconductor industry has been achieved by scaling components, i.e. by reducing structure sizes. The scaling of integrated circuits has not only been technically feasible over long periods of time, but above all also economically sensible. After all, the doubling of performance coincided with a marginal increase in costs. The sustained demand for ever-more powerful as well as simultaneously leaner and lighter mobile devices is challenging semiconductor manufacturers to achieve improvements in performance in increasingly smaller areas. However, this miniaturization is increasingly subject to limits. With current structure sizes of 45nm (nanometers), the sector today has already reached a point from which additional reductions in structure sizes can be achieved only through elaborate and extremely expensive lithographic processes, such as the immersion process and extreme ultraviolet lithography.

Therefore, in the search for alternative solutions, semiconductor manufacturers have created three-dimensional chip designs in the style of modern urban architecture. While in urban planning as much living and working space

PERFORMANCE PACKAGE WITH A FUTURE

Through three-dimensional production processes, large-scale components are converted into small multi-dimensional and multi-functional components. In the process, chips that were previously arranged on one level are now stacked on several levels on top of each other and then joined. The major advantage of 3D integration lies in the possibility not only of combining homogeneous digital products such as memory chips and computer processors, but also of being able, in the future, to vertically integrate the entire range of heterogeneous products, such as sensors, signal processors, and optical elements. An additional advantage of this approach is that diverse components can be produced in advance independently of each other according to the optimum, established manufacturing processes. The increase in complexity and performance results in particular from the substantially smaller distances for the signals in the component to overcome as a consequence of stacking.

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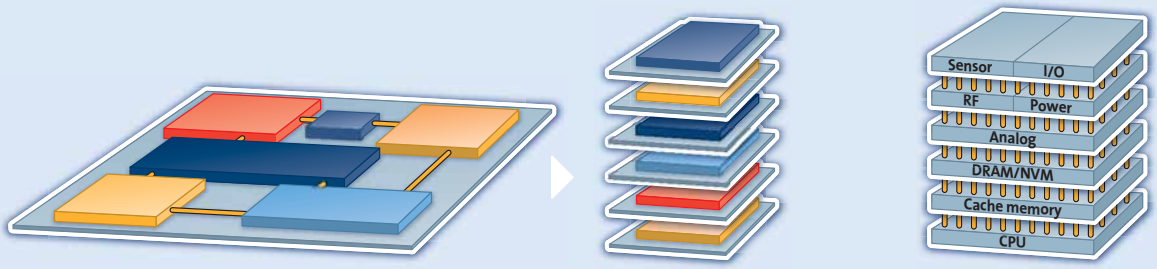
must be created as possible, the semiconductor industry faces the task of integrating as many functions as possible in a limited area. The stacking of microchips in the third dimension (z level) enables the manufacture of more powerful components based on established photolithographic and bonding technologies. Since the stacking of conventional chips does not lead to any space savings as a result of increasing height, the individual chips must be made thinner prior to their vertical assembly. Accordingly, it is ensured that a three-dimensional component does not exceed the height of an individual single-layer component. Smaller components manufactured in this way are not only faster, but they also consume less energy and are, thus, suitable for use in modern consumer electronics, such as smart phones, GPS devices, and other mobile applications. In the process, the increase in complexity and performance results in particular from the substantially smaller distances for the signals in the component to overcome. If one were to compare the signal transmission of chips and components grouped horizontally to that of chips grouped vertically, this would approximately equate to an average golfer, who previously had to make a hole-in-one from a distance of 10km, but now merely has to make a putt. The increase in performance in terms of transmission speed is, thus, comparable to reducing the time for a flight between Tokyo and New York from just under fourteen hours to approximately five minutes. The slogan "More than Moore", which is used in 3D integration, also implies the virtually limitless potential offered by three-dimensional system integration. Thus, not only homogeneous, but for the first time also heterogeneous components can integrated in a 3D package. A prime example of this is the cell phone camera. Whereas approximately ten years ago, a camera was a luxury found only in very few cellular telephones, today, the 3D process makes it technically feasible to integrate lenses, holders, faceplates, and image sensors in a compact wafer-level camera. The resulting component miniaturization not only eases integration into the finished product, but the new manufacturing process has also led to substantial cost reductions, so that today nearly every cellular telephone has camera and video functionality with high image resolution, GPS-based image stabilization, and an integrated xenon flash.

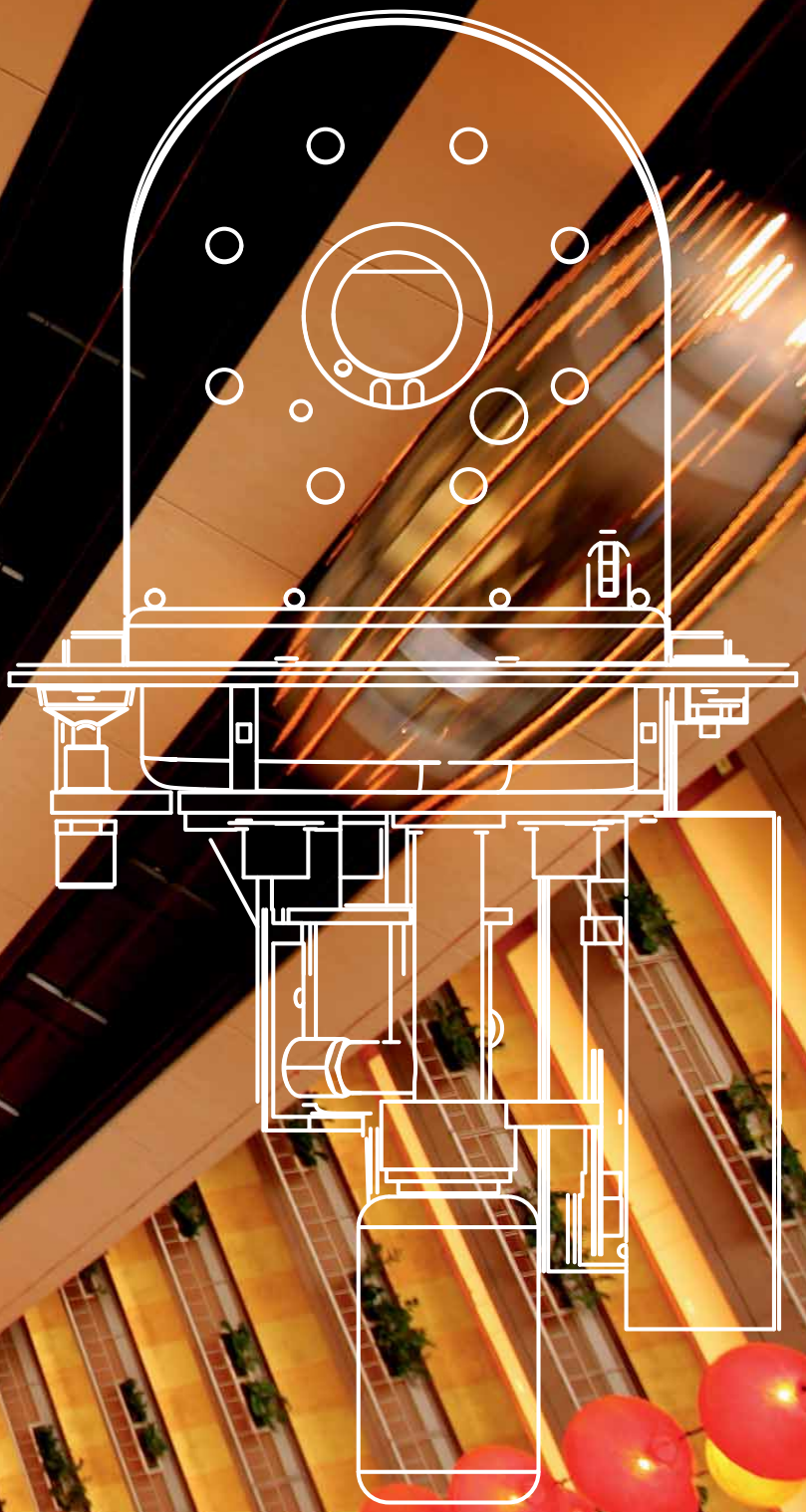


2D Integration

3D Integration

COMPLEXITY

Incorporating more functions side by side offers far greater convenience. Modern consumer electronics now combine completely different functions in the tiniest of spaces.



THREE-DIMENSIONAL SEMICONDUCTOR MANUFACTURING

The essential strength of the three-dimensional integration process consists of the large variety of possible production processes as well as the option of combining not only homogeneous, but also heterogeneous components in a 3D package. At the same time, in many parts of the production process, it is possible to employ already established photolithographic technologies and bonding processes.

In general, 3D integration is described as a style of architecture and assembly, which enables the manufacture and design of more efficient and powerful micro components. Through 3D integration, large-scale components are converted into small multi-dimensional and multi-functional components. In the process, chips that were previously arranged on one level are now arranged on several levels on top of each other. Analogies to this principle can be found in everyday life in the form of multi-functional high-rises: banks and retail businesses are located on the lower floors, medical and legal offices on the middle floors, and restaurants and apartments on the upper floors.

3D fabrication already begins with the design of an individual component. Its structural design must be modified to take full advantage of the targeted sandwich architecture. One of the most important changes in this design phase involves the conducting paths. Previously, they led to the edges of the chips and ultimately were joined with other parts of the component via small wires. Now, these conducting paths must run vertically through the individual layers of the component, similar to an elevator, which connects all floors of a building. Depending on the design, a distinction is made in 3D integration between various processes: 3D stacking, 3D packaging, and 3D interconnect. In the simplest form, 3D stacking, the relevant components are fabricated in a conventional manner, stacked, and wire bonded with each other and with the circuit board. This technique has already been used for a long time in mass production. However, wire bonding individual components with each other is tedious, time-consuming, expensive, and error-prone.

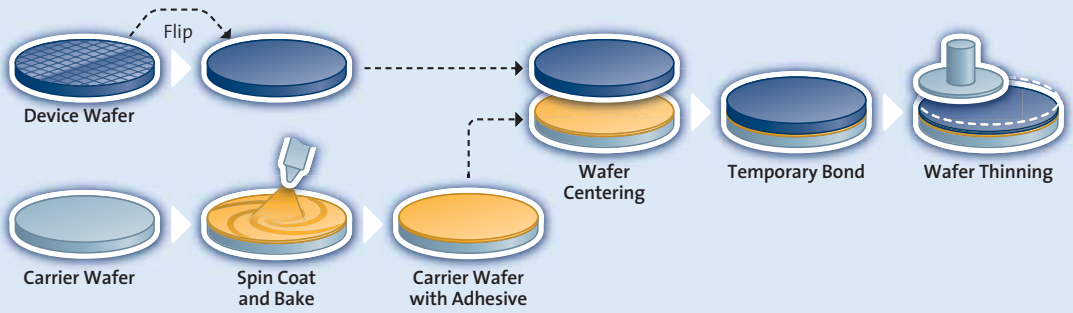
During 3D packaging, small bumps are still placed on the underside of the component on the wafer level. They serve as contacts to the microchip's environment. The correspondingly bumped components are then assembled vertically, one on top of the other. Thus, complex wire guides and allocations can be avoided. At the same time, components fabricated this way require less space, and the fabrication time is substantially reduced. These factors contribute substantially to reducing manufacturing costs. Vertical signal distribution is then ensured through the 3D interconnect process by means of through-silicon vias (TSVs), which connect individual layers with each other. TSVs can be integrated into the components economically by means of conventional lithography and innovative etching and metal filling techniques. The large number of possible fabrication processes is the essential strength of three-dimensional system integration.

Aside from homogeneous components, such varied types of components as sensor chips and microchips can be assembled into a 3D package. These components are frequently manufactured at different sites or in different factories and sometimes in different wafer sizes. Therefore, the major advantage of 3D integration consists of the fact that the most diverse components are manufactured independently of each other in the optimum manner, and, then, they are combined according to the specified 3D processes.

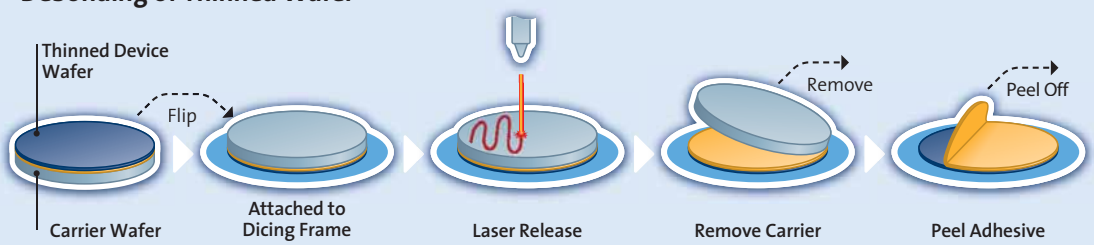
THIN WAFER HANDLING

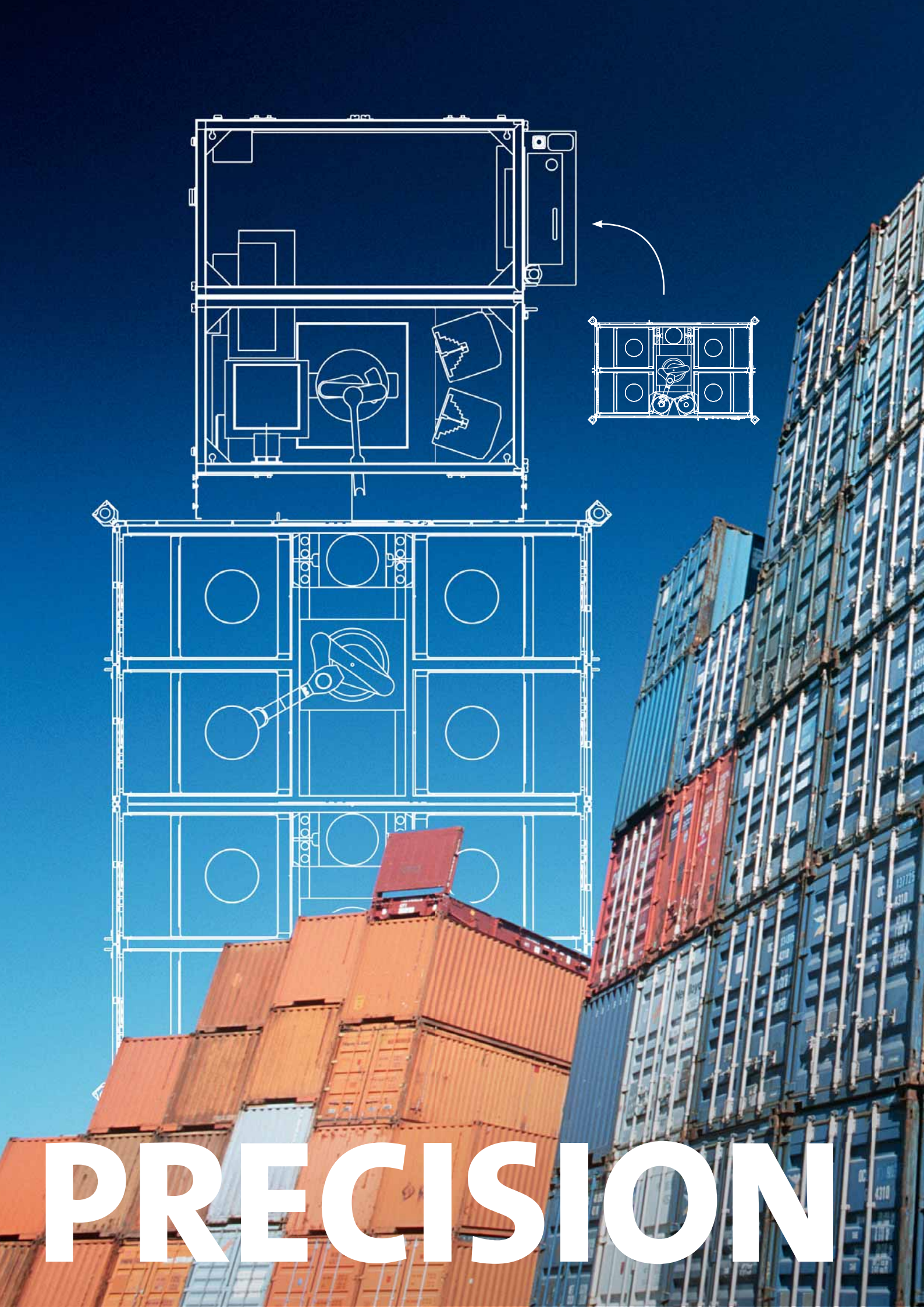
In order to conserve space by means of three-dimensional chip production, a 3D-fabricated component may not exceed the height of a single-layer component. Therefore, the enabling technologies required by 3D integration include wafer thinning and the additional handling of these extremely fragile substrates (thin wafer handling). Wafer thinning before or after stacking, which is a processing step that is currently still under development, is highly significant for the production process. For thinning, the wafer with the already patterned side must flip and be attached to a carrier wafer, such as a glass support, by temporary bonding methods. Subsequently, the rough, untreated backside of the wafer must be smoothed until it merely possesses the strength of a piece of paper. An additional step involves debonding the thinned wafer from its carrier without destroying in the process the patterns that have already been placed there.

Temporary Bonding and Wafer Thinning



Debonding of Thinned Wafer




PRECISION

The utmost precision is required to manufacture three-dimensional chip structures. The components are positioned just micrometers from one another – that's about the diameter of a human hair.

3D INTEGRATION APPLICATION DOMAINS

For several years, three-dimensional integration has already been applied successfully to the production of a few components. The best example illustrating that 3D production processes are not just a long way off in the future is the wafer-level camera, as it is implemented in cell phones. It combines state-of-the-art processes from MEMS and chip fabrication to create a functioning camera module that is the size of a fingernail.

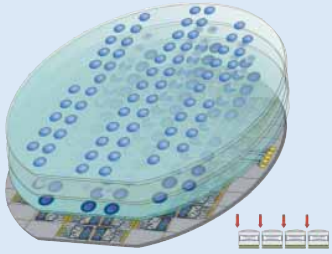
Perhaps the most popular example of the application of 3D technologies in semiconductor manufacturing is Apple's iPhone. Consumer demand for cell phones offering additional options such as GPS, games, video, internet access, calendar functions, and email have led to enormous development efforts and pioneering technological achievements by semiconductor manufacturers. Vertical system integration deserves the credit for the fact that, today, RF signal processing, image sensors, memory chips, accelerometers, gyroscopes, and much more are combined on a single, small, thin circuit board, making it possible to implement a leaner, more compact product design.

The major advantage of 3D integration lies in the possibility not only of combining homogeneous digital products such as memory chips and computer processors in a single stack, but also of vertically integrating the entire range of heterogeneous products, which are manufactured on semiconductor substrates, such as sensors, signal processors, and optical elements. At the same time, the 3D fabrication process permits the separate manufacture of individual components, in the manner that is optimum for each type. Subsequently, the various components are combined into a package by means of 3D assembly and interconnect technology. As a result, smaller, more powerful components are created at marginally higher manufacturing costs. Components manufactured using 3D technologies, which are already in production today, include memory chip and IC applications as well as CMOS image sensors and MEMS components.

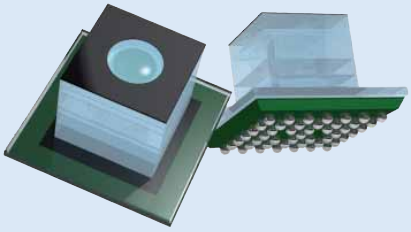
For example, CMOS image sensors, as they are used in cell phone cameras, represent an especially high-volume market for 3D integration. They were also the first 3D components that were mass produced by the 3D process. For example, a cell phone camera consists of ten to twenty different components, such as polymer or glass lenses, faceplates, filters, actuators, holders, lens tubes, and image sensors. These components are each manufactured separately and subsequently assembled at the wafer level. In a first step, the lenses are assembled on top of each other and combined with the image sensor before this stack is attached to the digital processor chip. This is the prerequisite for converting the optical signal into an electronic signal, which can then be output as an image file. All in all, the CMOS image sensor is one of the greatest successes of 3D integration.

SEMICONDUCTOR TECHNOLOGY FOR BETTER CELL PHONE CAMERAS

The current production of cameras for cell phones is still characterized by elaborate manual and semi-automated procedures. A cell phone camera consists of up to twenty different components, each of which must be manufactured separately and then assembled. Therefore, assembly represents a substantial cost factor for manufacturing. In order to reduce the manufacturing and assembly costs and improve the quality of the cameras, for several years, attempts have been made to produce optics using wafer technology – successfully. Using microlens imprint lithography, polymer lenses are imprinted on both sides of glass wafers. These lens wafers are then assembled on top of each other with a Mask Aligner in submicrometer precision and combined before the camera modules are separated. In an additional step, the camera modules are attached to a CMOS image sensor.



Construction of wafer-level camera modules



Finished wafer-level cameras after their separation and assembly on the CMOS image sensor

It combines state-of-the-art processes from MEMS and chip fabrication. As a result, camera modules can be produced that are the size of a fingernail.

3D MEMS are components, which combine micromechanical or microoptical components with microelectronic circuits in a compact system. The market success of these small, inherently three-dimensional sensors derives from their diverse range of applications. Their applications range from the automotive industry to medical technology all the way to consumer electronics, where the small components have gained ground as image stabilizers in cameras or as controllers in game consoles. Game consoles such as the Nintendo Wii use MEMS components as accelerometers and gyroscopes in order to turn interactive sports competitions, fitness programs, and fantasy games into reality-like experiences.


EFFICIENCY

Packing performance into the most compact of spaces – thanks to innovative process technologies, it is now possible to make a three-dimensional component no deeper than a single-layer system used to be. This enables functions to be combined extremely effectively.

EQUIPMENT AND PROCESS SOLUTIONS MADE BY SUSS

SUSS MicroTec currently offers a product portfolio encompassing the essential processing steps of 3D integration. Our objective is to expand our systems – in cooperation with well-known partners from industry and science – into a platform suitable for implementing processing solutions and functions which are both diverse and currently being advanced.

In view of the higher performance and lower costs resulting from the 3D process, many experts view 3D integration as a turning point in high-volume component manufacture. As with other enabling technologies, these processes are also initially subject to numerous and continuous changes. Consensus about the processes and their standardization is still premature. Best known methods and scientifically documented processes are urgently needed in order to reduce the risks associated with this development and to shorten to the time until market readiness. SUSS MicroTec's product portfolio already encompasses systems for all of the critical 3D integration production steps. SUSS MicroTec's strength consists of the high flexibility of its tool sets, of which the interchangeable modules can be adapted to specific customer development processes at minimal expense. The advantage for the customers a obvious. During process development, short retooling times contribute substantially to cost reductions during work on prototypes and in test productions. Flexibility is also important to foundries in Asia that use various different wafer sizes and materials to manufacture their wide range of products. This is one of the main reasons why SUSS MicroTec systems are also popular there.

With the second generation of the MA300, SUSS MicroTec has succeeded in creating a Mask Aligner production platform for processing large, 300mm wafers in the 3D integration domain. It can be used among other things for patterning through-silicon vias (TSVs). Positioning precision plays a vital role with these tiny through silicon vias, which enable vertically integrated, stacked, three-dimensional circuits. Therefore, the MA300 Gen2 was equipped with high alignment accuracy optimized for current three-dimensional applications. This alignment accuracy enables the processing of double-sided patterned wafers

The ACS300 Gen2

as well as opaque, yet infrared transparent materials. Due to its high accuracy even under the most challenging conditions and its peerless efficiency, the MA300 Gen2 is in the process of gaining a solid position in 3D integrated component manufacture.

With the ACS300 Gen2, a production tool for the coating, development, and baking of light-sensitive material, SUSS MicroTec can offer additional equipment for 3D integration. So far, the ACS300 Gen2 has been able to hold its ground successfully against the competition with a series of leading chip manufacturers and foundries. Along with its high efficiency and minimal footprint, the new tool has a high-precision 6-axis robot and a camera-based alignment system. As a result, the ACS300 Gen 2 is also capable of precisely processing substrates bonded on supports, as they are used in 3D integration.

In the area of bonding systems, the XBC300, a production bonder for wafers up to 300mm, offers a launch platform for the three most important bonding techniques in the area of 3D integration: temporary and permanent bonding and debonding. Bond alignment always occurs in the submicron region. In 2009, SUSS MicroTec concluded cooperative agreements for the joint development of temporary bonding and debonding solutions and thinned wafer handling with several well-known manufacturers. The objective of these cooperative agreements is to expand SUSS MicroTec's systems into a platform suitable for equally implementing processing solutions developed by various partners to the complete satisfaction of diverse customer requirements.

TSV-FABRICATION WITH SUSS LITHOGRAPHY SYSTEMS

An enabling technology requiring the 3D interconnect process is the manufacture of through-silicon vias, which connect the individual layers of a 3D component with each other. The etching and subsequent filling of vertical vias are essential steps in the manufacturing process for TSVs. In general, TSVs can be integrated either at the beginning of wafer production (front-end processes) or at a later stage of production (back-end processes). For this reason, expressions like via-first and via-last processing have become ingrained in the jargon of the semiconductor industry. Before the vias can be etched in the silicon, the etch mask is made by coating, alignment, and exposure. SUSS MicroTec's high-precision Mask Aligner and Coater systems are being successfully employed for these process steps.

For example, the ACS300 Gen2 automated coating and development system enables the simultaneous processing of 200mm and 300mm wafers without time-consuming, mechanical retooling and can be equipped, as needed, with process modules for applying resists by using spin coating or spray coating technology. The equipment was designed for the consistent application of thin and thick resists as well as for the spreading of photosensitive polymers in a thickness ranging from less than 1µm to over 100µm. The ACS300 Gen2 enables flexible production planning from research and development to the pilot phase all the way to mass production.

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INVESTOR RELATIONS

In the first quarter of 2009, the price of the SUSS MicroTec share was still heavily influenced by the financial and economic crisis as well as the related uncertainty regarding future economic developments. However, at the beginning of the second quarter, the share was able to regain momentum, and it closed the reporting year with an increase of 227%. You will find more information about share performance, ownership information, and investor relations activities in this chapter.

Turnaround in Share Performance

After the global financial market crisis led to dramatic plunges in the worldwide stock markets in 2008, these markets resumed an upward trajectory in 2009. The German DAX index, which began the year at 4,810.20 points, closed the year just under the 6,000 threshold at 5,957.43 points, which represented a 24% increase from the previous year. The MDAX and SDAX indexes rose during the same period by 34% and 28%, respectively. Thus, the DAX's performance was quite respectable by international standards. The major European indexes, such as the French CAC40 and the British FTSE 100, each increased by a much more restrained 22%. Wall Street and the Tokyo stock exchange also moved upward, but more modestly. The Dow Jones and Nikkei averages closed the year 19% higher.

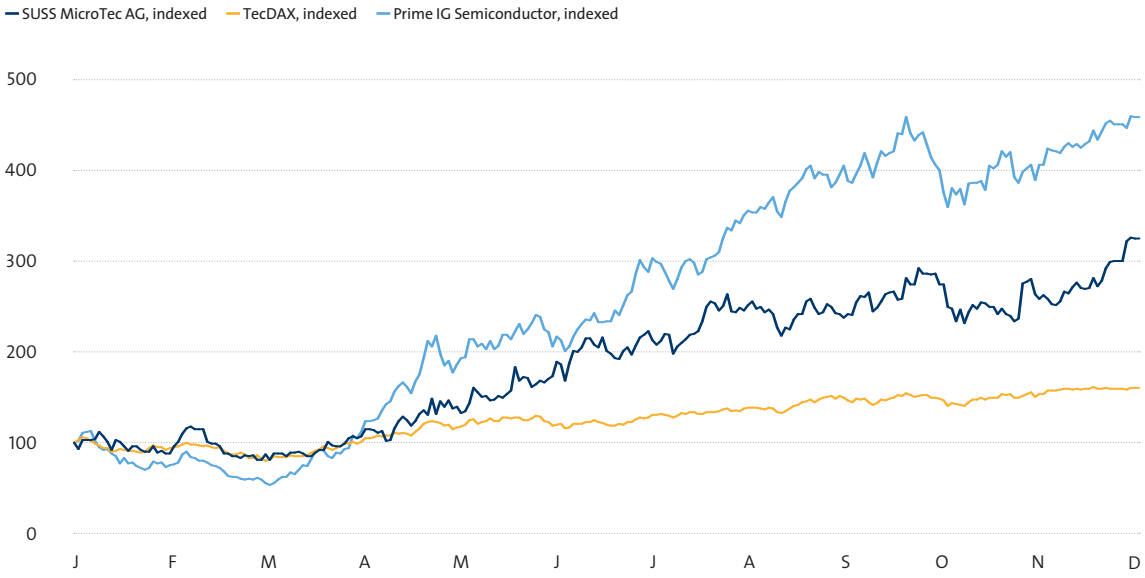
The SUSS MicroTec share began the 2009 fiscal year at a price of € 1.36, following significant losses in the share price in 2008 as a result of the financial and economic crisis. Subsequent share performance in the first three months of 2009 was primarily driven by investors' lingering uncertainty regarding further macroeconomic and sector-specific developments. However, beginning in April, trading activities recovered noticeably and the SUSS MicroTec share was able to record considerable gains. The Company's success in concluding cooperative development agreements in the area of 3D integration in the second quarter and announcements of rising order entry and improved capacity utilization in the semiconductor industry had a positive impact on the share. This trend was supported by the concomitant quarterly reporting, which indicated initial success in the implementation of cost reduction and restructuring measures. As a result, after the beginning of the summer in 2009, the SUSS MicroTec share was able to steadily outperform the TecDAX benchmark index. Only the IG Prime Semiconductor sector index, driven by the exceptional trend of the Infineon, Aixtron; and Dialog Semiconductor shares, was able to achieve an even better concurrent performance. On December 31, 2009, the SUSS MicroTec share recorded a closing price of € 4.45, representing a 227% increase from a year ago. The TecDAX and IG Prime Semiconductor indexes rose by approximately 61% and 362%, respectively, in comparison with the previous year.

The liquidity of the SUSS MicroTec share on all German stock exchanges with average sales of 46,414 per day was at the same level as in the previous year (2008: 46,325 units per day). The average share price in the period January 1 to December 31, 2009 came to € 2.53.

Further details on the share and its performance can be found in the following graphs and tables.

SUSS MicroTec Share Performance in 2009

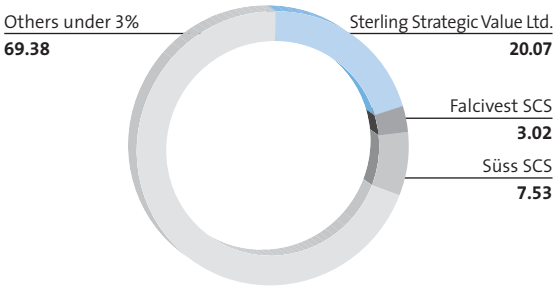
(SUSS MicroTec share price on January 1, 2009: € 1.36)



Comparison of SUSS MicroTec, TecDAX, and Prime IG Semiconductor Market Development

	01/01/2009	12/31/2009	Change
TecDAX	€ 508.31	€ 817.58	+60.8%
Prime IG Semiconductor	€ 21.06	€ 97.26	+361.8%
SUSS MicroTec	€ 1.36	€ 4.45	+227.2%

Ownership Information as of December 31, 2009 in %



An Overview of the SUSS MicroTec Share

Securities identification number	722670
ISIN	DE0007226706
Reuters code	SMHG
Bloomberg code	SMH
Stock exchange segment	Prime Standard
Number of issued shares (As of December 31, 2009)	17,019,126
Description of securities	No-par value bearer shares
Designated sponsor	HSBC Trinkaus & Burkhardt until 09/30/2009 Equinet since 10/01/2009
Initial public offering	05/18/1999
Opening/closing price for the year in euros	€1.36/€4.45
Yearly high/low in euros*	€4.48/€1.04
Annual development in%	+227.2%
Capital measures in 2009	–

* XETRA closing price

Investor Relations in Times of Crisis

In the past fiscal year, we responded to changes in the international capital markets, triggered by the financial crisis, with intensified investor relations activities and expanded participation in domestic and foreign financial market conferences. The Management Board and Investor Relations participated in seven capital markets conferences and road shows and also took advantage of opportunities for personal interaction with institutional investors and analysts in over 80 one-on-one meetings. In addition, conference calls for investors and analysts coincided with the publication of quarterly results and extraordinary events. Investor relations activities also emphasized recasting and expanding the content of the corporate website. Under the "Investor Relations" heading, shareholders and potential investors can learn about current developments at the Group and view its past publications at any time. Aside from obligatory publications, which are available to download in both German and English, online content now includes presentations at key events and Management Board interviews in video or audio format. In addition, downloadable analyst reports and a fact sheet which is updated quarterly provide a quick overview. Furthermore, interested investors can tour the plant at our headquarters in Garching near Munich. This includes the opportunity to speak to the Management Board. Our goal is to augment analysts' and investors' understanding of our business activities by giving them deeper insights into the Group-wide product portfolio and its application areas.

Annual Report Award

During the past fiscal year, SUSS MicroTec AG received its fifth Annual Report award from the League of American Communications Professionals (LACP). In the competitive category "Technology – Semiconductors & Equipment," the 2008 Annual Report was granted the Platinum award, thus surpassing all of the other financial reports in its sector.

Analyst Research

The difficult year for the stock market in 2008 and the related decline in SUSS MicroTec AG's market capitalization led to changes in the composition and number of research firms covering the Company in 2009. Of the seven research firms that previously provided active coverage, four discontinued regular coverage during the 2009 fiscal year: Deutsche Bank AG, Crédit Agricole Cheuvreux AG, Close Brothers Seydler Research AG, and Fairresearch GmbH & Co. KG. However, the Company picked up coverage initiations by Equinet AG and GBC AG Investment Research. Equinet AG assumed coverage as designated sponsor of the SUSS MicroTec share from HSBC Trinkaus & Burkhardt beginning in October of 2009. In addition, three research firms – Credit Suisse AG, DZ Bank AG, and SES Research GmbH – have continued their longstanding reporting on the SUSS MicroTec share.

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Shareholders' Meeting

SUSS MicroTec AG's ordinary Shareholders' Meeting took place during the reporting period on June 24, 2009 at Haus der Bayerischen Wirtschaft (House of the Bavarian Economy). Approximately 120 shareholders, shareholder representatives, bank representatives, and guests accepted the invitation to Munich to inform themselves in person about business trends in the past fiscal year and the Company's prospects in view of the general economic and financial crisis. Approximately 38% of the equity capital was represented. In its statement of accounts, the Management Board discussed in detail the results of the past fiscal year and the first quarter of 2009. The emphasis was on extraordinary expenses in the 2008 fiscal year, which had a material impact on the results that year and on the restructuring and cost reduction measures implemented since the middle of the year. In addition, the Management Board dealt extensively with the Group's strategic product orientation in the coming years. A special focus was placed on potential opportunities in the area of 3D integration.

With the exception of a resolution to create new contingent capital and the authorization to issue convertible and/or optional bonds, the Shareholder's Meeting approved the draft resolutions proposed by the Supervisory Board and Management Board by a large majority in the subsequent vote. Counter-proposals submitted by shareholders this year were, however, rejected by majority vote. Mr. Sebastian Reppegather was elected to the Company's Supervisory Board as successor for the remainder of Dr. Franz Richter's term. Dr. Richter had served in office since June 19, 2008. Mr. Reppegather is a member of the management of IED Beteiligungs-GmbH, Frankfurt am Main, as well as investment director at Fidinam S.A., Lugano, Switzerland. In addition, Mr. Reppegather is a member of the Board of Directors of Sterling Strategic Value Limited, Tortola, British Virgin Islands.

CORPORATE GOVERNANCE

Corporate governance represents a responsible type of management and control of companies that creates value in the long term. At SUSS MicroTec, we are guided by the German Corporate Governance Code, which is a proven standard of good corporate governance in Germany. Relevant details can be found in the following report.

Corporate Governance Report

Corporate governance has always been of great importance to SUSS MicroTec. The Management Board and Supervisory Board regard it as their obligation to ensure continuity and long-term value creation for the Company via responsible and sustainable corporate governance.

We are convinced that good and transparent corporate governance is an essential element of business success. Our goal is to reinforce the confidence that investors, financial markets, business partners, employees, and the public have put in us and to continuously enhance corporate governance within the Group. Extensive information on this topic can be found on our website.

Declaration of Compliance with the German Corporate Governance Code

SUSS MicroTec AG has complied with the recommendations of the German Corporate Governance Code (the Code), which was promulgated in 2002 and expanded in June 2009, for many years and with only a few exceptions. Also in the past fiscal year, the Management and Supervisory Boards of SUSS MicroTec AG dealt in detail with fulfilling the specifications of the Code, particularly the new requirements from June 18, 2009. Based on these consultations, on November 3, 2009, the Management and Supervisory Boards passed the following declaration of compliance in accordance with Section 161 (1) of the German Stock Corporation Law (AktG).

SUSS MicroTec AG will comply with the recommendations of the German Corporate Governance Code in its version of June 18, 2009 with the following four exceptions and has complied with the recommendations of the Code in its version of June 6, 2008 for the period of November 7, 2008 to November 3, 2009 with three exceptions – the deductible for the directors' and officers' liability insurance (D&O insurance), the creation of committees, and the remuneration of Supervisory Board members.

+ **Invitation to the Shareholders' Meeting/Proxy**
The German Corporate Governance Code recommends in Section 2.3.2 that an invitation to the Shareholders' Meeting, including convention documents, be sent by electronic means to all domestic and foreign financial services providers, shareholders, and shareholder associations, insofar as all approval requirements have been met. To date, SUSS MicroTec has not met the approval requirements needed to send the convention documents by electronic means. As shares in the Company are bearer shares, it cannot be guaranteed that these requirements will be met in the future either.

+ Deductible for D&O Insurance

The German Corporate Governance Code recommends in Section 3.8 that upon concluding a directors' and officers' liability insurance policy, a deductible for the company Supervisory Board that complies with the legal requirements for board members be agreed. SUSS MicroTec AG has had D&O insurance without any body-specific deductible for the Supervisory Board for several years. In SUSS MicroTec's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of a corresponding deductible.

+ Creation of Committees

The German Corporate Governance Code recommends in Section 5.3 creating professionally qualified committees, depending on the specific circumstances of the company and the number of its Supervisory Board members. As the Supervisory Board of SUSS MicroTec AG now consists of three members following the resolution passed at the Shareholders' Meeting on June 19, 2008, the Company does not consider it necessary to create the corresponding committees. In particular, the Supervisory Board is of the opinion that the creation of committees would make the body's work unnecessarily difficult given the number of members.

+ Remuneration of Supervisory Board Members

In Section 5.4.6, the German Corporate Governance Code recommends a performance-based remuneration of Supervisory Board members as well as remuneration for serving on and chairing committees. The remuneration of Supervisory Board members is stipulated in Section 13 of the articles of incorporation. SUSS MicroTec AG's articles of incorporationcurrently do not provide for performance-based compensation of the Supervisory Board. In the Company's opinion, responsible actions of the Supervisory Board are not additionally promoted through the agreement of performance-based compensation for Supervisory Board members.

The wording of the current declaration of compliance as well as of all previous declarations regarding the Code are published on the Company's website.

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Furthermore, SUSS MicroTec AG voluntarily complies with the non-obligatory recommendations of the Code with the following restrictions:

+ Notwithstanding to Section 2.3.3 of the German Corporate Governance Code, the proxy cannot be reached during the Shareholders' Meeting, since this cannot be guaranteed with the legally required level of security at a justifiable financial expense.

+ Section 2.3.4 of the Code suggests that the shareholders of the Company be able to follow the Shareholders' Meeting via modern communication methods (e.g. the internet). Considering the additional costs that might arise from the use of this technology, a decision was made not to implement such measures at this time.

+ Since the Supervisory Board of SUSS MicroTec AG does not take part in the decision-making, there is no separate prearrangement of Supervisory Board meetings, notwithstanding to Section 3.6 (1) of the German Corporate Governance Code.

The Shareholders' Meeting – a Megaphone for the Shareholders

The annual Shareholders' Meeting at SUSS MicroTec is prepared with the goal of providing shareholders with all relevant information before, during, and after the meeting. The convening of the Shareholders' Meeting, along with the pending agenda items and the conditions for participation, is usually announced one-and-a-half months before the date of the meeting. All documents and information on the Shareholders' Meeting can be downloaded from the Company's website. A paper copy can also be requested from the IR department. We also try to make it easier for participants to exercise their rights. As such, shareholders can either exercise their voting right themselves at the Shareholders' Meeting or have this exercised via a proxy of their choice or a voting rights representative with instructions appointed by the Company. Instructions for exercising voting rights can be issued prior to the Shareholders' Meeting or at the meeting directly on site. We publish attendance figures and voting results from the Shareholders' Meeting on the internet immediately after the event.

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Notification of the convening of the Shareholders' Meeting has so far not been made by electronic means since the approval requirements are not yet fulfilled. SUSS MicroTec AG will follow relevant developments very closely and – if a change to the process in place until now is required – will recommend that the articles of incorporation be changed accordingly at a future Shareholders' Meeting.

Communication and Transparency

In order to guarantee the greatest extent of transparency possible and equal opportunities for all, corporate communication at SUSS MicroTec strives to inform all target groups in an equal and timely manner. The Company employs various means in order to do so. Aside from telephone conversations, conferences, road shows, and occasional company visits, we rely in particular on the corporate website to inform shareholders, institutional investors, analysts, and other interested parties about current developments at the Group. Along with obligatory publications, which are available to download in both German and English at www.suss.com/investor_relations/, it is now possible to view or download presentations from key events and Management Board interviews in video or audio format without charge. We regularly inform shareholders, analysts, members of the media, and any interested members of the public about any recurring events, for example the date of the Shareholders' Meeting or the publication dates of interim reports. This information can be found in the financial calendar published in our Annual Report and interim reports as well as on our Company's website.

Management and Supervisory Board Cooperation

As a German corporation ("AG"), SUSS MicroTec is subject to German stock corporation law and, therefore, has a dual management and control structure, which is exercised by the members of the Management and Supervisory Boards. The members of the Management Board bear joint responsibility for all management activities. They develop the Company's strategy, coordinate this with the Supervisory Board, and ensure that it is carried out. The Supervisory Board monitors and consults the

Management Board with regard to the management of the Company and appoints the members of the Management Board. Significant Management Board decisions – for example, acquisitions, divestments, and financial transactions – require its approval. The Supervisory Board of SUSS MicroTec AG is not co-determinated.

The corporate management of SUSS MicroTec AG is defined by close and constructive cooperation between the Management and Supervisory Boards. Both Boards work together closely in the interest of the Company and with the common goal of increasing the enterprise value in the long run.

The Management Board informs the Supervisory Board about business policy and all relevant issues related to planning, business development, risk position, and risk management on a regular, prompt, and comprehensive basis. Deviations in business developments from the established plans and targets are explained and reasons for these are provided. As is stipulated in the German Corporate Governance Code, only one former member of the Management Board belongs to the Supervisory Board of SUSS MicroTec AG (this being Dr. Stefan Reineck). This guarantees the impartial consultation and monitoring of the Management Board.

In the 2009 reporting year, there were again no consultancy agreements or other service or labor contracts between the members of the Supervisory Board and the Company. In the 2009 reporting year, the Supervisory Board concluded a cooperative agreement with Thin Materials AG. At this time, their Chief Executive Officer Dr. Franz Richter was simultaneously Chairman of the Supervisory Board of SUSS MicroTec AG. In his capacity as chairman of the Supervisory Board of SUSS MicoTec AG, Dr. Richter abstained from votes on the contract. Otherwise, there were no conflicts of interest of members of the Management and Supervisory Boards, which must immediately be disclosed to the Supervisory Board and be made known at the Shareholders' Meeting.

Changes in the Management and Supervisory Boards

Effective February 1, 2009, Frank P. Averdung was appointed to the Company's Management Board as SUSS MicroTec AG's Chief Executive Officer. The former managing director of Carl Zeiss SMS GmbH (SMS – Semiconductor Metrology Systems) in Jena, Germany, takes on the functions of sales, marketing, production, work safety, research and development, patents, quality control, and Group strategy.

Christian Schubert, who assumed a seat on the Management Board on an interim basis on October 2, 2008, remained in the Management Board of the Company until the end of his contract on May 31, 2009. During that time, he dedicated his efforts particularly to the further optimization of purchasing and procurement as well as materials handling.

As had been announced prior to the Shareholders' Meeting on March 26, 2009, Dr. Franz Richter stepped down from his position as Chairman of the Supervisory Board of SUSS MicroTec AG at the conclusion of the Shareholders' Meeting on June 24, 2009. He did so of his own volition ahead of schedule. The reason for this decision was the avoidance of potential conflicts of interest, which might have arisen from his function as Chief Executive Officer of Thin Materials AG and Chairman of the Supervisory Board of SUSS MicroTec AG, after both companies entered into a cooperative agreement in the past fiscal year, although SUSS MicroTec did not rule out additional cooperative agreements in the area of thin wafer handling. Mr. Sebastian Reppegather was elected by the Shareholders' Meeting to the Company's Supervisory Board as his successor for the remainder of his original term.

Remuneration Report

Transparent and comprehensible representation of the Management Board remuneration has been a major element of good corporate governance at SUSS MicroTec for years. With the German Act on the Appropriateness of Management Board Compensation (VorstAG), which took effect on August 5, 2009, legislators have established new requirements for determining Management Board remuneration. The goal of the legislators is to link Management Board remuneration to sustainable and long-term-oriented corporate management. This goal is consistent with the principles on which Management Board remuneration at SUSS MicroTec is based. At various times since the summer of 2009 and particularly in its meeting on November 3, 2009, the Supervisory Board has dealt extensively with the new law and in particular with linking Management Board remuneration to sustainable corporate management. An external remuneration specialist was also consulted. After extensive consultations, the Supervisory Board adapted the Management Board remuneration system as of January 1, 2010 to the new law.

The overall compensation of members of the Management Board consists of remuneration components both independent of performance as well as based on performance. The components independent of performance consist of the base salary and fringe benefits in the form of a company car and subsidies for health insurance and unsolicited retirement insurance. The amount of fixed pay is determined first and foremost by the roles and responsibilities assigned. In addition, employer pension commitments (retirement, disability, and widow's pension) in the form of direct insurance have been made to the members of the Management Board (endowment insurance). No other benefits of monetary value were granted.

The performance-based remuneration components of the Management Board are split into a variable remuneration, which is based on goals set individually, and a stock-based compensation geared toward the long-term success of the Company consisting of stock options. The Supervisory Board is responsible for setting the individual remuneration of Management Board members. The Supervisory Board plenum determines and monitors the compensation system for the Management Board on a regular basis and finalizes the Management Board contracts.

For Management Board contracts concluded after November 11, 2008, a compensation payment has been earmarked in case a member of the Management Board steps down prematurely and without significant cause. This is limited to no more than two years of compensation including fringe benefits (severance package cap) and compensates for no more than the remaining term of the employment contract. The Management Board contracts do not include approval for benefits arising from the premature termination of the Management Board function as a result of a change of control.

SUSS MicroTec AG paid the following remuneration to the members of the Management Board in the 2009 fiscal year:

Remuneration of the Management Board in 2009

Member of the Management Board	Base salary in €*	Variable remuneration for 2008 in €	Stock options number	Other payments in €**	Expenses for retirement benefits in €
Frank Averdung [a]	237,127.00	0.00	67,500	5,910.30	2,148.00
Michael Knopp	210,852.00	53,018.93	67,500	6,447.60	2,148.00
Christian Schubert [b]	111,144.78	20,000.00	–	–	–

* Included in the base salary are allowances for health insurance and a company car with personal use option.
** Allowance for voluntary retirement fund

a) Member of the Management Board since February 1, 2009
b) Member of the Management Board until May 31, 2009

Remuneration of the Supervisory Board in 2009

Supervisory Board	Remuneration acc. to Section 13 (1) of the articles of incorporation in €	Meeting attendance payment acc. to Section 13 (2) of the articles of incorporation in €	Reimbursement of expenses plus 19% VAT less 30% directors' taxes, etc. (Section 13 (3) of the articles of incorporation) in €
Dr. Franz Richter (Chairman of the Supervisory Board until June 24, 2009)	22,500.00	6,000.00	5,415.00 VAT less 1,298.00 D&O insurance = 4,117.00
Dr. Stefan Reineck (Chairman of the Supervisory Board since June 24, 2009)	42,500.00	13,500.00	8,976.34 plus 12,345.50 VAT less 1,947.00 D&O insurance = 19,374.84
Jan Teichert (Deputy Chairman of the Supervisory Board since June 24, 2009)	37,500.00	13,500.00	9,690.00 VAT less 1,082.00 D&O insurance = 8,608.00
Sebastian Reppegather (Member of the Supervisory Board since June 24, 2009)	17,500.00	7,500.00	4,050.00 plus 7,912.50 director's tax less 433.00 D&O insurance = -4,295.50

The remuneration of the Supervisory Board is set out in Section 13 of the articles of incorporation of SUSS MicroTec AG. In addition to the reimbursement of their expenses and meeting attendance compensation of € 1,500.00 per meeting, each member of the Supervisory Board also receives a fixed remuneration based on the responsibilities and duties of the member. According to this, the Chairman of the Supervisory Board receives € 45,000.00, the Deputy Chairman receives € 40,000.00, and a regular member of the Supervisory Board receives € 35,000.00 per fiscal year as fixed compensation.

In the 2009 fiscal year, neither the previous nor the current members of the Supervisory Board received any remuneration or benefits for personal services, particularly consultation and placement services.

Disclosure of Securities Transactions in 2009

Date of the transaction	Buyer/seller	Function/status	Type and place of transaction	Quantity number	Price in €	Total volume in €
06/25/09	Dr. Stefan Reineck	Chairman of the Supervisory Board	Purchase on the Frankfurt Stock Exchange	3,000	2.80	8,400.00
03/03/09	Frank Averdung	Chief Executive Officer	Purchase on XETRA	15,000	1.20	18,000.00
02/20/09	Frank Averdung	Chief Executive Officer	Purchase on XETRA	2,500	1.10	2,750.00

Directors' Dealings

In accordance with Section 15a of the German Securities Trading Law (WpHG), the members of the Management and Supervisory Boards are legally obligated to disclose the acquisition or sale of SUSS MicroTec AG shares or their corresponding financial instruments provided that the value of the transactions that a member of the Company and persons associated with him/her has carried out within the calendar year amounts to or exceeds € 5,000.

In the last fiscal year, three transactions were reported to SUSS MicroTec AG.

All dealings were published on the Company's website.

www.suss.com/investor_relations

Stock Option Plans

SUSS MicroTec AG views the issue of stock option plans as an important element of employee participation in the success of the Company as well as an opportunity to ensure that the executives are committed to the Company over the long term. The Company currently has three stock option plans. In each case, the options can be issued to members of the Management Board, members of management of associated companies within the meaning of Section 15 et seq German Stock Corporation Law (AktG), and to executives of SUSS MicroTec AG and companies associated with it within the meaning of Section 15 et seq AktG.

Stock Option Plan of 2002

From the Stock Option Plan of 2002 passed during the Shareholders' Meeting of June 14, 2002, 20,050 options were issued at the beginning of the 2009 fiscal year (of which 0 were issued to members of the Management Board). In the 2009 fiscal year, a total of 0 subscription rights were exercised. In the year under review, 4,500 options from the Stock Option Plan of 2002 expired. At the end of the fiscal year, a total of 15,550 options from the Stock Option Plan of 2002 were still outstanding. Of them, 15,550 options can be exercised at an exercise price of € 3.44 until the expiration date of August 2010, provided one of the performance goals described below is met: (i) the stock exchange price of the SUSS MicroTec share has increased by an average of 7.5% per annum during the period between issuing and exercising the options and the stock exchange price of the Company has developed the same as or better than the NEMAX or its successor index TecDAX during this period, or (ii) the stock exchange price of the SUSS MicroTec share has increased by an average of 10% per annum during the period between issuing and exercising the options. The stock exchange price on the issuance date to be used to determine the performance goals is € 4.91.

Stock Option Plan of 2005

At the beginning of the 2009 fiscal year, there were a total of 567,600 options outstanding under the Stock Option Plan of 2005 passed by the Shareholders' Meeting on June 21, 2005. In the 2009 reporting year, a total of 0 options were issued to members of the Management Board. A total of 163,700 options from the Stock Option Plan of 2005 expired in the 2009 fiscal year. No options from this plan were exercised in the 2009 fiscal year. The number of options still outstanding at the end of the fiscal year amounted to 403,900, of which 70,000 overall were held by members of the Management Board. The issued options can be exercised upon expiration of a two-year waiting period, provided one of the performance goals described below is met: (i) the stock exchange price of the SUSS MicroTec share has increased by an average of 7.5% per annum during the period between issuing and exercising the options and the stock exchange price of the Company has developed the same as or better than the TecDAX during this period, or (ii) the stock exchange price of the SUSS MicroTec share has increased by an average of 10% per annum during the period between issuing and exercising the options. The exercise and/or subscription prices amount to € 4.95 for 81,500 options issued on August 31, 2005, € 7.35 for 103,000 options issued on June 8, 2006, and € 8.39 for 189,400 options issued on May 23, 2007, and € 8.42 for 30,000 options issued on August 22, 2007.

Stock Option Plan of 2008

From the Stock Option Plan of 2008 passed during the Shareholders' Meeting of June 19, 2008, 0 options were issued at the beginning of the 2009 fiscal year (of which 0 were issued to members of the Management Board). In the 2009 fiscal year, a total of 438,250 subscription rights were issued. In the year under review, 2,500 options from the Stock Option Plan of 2008 expired. At the end of the 2009 fiscal year, a total of 435,750 options from the Stock Option Plan of 2009 were still outstanding. The issued options can be exercised upon expiration of a two-year waiting period, provided that the following performance goals are met: (i) the stock exchange price of the SUSS MicroTec share has increased by at least 0.625% per full calendar month during the period between the issue date and the first day on which the stock option is exercised and the stock exchange price of the SUSS MicroTec share has developed the same as or better than the TecDAX during this period in percentage, or (ii) the stock exchange price of the SUSS MicroTec share has increased by at least 0.833% per full calendar month during the period between the issue date and the first day on which the stock option is exercised. In addition to the performance goals (i) and (ii), for exercise periods within the first 36 months of the term of the stock options, the stock exchange price of the SUSS MicroTec share must reach € 5.00 at least once during the term until the first day of the exercise period; for exercise period; between the 37th month and the 48th month it must reach € 5.75 at least once during the term, and for exercise periods between the 49th month and the 60th month it must reach € 6.60 at least once during the term. The exercise and/or subscription prices amount to € 1.30 for 438,250 options issued on April 14, 2009.

Accounting and Annual Audit

SUSS MicroTec prepares its consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards (IFRS) as are applied in the European Union for listed companies. The individual financial statements of SUSS MicroTec AG are prepared according to the provisions of the German Commercial Code (HGB).

On June 24, 2009, the Shareholders' Meeting appointed KPMG AG Wirtschaftsprüfungsgesellschaft from Munich, Germany as auditors and Group auditors of SUSS MicroTec AG for the 2009 fiscal year. The auditor has demonstrated its impartiality to the Supervisory Board in a declaration of impartiality. Furthermore, the auditor agreed to inform the Supervisory Board of all material findings and circumstances that arise while conducting the audit.

Ownership of Shares and Subscription Rights

	Number of shares on 12/31/2009	Change from 12/31/2008	Number of stock options on 12/31/2009	Change from 12/31/2008
Supervisory Board				
Dr. Stefan Reineck	9,600	–	40,000	–
Jan Teichert	0	–	0	–
Sebastian Reppegather*	0	–	0	–
Management Board				
Frank Averdung**	27,500	+27,500	67,500	+67,500
Michael Knopp	22,500	–	97,500	+67,500
Christian Schubert***	0	–	0	–

* Supervisory Board member since June 24, 2009
** Member of the Management Board since February 1, 2009
*** Member of the Management Board until May 31, 2009

Company Bodies

Members of the Management Board of SUSS MicroTec AG and their mandates:

Frank Averdung

+ VDMA Productronic Association, Frankfurt am Main, Germany (Vice Chairman)

Michael Knopp

-

Christian Schubert

-

Members of the Supervisory Board of SUSS MicroTec AG and their mandates:

Dr. Franz Richter

Chief Executive Officer of Thin Materials AG, Munich, Germany

+ Siltronic AG, Munich, Germany (Member of the Supervisory Board)
+ Replisaurus Technologies, Inc., Kista, Sweden (Chairman of the Board of Directors)
+ EpiSpeed AG, Zug, Switzerland (Member of the Advisory Board)
+ SEMI industry association, San José, California, USA (Member of the International Board of Directors)

Dr. Stefan Reineck

Career board representative and partner of RMC Dr. Reineck Management & Consulting GmbH, Kirchardt, Germany

+ AttoCube Systems AG, Munich, Germany (Chairman of the Supervisory Board)
+ NanoScape AG, Munich, Germany (Chairman of the Supervisory Board)
+ Aleo solar Aktiengesellschaft, Prenzlau, Germany (Member of the Supervisory Board)
+ TF Instruments Inc. Monmouth Junction, New Jersey, USA (Member of the Board)
+ Phoseon Technology Inc., Hillsboro, Oregon, USA (Member of the Board)
+ Johanna Solar Technology GmbH, Brandenburg an der Havel, Germany (Chairman of the Advisory Board)*

Jan Teichert

Chief Financial Officer of Einhell Germany AG

Sebastian Reppegather

Investment Director at Fidinam S.A., Lugano, Switzerland

+ Sterling Strategic Value Limited, Tortola, British Virgin Islands (Member of the Board of Directors)
+ IED Beteiligungs-GmbH, Frankfurt am Main, Germany (Member of the Board)

* until 10/31/2009

GROUP MANAGEMENT REPORT

and Management Report of SUSS MicroTec AG for the 2009 Fiscal Year

BUSINESS AND GENERAL CONDITIONS

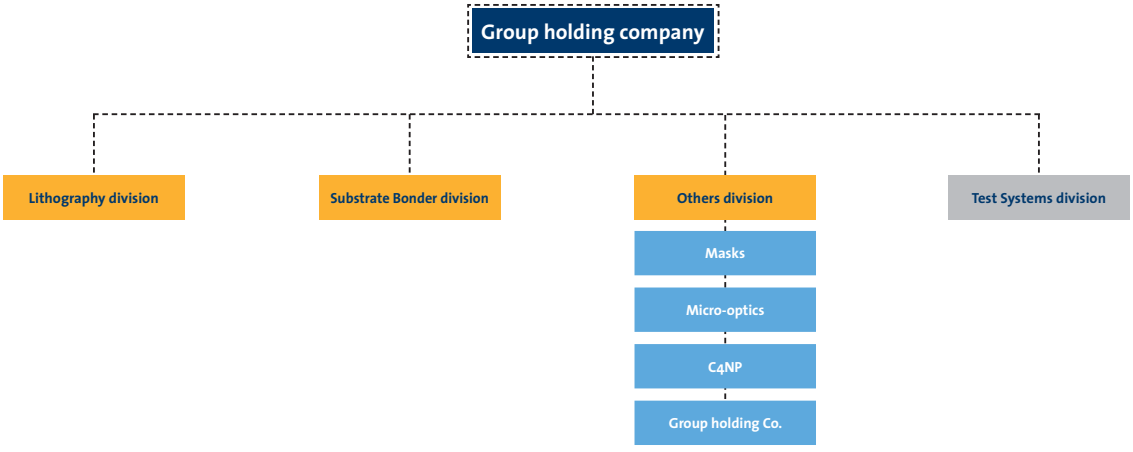
Group Structure and Business Activities

Business Activities and Divisions

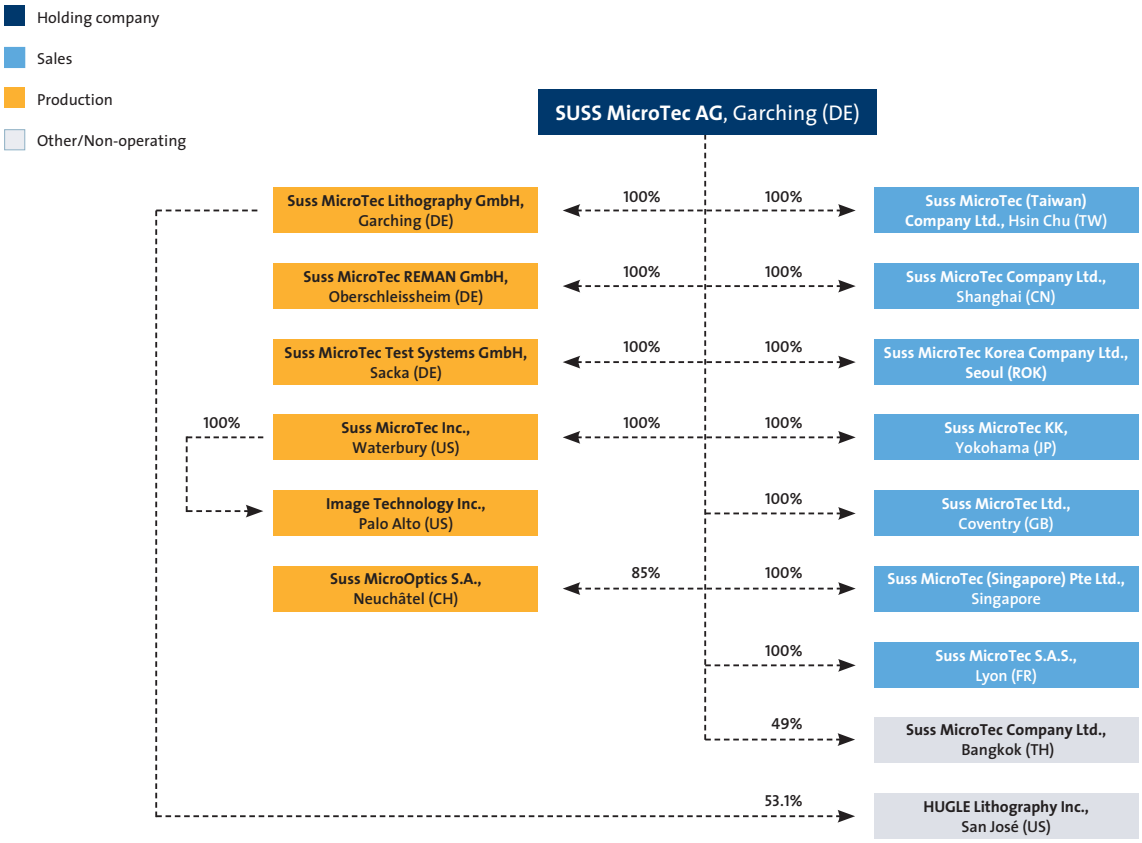
The SUSS MicroTec Group develops, manufactures, and markets equipment for the production of microelectronics and microelectromechanical systems. As a supplier of system solutions for semiconductor technology, the Group operates as a high-performance partner of the semiconductor industry for the laboratory and production areas. Special markets with strong growth form the main areas of activity and promote the innovative development of technologies with long-term potential for success in future-oriented markets and applications. The main focus here is on the microchip architecture and connection technology for applications in chip manufacture, telecommunications, and optical data transfer.

Larger process lines are typically comprised of several individual tools, where the Group creates and utilizes networks with internal and external partners in order to establish competitive advantages.

As of December 31, 2009 the Group is comprised of four divisions, with the Others division composed of several smaller sub-units each managed separately. The following management report incorporates both the continuing and discontinued operations of the Group in the analysis. The discontinued operations of the 2009 fiscal year include the Test Systems division, which SUSS MicroTec AG divested on January 27, 2010.



Legal Structure of the Group



The legal structure of the Group consists of the proprietary company, SUSS MicroTec AG, as the management and financial holding company, as well as the subsidiaries, in which case the proprietary company typically holds the majority interest. The development and production activities as well as the local sales activities for the Group are each organized within the subsidiaries. The Group has locations in Germany, the United States, England, France, Switzerland, Japan, China, Singapore, Korea, Thailand, and Taiwan.

In addition, minority interests in the following companies still exist:

+ 10% Zentrum für Technologiestrukturentwicklung, Glaubitz (Germany)
+ 10% ELECTRON MEC S.R.L., Milan (Italy)

These minority interests are insignificant for the operational business as well as the earnings, assets, and financial position of the Group.

Management and Control

Personnel Changes in the Management and Supervisory Boards

On February 1, 2009, Mr. Frank Averdung assumed the position of Chief Executive Officer of SUSS MicroTec AG. He was appointed to the Company's Management Board by resolution of the Supervisory Board on November 25, 2008. The former managing director of Carl Zeiss SMS GmbH, Jena, Germany, takes on the responsibility of the sales, marketing, production, work safety, research and development, patents, quality management, environmental protection, and Group strategy areas.

Mr. Christian Schubert, who had been appointed as an interim member of the Management Board on October 2, 2008, resigned from the Management Board upon the end of his appointment on May 31, 2009. During the fiscal year, Michael Knopp's contract was extended for an additional five years until July 31, 2015.

At the conclusion of the ordinary Shareholders' Meeting on June 24, 2009, Dr. Franz Richter relinquished his position as Chairman and member of the Supervisory Board. His resignation was the consequence of potential conflicts of interest, which might have arisen from his function as Chairman of the Supervisory Board of SUSS MicroTec AG and Chief Executive Officer of Thin Materials AG, Eichenau, Germany, after both companies entered into a cooperative agreement in the past fiscal year although SUSS MicroTec did not rule out additional cooperative agreements in the area of thin wafer handling. Mr. Sebastian Reppegather was elected as successor for the remainder of Dr. Franz Richter's original term. Dr. Richter had served in office since June 19, 2008.

Remuneration Structure for Officers

The Management Board receives both a monthly fixed salary and variable remuneration for its activities. The latter is paid when individually determined targets are reached. The fixed pay includes fringe benefits in the form of a company car with the option of private use and allowances for health insurance as well as for a voluntary retirement insurance. The amount of the fixed pay is first and foremost determined by the roles and responsibilities assigned. Moreover, pension commitments have been made to members of the Management Board in the form of direct insurance. In addition to these fixed and variable remuneration components, the members of the Management Board also receive a third, stock-based remuneration depending on the long-term success of the Company. This consists of stock options in accordance with the respective stock option plan in effect.

The remuneration of the Supervisory Board is set out in Section 13 of the articles of incorporation of SUSS MicroTec AG. In accordance with Section 13 of the articles of incorporation, the members of the Supervisory Board receive the following remuneration. In addition to the reimbursement of expenses and meeting attendance compensation of € 1,500.00 per meeting, every member of the Supervisory Board receives fixed remuneration geared toward his/her responsibilities and the extent of the member's activities. According to this, the Chairman of the Supervisory Board receives € 45,000.00; the Deputy Chairman receives € 40,000.00, and a regular member of the Supervisory Board receives € 35,000.00 per fiscal year as fixed compensation.

Corporate Control, Objectives, and Strategy

Corporate control is geared particularly toward the order entry, sales, and order backlog of the individual divisions. The performance of the divisions is, thus, measured above all by observing the development of the gross profit margin (sales less manufacturing costs) as well as the division earnings. The presentation of the division earnings now also includes income and expenses from foreign currency translation and asset disposals. Altogether, the division earnings are in line with the Group's operating income (EBIT).

Another key control figure is the net cash position (cash plus securities less financial debt). This represents a significant key control figure for the holding company's financing function.

SUSS MicroTec pursues the strategy of occupying lucrative niche markets in the industry of semiconductor suppliers. The goal is to operate in the relevant markets by way of its clear positioning among the top three suppliers at all times. Partnerships with leading institutes and companies within the industry should ensure that significant trends and promising technologies are always identified early on and that the potential for SUSS MicroTec is examined. Organic growth is at the center of focus. External growth is also considered in the case of interesting technologies and sensible complementary products.

Research and Development

The systematic development of equipment and processing solutions as well as standardization across products remain important elements of corporate strategy, which is designed to increase the market shares of SUSS MicroTec's divisions in their target niches over the short, medium, and long term or to tap into new fields of business.

The significant new products and developments of the respective divisions and sub-units are presented and explained in the following.

Lithography

The 2009 fiscal year saw the market launches not only of the ACS300 Gen2, a refinement of the highly successful ACS300Plus Coater and Developer Cluster, but also of the newly developed MO Exposure Optics illumination system.

The second generation of the ACS300 was specially developed in terms of system architecture and process modules for applications such as advanced packaging and 3D integration. The modular system for the coating, baking, and developing of wafers up to a diameter of 300mm is particularly suitable for applications such as solder bumping and gold bumping as well as redistribution layer processes given its capacity to process extremely thick photoresist layers. Compared to its predecessor, the ACS300Plus, the Cluster refinement has the highest coating and developing conformance currently available in the market as well as a combination of enhanced efficiency and a smaller footprint.

Among the new technologies that SUSS MicroTec added to the product portfolio in the past fiscal year was the patented MO Exposure Optics, a new illumination system which can be retrofitted to all generations of SUSS MicroTec's manual and automated Mask Aligner systems. This optical technology, which was developed jointly with the Group subsidiary SUSS MicroOptics in Neuchâtel (Switzerland), is based on high-quality micro optics (microlens arrays), which enable improved resolution and depth of field as well as outstanding uniformity in mask illumination.

Substrate Bonder

In the 2009 fiscal year, SUSS MicroTec AG concluded a total of four development cooperation agreements in the area of 3D integration. In addition to 3M and Thin Materials AG, new partners from the fields of industry and research include the Belgian research center for nanoelectronics and nanotechnology IMEC and the Taiwan-based Industrial Technology Research Institute (ITRI). The focus of the cooperation is on the joint development of permanent and temporary bonding and debonding processes as well as the manufacture of through-silicon vias for three-dimensional system integration. These cooperative agreements drive the primary development activities of the Substrate Bonder division. The ultimate objective of SUSS MicroTec's development activity is to offer a Bonder platform based on the XBC300 Production Bonder suitable for equally implementing processing solutions developed by various partners.

C4NP

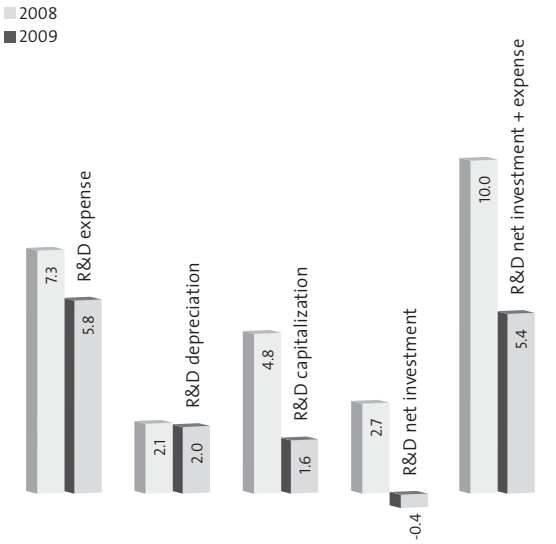
In the 2009 fiscal year, the last two systems that were still outstanding were delivered to the IBM development partner and successfully implemented. In the process, development services in the scope of the C4NP project were completed.

The total expenses for research and development from continuing and discontinued activities declined compared with the previous year from € 7.3 million to € 5.8 million. Write-downs on capitalized development costs in the year under review include impairments of € 0.4 million (previous year: € 8.8 million), which are to be allocated to discontinued activities of the Test Systems division. In the previous year, the majority of impairments totaling € 8.0 million pertained to the C4NP project. In addition, in the previous year, the capitalized development costs worth € 0.7 million and € 0.1 million had to be impaired in the Substrate Bonder and Test Systems divisions, respectively. In contrast to previous years, write-downs for capitalized development projects exceeded the capitalization amount. While in the previous year, there was a net gain in the statement of income of € 2.7 million, during the 2009 reporting year there was a net loss of € 0.4 million.

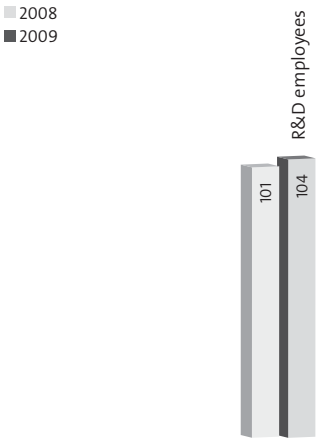
The figures in the table reflect both continuing and discontinued activities. Impairments are not included.

R&D Expenditure Compared with the Previous Year

in € million



Annual Average of R&D Employees



Overview of the Business Development

Overall Macroeconomic Conditions

In the last two years, the financial markets and the entire global economy have been knocked out of equilibrium and plunged into a crisis more extreme than anything seen in the past sixty years. According to the World Trade Organization (WTO), in 2009, global trade recorded its sharpest decline since the end of World War II. The trade of goods and services fell from the previous year by 12.0%. According to the WTO, world gross domestic product declined in 2009 by 2.2% in comparison with the previous year. The decline was primarily a result of the global economic crisis in the industrialized countries.

After the global economic climate according to the Ifo World Economic Survey fell to its lowest point in twenty years in the first quarter of 2009, the global economic climate indicator rose slowly in the following three quarters of the year. This trend reflects support from government stimulus programs that have been put into place worldwide. For 2010, the International Monetary Fund (IMF) now expects global economic growth of 3.9%. For the eurozone, an increase of 1.0% is anticipated. At the same time, the organization called attention to the dangers of a globally unsynchronized phase-out of fiscal and monetary stimulus programs as well as the lingering fragility of the financial system, which could easily lead to reversals in global economic performance.

Despite stimulus measures, the German economy declined significantly in 2009. The change in price-adjusted gross domestic product (GDP) was sharply negative at -4.8% and reflected a continued downward trend from 2008 (1.3%) and 2007 (2.5%). For the German economy, the DIW is now forecasting growth of 2.1% in 2010 and 1.8% in 2011.

Industry-specific Conditions

According to the Semiconductor Industry Association (SIA), in 2009, the semiconductor sector posted a sales decline of 9.0% to US$ 226.3 billion (2008: US$ 248.6 billion). However, the sector's performance over the entire year turned out better than expected at the beginning of the year. After plunging in 2008, the sector bottomed out in the first quarter of 2009, according to the market research institute Gartner. In the next three quarters, sales began to rise again steadily. Inventory replenishments and strong demand for PCs, cellular telephones, and consumer electronics contributed particularly in the fourth quarter of 2009 to an improvement in the year's overall performance.

The German Electrical and Electronic Manufacturers' Association (ZVEI) has stated that the German semiconductor market posted a sales decline of approximately 22% to € 7.2 billion in 2009. The cause was attributed to lower sales in the key automotive and industrial electronics sectors as well as information technology as a result of the global economic crisis.

Company Development

As already forecast in the beginning of 2009, the Company experienced a significant decline in both order entry and sales in the past fiscal year, reflecting economic and industry-specific conditions. Excluding the discontinued Test Systems division, the SUSS MicroTec Group generated sales of € 103.9 million, falling short of the previous year's level of € 121.5 million by 14.5%. Order entry in the continuing activities fell compared with the previous year by 18.5% to € 96.3 million (previous year: € 118.2 million).

Despite the significant reduction in sales, the Company was able to achieve positive earnings before interest and taxes (EBIT) of € 2.8 million in the 2009 fiscal year within the continuing operations. In the previous year, extraordinary expenses of € 17.2 million had a major impact on EBIT, which came in at € -8.7 million. In order to achieve this goal, the Company began to implement both operational and structural measures as early as the second half of 2008. These measures were continued systematically in 2009. As early as the beginning of the year, the SUSS MicroTec Group's significantly improved liquidity reflected the initial success of these measures. Cash and securities amounted to € 31.1 million at the end of the fiscal year after € 24.4 million in the previous year. Net liquidity increased significantly by the end of 2009, coming in at € 18.4 million (previous year: € 9.4 million). The free cash flow before consideration of available-for-sale securities came to € 8.9 million as of the end of the 2009 fiscal year (previous year: € 1.9 million).

As of December 31, 2009, the order backlog from continuing operations amounted to € 57.0 million (previous year: € 65.1 million).

The ratio of newly received orders to realized sales (book-to-bill ratio) in 2009 was 0.93 for continuing operations after 0.97 in the previous year.

Sales and Orders Position by Region

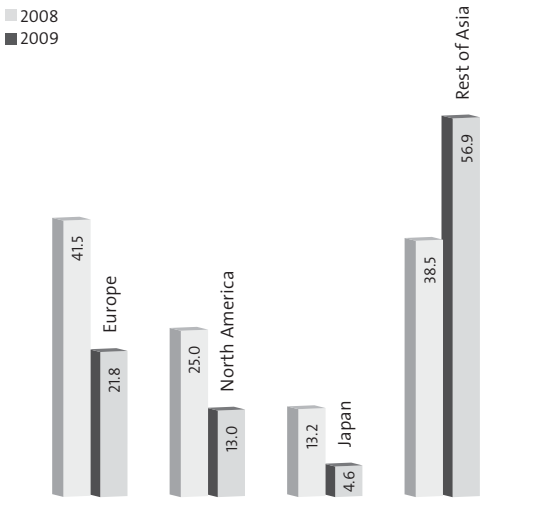
Europe, North America, and Asia are important regions of the world for SUSS MicroTec's business. Asia is divided into Japan and "Rest of Asia" in order to account for the fact that most of the Company's customers in the advanced packaging market are located outside of Japan, particularly in Taiwan. This market is also more susceptible to fluctuation than those for compound semiconductors, MEMS, and testing tools.

Order Entry by Region

With the exception of Asia, all regions were affected by sharp declines in orders in the 2009 fiscal year. In **Europe**, order entry from continuing operations fell by 47.5% to € 21.8 million after € 41.5 million in the previous year. The **North America** region, excluding the discontinued Test Systems division, recorded order entry of € 13.0 million in 2009, falling short of the previous year's level of € 25.0 million by approximately 48.0%.

While the region of **Japan** produced the sharpest decline in orders of 65.2% to € 4.6 million after € 13.2 million in the previous year, the SUSS MicroTec Group recorded an increase in orders of 47.8% to € 56.9 million after € 38.5 million in the previous year in the region of **Asia** (excluding Japan). The positive development was above all attributable to renewed demand from Taiwanese advanced packaging customers in the second quarter of 2009. After their reluctance to invest in the second half of 2008, these customers placed several significant orders for lithography equipment, particularly Coater systems.

Order Entry by Region (Continuing Operations) in € million

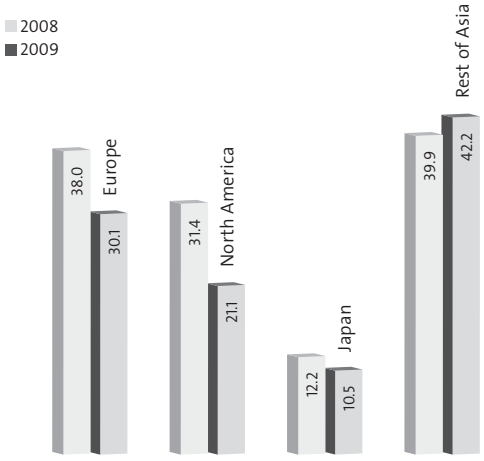


Sales by Region

The distribution of sales by region looks similar to the distribution of orders. The **Asia** region achieved an increase in sales from continuing operations of 5.8% to € 42.2 million (previous year: € 39.9 million), but this was not enough to offset lower sales in the other regions.

In **Europe**, sales fell by 20.8% to € 30.1 million after € 38.0 million in the previous year. The **North America** region recorded the sharpest decline from the previous year of 32.8% to € 21.1 million (previous year: € 31.4 million), while sales from continuing operations of € 10.5 million in the Japan region were just 13.9% lower than in the previous year (previous year: € 12.2 million).

Sales Development by Region (Continuing Operations) in € million



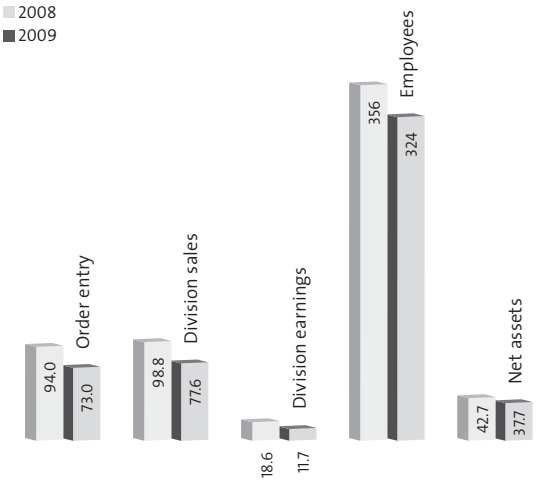
Business Development in the Individual Divisions

Lithography

The Lithography division includes the development, manufacture, and sale of the Mask Aligner, Developer, and Coater product lines. These product lines are developed and produced in Germany at the locations in Garching near Munich and Vaihingen an der Enz. In addition, important parts of the sales organization in North America and Asia operate for this division. Lithography is the SUSS MicroTec Group's core business with a sales share of approximately 75% of the continuing operations. The product lines address the MEMS, compound semiconductor, advanced packaging, and 3D integration markets.

In the 2009 fiscal year, the Lithography division recorded significant declines in order entry and sales compared to the previous year. The primary reason for this was reluctance to invest on the part of production clients. Order entry fell by approximately 22% from the previous year to € 73.0 million after € 94.0 million in 2008. Similarly, sales of € 77.6 million were approximately 22% lower than in the previous year (previous year: € 98.8 million). Weak demand particularly affected the Mask Aligner product line. The division earnings deteriorated by € 6.9 million or 37.1% to € 11.7 million. The gross profit margin of 44.4% did not change from the previous year.

Lithography Division Overview in € million

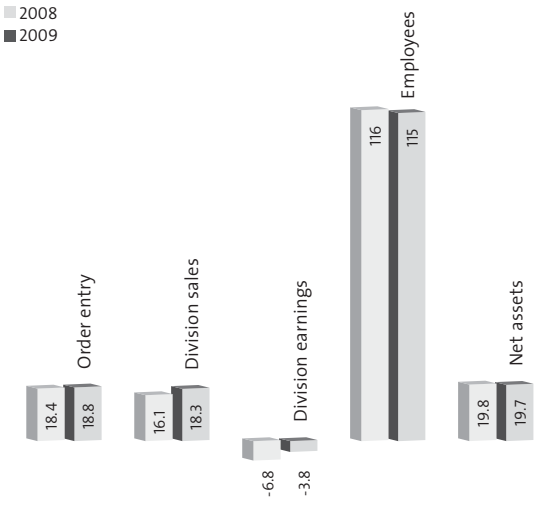


Substrate Bonder

The Substrate Bonder division includes the development, production, and sale of the Substrate (Wafer) Bonder product line at the Waterbury, Vermont (USA) site. The Bonder product lines are also sold outside of Waterbury via smaller units in Europe and Asia. Markets addressed by the Substrate Bonder systems include MEMS, compound semiconductors, and 3D integration.

The Substrate Bonder division generated encouraging growth both in order entry and sales in the 2009 fiscal year. Order entry rose by 2.2% from € 18.4 million in 2008 to € 18.8 million in 2009. Sales of € 18.3 million exceeded the previous year's figure of € 16.1 million by 13.7%. The reason for the division's positive development is the increasing importance of bonding equipment in the manufacturing process of future three-dimensional chip structures (3D integration) as well as the division's current and expanded product range. The previous year's division earnings, which were characterized by a total of € 3.9 million in extraordinary expenses, improved from € -6.8 million to € -3.8 million in 2009. Accordingly, the gross profit margin improved from 6.0% to 14.7%.

Substrate Bonder Division Overview in € million

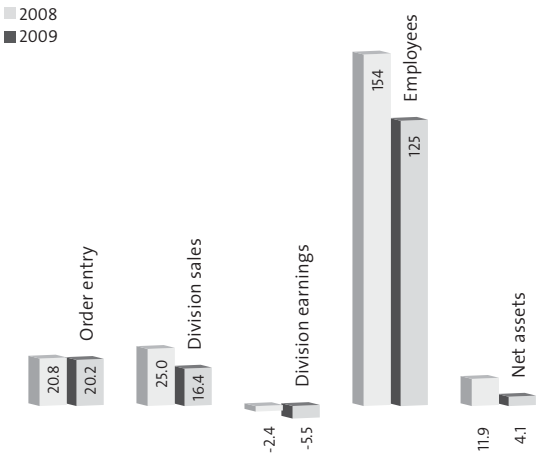


Test Systems

The Test Systems division encompasses development, production, and European sales. It is located in Sacka near Dresden, Germany. On January 27, 2010, the division was sold to the American competitor Cascade Microtech, Inc. Therefore, in the past fiscal year, it is presented under discontinued operations. The markets addressed by Test Systems include MEMS, compound semiconductors, and semiconductor engineering.

The Test Systems division generated sales of € 16.4 million in a persistently difficult market environment in 2009 after € 25.0 million in the previous year. The primary reasons for this were sustained competitive pressure posed by the main rival Cascade Microtech and the consequent pressure on the margins. Both factors had a negative impact on the division earnings, which declined by € 3.1 million to € -5.5 million compared with the previous year. It is that much more satisfying that the division achieved order entry of € 20.2 million, almost matching the previous year's level (previous year: € 20.8 million).

Test Systems Division Overview in € million



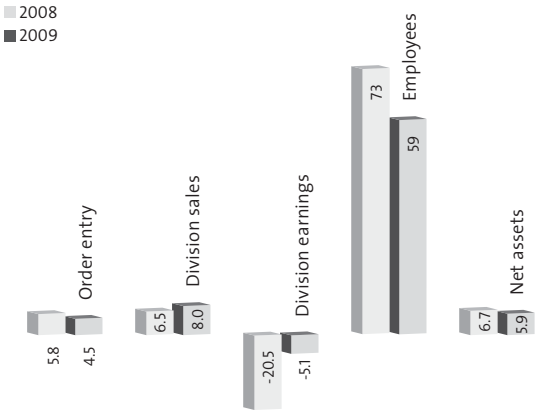
Others

The Others division includes the Mask business in Palo Alto, California (USA) that caters to the semiconductor industry and the Micro-optics activities at the Neuchâtel, Switzerland location as well as the C4NP business. The Others division, furthermore, includes costs for central Group functions that generally cannot be attributed to the main divisions.

The Micro-optics business performance trended slightly upward in the 2009 fiscal year. While order entry increased by 10.0% from the previous year to € 2.2 million, sales of € 1.8 million remained on the level the previous year. The sales contribution from the Mask business fell from € 3.7 million in the previous year to € 2.7 million. Order entry dropped by 40.5% to € 2.2 million. The poor performance of the Mask business could be traced to the persistently difficult market environment.

The previous year's division earnings, which were characterized by extraordinary expenses of € 12.9 million, improved from € -20.5 million to € -5.1 million.

Others Division Overview in € million



EARNINGS, ASSETS, AND FINANCIAL POSITION

Earnings Position

Despite the difficult market environment with sharply lower sales, SUSS MicroTec AG succeeded in achieving positive earnings before interest and taxes (EBIT) of € 2.8 million from continuing operations in the past fiscal year. In the previous year, continuing operations recorded an EBIT of € -8.7 million. However, this figure from the previous year was characterized by extraordinary expenses of € 17.2 million, equivalent to an adjusted EBIT of € 8.5 million.

Sales from continuing operations declined from € 121.5 million in the previous year to € 103.9 million in the reporting year. This corresponds to a drop of almost 15% and demonstrates that the global economic and financial crisis did not leave the SUSS MicroTec Group unscathed. Therefore, it is highly encouraging that the Substrate Bonder division succeeded in increasing sales from € 16.1 million in the previous year to € 18.3 million in 2009. C4NP also contributed sales of € 3.4 million in the past fiscal year (previous year: € 1.0 million), reflecting the acceptance of tools delivered to IBM. As a result, the Group no longer has any order backlog of C4NP tools.

In the reporting year, continuing operations generated a gross profit of € 38.8 million, which corresponds to a gross profit margin of 37.4%. Adjusting the previous year's gross profit of € 38.3 million for extraordinary expenses of € 12.4 million, this amounts to a decline of € 11.9 million. The adjusted gross profit margin in the previous year totaled 41.7%. Aside from the reduced sales level, the changed product mix was primarily responsible for the decline in gross profit and gross profit margin; the sales share of the relatively narrow-margined Substrate Bonder increased in the reporting year. In addition, the sale of the C4NP tools did not generate gross profit.

As a result of cost savings measures, both sales and administrative costs could be reduced significantly. Sales costs declined from € 20.4 million in the previous year to € 16.7 million, while administrative costs fell from € 16.8 million to € 13.9 million. In addition to the specified cost savings, lower commissions associated with reduced sales affected administrative costs. Research and development costs fell from € 5.7 million to € 4.9 million.

The financial performance improved from € -0.8 million in 2008 to € -0.1 million in 2009. The improvement was primarily attributable to reduced interest expense. Above all, this reflected an upward move in the market value of interest rate swaps.

The Group's income tax obligation of € 2.1 million was unchanged compared with the previous year. The disproportionately high income tax expense relative to pre-tax income is primarily the result of the inability to recognize deferred tax assets for loss carryforwards at SUSS MicroTec Inc. given the sustained negative earnings situation. In the previous year, tax expense was affected by a change in the recognizability of deferred tax claims of € 2.7 million.

The Group's continuing operations generated a net profit after taxes of € 0.5 million. This compares to a profit of € 5.6 million before consideration of extraordinary expenses of € 17.2 million in the previous year.

In the reporting year, the Group's discontinued operations generated earnings after taxes of € -5.4 million (previous year: € 2.3 million), which are exclusively allocated to the discontinued Test Systems division. The negative earnings after taxes reflect a loss from operating operations of € 0.8 million, a loss from the measurement of available-for-sale assets at fair value of € 4.7 million, and a positive income tax effect of € 0.1 million. The negative measurement effects are as follows: € 4.2 million for goodwill from the Test Systems division, intangible assets of € 0.4 million, and tangible assets from the discontinued division of € 0.1 million.

In the previous year, discontinued operations included winding down the Device Bonder division, although it had no material impact.

Overall, the Group generated earnings after taxes of € -4.9 million (previous year: € -13.9 million). Earnings per share amounted to € -0.28 after € -0.82 in the previous year.

Overall sales per employee declined compared to the previous year by 9.8% from € 214,000 to € 193,000.

Assets and Financial Position

The Group succeeded in expanding its net cash position from € 9.4 million in the previous year to € 18.4 million. The amount of cash and securities increased from € 24.4 million in the previous year to € 31.1 million at the end of the reporting year.

Accordingly, the already strong cash flow from operating activities in the previous year could be raised even higher. It climbed from € 9.4 million in the previous year to € 12.1 million at the end of the year under review. The increase was triggered by significant reductions in inventory reserves of € 8.3 million and accounts receivable of € 6.6 million. This was offset by customer down payments, which fell by € 6.7 million.

The reluctance to invest reflected in cash flow from investing activities continued to contribute to an improvement in the net cash position. Before consideration of available-for-sale securities of € 6.7 million (previous year: € 3.8 million), cash flow from investing activities totaled € -3.3 million after € -7.5 million in the corresponding period of the previous year.

Free cash flow before consideration of available-for-sale securities improved from € 1.9 million in the previous year to € 8.9 million in the past fiscal year. Therefore, the Company significantly exceeded its guideline that the operational business should generate sufficient free cash flow so that no additional need for liquidity should arise for the organic growth of the core business.

Free cash flow from financing activities totaled € -2.1 million in the past fiscal year (previous year: € 1.4 million). The repayment of bank loans of € 4.6 million by SUSS MicroTec KK in Japan was offset by inflows of € 3.0 million by SUSS MicroTec AG from the sale and leaseback transaction related to the introduction of SAP software.

Aside from cash and securities of € 31.1 million (previous year: € 24.4 million), the Group had domestic credit lines of € 9.0 million (previous year: € 3.0 million). As of the previous year's reporting date, written loan commitments of € 3.0 million had already been made available. The corresponding credit agreement was signed in April of the reporting year. In the first quarter, a third bank joined the Company's bank consortium and provided an additional credit line of € 3.0 million. The total credit line of € 9.0 million is not tied to financial covenants, and its term runs until March 31, 2010. The line was secured according to standard banking practice. In the reporting year, the line was utilized exclusively in the form of guarantees. Most of them involved down payment guarantees. As of the reporting date, utilization totaled € 2.4 million.

Overall, the Group has sufficient financial leeway to finance necessary product developments and other strategic activities.

In addition to goodwill, capitalized development costs primarily determine the noncurrent assets.

Goodwill declined from € 17.8 million as of the previous year's reporting date to € 13.6 million, and it is exclusively allocated to the Lithography division. The reduction of € 4.2 million resulted from the reclassification of goodwill to available-for-sale assets related to discontinued operations in the Test Systems division.

Capitalized development costs also declined in the reporting year. As of the reporting date, they still totaled € 9.3 million after € 10.3 million in the previous year. As with goodwill, the Test Systems division's item for capitalized development costs of € 0.4 million was reclassified to available-for-sale assets. Notwithstanding this reclassification, the amortization of capitalized development costs exceeded capital expenditure, which led to a corresponding charge in the statement of income in 2009. Capitalized development costs as of the reporting date were composed of € 3.3 million (previous year: € 3.5 million) for the Lithography division and € 6.0 million (previous year: € 6.5 million) for the Substrate Bonder division.

In addition, noncurrent assets included licenses and patents of € 4.5 million (previous year: € 4.8 million), including the leased SAP licenses. The residual book value of € 4.5 million was composed of € 0.8 million (previous year: € 1.5 million) for the Lithography and Substrate Bonder divisions and € 3.7 million (previous year: € 3.3 million) for the Others division.

Tangible assets are less significant for the assets position of the Group, as it does not typically rely on cost-intensive production equipment. As a result of restrictive investment policies in the reporting year, tangible assets declined from € 5.4 million as of the previous year's reporting date to € 4.1 million as of the 2009 reporting date. € 0.3 million of the drop was attributable to the reclassification of tangible assets in the Test Systems division to available-for-sale assets.

Deferred tax claims were reduced by € 1.3 million, primarily as a result of lower temporary differences in the area of inventory reserves, and amounted to € 7.8 million as of the reporting date.

Similarly, current assets were reduced significantly. They declined from € 105.0 million as of the previous year's reporting date to € 96.5 million. This decline was primarily driven by inventories and accounts receivable. The former fell from € 54.6 million as of the previous year's reporting date to € 40.8 million. The decline of € 4.5 million was partially attributable to the reclassification of inventories in the Test Systems division to available-for-sale assets. In addition, the Group's efforts to reduce inventories – facilitated by the introduction of SAP software – had a noticeable positive impact. Accounts receivable decreased from € 23.1 million to € 14.8 million. € 2.0 million of this item was reclassified as available-for-sale assets. Accounts receivable showed signs not only of lower sales, but also efficient receivables management.

Reflecting discontinued activities in the Test Systems division, the Group shows available-for-sale assets as of the reporting date of € 7.5 million (previous year: € 0.0 million). The composition of this item is explained in the Notes. The reclassified assets are measured at fair value less costs of disposal. Fair value was derived from the selling price of the Test Systems division. Total write-downs of € 4.7 million were made. Of this amount, € 4.2 million pertained to goodwill from the Test Systems division, € 0.4 million to intangible assets, and € 0.1 million to tangible assets.

Customer down payments decreased from € 19.4 million as of the previous year's reporting date to € 12.6 million.

As in line with the process on the assets side of the ledger, the Group also presented available-for-sale liabilities on the equity and liabilities side. As of December 31, 2009, they totaled € 2.4 million (previous year: € 0.0 million) and are explained in more detail in the Notes.

The equity ratio rose as a result of lower total assets from 59.0% in the previous year to 63.1%.

Summary Statement on the Business Position

In summary, SUSS MicroTec achieved positive EBIT from continuing operations of € 2.8 million in the reporting period despite almost 15% lower sales. The decline in sales and gross profit margins caused by the difficult market environment was successfully offset by significant savings in sales and administrative costs.

As a result of a significantly enhanced net cash position of € 18.4 million (previous year: € 9.4 million), the Group has sufficient financial leeway to promote new product developments and finance other strategic activities.

Capital Expenditure

Due to the structure of the Company, investments in tangible assets are not a significant component of its development. Fundamental value is added through the design, assembly, and alignment of components, as well as the corresponding software management. No special equipment or tools are needed for these activities.

It is assumed that the investments in tangible assets will be within the range of approximately 1% to 2% of sales in the long term. The only exceptions are the Masks and Micro-optics product lines included in the Others division. Both cases involve small-scale production, which requires the appropriate production tools. Investments in these areas lead directly to a significant rise in the Group's tangible asset investments.

The larger portion of investments is to be allocated to intangible assets given the capitalization requirement in place with certain preconditions according to IFRS. The dominant project in the reporting year was the expansion of the product range in the Substrate Bonder division. In the long term, the Company assumes that approximately 15% to 25% of research and development expenditure will be capitalized. The remaining amount will be recorded as expenses.

In the past fiscal year, preparations were made for the continued roll-out of the SAP ERP System, which was successfully introduced at the first Group subsidiaries in the previous year. Within the scope of the project, investments of approximately € 2.0 million will be made in software and hardware over the next two to three years. The project has an overall volume of € 5.0 million. Of this amount, € 3.0 million could be refinanced through a sale and lease-back transaction during the reporting year.

The Holding Company – SUSS MicroTec AG

The holding company is responsible for the steering and management of the SUSS MicroTec Group. One of its tasks is the strategic orientation, for example the expansion of the product portfolio, acquisitions, and financial issues for the Group as a whole. The holding company is also responsible for corporate identity, investor relations, and marketing. Furthermore, the holding company assumes the financing of strategically important development projects of the operating subsidiaries.

SUSS MicroTec AG is generally the sole shareholder of the companies included in the consolidated financial statements. The holding company has only provided loans to subsidiaries. The earnings position of the holding company as an individual company is not directly dependent on the development of the Company's markets. The holding company primarily refinanced by allocating costs to the operating companies, through interest income from loans to subsidiaries, and through existing profit and loss transfer agreements.

Presentation of the Key Financial Figures of the Holding Company

Company	SMT AG (HGB)			
in € thousand	2009	2008	Change	in%
Annual net loss	-18,030	-406	-17,624	<-100%
Shareholders' equity	78,623	96,400	-17,777	-18%
Total assets	110,694	119,623	-8,929	-7%
Equity ratio in%	71%	81%		
Fixed assets	76,501	95,881	-19,380	-20%
...% of total assets	69%	80%		
Current assets	34,193	23,742	10,451	44%
...% of total assets	31%	20%		

Significant Changes in the Assets and Financial Position

Intangible assets increased in the past fiscal year by € 0.5 million and amounted to € 3.7 million as of the reporting date. The increase resulted primarily from the acquisition of intellectual property in the area of thin wafer handling valued at € 0.9 million. Amortization had the opposite effect.

Shares of affiliated companies declined in the reporting year by € 18.8 million and amounted to € 61.2 million as of the reporting date. The reasons for this decline are explained subsequently within the significant events with influence on the earnings position of the holding company.

The decline in loans to affiliated companies resulted from scheduled repayments of € 1.9 million. Increases in loans of € 0.8 million to SUSS MicroTec Inc. and of € 0.1 million to SUSS MicroTec Singapore had the opposite effect.

Current receivables from affiliated companies rose by € 2.6 million. The rise in current receivables is primarily attributable to an increase in short-term loans to SUSS MicroTec Inc. and SUSS MicroTec KK.

SUSS MicroTec AG continued to expand its liquidity position in the year under review. Along with the successful refinancing of the SAP project for € 3.0 million, this was primarily the result of the positive free cash flow of the subsidiaries associated with the corporation via Group cash pooling. The improved liquidity position can be seen in both the rise in deposits with banks of € 1.1 million and the acquisition of securities totaling € 6.3 million. The securities concerned are essentially corporate and government bonds with an investment grade rating.

Liabilities to associated companies increased in the year under review, from € 11.2 million as of the previous year's reporting date to € 18.1 million. This rise was primarily the result of the positive development of the financial position at SUSS MicroTec Lithography GmbH. The cash flows resulting from this were transferred to bank accounts of SUSS MicroTec AG via the existing cash pooling.

Liabilities to banks remained unchanged over the course of 2009 and still exist from the promissory note bond due in December 2012.

The change in shareholders' equity (€ -17.8 million) is the result of the annual net loss for the fiscal year (€ 18.0 million) and the allocations to capital reserves (€ 0.2 million) due to existing stock option plans.

Significant Events with Influence on the Earnings Position of the Holding Company

In the annual financial statements of SUSS MicroTec AG under commercial law, a net loss of € 18.0 million was generated in the 2009 fiscal year (previous year: net loss of € 0.4 million).

As a result of the existing profit and loss transfer agreement with SUSS MicroTec Test Systems GmbH, Sacka (Germany), € 0.8 million was recognized as a loss at the holding company (previous year: loss of € 2.0 million). The profit and loss transfer agreement with SUSS MicroTec Reman GmbH, Oberschleissheim (Germany), concluded in the 2008 fiscal year resulted in income of € 0.1 million at the holding company (previous year: € 0.6 million).

Other operating income primarily includes foreign currency gains totaling € 1.3 million (previous year: € 3.1 million).

The decline in other operating expenses can be primarily traced to the absence of continued charges for development services in the scope of the C4NP project. In the previous year, these continued charges totaled € 0.7 million. Foreign currency losses sank further by € 1.1 million to € 1.3 million. In addition to foreign currency losses, other operating expenses primarily included legal and consulting fees of € 0.8 million (previous year: € 0.9 million) and contributions of € 0.6 million (previous year: € 0.1 million). The increase in contributions results from a cooperative agreement between the Company and the IMEC research institute in the area of wafer bonding solutions for 3D integration applications.

Earnings from shareholdings of € 0.4 million (previous year: € 2.7 million) include payouts of the subsidiary SUSS MicroTec (Taiwan) Company Ltd., Hsin Chu, Taiwan.

The reporting year saw continued write-downs on financial assets, which totaled € 18.8 million. Most of these write-downs, specifically € 13.5 million, related to the shares of SUSS MicroTec Inc. A reason for their write-down was an increase in the risk-adjusted discount rate, which underlies the discounted cash flow-based valuation model for financial assets. In addition, positive liquidity effects from the change in working capital declined significantly compared with the previous year. Furthermore, it is worth noting that the Company's debt increased during the reporting year and the sales guidance for the fiscal year to come was reduced.

Another part of the write-downs, specifically € 3.3 million, pertained to the write-down of the shares of SUSS MicroTec Test Systems GmbH, Dresden. This write-down was necessitated by the sale of this company in January 2010. The write-down to fair value is based on the actual purchase price.

The Group budget provides for a significant decline in sales at SUSS MicroTec KK, Japan, in 2010. This decline is being driven by the reluctance of Japanese customers to order tools given the manufacturing environment. Accordingly, the model used to conduct an impairment test on financial assets indicates a write-down of the valuation of the share in this company amounting to € 1.9 million.

As a result of the relocation of "Rest of Asia" sales operations from Bangkok to Singapore, SUSS MicroTec AG is currently winding down its investment in SUSS MicroTec Company Ltd., Thailand. In this context, the shares in this company were written down by € 0.1 million.

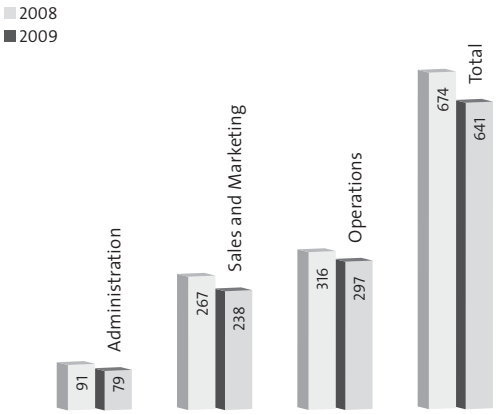
In the previous year, the altered business model with a reduction of the sales activities previously conducted at the subsidiaries in France and England necessitated write-downs on financial assets totaling € 1.9 million. These were composed of € 1.4 million for the valuation of the share in SUSS MicroTec SAS, Lyon, France, and € 0.5 million for the valuation of the share in of SUSS MicroTec Ltd., Coventry, UK.

Interest expense declined in the fiscal year by € 0.5 million, which was primarily attributable to the Company's expanded liquidity position.

SUSS MicroTec AG had an average of 19 employees in the 2009 fiscal year (previous year: 20 employees).

In addition to the development of the US dollar, the short and medium-term development of SUSS MicroTec AG above all depends on how the financial and earnings position of important subsidiaries develops. The financial and earnings position of the subsidiaries is critical for the level of the interest-bearing net financing balance of the holding company and the distribution of profits to the proprietary company.

Development of the Numbers of Employees by Division



Group Employees

The employees and their expertise are a significant part of the Company's value. The training periods, particularly in the technical fields, are longer than one year given the highly specific products. For this reason, a motivational environment and performance-based pay are the basic requirements for retaining existing employees as well as recruiting qualified new employees.

As of the end of the 2009 fiscal year, the Group had 614 employees within its continuing and discontinued divisions (previous year: 674).

INFORMATION IN ACCORDANCE WITH SECTION 315 (4) OF THE GERMAN COMMERCIAL CODE (HGB)

The common stock of SUSS MicroTec AG amounting to € 17,019,126 is divided into 17,019,126 no-par, ordinary bearer shares. There are no distinct stock categories.

No restrictions exist with regard to the voting rights or the transfer of shares.

As of the reporting date, Mr. Tito Tettamanti held an investment of 20.07% in the capital of SUSS MicroTec AG (previous year: 20.07%). The voting rights assigned to him are, thus, held by Sterling Strategic Value Limited, Tortola, British Virgin Islands, which is controlled by Mr. Tettamanti.

Terramater (Stichting), Amsterdam, Netherlands, acquired shares of SUSS MicroTec AG in the reporting year and held an investment of 10.57% of the capital of SUSS MicroTec AG as of the reporting date. The voting rights assigned to Terramater are, thus, held by SUSS SCS, Strassen, Luxembourg, and Falcivest, SCS, Strassen, Luxembourg.

There were no other direct or indirect investments in the capital of SUSS MicroTec AG exceeding 10% as of the reporting date.

No extraordinary rights of shareholders that grant controlling authority exist. With the existing stock option plans, employees hold a stake in the Company's capital after exercising their options. The controlling rights that they thereby acquire are exercised immediately.

The rules for appointing members of the Management Board of SUSS MicroTec AG and asking them to step down are set out in Sections 84 et seq of the German Stock Corporation Law (AktG). The articles of incorporation do not include any additional provisions in this regard. The number of members of the Management Board is determined by the Supervisory Board in accordance with Section 7 of the articles of incorporation. The Supervisory Board may also assign the Chief Executive Officer or the spokesperson for the Management Board and another member to serve as Deputy Chairman.

Changes to the articles of incorporation are governed by Sections 133 and 179 of German Stock Corporation Law (AktG). The authority to make changes to the articles of incorporation, which pertain to the wording only, has been delegated to the Supervisory Board in accordance with Section 179 (1) (2) of the German Stock Corporation Law (AktG).

The Shareholders' Meeting on June 24, 2009 did not authorize the Management Board to issue convertible and/or optional bonds and to create new contingent capital for 2009, including a corresponding change to the articles of incorporation. Upon resolution by the Shareholders' Meeting on June 19, 2008, the Management Board has been authorized to increase the Company's equity capital in the period through June 19, 2013 one or more times by up to a total of € 4,254,775 through the issuance of up to 4,254,775 new individual share certificates for cash or non-cash contributions with the approval of the Supervisory Board. Shares of common stock and/or non-voting preferred shares may be issued. The Management Board is also authorized to exclude the subscription rights of shareholders with the approval of the Supervisory Board and under certain conditions.

The existing promissory note contracts include a change-of-control clause. According to this, the lenders have the option of extraordinary cancellation if one or more individuals not among the scope of existing main shareholders holds or has acquired a number of shares of SUSS MicroTec AG representing 50% or more of the voting rights.

With each of the three banks of the existing consortium, there is a bilateral credit relationship with a common pool of collateral. These relationships have different structures and conditions. Thus, a credit relationship contains a right to extraordinary cancellation if there is a change of control and the parties have not reached a timely agreement regarding proceeding under possibly different conditions, for example with respect to interest, security, or other arrangements.

There are no other significant agreements on the part of SUSS MicroTec AG subject to the condition of a change of control resulting from a corporate takeover bid.

No compensation agreements or similar with employees or members of the Management Board exist in the event of a corporate takeover bid.

In summary, no special rules exist with regard to the voting rights tied to shares or any control options resulting from this, either through the establishment of special stock categories or through restrictions on voting rights or transfers. There are no provisions extending beyond the legal regulations regarding the appointment of members of the Management Board or asking them to step down. Important business fields or activities of SUSS MicroTec AG may not be discontinued due to existing change of control clauses in the event of a takeover bid, with the exception of the promissory note bond.

CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH SECTION 289A OF THE GERMAN COMMERCIAL CODE (HGB)

On March 11, 2010, the Management Board and Supervisory Board of SUSS MicroTec AG issued a joint declaration regarding corporate governance in accordance with Section 289a of the German Commercial Code (HGB) and made it available on the Company's website at *www.suss.com/investors_relations/corporate_governance/de/declaration_on_corporate_governance*.

EVENTS AFTER THE REPORTING DATE

On January 13, 2010, SUSS MicroTec AG announced the successful conclusion of contract negotiations for the purchase of HamaTech APE GmbH & Co. KG, a wholly owned subsidiary of Singulus Technologies AG. On January 12, 2010, both parties signed a corresponding purchase agreement, subject to the negotiated closing conditions. The agreement stipulates a purchase price of € 4.5 million as well as the acquisition of the land and company building at the Sternenfels site for an additional € 4.5 million. The transaction was completed on February 15, 2010.

On January 15, 2010, Mr. Tito Tettamanti of the United Kingdom of Great Britain and Northern Ireland notified us pursuant to Section 21 (1) German Securities Trading Law (WpHG) that on January 13, 2010, his share of voting rights in SUSS MicroTec AG, Garching, Germany, had moved below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights out of a total of 17,019,126 voting rights). Pursuant to Section 22 (1)(1)(1) German Securities Trading Law (WpHG), 19.70% (3,352,152 of the voting rights) are attributable to him. The voting rights attributed to him are held via the following entities under his control, of which the share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Gritlot Limited, Douglas, Isle of Man
+ Sterling Strategic Value Limited, Tortola, British Virgin Islands

On January 15, 2010, Gritlot Limited, Douglas, Isle of Man, notified us pursuant to Section 21 (1) of the German Securities Trading Law (WpHG) that on January 13, 2010, its share of voting rights in SUSS MicroTec AG, Garching, Germany, moved below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights out of a total of 17,019,126 voting rights). Pursuant to Section 22 (1)(1)(1) of the German Securities Trading Law (WpHG), 19.70% (3,352,152 of the voting rights) are attributable to it. The voting rights attributed to it are held via the following entities under its control, of which the share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Sterling Strategic Value Limited, Tortola, British Virgin Islands

On January 15, 2010, Sterling Strategic Value Limited, Tortola, British Virgin Islands, notified us pursuant to Section 21 (1) of the German Securities Trading Law (WpHG) that on January 13, 2010, its share of voting rights in SUSS MicroTec AG, Garching, Germany, moved below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights of a total of 17,019,126 voting rights).

On January 27, 2010, SUSS MicroTec AG sold its Test Systems division located in Sacka near Dresden, Germany. The purchase price for SUSS MicroTec Test Systems GmbH, which is cash and debt free, consists of a fixed amount and an amount placed in escrow. The fixed component amounts to € 4.5 million, of which € 2.0 million was paid in cash and € 2.5 million was paid in the common shares of the acquirer. In addition, the amount of € 2.5 million has been placed in escrow and will be released to the seller upon meeting certain post-sale conditions. This could lead to a corresponding purchase price adjustment.

RISK REPORT

Risk Management System

The risk management system has long been a component of the corporate management for the purpose of recognizing and controlling risks, and for meeting legal requirements.

In addition to short-term (operating) risks, risk management at the SUSS MicroTec Group also deals with long-term (strategic) developments that can have a negative impact on the business progress. On the basis of an opportunity-oriented, but at the same time risk-conscious management, however, the Company's fundamental goal is not to avoid all potential risks. Instead, it constantly aims to achieve an optimum level of risk avoidance, risk reduction, and controlled risk acceptance. An awareness of risks should not interfere with the ability to identify risks and to use them for the benefit of the Company and its shareholders.

Risk Management Organization and Documentation

The organization of risk management is geared toward the functional and hierarchical structure of the Group. Upon introduction of the risk management system, a risk management officer, who reports directly to the Management Board every three months, was appointed.

The risk management system established is examined annually in the framework of the audits of the annual financial statements.

Risk Identification

All Group units subject to reporting organize a workshop at least once per year which, in addition to past events, primarily addresses future developments. Moreover, the workshops serve to ensure that uniform valuation principles are maintained throughout the Group.

Based on these workshops, risk reports are prepared quarterly. These are subject to the known risks of a critical appraisal and address new topics.

Risks suddenly emerging are also reported immediately to the risk management officer of the respective unit.

The Group's quality management is an important element of early detection. The large production sites are certified in accordance with ISO 9001, which confirms reliable, process- and system-oriented quality management. Clearly structured and unambiguously documented processes within the framework of quality management not only ensure transparency, but also have become for most production clients a precondition for the successful marketing of our tools.

Risk Assessment

Risks are assessed in part by indicating the maximum amount of damage if no countermeasures are taken. The risk value is determined on this basis by including a probability of occurrence, takes the corresponding countermeasures into account, and, like the determination of the maximum amount of damage, is based on the knowledge and experience of the risk officers. It is, therefore, always in line with the most up-to-date status. The indication of the risk value pertains to the next 12 or 24 months in each case.

Risks are rated as "significant" for the Company if they reach or exceed a maximum damage amount of € 1 million as either an individual or a cumulative risk.

Risk Management

Depending on the type of risk and the amount of the assessment, measures for avoiding and lessening risk are taken on a tiered basis. In doing so, risk management is always geared toward the principles of an opportunity-based handling of risks as previously mentioned.

The avoidance of risk and organization of countermeasures is carried out on a subsidiary basis. The parties responsible for risk and the reporting units are obligated to develop and implement strategies for preventing known risks. Should their expertise not suffice for implementing these, they must request assistance from higher levels.

Global activities in the field of high technology yield general and current risks for the Company. The Management Board has taken the appropriate measures for the purpose of monitoring risks in order to identify developments that may threaten the continued existence of the SUSS MicroTec Group early on.

Description of the Key Features of the Accounting-related Internal Control and Risk Management System in Accordance with Section 315 (2)(5) of the German Commercial Code (HGB)

The risk management system for the accounting process aims to minimize the risk of false statements in accounting documents and external reporting. It serves as the first step toward the identification and evaluation and then restriction and review of known risks in the accounting process, which could undermine the compliance of the consolidated financial statements with regulations. The internal control system for the accounting process should ensure with sufficient certainty that the consolidated financial statements conform to regulations despite identified risks in financial reporting.

The effectiveness of the internal control and risk management system is reviewed at the end of the year by the auditor during the audit. In the process, selected internal controls are investigated and their effectiveness evaluated. In addition, checks are made of selected aspects of the IT systems in use. However, absolute certainty cannot be assured even with appropriate, functioning systems.

SUSS MicroTec AG employs its Group-wide procedure rules to ensure the consistent application of accounting principles. Unambiguous guidelines are designed to restrict employee discretion with respect to the recognition and measurement of assets and liabilities and, thus, reduce the risk of inconsistencies in the Group's accounting practices. The subsidiaries are subject to certain mandatory guidelines regarding reporting and the scope of disclosure. The central Finance and Controlling departments monitor compliance with reporting obligations and deadlines.

Accounting at the subsidiaries is done either locally by their own employees or with the support of external accounting firms or tax consulting companies. In the process, various electronic data processing (EDP) systems are used. SAP was already introduced at the German companies in the previous year. Additional subsidiaries will follow next year. Reporting to the corporate headquarters is carried out with the assistance of the MIS (management information software) package. The individual financial statements are ultimately read into a central consolidation system. At the Group level, the finance and controlling departments review the accuracy and reliability of the individual financial statements submitted by the subsidiaries. Controls within the framework of the consolidation process, such as the consolidation of liabilities, expenses, and income, are carried out manually. Possible deficiencies are corrected and reported back to the subsidiaries. The financial systems employed are protected from misuse via appropriate authentication principles and access restrictions. Authorizations are reviewed regularly and updated if necessary.

General Business and Industry Risks

General Political and Economic Conditions

The business environment in which the Company operates is influenced by both regional and global economic conditions. The economic environment in the past fiscal year was characterized by a global financial and economic crisis, which was triggered by undesirable developments in the American mortgage market. This crisis caused a weakening of the business and consumer climate, an increase in unemployment, and a decline in capital expenditure, all of which in turn led to lower demand and difficult market conditions. Given this development, the economic situation in most industrialized countries is characterized by a high degree of uncertainty. Although in recent months certain indexes and economic statistics indicate initial signs of recovery and stabilization of the macroeconomic environment, there is no certainty as to how comprehensive and sustainable this recovery is. Should the recovery be only temporary or the global economic downturn continue, there can be no guarantee that this situation will not have a major negative impact on the Company's net assets, financial position, and results of operations. The credit crunch presently seen on the financial markets, for example, could make it more difficult for the Company's customers to receive financing. This may lead them to change or delay purchases of products as intended or to not carry out certain transactions. Against this background, cancellations of orders already issued also cannot be ruled out. Moreover, insufficient generation of sales or more difficult access to the capital markets on the part of the Company's customers may put them in a position where they are unable to pay outstanding invoices on time or in full. This could have a negative impact on the earnings and cash flows.

Numerous other factors, such as fluctuations in energy and raw material prices as well as global political conflicts, including the situation in the Middle East and other regions, will continue to have an impact on macroeconomic factors and capital markets around the world. Uncertainty about political and economic conditions may negatively impact the demand for the Company's products, and may also make budgeting and forecasts more difficult.

Cyclical Market Fluctuations and Development

The difficulty in assessing short and medium-term market development is still one of the greatest risks to the Company. The semiconductor industry in particular, which is among the Company's sales markets, is characterized by strong market cycles. The Company is countering these risks with lean structures, which can be adjusted quickly in the case of a weak business development and can be potentially supplemented with outsourcing.

Market Positioning

New technological developments by the competition could unexpectedly render parts of the product portfolio and, thus, parts of the potential obsolete, if new technologies were to offer faster, more efficient, or more attractively priced solutions to the same problem. The Company is countering this risk above all with targeted research and development and by continuously aligning its development planning with that of important customers.

Dependence on Individuals' Expertise

The Company depends on the expertise of individual employees in individual areas, primarily in the field of research and development. If these employees are unavailable to the Group, this presents a corresponding risk. This is monitored by internal documentation requirements.

Operating Risks

Assets and Earnings Position

Should the uncertain economic situation in most industrialized countries lead many customers to be reluctant to invest, the possibility of the Group failing to reach the sales targets it set for 2010 cannot be ruled out. The cost savings measures that have been implemented and are currently underway, may therefore, not be enough to generate a positive operating result. The Group is countering this risk with the stringent evaluation of the early indicators available, primarily the Company's order entry. The Company already has another catalog of possible measures to lower its break-even point of sales, although some of these would not have an impact on earnings prior to 2011. A deterioration of the earnings position going beyond the Group planning could make impairments necessary in the framework of future impairment tests. This would result in the devaluation of both the holding company's and the Group's asset values. These impairments would impact the Group's assets and earnings position, but would not have an effect on liquidity.

Pricing Pressure

Significant pricing pressure still exists in the current market environment. This includes the risk that original target selling prices can no longer be achieved, even in the case of the markets recovering. The Company is countering these risks with a constant pricing policy. As such, orders are rejected if the conditions are unattractive in order to guarantee constant prices for customers in recovering markets.

Residual Risks, Particularly Liability Risks

SUSS MicroTec's products are regularly analyzed, checked, and optimized using an extensive risk and quality management system. The liability risk for SUSS MicroTec may increase given the use of the products within the production environment of companies with rising need for product quality. In addition to other types of insurance, SUSS MicroTec also has product liability insurance for the Group. This limits as much potential risk as possible.

Changes in Group Structure

At the end of the reporting year, SUSS MicroTec AG acquired HamaTech APE GmbH & Co. KG. Acquisitions are inherently risky since they entail risks associated with the integration of employees, processes, technologies, and products. The entrepreneurial risk exists that the acquired company will not develop economically as expected in the market and that the sales and earnings goals sought with its acquisition will not be reached or that the intended synergy effects will not be achieved. We counter this risk by carefully and systematically vetting acquisitions in advance. Particular attention is paid to due diligence.

Financial Market Risks

Credit Risks

A credit risk is an unexpected loss of cash or earnings. This occurs when a customer is unable to meet its obligations within the due date, or the assets used as collateral lose value. The Company has implemented Group-wide guidelines on the topic of credit assessment. These guidelines set out the payment conditions and safeguards to which the Company's individual sales units can agree in certain cases while taking the customer and country-specific aspects into consideration. Orders from customers located in "risk countries" can, therefore, only be accepted against down payment for the entire amount of the order, a bank guarantee, or a letter of credit. In the case of customers who are located in the "non-risk countries" and exceed a certain size, a corresponding customer rating is established. These ratings are based on information provided by external credit rating agencies. Depending on the customer's rating, tiered payment conditions and/or safeguards may be necessary to process the order.

Of the gross amount of accounts receivable totaling € 15.2 million (previous year: € 24.1 million), € 11.9 million overall was neither overdue nor impaired as of the reporting date (previous year: € 13.3 million). As of December 31, 2009, there were no indications of payment defaults occurring.

The age structure of overdue, but not impaired receivables as of the reporting date and that of the previous year are as follows:

Age Structure of Overdue Receivables without Impairment

in € thousand	2009	2008
1 – 30 days	1,134	4,962
31 – 60 days	652	3,414
61 – 90 days	541	999
Overdue receivables without impairment	**2,327**	**9,375**

As of the reporting date, a total of € 1.0 million (previous year: € 1.5 million) of the gross inventory of receivables was overdue and impaired. The age structure of overdue and impaired receivables as of the reporting date and that of the previous year are shown in the following table:

Age Structure of Overdue and Impaired Receivables

in € thousand	2009	2008
91 – 180 days	579	930
181 – 360 days	210	294
> 360 days	224	235
Overdue and imparied receivables	**1,013**	**1,459**

Additional information about how value adjustments for accounts receivable are determined can be found in the Notes.

Liquidity Risks

The ongoing challenging situation in the financial markets may limit the Company's options for debt financing. Should the Company miss its 2010 forecast significantly, the possibility of covenants from the existing promissory note bond not being maintained cannot be ruled out. A promissory note bond of € 9.0 million total was issued in 2007.

In the scope of a bank consortium, three banks are currently issuing a credit line of € 9.0 million with an initial term until March 31, 2010. At present, the Company is making use of portions of this credit line in order to offer down payment guarantees in the operational business. Should it be unable to extend the credit line beyond March 31, 2010, the Company would have to abstain from down payments in the future from customers that insist on guarantees of this kind. This in turn, would require complete prefinancing of customer orders and increase the likelihood of order cancellations.

Minimizing the dependence, particularly on short-term borrowed capital, should keep any potential financing risk low. The Company is countering this risk above all by aiming to keep its ratio of borrowed capital at a low level through the corresponding cash flows from optimizing its working capital. Further details about the Company's liquidity situation can be found in Note (24).

Market Price Risks

Market price fluctuations can result in significant cash flow and earnings risks for the Company. Changes in foreign currency and interest rates influence the global operational business as well as investment and financing alternatives.

SUSS MicroTec's international orientation exposes it to foreign currency risk in the scope of its normal operating activities. The currency is hedged on the basis of existing foreign currency orders. The hedging ratio for orders that are processed within three or six months comes to approximately 65% and 45%, respectively. In addition, a base volume is hedged for a period of twelve months. Forward exchange dealings are used as hedging instruments. For further details, please refer to Note (29).

The sensitivity to foreign currency is determined by aggregating the foreign currency items of the operating activities and the Group treasury. Foreign currency risks are, thus, calculated on the basis of a simulation of a 10% devaluation of all foreign currencies versus the euro. This simulated devaluation would have led to a reduction of the euro-equivalent value of € 420,000 as of the reporting date (previous year: € 690,000) and a corresponding reduction in annual income.

The following tables show the composition of the foreign currency exposure and the effects on annual income as of the reporting date and that of the previous year:

	2009		
in € thousand	USD	JPY	Total
Cash and cash equivalents	1,450	703	2,153
Trade receivables	2,887	1,680	4,567
Trade payables	-678	-111	-789
Customer prepayments	-1,303	0	-1,303
Net exposure	**2,356**	**2,272**	**4,628**
Effect on net income of a 10% increase in the value of the euro	-214	-206	-420

The Company's interest rate risk is limited, as the variable components of the promissory note bond placed in the 2007 fiscal year have been hedged by term-congruent interest rate swaps. The conditions, which were originally variable, have, thereby, been converted into fixed conditions.

	2008		
in € thousand	USD	JPY	Total
Cash and cash equivalents	2,620	139	2,759
Trade receivables	4,859	2,611	7,470
Trade payables	-301	-721	-1,022
Customer prepayments	-1,625	0	-1,625
Net exposure	**5,553**	**2,029**	**7,582**
Effect on net income of a 10% increase in the value of the euro	-505	-185	-690

All additional significant financial debt of SUSS MicroTec is based on loan contracts with fixed interest rates and is not subject to the risk of changes in interest rates.

Overall Risk

No risks that threaten the Company's existence were identified within the Group in the 2009 fiscal year. The continued existence of the Company was at no time endangered from a material assets and liquidity point of view.

FORECAST REPORT

As already forecast in the beginning of 2009, the SUSS MicroTec Group experienced a significant decline in both order entry and sales in the past fiscal year, reflecting economic and industry-specific conditions. The low demand for semiconductor equipment caused by manufacturing overcapacity was further impaired by growing uncertainty in global markets. However, macroeconomic indicators point to a stabilization of global markets. In addition, the semiconductor industry experienced steady growth beginning in the second quarter of 2009, although worldwide semiconductor sales are still well below their level in 2007. Against the backdrop of cautious optimism on the part of market and industry observers, SUSS MicroTec anticipates moderate sales growth in 2010.

This forecast report provides a short explanation of the internal and external factors that both the Company and leading industry observers regard as essential for the further development of the Company.

Semiconductor Industry

Given the global economic crisis, the semiconductor industry posted a 9.0% drop in sales to US$ 226.3 billion in 2009 (SIA, February 2010). However, the sector's performance over the entire year turned out better than had been expected at the beginning of the year. Following plunging sales in 2008, the situation in the semiconductor industry improved continuously beginning in the second quarter of 2009. For 2010, the two market research institutes Gartner and iSuppli anticipate global sales growth compared with the previous year of 19.9% and 21.5%, respectively, to a level of US$ 276 billion or US$ 280 billion, respectively (as of February 2010/March 2010). Optimism is based on two factors: rising demand for PCs and cellular telephones and rising average prices for memory chips (DRAMs). In addition, emerging countries such as China and India are creating additional demand for all types of semiconductor products with their investments in wired and wireless infrastructure (SIA, February 2010).

Semiconductor Equipment Industry

Given falling memory chip prices and existing overcapacities, semiconductor manufacturers became quite reluctant to invest in semiconductor equipment beginning in mid-2008. As a result, the semiconductor equipment industry suffered a sales decline of 42.6% in 2009, according to the Gartner market research institute (as of December 2009). However, according to the industry association SEMI (Semiconductor Equipment and Materials International), the rebound in the semiconductor market, which began in the second quarter of 2009, caused the ratio of order entry to realized sales (book-to-bill ratio) in North America to remain consistently above the parity level since as early as July 2009. According to the two market research institutes Gartner and iSuppli, this positive trend will continue in 2010. While Gartner expects, in particular, technology purchases by chip manufacturers and foundries in the first half of 2010, in the second half of the year, the purchase of additional capacity should stimulate the positive trend. Against this backdrop, the forecasts of market researchers predict an increase in worldwide expenditures for semiconductor equipment in a range from 45.3% (Gartner, December 2009) to 46.8% (iSuppli, January 2010). For 2011, Gartner is forecasting additional growth of 30.2% to a total of USD 47.8 billion in the semiconductor equipment industry. However, when evaluating the figures, it should be noted that they reflect markets critical for major front-end-based manufacturers such as Applied Materials and ASML.

SUSS MicroTec, on the other hand, is not particularly active in the classic front-end of chip manufacturers. Instead, the Company primarily operates as an innovative, specialized equipment manufacturer in the niche markets of MEMS, advanced packaging, compound semiconductors, and 3D integration. Few forecasts exist for these niche markets.

Expected Development on the Major Markets

The Market for Microelectromechanical Systems (MEMS)

Despite steadily rising sales figures, the microelectromechanical systems (MEMS) market remained without noteworthy growth after 2007 and 2008 and even in 2009. Aside from the generally challenging global economic situation, the reason for this is the growing share of low-price MEMS components for consumer electronics, which has a negative impact on average sale prices, according to the SEMI industry association. The Yole Développement market research institute is projecting that, in 2010, the MEMS market will grow by 14% to a total market volume of US$ 8.0 billion, reflecting a gradual recovery in the global economy. In addition, market researchers are forecasting an average annual growth rate of 24.2% with expected sales in the area of microelectromechanical systems of US$ 12.4 billion in 2012 (as of August 2009).

While formerly strong market drivers such as the automotive industry and inkjet print heads have lost importance in the last three years as a result of the global economic crisis and the related decline in sales, in the future, particularly mobile applications in the area of consumer electronics and markets in industry and medical technology will be the largest growth drivers, according to Yole Développement. Primarily the demand on the part of consumers in communications and consumer electronics for multiple, integrated functions is expected to trigger a strong impulse. On the supply side, manufacturers will react to the rising demands with new products and applications. As such, gyroscopes and accelerometers are used as instruments in wireless electronic devices, for example as image stabilizers in cellular telephones and in game consoles. The market research institute iSuppli has also stated that videogame controllers, such as the ones built into the Nintendo Wii and the Sony PlayStation, will be among the strongest drivers of growth in the years to come.

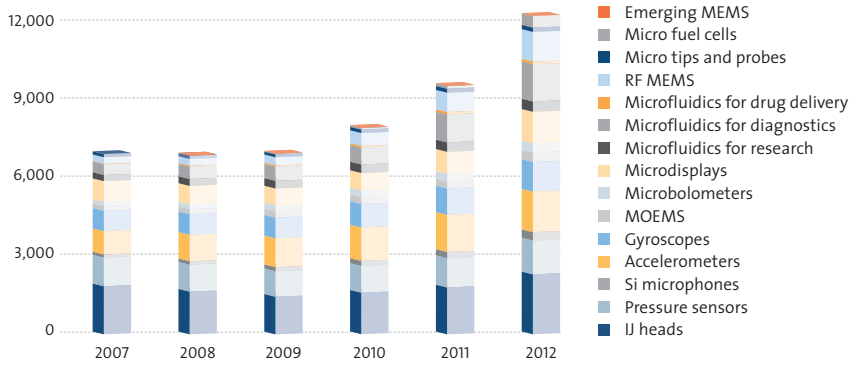
On the other hand, in interpreting market figures it should be noted that the equipment market in this segment is not growing as quickly as the MEMS market itself. This is due to the fact that the higher degree of productivity of the systems enables a constantly higher number of MEMS components per tool to be produced.

Advanced Packaging and 3D Integration

As for wafer-level packaging (advanced packaging), the researchers from TechSearch International Inc. (as of July 2009) forecast a rise in the number of bumped 200mm wafers from 4.4 million to 7.5 million in the period from 2009 to 2012. This is an average annual growth rate of approximately 19.5%. However, a proportionate increase in equipment cannot be assumed in the interpretation of figures. The market research institute Yole Développement expects growth in advanced packaging to come primarily in three-dimensional systems integration (3D integration). This sub-market of advanced packaging, which is still young, will feature an average annual growth rate of 59.5% for the 2010–2015 period, according to estimates of the market research institute Yole Développement (as of January 2009). The significant growth drivers here are primarily CMOS image sensors, as well as MEMS and storage media (DRAM).

MEMS Market in US$ million

Source: Yole Développement, Global MEMS Markets and Opportunities Report, August 2009



Compound Semiconductors (LEDs)

The market for compound semiconductors is heavily diversified, thus, making it difficult to assess in global terms. In this market, SUSS MicroTec focuses on the growth segment of light emitting diodes (LEDs) and, with its product solutions, is targeting particularly manufacturers of high-end light emitting diodes, i.e. high brightness (HB) and ultra-high brightness (UHB) LEDs. The highly efficient light emitting diodes are extremely economical in terms of space compared to conventional lighting devices and have up to fifty times greater life span while simultaneously consuming less energy and generating less heat. Aside from these environmentally friendly properties, the high degree of vibration and impact resistance and increasingly inexpensive production of the diodes have led to broad acceptance in diverse application domains. At the same time, demand is increasingly driven by use in computer and television technology.

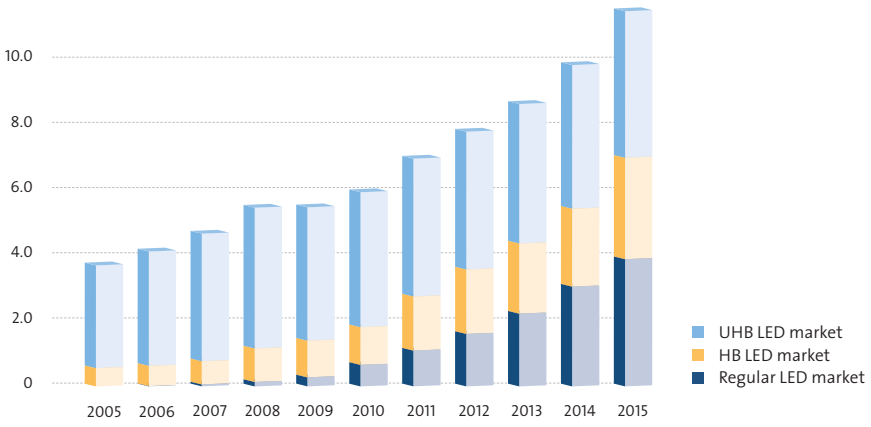
Therefore, the French market research institute Yole Développement is forecasting an average annual growth rate of 14.1% to a market volume of US$ 11.65 billion in 2015 for the global LED market. According to market researchers, growth will be driven particularly by rising demand for ultra-high brightness LEDs, of which the average annual growth rate should amount to 54.4% in the specified period. For equipment manufacturers, this implies an average growth rate of +33.6% for the high brightness (HB) and ultra-high brightness (UHB) LED markets in the coming years to a total volume of US$ 353 million in 2015, according to Yole Développement's estimates.

Endogenous Indicators

Aside from the condition of the markets, the innovation potential of our product range is also a critical factor for our success. In the 2009 fiscal year, the Company concluded a total of four strategically important development cooperative agreements with well-known partners from industry and research in the area of 3D integration. We assume that, as early as 2010, these innovations will attract the interest of research and development facilities as well as chip manufacturers, which will gradually integrate these new processes in their production in subsequent years.

LED Market in US$ billion

Source: Yole Développement, HB LED and LED Packaging Report, October 2009



STATEMENT ON THE PROJECTED DEVELOPMENT OF THE GROUP

The global economy appears to have moved beyond the trough of the recession, although only a gradual economic recovery is expected in 2010.

The current studies by leading market research institutes such as Gartner and iSuppli forecast market growth rates in the range between 45% and 47% for the semiconductor equipment industry in 2010. For 2011, Gartner anticipates additional growth of 30.2%. However, these forecasts refer to markets that are crucial to large, front-end-based manufacturers and are, therefore, less significant for us. Accordingly, we have not incorporated these growth rates into our internal planning. Instead, we are assuming stable development, which projects sales at the same level as in the past fiscal year.

In the process, we assume that HamaTech APE GmbH & Co. KG, which we acquired in February 2010, will generate sales similar in magnitude to those achieved by the discontinued Test Systems division in the reporting year. Despite lingering challenges posed by the global economy, we plan to invest more heavily in research and development in 2010. This should enable us to expand our ranking and technological position in our targeted markets over the medium to long term. At the same time, we are paying particular attention during the current year to the relocation of our Coater and Developer manufacturing to the Sternenfels site and the integration of HamaTech APE into the SUSS MicroTec Group.

Assuming that HamaTech APE can replace the contribution to Group sales of the discontinued Test Systems division, we estimate that, in the 2010 fiscal year, we will be able to increase our operating income (EBIT) compared to the past fiscal year.

Given stable sales in 2010, we should remain in a position to generate positive free cash flow adjusted for the impact of the purchase of HamaTech APE and the building at the Sternenfels site.

Should the markets we target develop in the manner described above and the SUSS MicroTec Group succeed in consistently positioning its product range to match market requirements, we anticipate rising order entry and sales in 2011. Depending on sales growth, it appears possible to reach an EBIT margin in the 8% – 10% range. We remain committed to our goal of sustaining the organic growth of our core business without additional borrowing.

FORWARD-LOOKING STATEMENTS

This Annual Report contains information and forecasts that refer to the future developments of the SUSS MicroTec Group and its companies. The forecasts are assessments that the Company has made based on all of the information available to it at the present time. Should the assumptions on which these forecasts are based not occur or the risks – as addressed in the risk report – arise, the actual results may deviate from those currently expected.

Garching, Germany, March 11, 2010

The Management Board

Frank Averdung
Chief Executive Officer

Michael Knopp
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME (IFRS)

in € thousand	Notes	01/01/2009 – 12/31/2009	01/01/2008 – 12/31/2008
Sales	(3)	103,901	121,495
Cost of sales	(4)	-65,058	-83,146
Gross profit		**38,843**	**38,349**
Selling costs		-16,674	-20,429
Research and development costs		-4,871	-5,698
Administration costs		-13,939	-16,821
Goodwill impairment		0	-4,426
Other operating income	(5)	2,941	4,650
Other operating expenses	(6)	-3,520	-4,326
Analysis of net income from operations (EBIT):		**7,567**	**9,207**
Depreciation and amortization of tangible assets, intangible assets, and investments in subsidiaries	(10)	-4,787	-17,908
Net income from operations (EBIT)		**2,780**	**-8,701**
Financial income/expense	(7)	-139	-804
Profit or loss from continuing operations before taxes		**2,641**	**-9,505**
Income taxes	(8)	-2,105	-2,054
Net profit or loss from continuing operations		**536**	**-11,559**
Net profit or loss from discontinued operations (after taxes)	(2f)	**-5,393**	**-2,342**
Profit or loss after taxes		**-4,857**	**-13,901**
Thereof minority interests		-46	-30
Thereof equity holders of SUSS MicroTec		-4,811	-13,871
Earnings per share (basic)	(9)		
Earnings per share from continuing operations in €		0.03	-0.68
Earnings per share from discontinued operations in €		-0.31	-0.14
Earnings per share (diluted)	(9)		
Earnings per share from continuing operations in €		0.03	-0.68
Earnings per share from discontinued operations in €		-0.31	-0.14

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in € thousand	Notes	01/01/2009 – 12/31/2009	01/01/2008 – 12/31/2008
Net profit or loss		**-4,857**	**-13,901**
Fair value fluctuations of available-for-sale securities		379	-53
Foreign currency adjustment		-80	1,358
Cash flow hedges		-202	0
Deferred taxes		-49	15
Total income and expenses recognized in equity		**48**	**1,320**
Total income and expenses reported in the reporting period		**-4,809**	**-12,581**
Thereof equity holders of SUSS MicroTec		-4,763	-12,551
Thereof minority interests		-46	-30

CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS in € thousand	Notes	12/31/2009	12/31/2008
Non-current assets		**39,954**	**48,600**
Intangible assets	(11)	13,837	15,113
Goodwill	(12)	13,599	17,767
Tangible assets	(13)	4,081	5,421
Other investments		0	5
Current tax assets	(19)	121	573
Other assets	(14)	554	664
Deferred tax assets	(8)	7,762	9,057
Current assets		**96,480**	**104,960**
Inventories	(15)	40,790	54,596
Accounts receivable	(16)	14,842	23,142
Other financial assets	(17)	355	848
Securities	(18)	10,489	3,759
Current tax assets	(19)	265	298
Cash and cash equivalents		20,621	20,603
Other assets	(20)	1,595	1,714
Assets classified as held for disposal	(2f)	7,523	–
Total assets		**136,434**	**153,560**

LIABILITIES AND SHAREHOLDERS' EQUITY

in € thousand	Notes	12/31/2009	12/31/2008
Equity		**86,060**	**90,617**
Total equity attributable to shareholders of SUSS MicroTec AG		85,859	90,370
Subscribed capital	(21)	17,019	17,019
Reserves	(21)	69,583	74,142
Accumulated other comprehensive income	(21)	-743	-791
Minority interests		201	247
Non-current liabilities		**19,988**	**18,554**
Pension plans and similar commitments	(22)	3,003	3,026
Provisions	(23)	711	902
Financial debt	(24)	10,962	9,199
Other financial liabilities		67	0
Deferred tax liabilities	(8)	5,245	5,427
Current liabilities		**30,386**	**44,389**
Provisions	(25)	1,772	3,161
Tax liabilities	(28)	595	801
Financial debt	(24)	1,747	5,758
Other financial liabilities	(26)	4,536	5,365
Accounts payable		4,458	5,116
Other liabilities	(27)	14,906	24,188
Liabilities associated with assets classified as held for disposal	(2f)	2,372	–
Total liabilities and shareholders' equity		**136,434**	**153,560**

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

in € thousand	01/01/2009 – 12/31/2009	01/01/2008 – 12/31/2008
Net profit or loss (after taxes)	-4,857	-13,901
Amortization of intangible assets	4,052	12,305
Amortization of goodwill	4,168	4,426
Depreciation of tangible assets	1,506	1,630
Profit or loss on disposal of intangible and tangible assets	14	98
Change of reserves on inventories	448	287
Change of reserves for bad debts	-555	563
Non-cash stock based compensation	252	630
Non-cash income from the reversal of provisions	-629	-135
Non-cash interest expenses from increase of convertible debt	0	18
Other non-cash income and expenses	432	-1,628
Change in inventories	8,297	291
Change in accounts receivable	6,638	3,227
Change in other assets	609	709
Change in pension provisions	-23	288
Change in accounts payable	-139	-3,880
Change in other liabilities and other provisions	-9,204	4,119
Change in deferred taxes	1,092	336
Cash flow from operating activities – continuing and discontinued operations	**12,101**	**9,383**
Cash flow from operating activities – continuing operations	**11,999**	**9,991**

in € thousand	01/01/2009 – 12/31/2009	01/01/2008 – 12/31/2008
Disbursements for tangible assets	-417	-1,801
Disbursements for intangible assets	-2,831	-7,582
Purchases of current available-for-sale securities	-6,730	-3,757
Proceeds from disposal of intangible and tangible assets	12	12
Proceeds from noncurrent assets held for sale	0	1,906
Cash flow from investing activities – continuing and discontinued operations	**-9,966**	**-11,222**
Cash flow from investing activities – continuing operations	**-9,843**	**-10,845**
Repayment of bank loans	-79	-680
Repayment of convertible bond	0	-373
Change in current bank liabilities	-4,601	2,573
Change in other financial debt	-344	-117
Proceeds from the issuance of common stocks	2,957	0
Cash flow from financing activities – continuing and discontinued operations:	**-2,067**	**1,403**
Cash flow from financing activities – continuing operations:	**-2,067**	**1,745**
Adjustments to funds caused by exchange-rate fluctuations	128	947
Change in cash and cash equivalents	**196**	**511**
Funds at the beginning of the year	**20,603**	**20,092**
Funds at the end of the period	**20,799**	**20,603**
Less: Cash and cash equivalents of assets classified as held for disposal and discontinued operations at end of period	**-178**	**-199**
Funds at the end of the period (Consolidated Balance Sheet)	**20,621**	**20,404**
Cash flow from operating activities includes:		
Interest paid during the period	722	838
Interest received during period	978	639
Taxes paid during the period	796	2,965
Tax refunds during the period	-42	470

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (IFRS)

in € thousand	Subscribed capital	Additional paid-in capital	Earnings reserve
As of January 01, 2008	**17,019**	**92,212**	**433**
Issuance of subscription rights		630	
Net profit or loss			
Total income and expenses recognized in equity			
As of December 31, 2008	**17,019**	**92,842**	**433**
As of January 01, 2009	**17,019**	**92,842**	**433**
Issuance of subscription rights		252	
Net profit or loss			
Total income and expenses recognized in equity			
As of December 31, 2009	**17,019**	**93,094**	**433**

Retained Earnings	Accumulated other Comprehensive Income	Total equity attributable to shareholders of SUSS MicroTec AG	Minority interests	Equity
-5,262	**-2,111**	**102,291**	**277**	**102,568**
		630		630
-13,871		-13,871	-43	-13,914
	1,320	1,320	13	1,333
-19,133	**-791**	**90,370**	**247**	**90,617**
-19,133	**-791**	**90,370**	**247**	**90,617**
		252		252
-4,811		-4,811	-46	-4,857
	48	48	0	48
-23,944	**-743**	**85,859**	**201**	**86,060**

SCHEDULE OF FIXED ASSETS (2009)

	Acquisition and manufacturing costs						
in € thousand	01/01/2009	Translation adjustment	Additions	Reclassifi-cations	Reclassification as„Held for sale“	Disposals	12/31/2009
I. Intangible assets							
1. Concessions, intellectual property rights, and similar rights and assets as well as licenses to such rights and assets	20,970	-29	1,242	14	3,931	3,706	14,560
2. Development costs	30,959	-335	1,589	0	843	0	31,370
3. Capitalized leased property							
Software	191	-10	2,957	0	0	0	3,138
	52,120	**-374**	**5,788**	**14**	**4,774**	**3,706**	**49,068**
II. Goodwill	**36,604**	**0**	**0**	**0**	**4,168**	**0**	**32,436**
III. Tangible assets							
1. Land, buildings, fixtures	3,903	-87	73	76	200	16	3,749
2. Technical equipment and machinery	10,168	-218	135	509	273	44	10,277
3. Other equipment, office and plant furnishings	12,154	-90	157	46	1,548	976	9,743
4. Motor vehicles	516	-4	0	0	6	42	464
5. Facilities under construction	138	-2	0	-136	0	0	0
6. Capitalized leased property							
Land, buildings, fixtures	436	-13	0	0	0	0	423
Technical equipment and machinery	815	-20	52	-509	0	0	338
Other equipment, office and plant furnishings	761	-2	0	0	0	0	759
	28,891	**-436**	**417**	**-14**	**2,027**	**1,078**	**25,753**
IV. Financial assets							
1. Investments in associated companies	2,095	0	0	-2,095	0	0	0
2. Other investments	173	0	0	2,095	5	0	2,263
	2,268	**0**	**0**	**0**	**5**	**0**	**2,263**

* Additions to accumulated depreciation refer with an amount of € 4.787 thousands to continuing operations and with an amount of € 4.939 thousands to discontinued operations. Additions to accumulated depreciation from discontinued operations include an impairment loss of € 4.690 thousands.

	Depreciation and amortization							Net book values	
	01/01/2009	Translation adjustment	Additions*	Reclassifi-cations	Reclassification as„Held for sale“	Disposals	12/31/2009	12/31/2008	12/31/2009
	16,202	-16	1,386	0	3,931	873	12,768	4,768	1,792
	20,614	-155	2,444	0	843	0	22,060	10,345	9,310
	191	-10	222	0	0	0	403	0	2,735
	37,007	**-181**	**4,052**	**0**	**4,774**	**873**	**35,231**	**15,113**	**13,837**
	18,837	**0**	**4,168**	**0**	**4,168**	**0**	**18,837**	**17,767**	**13,599**
	3,198	-70	149	0	132	16	3,129	705	620
	8,645	-216	400	267	273	43	8,780	1,523	1,497
	9,640	-78	857	0	1,444	971	8,004	2,514	1,739
	436	-2	11	0	6	24	415	80	49
	0	0	0	0	0	0	0	138	0
	271	-10	69	0	0	0	330	165	93
	536	-17	15	-267	0	0	267	279	71
	744	-2	5	0	0	0	747	17	12
	23,470	**-395**	**1,506**	**0**	**1,855**	**1,054**	**21,672**	**5,421**	**4,081**
	2,095	0	0	-2,095	0	0	0	0	0
	168	0	0	2,095	0	0	2,263	5	0
	2,263	**0**	**0**	**0**	**0**	**0**	**2,263**	**5**	**0**

SCHEDULE OF FIXED ASSETS (2008)

	Acquisition and manufacturing costs					
in € thousand	01/01/2008	Translation adjustment	Additions	Reclassifi-cations	Disposals	12/31/2008
I. Intangible assets						
1. Concessions, intellectual property rights, and similar rights and assets as well as licenses to such rights and assets	17,979	169	2,823	0	1	20,970
2. Development costs	25,800	526	4,759	0	126	30,959
3. Capitalized leased property						
Software	146	45	0	0	0	191
	43,925	**740**	**7,582**	**0**	**127**	**52,120**
II. Goodwill	**36,372**	**232**	**0**	**0**	**0**	**36,604**
III. Tangible assets						
1. Land, buildings, fixtures	3,581	256	122	0	56	3,903
2. Technical equipment and machinery	9,622	546	345	-203	142	10,168
3. Other equipment, office and plant furnishings	10,919	332	1,061	203	361	12,154
4. Motor vehicles	508	7	5	0	4	516
5. Facilities under construction	24	-13	139	0	12	138
6. Capitalized leased property						
Land, buildings, fixtures	324	22	90	0	0	436
Technical equipment and machinery	794	114	39	0	132	815
Other equipment, office and plant furnishings	754	7	0	0	0	761
	26,526	**1,271**	**1,801**	**0**	**707**	**28,891**
IV. Financial assets						
1. Investments in associated companies	2,095	0	0	0	0	2,095
2. Other investments	173	0	0	0	0	173
	2,268	**0**	**0**	**0**	**0**	**2,268**

* previous year: Investments in associated companies, at equity

	Depreciation and amortization						Net book values	
	01/01/2008	Translation adjustment	Additions	Reclassifi-cations	Disposals	12/31/2008	12/31/2007	12/31/2008
	14,687	136	1,380	0	1	16,202	3,292	4,768
	9,609	206	10,925	0	126	20,614	16,191	10,345
	146	45	0	0	0	191	0	0
	24,442	**387**	**12,305**	**0**	**127**	**37,007**	**19,483**	**15,113**
	14,411	**0**	**4,426**	**0**	**0**	**18,837**	**21,961**	**17,767**
	2,895	185	174	0	56	3,198	686	705
	8,118	410	422	-163	142	8,645	1,504	1,523
	8,668	253	819	163	263	9,640	2,251	2,514
	405	6	29	0	4	436	103	80
	0	0	0	0	0	0	24	138
	154	14	103	0	0	271	170	165
	505	85	78	0	132	536	289	279
	732	7	5	0	0	744	22	17
	21,477	**960**	**1,630**	**0**	**597**	**23,470**	**5,049**	**5,421**
	2,095	0	0	0	0	2,095	0	0
	168	0	0	0	0	168	5	5
	2,263	**0**	**0**	**0**	**0**	**2,263**	**5**	**5**

SEGMENT REPORTING (IFRS)

Segment Information by Business Segment

	Lithography		Substrate Bonder		Others	
in € thousand	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
External sales	77,573	98,843	18,313	16,145	8,015	6,507
Internal sales	0	0	0	0	5,637	6,598
Total sales	**77,573**	**98,843**	**18,313**	**16,145**	**13,652**	**13,105**
Result per segment (EBIT)	11,742	18,607	-3,848	-6,845	-5,114	-20,463
Income before taxes	11,641	18,378	-3,857	-6,861	-5,143	-21,022
Significant non-cash items	77	-2,443	-748	-2,186	592	-13,025
Segment assets	53,312	64,080	25,400	25,612	8,584	10,325
– thereof Goodwill	13,599	13,599	0	0	0	0
Unallocated assets						
Total assets						
Segment liabilities	-15,646	-21,384	-5,686	-5,805	-2,701	-3,625
Unallocated liabilities						
Total liabilities						
Depreciation and amortization	1,810	2,195	1,661	1,914	1,316	13,799
– thereof scheduled	1,810	2,195	1,661	1,251	1,316	1,353
– thereof impairment loss	0	0	0	663	0	12,446
Capital expenditure	722	2,496	1,062	2,736	1,341	3,773
Average workforce during the year	324	356	115	116	59	73

Segment Information by Region

	Sales		Capital expenditure		Assets	
in € thousand	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Europe	39,735	50,225	2,125	6,352	65,444	74,235
North America	24,152	39,301	1,088	2,883	26,111	36,429
Japan	12,010	15,396	19	99	2,656	5,926
Rest of Asia	44,381	44,382	16	49	784	924
Rest of World	27	8	0	0	0	0
Consolidation effects	0	0	0	0	-1,125	-1,466
Total	**120,305**	**149,312**	**3,325**	**9,383**	**93,870**	**116,048**

	Continuing operations		Discontinued Operations		Consolidation effects		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	103,901	121,495	16,404	27,817	–	–	120,305	149,312
	5,637	6,598	0	0	-5,637	-6,598	0	0
	109,538	**128,093**	**16,404**	**27,817**	**-5,637**	**-6,598**	**120,305**	**149,312**
	2,780	-8,701	-5,508	-2,322	–	–	-2,728	-11,023
	2,641	-9,505	-5,503	-2,342	–	–	-2,862	-11,847
	-79	-17,654	563	-780	–	–	484	-18,434
	87,296	100,017	6,574	16,031	–	–	93,870	116,048
	13,599	13,599	0	4,168	–	–	13,599	17,767
							42,564	37,512
							136,434	**153,560**
	-24,033	-30,814	-2,441	-4,475	–	–	-26,474	-35,289
							-23,900	-27,654
							-50,374	**-62,943**
	4,787	17,908	4,939	453	–	–	9,726	18,361
	4,787	4,799	249	352	–	–	5,036	5,151
	0	13,109	4,690	101	–	–	4,690	13,210
	3,125	9,005	123	378	–	–	3,248	9,383
	498	545	125	154	–	–	623	699

NOTES

to the Consolidated Financial Statements According to IFRS for 2009

(1) Description of Business Activity

SUSS MicroTec AG (the "entity" or "Company"), domiciled at D-85748 Garching, Schleissheimer Strasse 90, and its subsidiaries constitute an international entity that manufactures and distributes products using microsystems technology and microelectronics. Production is at facilities in Garching, Sacka and Vaihingen in Germany, Waterbury VT and Palo Alto CA in the USA, and Neuchâtel in Switzerland. The products are distributed via the production facilities themselves and via distribution companies in France, the United Kingdom, Japan, Thailand, Singapore, Taiwan, China, and Korea. In countries in which the Group does not have offices of its own, distribution is organized via trade representatives.

(2) Summary of the Principal Accounting Principles

a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) approved and published by the International Accounting Standards Board (IASB) which are mandatory in the European Union. The requirements of the IFRS have been met in full and lead to the presentation of a true and fair view of the net assets, financial position and results of operations of the SUSS Group.

The company is an Aktiengesellschaft, i.e. a corporation, under German law. Under the regulations of the German Commercial Code (HGB), the Company is obliged to prepare consolidated financial statements in accordance with the accounting regulations of section 315a HGB, since SUSS MicroTec AG is listed on a stock exchange. The Group management report has been prepared in accordance with the requirements of section 315 of the HGB.

The consolidated financial statements and the Group management report for the year that ended on December 31, 2009, will be submitted to and published in the electronic German Federal Gazette.

b) Standards and Interpretations That Have Not Been Applied Prior to the Mandatory Applicable Date

The IASB has published the following standards, interpretations and revisions to existing standards, which must still be endorsed by EU law:

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions

In June 2009, the IASB published revisions to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions, clarifying the treatment of share-based remuneration in cash within the Group in the single entity financial statements. Moreover, the revision also involved adopting provisions in IFRS 2 that had previously been contained in IFRIC 8 Scope of IFRS 2 and in IFRIC 11 IFRS 2 – Group and Treasury Share Transactions.

The amended standard is mandatory for fiscal years beginning on or after January 1, 2010; earlier application is permitted.

SUSS MicroTec AG does not expect any effects from initial application if the amended standard is endorsed by the EU in this form.

IAS 24 Related Party Disclosures

The IASB published amendment to IAS 24 Related Party Disclosures on November 4, 2009. The amendment relates mainly to simplifications in the disclosure requirements of entities that are state-controlled or can be significantly influenced by the state. Another amendment was made to IAS 24 to clarify the definition of a related party (entity or person).

The amended standard is mandatory for fiscal years beginning on or after January 1, 2011; earlier application is permitted.

SUSS MicroTec AG does not expect any effects from initial application if the amended standard is endorsed by the EU in this form.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The International Financial Reporting Interpretations Committee (IFRIC) published IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments on November 26, 2009. The interpretation provides advice on accounting for so-called debt for equity swaps. IFRIC 19 sets out the requirements of the IFRS when an entity redeems, either in part or in full, a financial liability by issuing shares of other equity instruments.

IFRIC 19 is mandatory for periods beginning on or after July 1, 2010. Earlier application is permitted.

SUSS MicroTec AG does not expect any effects from initial application if the amended standard is endorsed by the EU in this form.

The following standards, interpretations and amendments to standards were taken into EU law by the EU Commission in the year under review, but were not mandatory for the 2009 fiscal year. They have not been applied early.

IAS 39 Financial Instruments: Recognition and Measurement

In the Gazette of the European Union dated September 16, 2009, decree 839/2009 was published adopting the amendments to IAS 39 made by the IASB on July 31, 2008, under the title "Qualifying underlying transactions". The amendments spell out how to proceed in accounting for hedges with the inflation portion of financial instruments and with option contracts that are used as hedges.

The amended standard becomes mandatory for fiscal years beginning after June 30, 2009. Earlier application is permitted.

SUSS MicroTec AG does not expect any effects from the initial application in the 2010 fiscal year.

IFRIC 17 Distributions of Non-cash Assets to Owners

Decree 1142/2009 was published in the Gazette of the European Union on November 27, 2009 announcing the adoption of IFRIC 17 that IFRIC published on November 27, 2009. IFRIC 17 clarifies the accounting treatment of dividends in kind made to owners of an entity. The same decree adopted the changes to IFRS 5 and IAS 10 consistent with IFRIC 17.

IFRIC 17 and the corresponding amendments to IFRS 5 and IAS 10 became mandatory for fiscal years beginning after October 31, 2009. Earlier application is permitted.

SUSS MicroTec AG does not expect any effects from the initial application in the 2010 fiscal year.

IAS 32 Financial Instruments: Presentation

Decree 1293/2009 was published in the Gazette of the European Union on December 24, 2009 announcing the adoption of amendments to IAS 32 published by IASB on October 8, 2009. The amendment relates to the accounting by the issuer of subscription rights, options, and warrants for the purchase of a fixed number of equity instruments that are denominated in a currency different from the functional currency of the issuer. Previously such cases had been treated as derivative liabilities. Following the amendment, such subscription rights, that are issued at a specified currency amount proportionate to the existing shareholdings in an entity, shall be classified as equity. The currency in which the exercise price is denominated is irrelevant.

The amendments to IAS 32 become mandatory for fiscal years beginning after January 31, 2010. Earlier application is permitted.

SUSS MicroTec AG does not expect any effects from the initial application in the 2011 fiscal year.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Decree (EC) 460/2009 was published in the Gazette of the European Union on June 5, 2009, announcing the adoption of IFRIC 16 Hedges of a Net Investment in a Foreign Operation that had been approved by IFRIC in July 2008. The purpose of the Interpretation is to clarify two matters arising from the two standards IAS 21 The Effects of Changes in Foreign Exchange Rates and IAS 39 Financial Instruments: Recognition and Measurement in connection with the accounting of the hedging of foreign exchange risks within an entity and its foreign business operations.

IFRIC 16 makes clear what is to be seen as a risk in hedging a net investment in a foreign business operation and, where within a group, the hedging instrument may be held to lessen this risk.

The Interpretation becomes mandatory for fiscal years beginning after June 30, 2009. Earlier application is permitted.

SUSS MicroTec AG does not expect any effects from the initial application in the 2010 fiscal year.

c) Principal Accounting and Measurement Methods

Taking into consideration the quality criteria of the accounting and of the applicable IFRSs, the consolidated financial statements fulfil the principle of true and fair view and of fair presentation. In preparing the IFRS consolidated financial statements, the following significant accounting and measurement principles were applied:

Goodwill

Under IFRS 3, derivative goodwill is not subject to regular amortization, but is examined once annually for impairment. An examination is also performed if there are triggering events that indicate possible impairment.

The recoverability of goodwill is examined at the level of cash generating units, these corresponding in the SUSS Group to the segments.

Impairment is recorded if the carrying values of the assets are no longer covered by the recoverable amount of the cash generating unit concerned. The recoverable amount is the higher of fair value less costs to sell and value in use. In the reporting year, SUSS MicroTec AG computed the recoverable amount of a segment on the basis of its value in use. This value is based generally on valuations using discounted cash flows.

Other Intangible Assets

Purchased and internally generated intangible assets are capitalized pursuant to IAS 38, if it is probable that a future economic benefit will flow from the use of the asset, and the costs of the asset can be determined reliably. They are recognized at acquisition or manufacturing costs and amortized normally on the straight-line method over their useful life, which is a maximum of 10 years.

Development costs in connection with product development are capitalized as manufacturing costs, if the expense can be attributed clearly and if technical feasibility and successful marketing are assured. It must, moreover, be sufficiently probable that the development activity will indeed generate a future economic benefit. The capitalized development performances are comprised of all costs that are directly attributable to the development process, including overheads relating to development. Capitalized development costs are amortized normally on a straight-line basis from the commencement of production over the expected product life cycle of, as a rule, three to five years.

There are no other intangible assets with an indeterminate useful life in the SUSS Group.

Tangible Assets

Tangible assets are recognized at acquisition or manufacturing cost and lessened on the basis of probable useful life by scheduled, straight-line depreciation. The depreciation periods for the principal categories of assets are given below:

Land, buildings, fixtures	10 to 40 years
Plant and machinery	4 to 5 years
Other plant, operating and office equipment	3 to 5 years
Vehicles	5 years

When assets are disposed of, the pertinent historical acquisition costs and accumulated depreciation are retired and the difference to sales proceeds is recorded as other operating expense or income.

In the case of leased assets, a distinction is made between a "finance lease" and an "operating lease" as set out in IAS 17. Finance lease items are capitalized at the present value of all future minimum lease payments, and the leasing debt is recorded on the liabilities side. The capitalized items are depreciated or amortized over their useful life, the lease debt being redeemed and interest paid in accordance with the terms and conditions of the lease agreement. In the case of an operating lease, there is no capitalization, and the lease payments are recorded as expense in the periods when incurred.

There was no re-measurement of tangible assets pursuant to IAS 16.

Impairment of Intangible and Tangible Assets

Intangible assets, including goodwill, and tangible assets are subject to impairment if the carrying values of the assets would no longer be covered by the sales proceeds that may be expected or by the discounted net cash flow from further use. Where it is not possible to determine the realizable amount for individual assets, the cash flow is determined for the next higher grouping of assets for which such a cash flow can be computed. Allocation of goodwill is on the basis of the reporting units (segments).

If in later periods the circumstances that led to the impairment cease to pertain, revaluations are made. The revaluation is made at a maximum to the amount which would have resulted if the impairment had not been recorded. No revaluation is made on goodwill once it has been written down.

Other Investments

Other investments on which no material influence can be exercised or that are of subordinate importance for the net assets, financial position, and results of operations are allocated to the measurement category of "available for sale" and are recognized at acquisition costs less any necessary impairment since it is not possible to determine their fair value reliably.

Inventories

The inventories are measured at manufacturing or acquisition costs or, if lower, their net realizable value. The net realizable value is the selling proceeds that can probably be obtained less the costs to sell incurred prior to sale. Inventory risks arising from lower marketability and technical risks are accommodated by appropriate adjustments.

The manufacturing costs of work in progress and finished goods include direct material and production costs as well as attributable material and production overheads.

In the case of raw materials, supplies, and consumables, acquisition costs are computed on the basis of a weighted average.

If the circumstances cease to pertain that led to an adjustment of the inventories, a corresponding revaluation is made.

Financial Instruments

Financial instruments are contractual relationships which lead, for the one party, to a financial asset and, for the other, to a financial debt or an equity instrument. These are divided into the categories "measured at acquisition costs", "measured at market values", and "lease liabilities".

The entity records financial instruments in the balance sheet as soon as the SUSS Group becomes a contractual partner to a financial instrument. Initial recognition of the financial instruments is at market value. Subsequent measurement of financial assets and liabilities is in accordance with the category they have been allocated to – financial assets available for sale, loans and receivables, financial liabilities, or financial assets and liabilities held for trading purposes.

The categories "Held to maturity" and "Fair value option" are not used.

Receivables and Other Financial Assets

Receivables and other financial assets, with the exception of derivative financial instruments, are allocated to the category loans and receivables and measured at adjusted costs of acquisition. Appropriate adjustments are made on doubtful receivables and receivables considered to be unrecoverable. These impairments are recorded on separate adjustment accounts.

Securities

Securities are classified as financial assets available for sale. They are recognized at fair values whenever these can be determined reliably. Unrealized gains and losses are shown, after consideration of deferred taxes, under other comprehensive income. In the case of impairment, the other comprehensive income is reduced by the impairment amount and the corresponding amount is recognized directly in the income statement.

Cash and Cash Equivalents

Cash equivalents include all nearly liquid assets that at the time of acquisition or investment have a residual term of less than three months. Cash and cash equivalents are measured at acquisition cost.

Share-based Remuneration

The Company accounts for its obligations from existing stock option plans in accordance with IFRS 2. The market value of the issued stock options is recorded in equity, taking account of the service period. The market value is calculated using the Black-Scholes model.

Pension Plans and Similar Commitments

Provisions for pension plans and similar commitments are recognized pursuant to IAS 19 (Employee Benefits). The obligations are computed using the projected unit credit method. Future salary increases and other increases in benefits are taken into consideration. The measurement of the pension obligations is on the basis of pension reports using the assets existing to cover these obligations (plan assets). Actuarial gains and losses are offset with effect on the statement of income when they fall outside a corridor of 10% of the scope of the commitment. In this case, they are distributed over the future average remaining service life of the workforce. The expenses from the compounding of pension obligations are shown as a part of the relevant function costs.

Provisions

Provisions are formed under IAS 37 when there is an obligation to outside parties whose fulfilment they are likely to demand and if the probable amount of the necessary provision can be estimated reliably. The measurement is at full cost. Long-term provisions are recognized on the basis of corresponding interest rates at their discounted settlement amount as of the balance sheet date.

Financial Debt

Financial debt includes bank loans, bonds, and liabilities from finance leases. Liabilities to banks and from bonds are allocated to the financial liabilities category and measured at adjusted acquisition costs. The liabilities from finance leases are allocated to the category "lease liabilities" and are measured in accordance with IAS 17.

Other Financial Liabilities

With the exception of derivative financial instruments, other financial liabilities are allocated to the category financial liabilities and measured at adjusted acquisition cost.

Accounts Payable

Accounts payable are allocated to the category financial liabilities and measured at adjusted acquisition costs.

Discontinued Operations

Discontinued operations are shown as soon as a company portion with business activities and cash flows that can be clearly distinguished from the remainder of the entity for accounting purposes is classified as being for sale or has already been disposed of, and the business area represents a separate and substantial business branch. Instead of the presentation previously chosen in the statement of income of showing discontinued operations in a separate column, the presentation of these activities now takes the form of a separate line item. Supplementary disclosures are made in the Notes.

Revenue Recognition

In accordance with IAS 18, revenue from the sale of tools is recognized at the time of passage of ownership or of risk to the customer, if a price has been agreed or can be determined and it may be assumed that this price will be paid.

If, in addition to the delivery of a tool, installation and final acceptance have been contractually agreed with the customer, revenue is only realized when installation and assembly have been completed.

Revenues from services are realized when the performance has been rendered or, in the case of service contracts, on a proportional basis over time. In the case of sales of spare parts, the revenue is realized on delivery.

Cost of Sales

The cost of sales is comprised of the manufacturing and procurement costs of the products and spare parts sold. It contains, apart from directly attributable individual material and manufacturing costs, overheads including depreciation of production plant and amortization on intangible assets as well as the markdowns on inventories.

Research and Development Costs

Expenses for research and expenses for development work that cannot be capitalized are recorded as expense when incurred.

Other Operating Expenses and Income

The other operating expenses and income are classified under the operating result and allocated to the appropriate period. This also applies to expenses and income from foreign currency translation.

Deferred Taxes

In accordance with IAS 12 (Income Taxes), deferred tax assets and liabilities are formed on all temporary differences between the fiscal measurement bases of the assets and debts as well as their recognized values in the IFRS consolidated balance sheet and on tax loss carry forwards. The deferred taxes are computed on the basis of tax rates that apply or are expected to apply at the time of realization in light of the present legal situation in the different countries. Deferred tax claims on temporary differences or on loss carry forwards are only recognized if it seems sufficiently certain that they can be realized in the near future.

Deferred taxes are only set up on temporary differences on goodwill if writedowns on the derivative goodwill is subject to recognition for tax purposes.

EPS - Earnings per Share

The Company computes earnings per share in accordance with IAS 33.

The basic earnings per share are computed by dividing the net profit by the weighted average of the issued shares.

The diluted earnings per share are computed by dividing the adjusted net profit by the weighted average of the issued shares plus the share equivalents leading to a dilution.

Derivative Financial Instruments

Derivative financial instruments are concluded in the SUSS Group for the purpose of hedging currency and interest risks.

Derivative financial instruments are accounted for pursuant to IAS 39. Derivative financial instruments are allocated to assets and liabilities held for trading purposes, are recognized at their market values, and are presented under other current financial assets or other current financial liabilities. They are first recognized on the day of transaction. Changes in market value are shown either in the statement of income or, in the case of a cash flow hedge, under other comprehensive income after deduction of deferred taxes.

Cashflow Hedges

The effective portion of market value changes to derivative instruments that are designated as cash flow hedges are recognized under other comprehensive income after accounting for deferred taxes. The ineffective portion is recognized as profit or loss in the statement of income.

Treatment of Subsidies

Under IAS 20 (Accounting for Government Grants), public subsidies are only recorded if there is sufficient certainty that the attached conditions will be fulfilled and the subsidies granted. They are treated with effect on the statement of income and generally offset in the periods in which the expenses are incurred that are to be met by the subsidies. Subsidies relating to capitalizable development costs are subtracted from the capitalization total.

Transactions in Foreign Currency

Purchases and sales in foreign currencies are translated at the day rate in force at the time of delivery. Assets and debts in foreign currencies are translated to the functional currency at the exchange rate in force at the balance sheet date. The foreign currency gains and losses arising from these translations are recognized in the statement of income.

d) Use of Estimates

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions that effect the presentation of assets and debts, the disclosures of contingent liabilities as of the balance sheet date, and the presentation of income and expenses. In individual cases, the actual values may deviate from the assumptions and estimates made.

Accounts Receivable

Adjustments on doubtful receivables involve, in considerable measure, estimates and judgements of individual receivables that are based on the creditworthiness of the individual customer, the current development of the economy, and an analysis of historical defaults on portfolios of receivables. If the Company derives the adjustment from historical default rates on a portfolio basis, any decrease in the volume of receivables decreases such provisions corresponding, and vice versa. As of December 31, 2009, the total adjustment on accounts receivable came to € 383 thousands(2008: € 994 thousands).

Impairments

SUSS MicroTec AG examines the goodwill for possible impairment at least once annually. The determination of the recoverable amount of a cash generating unit, that the goodwill is allocated to is associated with estimates by management. The recoverable amount is the higher of the fair value, less costs to sell, and the value in use. The Company generally determines these figures using measurement methods based on discounted cash flow. These discounted cash flows are determined for a period of five years. The basis used for the immediate future is the cash flow derived from the Group budget. For cash flow forecasts beyond the period of detailed planning, suitable forecasts from the semi-conductor sub-supplier industry are used. On the basis of these forecasts, a growth rate is determined for each year of the period under consideration. An annual growth rate has been computed of 4.8% (2008: 1.9%) on average. The forecast net cash flow is discounted using a risk-adjusted interest rate of 9.9% (2008: 9.2%). These premises and the underlying method may have a considerable influence on the values concerned and finally on the amount of any possible impairment of goodwill.

If it is not possible to determine the recoverable amount for individual assets in the framework of an impairment test for tangible assets or other intangible assets, the cash flow is determined for the next higher group of assets for which such a cash flow can be determined. For tangible and for other intangible assets, the determination of recoverable amount is also similarly associated with estimates by management, this having a considerable influence on the values concerned and in the final analysis on the amount of any impairment.

Pension Plans and Similar Commitments

Obligations for pensions and associated expenses and income are determined in accordance with actuarial measurements. These measurements are based on key premises, including discount factors, the expected yield from plan assets, salary trends, and life expectancies. The discount factors assumed reflect the interest rates obtained as of the balance sheet date for high-quality fixed-interest investments with corresponding terms.

On account of fluctuations in the market and economic situation, the premises applied may deviate from the actual development, with material effects on the obligations for pensions.

Provisions

The determination of provisions for contractually agreed warranties is associated to a considerable extent with estimates. Where the Company derives these provisions from historical warranty cases, a decrease in the sales volume decreases such provisions correspondingly, and vice versa.

e) Consolidation

Consolidation Principles

The consolidated financial statements include the financial statements of SUSS MicroTec AG and of all significant companies over which, independently of the level of its participatory investment, the proprietary company can exercise control (i.e. the control principle). If the proprietary company holds the majority of voting rights, it is assumed that it exercises control.

Receivables and liabilities, and income and expenses incurred between the companies included in the consolidated financial statements as well as intragroup profits and losses are eliminated.

Translation of Annual Financial Statements in Foreign Currency

The reporting currency of the Group is the Euro, which is also the functional currency of the proprietary company. All figures are in thousand Euro, unless otherwise stated.

Balance sheet items of subsidiaries that have their local currency are as their functional currency (with the exception of equity, which is translated at historical rates) translated at the rate on the balance sheet date, and the items in the statement of income are translated at average rates.

	2009		2008	
	Balance sheet	P&L	Balance sheet	P&L
€ 1 vs USD 1	1.440	1.397	1.398	1.474
€ 1 vs JPY 1	133.070	130.272	126.400	152.522
€ 1 vs GBP 1	0.889	0.896	0.960	0.799
€ 1 vs CHF 1	1.484	1.507	1.486	1.585
€ 1 vs TWD 1	46.208	46.112	46.267	46.614
€ 1 vs SGD 1	2.018	2.026	2.018	2.078
€ 1 vs CNY 1	9.800	9.543	9.663	10.301
€ 1 vs KRW 1	1,670.940	1,783.230	1,784.480	1,604.175
€ 1 vs THB 1	47.975	48.247	48.855	48.672

The resulting translation differences are shown as separate components of equity (other comprehensive income).

Disclosures on the Scope of Consolidation

There were no changes to the scope of consolidation in the year under review.

In the previous year, the newly formed Suss MicroTec Korea Co. Ltd., which is wholly owned by SUSS MicroTec AG, was included in the scope of consolidation. Suss MicroTec Korea Co. Ltd. was purely a distribution company, the purpose of which is to strengthen the Group's presence in Korea. This change in the scope of consolidation was not significant for the results of operations, financial position and net assets of the Group.

Also in the previous year, the participation of SUSS MicroTec AG in MFI Technologies Group, Vancouver, was de-consolidated and is, therefore, no longer included in the scope of consolidation. As part of the simplification of the Group's holding structure, the two companies in the MFI Technologies Group (Technologies Inc., Vancouver, and MFI Technologies Corporation, USA), neither of which have been engaged in active business operations or held recoverable assets in recent years, were wound up. The deconsolidation generated income of € 121 thousands.

Therefore, the following subsidiaries and associates of SUSS MicroTec AG (ultimate proprietary company) were included in the consolidated financial statements as of December 31, 2009 (figures on capital and net profit or loss of the individual companies according to local law and in local currency):

	Currency	Subscribed Capital	Investment	Equity total	Net Income	Consolidation
SUSS MicroTec AG, Garching	EUR	17,019,126.00	Holding	96,400,251.96	-18,029,592.43	full
Suss MicroTec Lithography GmbH, Garching	EUR	2,000,100.00	100%	28,929,093.34	5,180,751.00	full
Suss MicroTec Test Sytems GmbH, Sacka *	EUR	511,291.88	100%	8,793,426.02	-835,142.16	full
Suss MicroTec Ltd., Wokingham Berkshire	GBP	10,000.00	100%	999,279.94	-124,190.12	full
Suss MicroTec KK, Yokohama	JPY	30,000,000.00	100%	36,518,116.00	-129,623,756.00	full
Suss MicroTec S.A.S., St. Jeoire	EUR	1,275,000.00	100%	118,682.00	477,973.00	full
Suss MicroOptics S.A., Neuchatel	CHF	500,000.00	85%	2,408,069.66	-466,790.72	full
Suss MicroTec Inc., Waterbury	USD	105,000.00	100%	21,571,798.29	-6,662,029.59	full
Suss MicroTec (Taiwan) Company Ltd., Hsin Chu	TWD	5,000,000.00	100%	85,132,768.00	25,968,838.00	full
Suss MicroTec Company Ltd., Shanghai	CNY	1,655,320.00	100%	7,275,216.92	3,434,645.90	full
Image Technology Inc., Palo Alto	USD	24,287.00	100%	2,283,555.10	-531,947.07	full
HUGLE Lithography Inc., San José **	USD	1,190,442.00	53.1%	-39,579.00	-2,876.00	at cost
Suss MicroTec Company Ltd, Bangkok ***	THB	4,000,000.00	49%	1,166,762.00	-14,063,179.87	full
Suss MicroTec REMAN GmbH, Oberschleißheim	EUR	25,564.59	100%	297,582.52	91,710.46	full
Suss MicroTec (Singapore) Pte Ltd., Singapore	SGD	25,000.00	100%	-659,323.59	28,189.10	full
Suss MicroTec Korea Co. Ltd., Seoul	KRW	50,000,000.00	100%	-38,529,676.00	-41,276,349.00	full
Zentrum für Technologiestrukturentwicklung, Glaubitz *	EUR	51,129.19	10%	n/a	n/a	at cost
ELECTRON MEC. S.R.L., Milan ****	EUR	52,000.00	10%	1,184,160.00	11,639.00	at cost

* Net income before profit pooling agreement with SUSS MicroTec AG
** Entity considered at cost due to immateriality
*** Included in the consolidated financial statements due to exercise of control
**** Figures according to Financial Statements as of December 31, 2008

The financial statements of all the companies included are as of December 31 of the relevant year.

Company Acquisitions

The Company did not make any acquisitions, either in the 2009 fiscal year or in the previous year.

On January 13, 2010, SUSS MicroTec AG announced the successful conclusion of negotiations for the purchase of HamaTech APE GmbH & Co. KG, a wholly-owned subsidiary of Singulus Technologies AG. On January 12, 2010, the two parties signed a purchase contract subject to closing conditions. The contract provides for a purchase price of € 4.5 million and the purchase of the land and the company building at the Sternenfels location, also for € 4.5 million. The transaction was completed on February 15, 2010.

HamaTech APE GmbH & Co. KG has established itself as the world leader in equipment for the cleaning of photo masks in the semiconductor industry. It employs about 80 people at its Sternenfels location and in the foreign companies.

f) Discontinued operations

SUSS MicroTec AG announced the sale of the Test Systems division on January 28, 2010. As of the balance sheet date, all conditions were met for accounting for the Test Systems operation as held for sale pursuant to IFRS 5.

The segment Test Systems is located at Sacka, near Dresden, Germany, where European development, production, and distribution are based. Distribution in Asia and North America is managed by companies within the SUSS Group or otherwise through external representatives.

A key component of the transaction was the shares in Suss MicroTec Test Systems GmbH. Hence the operation being discontinued includes principally the assets and debts of this company. Moreover, individual assets of foreign subsidiaries were sold that were also allocated to the Test Systems business.

The purchase price for the Test Systems segment consists of a fixed portion and a portion that is administered by a fiduciary. The fixed component was € 4.5 million, of which € 2.0 million was paid in cash and € 2.5 with ordinary shares of the purchaser. A further amount of € 2.5 million was placed in an escrow account. The disbursement depends on certain conditions being met by the seller after the transaction leading to an adjustment of the purchase price.

The results of the Test Systems segment, that is presented in the consolidated statement of income as a discontinued operation, are as follows:

in € thousand	2009	2008
Sales	16,404	25,046
Cost of sales	-17,217	-27,423
Loss from the measurement at fair value less selling costs	-4,690	-
Earnings / loss from discontinued operations before income taxes	**-5,503**	**-2,377**
Income Taxes	110	0
Earnings / loss from discontinued operations after income taxes	**-5,393**	**-2,377**

The loss from the measurement at fair value less selling costs arose from impairment in goodwill of € 4,168 thousands and impairment of tangible and intangible assets.

The results line from discontinued activities (after tax) of the previous year in the consolidated statement of income also contains the result of the Device Bonder segment. In the 2007 fiscal year, SUSS MicroTec AG sold its business with Device Bonders. Suss MicroTec S.A.S., located in St. Jeoire, France, agreed with the former management of Suss MicroTec S.A.S. on the sale of the Device Bonder business to a company held by the former management of Suss MicroTec S.A.S. under a management buyout. In the previous year, the SUSS Group obtained the following result from the orders in hand for Device Bonders as of December 31, 2007:

in € thousand	2008
Sales	2,771
Cost of sales	-2,736
Loss from the measurement at fair value less selling costs	–
Earnings / loss from discontinued operations before income taxes	**35**
Income Taxes	0
Earnings / loss from discontinued operations after income taxes	**35**

The line items "Assets held for sale" and "Liabilities held for sale" contained as only assets and debts of the Test Systems segment at the balance sheet date. They are composed as follows:

in € thousand	Discontinued operations 12/31/2009
Tangible assets	171
Other financial investments	5
Tax assets	400
Other assets	142
Deferred tax assets	21
Inventory	4,548
Accounts receivable	2,002
Other financial assets	56
Cash and cash equivalents	178
Total of assets held for sale	**7,523**
Accrued expenses	605
Other financial liabilities	727
Accounts payable	435
Other liabilities	605
Total of liabilities held for sale	**2,372**

Risk Reporting

Reference is made to the comments on risk reporting in the Management Report. These are to be considered as part of these Notes.

COMMENTS ON THE IFRS CONSOLIDATED STATEMENT OF INCOME

The following explanations to the consolidated statement of income relate exclusively to the Group's continuing operations.

(3) Sales

The sales are composed as follows:

in € thousand	2009	2008
Tools	80,958	100,069
Spare parts	10,321	9,478
Service	4,873	5,702
Miscellaneous	7,749	6,246
Total	**103,901**	**121,495**

For information on the breakdown of the sales in terms of product lines and regions, we refer to the segment reporting. The other sales include revenue from the mask business, micro-optics, and C4NP areas.

(4) Cost of Sales

The cost of sales include scheduled amortization on capitalized internally generated performances of € 1,987 thousand. Of the amortization amount, € 629 thousand relates to development projects for lithography and € 1,358 thousand to the Substrate Bonder area. In the previous year, the amortization on capitalized development performances amounted to € 10,705 thousand, of which € 8,683 thousand was unscheduled (€ 8,020 thousand related to the writedown on the C4NP project, and € 663 thousand to development projects for Substrate Bonders).

The cost of sales also include impairments of inventories (demonstration equipment as well as raw materials, supplies, and consumables as well as finished, and semi-finished products) of € 3,531 thousand (2008: € 4,335 thousand). Of this amount, € 2,350 thousand (2008: € 2,256 thousand) related to stocks from the lithography area, and € 1,181 thousand (2008: € 2,079 thousand) to stocks from the Substrate Bonder area. In addition, in the previous year, € 1,181 thousand was incurred for impairment connected with the net realizable value of semi-processed inventories for C4NP tools still to be delivered.

In the previous year, the cost of sales included several pay of € 109 thousand that was incurred in connection with a reduction in staffing levels in the Substrate Bonder area.

(5) Other Operating Income

Other operating income was composed as follows:

in € thousand	2009	2008
Foreign currency gains	2,177	3,470
Income from the release of provisions	112	124
Company cars	223	128
Other subsidies	12	156
Deconsolidation income (MFI)	0	121
Insurance payments	18	5
Income from the release of doubtful debts	274	0
Commissions	119	0
Miscellaneous	6	646
Total	**2,941**	**4,650**

Due to the lower value of the euro against the US dollar and the Japanese yen in the first quarter of the reporting year, the Company obtained foreign currency gains in its operating business that was conducted in the foreign currencies US dollar and Japanese yen. The Company also realized currency gains from the hedging of foreign currency.

The income from the release of provisions of € 112 thousand resulted mainly from the release of provisions for severance pay. The income in the previous year (€ 124 thousand) was mainly due to lower guarantee and warranty costs.

The other subsidies were, as in the previous year, in particular subsidies received for development projects, which were to be recognized in income.

(6) Other Operating Expenses

The other operating expenses are composed as follows:

in € thousand	2009	2008
Foreign currency losses	2,539	3,501
Allowances for doubtful debts	0	401
Other taxes	258	270
Additions to contract loss provision	229	0
Miscellaneous	494	154
Total	**3,520**	**4,326**

Through the fall in the value of the US dollar in relation to the euro, the Company incurred foreign currency losses in its operational business in the second to fourth quarters. The currency result also suffered from realized and unrealized currency losses from foreign currency contracts involving the US dollar and the Japanese yen especially in the first quarter of the reporting year.

The addition to adjustments in the previous year in the amount of € 401 thousand was mainly necessary in the Substrate Bonder segment.

(7) Financial Performance

The financial performance is composed of interest expenses and interest income and the other financial performance.

The interest expense was composed as follows:

in € thousand	2009	2008
Bank loans	667	671
Pension plans	0	113
Warrant-linked bond	0	26
Interest swap contracts	0	389
Accrued interest	86	66
Other interest	44	44
Total	**797**	**1,309**

Interest expense fell noticeably during the reporting year. It was at € 797 thousand after € 1,309 thousand in the previous year. The main reason for the decline were favorable changes in market values of the interest hedges that were held. Whereas in the previous year, losses of € 389 thousand were incurred from the adverse development of market prices, in the reporting year there was income that is discussed below under "interest income".

Moreover, beginning with the reporting year, the Company is no longer presenting interest expense on pension provisions under interest expense, but has classified this instead as personnel expenses in the various functional areas.

The interest expenses from the option bond in the previous year consisted of interest payments to the bond creditors (€ 8 thousand) and the topping-up amount to reach the repayment amount on maturity (€ 18 thousand). The option bond was redeemed in full in the previous year.

The interest income of € 701 thousand (2008: € 554) results mainly from money market investments and securities. It also includes the change in the market value of the interest hedges (interest swaps), that led to income of € 103 thousand (2008: € -389 thousand) in the reporting year.

The other financial performance of € 43 thousand (2008: € 49 thousand) in the reporting contains year mainly guarantee commissions of € 36 thousand (2008: € 49 thousand).

(8) Income Taxes

The tax expense and its breakdown into current and deferred taxes are as follows:

in € thousand	2009	2008
German corporate tax	1,068	675
German trade income tax	896	594
Foreign corporate tax	141	785
Subtotal	**2,105**	**2,054**
... current taxes	808	1,607
... deferred taxes	1,297	447

The table below shows a reconciliation between the tax expense expected in each fiscal year and the tax expense presented.

in %	2009	2008
Expected tax rate		
Corporate income tax rate	15.00%	15.00%
Solidarity surcharge	5.50%	5.50%
Trade income tax rate	12.43%	12.43%
Composite tax rate	**28.25%**	**28.25%**

in € thousand	2009	2008
Earnings before taxes	**2,641**	**-9,505**
Expected income taxes	**746**	**-2,685**
Different foreign tax rates	-641	-865
Impairment of goodwill (continued operations)	0	1,250
Remeasurement of German tax rates	69	94
Other non-tax deductible expenses	154	933
Income taxes from previous years	53	5
Change of feasibility of deferred income tax assets	2,323	2,698
Change of permanent differences	0	1,289
Change of valuation allowance on loss carryforwards	-203	0
Non taxable income	-13	-35
Earnings from discontinued operations attributable to proprietary company	-266	-662
Miscellaneous	-117	32
Effective taxes	**2,105**	**2,054**

A comparison of the expected and effective income taxes from the continuing operations shows a deviation of € 1,359 thousand (2008: € 4,739 thousand). Instead of presenting tax expense of € 746 thousand, the Company booked much higher tax expense of € 2,105 thousand in the reporting year.

As in the previous year, the main reason for this variance was the change in the realizability of deferred tax assets. The major part of this change was the realizability of deferred tax assets of Suss MicroTec Inc. in the USA.

The discontinued Test Systems division and Suss MicroTec Test Systems GmbH formed a tax unity for purposes of income tax until the completion of the transaction. Since the reconciliation account presents the pre-tax result of the continuing activities, there is a reconciliation item in the amount of the capitalizable loss attributable to the tax unit. In the reporting year, this was € -266 thousand (2008: € -662 thousand).

Furthermore, in the previous year, the impairment on the goodwill relating to the mask business of € 1,250 thousand and non-deductible operating expenditure of € 933 thousand contributed to the deviation of the actual income taxes from those expected. The impairment on goodwill is not tax-deductible and must, therefore, be recognized as a reconciliation posting. The non-deductible operating expenses include mainly the expense recorded at the proprietary company arising from the stock option plans. In the reporting year, non-deductible operating expenditure came to € 59 thousand only and was, therefore, of subordinate importance.

In line with on the intragroup transfer of the interests in Suss MicroTec Test Systems GmbH from Suss MicroTec Inc. to SUSS MicroTec AG, permanent (i.e. non-reversing) differences arose in the previous year. These generated a reconciliation item between effective and expected income taxes of € 1,289 thousand.

No tax deferral was recorded on non-distributed profits of subsidiaries. It was decided to forgo a calculation of the possible tax effects as the time and effort would have been disproportionate.

The prepaid expenses and deferred income items for deferred taxes were computed as follows:

	Assets		Liabilities	
	2009	**2008**	**2009**	**2008**
Other current liabilities	2,194	2,579	3	12
Pension plans and other commitments	1,101	1,125	0	0
Accounts receivable	115	249	21	18
Other noncurrent provisions	249	537	81	0
Intangible assets	0	2	3,198	3,600
Other current assets	1	3	301	350
Financial debt	5	0	69	108
Goodwill	0	0	1,334	1,097
Inventories	721	1,474	49	48
Tangible assets	87	1	147	117
Miscellaneous	20	1	42	77
Loss carryforwards	3,269	3,086	0	0
Total	**7,762**	**9,057**	**5,245**	**5,427**

The Group has tax loss carryforwards amounting to € 39,557 thousand (2008: € 36,841 thousand). Of this amount, a total of € 3,334 thousand will have lapsed by December 31, 2016. In the period from 2022 to 2029, a total of € 20,968 thousand will lapse. Loss carryforwards of € 15,254 thousand can be used indefinitely.

The increase in the loss carryforwards in comparison to the previous year results mainly from the losses of Suss MicroTec Inc. in the reporting year. A counter-effect arose from the utilization of loss carryforwards by Suss MicroTec Lithography GmbH and SUSS MicroTec AG, whereas those of Suss MicroTec KK in Japan lapsed.

No deferred taxes were recognized on loss carryforwards of € 24,742 thousand (2008: € 19,125 thousand) and temporary differences of € 2,210 thousand (2008: € 5,025 thousand).

(9) Earnings per Share

The following table shows the computation of the basic and diluted earnings per share.

in € thousand	2009	2008
Profit / loss from continuing operations	536	-11,559
Less minority interests	-46	-30
Profit / loss from continuing operations attributable to shareholders of SUSS MicroTec AG after consideration of diluting effects	490	-11,589
Weighted average number of outstanding shares - diluted -	17,019	17,019
Earnings per share from continuing operations (€) – basic	**0.03**	**-0.68**
Earnings per share from continuing operations (€) – diluted	**0.03**	**-0.68**

The weighted average of 503,550 shares (2008: 628,300 shares) was not included in the computation of the result per share (diluted) since the exercise price of the options was higher than the average market price of the SUSS MicroTec share.

Furthermore, the weighted average of 328,063 shares (2008: 0 shares) was not taken into account in the computation of the result per share (diluted) since the exercise conditions were not met in the reporting year.

Further information on the stock option plans are contained in paragraph 21 of these Notes.

(10) Other Disclosures on the IFRS Consolidated Statement of Income

Personnel Expenses

The consolidated statement of income of the SUSS Group includes personnel expenses under the various postings as follows:

in € thousand	2009	2008
Wages and salaries	30,689	35,043
Social security expenses	3,283	3,590
Pension expenses	1,871	2,030
Total	**35,843**	**40,663**

The social security charges and expenses for benefits contain mainly the employer portions of social security insurance and contributions to the employers' liability insurance plan.

The expenditures for pension provisions include pension expenses from company pension plans and employer contributions to the statutory pension plan.

Cost of Materials

The cost of materials in 2009 came to € 40,938 thousand (2008: € 46,100 thousand).

Amortization and Depreciation

Amortization and depreciation was composed as follows:

in € thousand	2009	2008
Intangible assets	3,571	12,071
Goodwill	0	4,426
Tangible assets	1,216	1,411
Total	**4,787**	**17,908**

Apart from writedowns of capitalized development costs of € 1,987 thousand (2008: 10,705), in the year under review, writedowns of € 1,362 thousand (2008: € 1,366 thousand) were made on concessions, industrial property rights, and similar rights and assets as well as licenses in such rights and assets. Furthermore, amortization was recorded for the first time on the SAP software that was sold to a leasing company on October 1, 2009 and leased back, the amortization expense being € 222 thousand (2008: € 0 thousand).

The amortization recorded on capitalized development work was scheduled. In the previous year, impairment had been recorded of € 8,683 thousand. € 8,020 thousand of this amount related to the C4NP project and € 663 thousand to product developments in the Substrate Bonder division. In the previous year the impairment had been classified in full under cost of sales.

The main portion of the amortization on concessions, industrial property rights, and similar rights and assets as well as licenses to such rights and assets in an amount of € 1,134 thousand (2008: € 892 thousand) is contained under administrative costs.

With regard to the impairment of goodwill recorded in 2008, we refer to paragraph (12) Goodwill.

EXPLANATIONS ON THE ASSETS SIDE

The following explanations on the consolidated balance sheet relate for this reporting year exclusively to the Group's continuing operations. In the previous year, there was no corresponding breakdown.

(11) Intangible Assets

Intangible assets include patents, licenses as well as similar rights of € 4,527 thousand (2008: € 4,768 thousand) and development work of € 9,310 thousand (2008: € 10,345 thousand) as of the balance sheet date.

The patents, licenses, and similar rights item contains the leased SAP system with a residual carrying value of € 2,735 thousand (2008: € 0 thousand). In the reporting year, SUSS MicroTec AG sold its SAP software to a leasing company and concluded a lease-back agreement. The lease is designed such that the leased SAP software is allocated to the Group as the economic owner. It contains a purchase option.

The capitalized development performances relate mainly to the development of new tools in the Lithography and Substrate Bonder divisions.

(12) Goodwill

The decline in goodwill in the reporting year to € 13,599 thousand (2008: € 17,767 thousand) results from the reclassification of goodwill in the Test Systems division to assets held for sale.

In the previous year, impairment of € 4,426 thousand was recorded on the goodwill in the Masks business. Masks are reported under the Others Division and corresponds with the subsidiary Image Technology Inc. The impairment was necessary due to a change in the sales and earnings position.

The goodwill shown as of the balance sheet date relates in full to the Lithography division and no longer contains any foreign currency portion.

(13) Tangible Assets

The breakdown of items of tangible assets that are combined in the balance sheet and their development in the reporting year are shown in the schedule of fixed assets, which is an integral part of these Notes.

The tangible assets also include, with a residual carrying value of € 176 thousand (2008: € 461 thousand), leased plant and machinery, leased operating and business equipment, and leased land, buildings and fixtures, which are attributable to the Group as economic owner on account of the design of the lease agreements on which they are based ("finance leases").

(14) Other (Noncurrent) Assets

The other noncurrent assets include mainly the asset values of reinsurance policies which fail to meet the criteria for netting with existing pension provisions, insurance policies relating to future earnings of employees no longer actively engaged (i.e. in the release phase), and tenant's guarantee deposits for rented office buildings.

in € thousand	2009	2008
Reinsurance policies	421	514
Deposits	132	149
Miscellaneous	1	1
Total	**554**	**664**

(15) Inventories

The inventories may be broken down as follows:

in € thousand	2009	2008
Materials and supplies	17,858	23,447
Work in process	14,075	19,999
Finished goods	9,473	10,852
Demonstration equipment	9,241	11,722
Merchandise	256	122
Inventory reserves	-10,113	-11,546
Total	**40,790**	**54,596**

Of the inventories total of € 40,790 thousand (2008: € 54,596 thousand) recognized as of December 31, 2009, € 22,422 thousand(2008: € 15,669 thousand) is accounted for at net realizable value.

Of the decline in inventories, € 4,548 thousand relates to the reclassification of inventories of the discontinued segment Test Systems to assets held for sale. These inventories are still included in the previous year figure, when they came to € 6,469 thousand.

(16) Accounts Receivable

Accounts receivable break down as follows:

in € thousand	2009	2008
Accounts receivable - gross	15,225	24,136
Valuation allowance	-383	-994
Accounts receivable	**14,842**	**23,142**

The following table reproduces the changes in the adjustments on accounts receivable.

in € thousand	2009	2008
Valuation allowance as of beginning of fiscal year	**994**	**538**
Discontinued operations	-259	0
Change in valuation allowances recorded in the statement of income in the current period	-78	-107
Recoveries of amounts previously written-off	-383	-337
Increase in valuation allowances	109	900
Valuation allowance as of the end of the fiscal year	**383**	**994**

(17) Other Financial Assets

The following items are presented under other financial assets:

in € thousand	2009	2008
Prepaid interest	229	0
Currency forwards	43	132
Miscellaneous	83	716
Total	**355**	**848**

The prepaid interest refers to prepayments made on interest receivables from purchased securities.

Under other financial assets, the company shows the positive market values from forward currency transactions. Further details on the forward currency transactions are provided in paragraph 29 “Additional information on financial instruments.”

(18) Securities

In the past fiscal year, SUSS MicroTec AG invested part of its liquidity in securities held for sale. The securities are mainly corporate and government bonds. The corporate bonds purchased were all from companies with investment grade rating. The securities are measured at market prices. Any fluctuations in the market price are recorded under equity in other comprehensive income and, therefore, do not affect profit and loss. As of the balance sheet date, the Company held securities with a value of € 10,489 thousand (2008: € 3,759 thousand).

(19) Current Tax Assets

The noncurrent tax receivables result exclusively from the capitalization of the corporation tax credits of German Group companies in the amount of € 121 thousand (2008: € 573 thousand) as a result of the SE introductory legislation (SEStEG) (this deals with tax measures in connection with the introduction of the European Company, or SE, and on amendments to other fiscal regulations). The credit will be disbursed in ten equal annual amounts in the years 2008 to 2017. Since the disbursement amount does not bear interest, a corresponding discount has been made. The average effective interest rate used for this was 3.77% p.a.

A corporation tax credit in the amount of € 399 thousand related to the Test Systems division and was reclassified to assets held for sale.

The current tax receivables consist of advance tax payments of € 265 thousand (2008: € 298 thousand).

(20) Other (Current) Assets

The following items are contained under other current assets.

in € thousand	2009	2008
Prepaid expenses	490	668
Deposits paid	796	208
Miscellaneous	309	838
Total	**1,595**	**1,714**

The prepaid expenses item contains prepayments for future expenses, for example, insurance premiums and advance rental payments.

EXPLANATIONS ON LIABILITIES AND SHAREHOLDERS' EQUITY

(21) Equity

Subscribed Capital

The nominal capital of SUSS MicroTec AG as of the balance sheet date was unchanged at € 17,019 thousand. It is divided into 17,019,126 individual shares with a notional share in the subscribed capital of € 1.00. We refer here to the statement of changes in equity.

Each ordinary share provids entitlement to one vote. The ordinary shares are not repayable and cannot be converted. Dividends may only be distributed from the distributable profits as recognized in the commercial law financial statements of SUSS MicroTec AG.

As of the balance sheet date the approved capital amounted to € 4,255 thousand (2008: € 4,255 thousand).

As of December 31, 2009, the Company had a contingent capital totaling € 1,695 thousand (2008: € 5,369 thousand). This capital is earmarked for granting subscription rights to members of the Management Board, management and other managerial staff of the Group. Here € 45 thousand relates to the 2002 stock option plan; € 750 thousand to the 2005 stock option plan; and € 900 thousand to the 2008 stock option plan.

in € thousand	2009	2008
Subscribed capital	17,019	17,019
Authorized capital	4,255	4,255
Conditional capital	1,695	5,369

Reserves

The Group's reserves are composed as follows:

in € thousand	2009	2008
Additional paid-in capital	93,094	92,842
Earnings reserve	433	433
Retained earnings	-23,944	-19,133
Total	**69,583**	**74,142**

€ 252 thousand was allocated to the additional paid-in capital from the granting of subscription rights under the existing stock option plan, with effect on income. No stock options were exercised in the reporting year.

The earnings reserve is unchanged compared with the previous year.

The accumulated deficit increased by the amount of the annual loss of € -4,811 thousand, after accounting for minority shares, to stands at € -23,944 thousand.

Other Comprehensive Income

The development of other comprehensive income is as follows:

in € thousand	2009	2008
Foreign currency conversions	-753	-2,111
Unrealized loss from securities	-53	0
Tax effects		
Unrealized loss from securities	15	0
January 1	**-791**	**-2,111**
Pre-tax changes		
Foreign currency conversions	-80	1,358
Unrealized gain from securities	-202	0
Hedging	379	-53
Tax effects		
Unrealized gain from securities	-106	15
Hedging	57	0
December 31	**-743**	**-791**

SUSS MicroTec AG applied hedge accounting for its interest swaps for the first time in the reporting year. The interest swaps date from 2007 and were concluded as a hedge for the variable interest promissory notes. Instead of being recognized in the statement of income, changes in market value are now shown under other comprehensive income. The hedge accounting applied, however, only in the first quarter, since the hedge relationship was no longer effective as from April 1, 2009.

Management of Equity

The Company's Management Board assumes, on the basis of its current planning, that a positive cash flow will be generated from the operating business in the coming fiscal year. Independently of this, there is a danger that, should the budget not be met, equity might fall further as a result of a net deficit for the year.

Stock Option Plans of SUSS MicroTec AG

2002 Stock Option Plan

At the Shareholders' Meeting held on June 14, 2002, a resolution was passed to increase the nominal capital by up to € 500 thousand through the issue of up to 500,000 shares in order to grant subscription rights to members of the Management Board, management, and further managerial personnel of the Group companies in the period extending until December 31, 2007. The subscription rights can be exercised in full after a waiting period of two years.

The subscription rights can only be exercised by the holders of the rights if, either

+ the listed price of the shares at the time of exercise of the subscription right exceeds the strike price (i.e. the exercise price) by at least 0.625% per full calendar month between the end of the purchase term of the subscription right being exercised and the time of the exercise of the subscription right (corresponding to 7.5% for 12 months) and, additionally, the listed price in percentage terms has developed in the same period the same as or better than the Nemax Technology Index or a comparable successor index.

or

+ the listed rate of the shares at the time of exercise exceeds the strike price by an average of at least 0.833% per full calendar month (10% per annum) between the end of the purchase period of the subscription right being exercised and the time of exercise.

The subscription rights lapse if the employment relationship ends during the waiting period, or otherwise three years after the end of the purchase term.

2005 Stock Option Plan

At the Shareholders' Meeting held on June 21, 2005, it was resolved to increase the nominal capital by up to € 750 thousand through issue of up to 750,000 new bearer shares in order to grant subscription rights to members of the Management Board, management, and, further managerial personnel in the Group companies. The subscription price for the shares corresponds to their market value on the day when granted. The subscription rights can be exercised only after a waiting period of about two years.

The subscription rights can only be exercised by the holders of the rights if, either

+ the listed rate of the SUSS MicroTec share in the period between issue day and the first day of the exercise period, in which the stock option is exercised, has increased by at least 0.625% per full calendar month and the listed rate of the SUSS MicroTec share has developed in percentage terms the same as or better than the TecDAX.

or

+ the listed rate of the SUSS MicroTec share in the period between issue day and first day of the exercise period, in which the stock option is exercised, has risen by at least 0.8333% per full calendar month.

The subscription rights lapse on termination of the employment relationship within the waiting period or at the end of the term. The term of the stock options begins on the issue day and ends after five years.

2008 Stock Option Plan

At the Shareholders' Meeting held on June 19, 2008, it was resolved to increase the nominal capital by up to € 900 thousand through issue of up to 900,000 new bearer shares in order to grant subscription rights to members of the Management Board, management, and to further managerial personnel in the Group companies. The subscription price for the shares corresponds to their market value on the day when granted. The subscription rights can be exercised only after a waiting period of about two years.

The subscription rights can only be exercised by the holders of the rights if, either

+ the listed rate of the SUSS MicroTec share in the period between issue day and the first day of the exercise period, in which the stock option is exercised, has increased by at least 0.625% per full calendar month and the listed rate of the SUSS MicroTec share has developed in percentage terms the same as or better than the TecDAX.

or

+ the listed rate of the SUSS MicroTec share in the period between issue day and first day of the exercise period, in which the stock option is exercised, has risen by at least 0.8333% per full calendar month.

In addition to these targets, the listed rate of the SUSS MicroTec share for exercise periods within the first 36 months of the term of the stock options must have reached € 5.00 at least once during the term before the first day of the exercise period. In the case of exercise periods between the 37th and the 48th month the listed rate must have reached € 5.75 at least once during the term, and for exercise periods between the 49th month and 60th month it must have reached € 6.60 at least once during the term.

In the reporting year, an amount of € 252 thousand (2008: € 630 thousand) was allocated for these plans to the additional paid-in capital and charged against income.

Of the capital approved at the Shareholders' Meeting held on June 19, 2008, a total of 438,250 subscription rights were issued at a subscription price of € 1.30 in the reporting year. No stock options were issued during the previous year.

As of December 31, 2009, there were a total of 461,950 outstanding subscription rights (2008: 587,650 subscription rights).

The weighted average market value of the options granted in the reporting year in the amount of € 0.95 was computed using the Black-Scholes option valuation model.

The subscription rights granted by the Company for purchase of shares have developed as follows:

	Number of stock options	Weighted average subscription price in €
January 1, 2008	**668,950**	**7.26**
Granted in 2008	0	0.00
Exercised in 2008	0	0.00
Expired in 2008	81,300	7.30
December 31, 2008	**587,650**	**7.25**
Granted in 2009	438,250	1.30
Exercised in 2009	0	0.00
Expired in 2009	170,700	7.04
December 31, 2009	**855,200**	**4.25**
Negotiable	**461,950**	

The following table summarizes the above information on all the subscription rights issued by the Company:

Subscription Price Level

	Number of stock options	Weighted average subscription price in €	Weighted average term of maturity month
Under € 2.50	435,750	1.30	52
€ 2.50 – € 4.99	97,050	4.71	9
€ 5.00 – € 7.49	0	0.00	0
€ 7.50 – € 9.99	322,400	8.12	25
	855,200	**4.25**	**37**

(22) Pension Plans and Similar Commitments

The Company grants various benefits covering mainly old age, death, and invalidity. The plans are different depending on the legal, fiscal, and economic conditions in the individual countries. As a rule, the benefits are calculated on the basis of the salaries of the insured employees.

A distinction is made between a defined benefit system and a defined contribution system. In the case of defined benefit commitments, the obligation of the Group consists in fulfilling the promised benefits to former employees, for which corresponding provisions are created.

In the case of defined contribution plans, the Group does not enter into any further obligation apart from making contributions to special purpose funds. The contribution payments are charged against income, and no provisions are created.

The pension obligations are composed as follows:

in € thousand	2009	2008
Domestic liabilities	1,752	1,839
Foreign liabilities	1,251	1,187
Total	**3,003**	**3,026**

Defined Benefit Plans

The Group maintains defined benefit pension plans in Germany, Japan, and Switzerland.

The existing pension commitments in Germany are comprised of claims to old age, invalidity, and surviving dependents' pensions and are linked to annual salary or otherwise take the form of fixed commitments. The persons with entitlement are selected members of the management. The main actuarial assumptions are shown below:

	2009	2008
Discount factor	4.85% – 5.03%	5.60%
Return on plan assets	4.30% – 5.30%	4.30% – 5.20%
Salary increase	0.0%	0.0%
Pension increase	2.0%	2.0%

Life expectancy according to tables of Dr. Heubeck 2005

No raises have been included with respect to salary as there are no longer any active claimants waiting under the German plans.

The subsidiary in Japan has a non-contributory unfunded defined benefit plan, under which certain employees receive a pension payment after leaving the company. The level of the pension payment is determined by a specified computation method providing for a benefit of 80% of the monthly salary per year of employment for each qualifying employer. Every company employee qualifies after working at the company for at least three years.

The pension commitments of the subsidiary in Switzerland cover claims for retirement, invalidity, and surviving dependents' pensions, depending on the basic salary. All employees and members of management of the subsidiary have entitlements.

The main actuarial assumptions are shown below:

	2009	2008
Discount factor	3.50%	3.50%
Return on plan assets	3.50%	3.50%
Salary increase	1.5%	1.5%
Pension increase	0.8%	0.8%

In the 2009 an 2008 fiscal year the present values of defined benefit obligations and the market values of the plan assets evolved as follows:

in € thousand	2009	2008
Defined benefit obligation as of January 1	**4,819**	**4,174**
Service cost	128	125
Interest cost	191	173
Pension payments	-277	-271
Actuarial (-) gain / (+) loss	202	359
Foreign exchange fluctuations	-49	259
Defined benefit obligation as of December 31	**5,014**	**4,819**

The actuarial loss in the reporting year is mainly due to the lower discount factor.

in € thousand	2009	2008
Plan assets as of January 1	**1,664**	**1,640**
Expected return on plan assets	61	60
Net-contributions	-81	-80
Actuarial (+) gain / (-) loss	0	1
Foreign exchange fluctuations	1	43
Plan assets as of December 31	**1,645**	**1,664**

The reconciliation of the coverage status with the amount shown in the consolidated balance sheet generates the following picture:

in € thousand	2009	2008
Defined benefit obligation	**5,014**	**4,819**
Plan assets	-1,645	-1,664
Net obligation	**3,369**	**3,155**
Actuarial (+) gain / (-) loss not yet recognized	-366	-129
Balance sheet amount as of December 31	**3,033**	**3,026**

Of the present value of the pension obligations, € 2,909 thousand (2008: € 2,794 thousand) relates to pension claims financed by funds.

The pension expenses break down as follows:

in € thousand	2009	2008
Service costs	128	125
Personnel expenses component	**128**	**125**
Interest expenses component	191	173
Expected income from plan assets	-61	-60
Interest expenses component	**130**	**113**

The personnel expense component of the reporting year relates in the amount of € 23 thousand (2008: € 36 thousand) to administration costs and in the amount of € 105 thousand (2008: € 89 thousand) to selling expenses.

The development of the present value of defined benefit obligations, of the plan assets, and of the actuarial gains and losses, broken down by present value of defined benefit obligations and plan assets, is shown in the following table:

in € thousand	2009	2008	2007	2006
Defined benefit obligation	5,014	4,819	4,174	3,986
Plan assets	1,645	1,664	1,640	1,281
Funded status	**3,369**	**3,155**	**2,534**	**2,705**

Experience adjustments in accordance with IAS 19.120 Ap were not necessary in the period under review as the quantities subject to measurement were unchanged.

Defined Contribution Plans

For its employees in the USA who are 21 years old or older and who work a minimum of 1,000 hours per year, the Group has set up a defined contribution plan. The plan has two components: a profit participation plan and a 401 (k) plan.

The amounts flowing into the profit participation plan are revised annually. All contributions by the Company are held in a trust fund. Qualifying employees obtain a non-forfeitable claim to benefits over a period of six years.

Under the 401 (k) plan, the employer contribution is US$ 0.50 for each US$ 1.00 of the employee contribution up to a maximum employee contribution of US$ 2,000 (i.e. the maximum employer contribution is US$ 1,000). The employees have entitlement to the full employer contribution only after completing their third year of employment. Prior to this, they do not have any claim to employer contributions.

In the 2009 fiscal year, the expenses to the Group from the profit participation plan came to US$ 0 thousand (2008: US$ 0 thousand) and for the 401 (k) plan US$ 162 thousand (2008: US$ 120 thousand).

Furthermore, in the reporting year, employee contributions were paid into the statutory pension plan in the amount of € 1,526 thousand (2008: € 1,832 thousand).

(23) (Noncurrent) Provisions

The noncurrent provisions are comprised of obligations of the Group arising from agreements under the pre-retirement part-time plan. The provisions have developed as follows:

in € thousand	As of 01/01/2009	Utilization	Additions	Discontinued operations	As of 12/31/2009
Pre-retirement arrangements	902	-139	30	-82	711

The pre-retirement arrangement concluded under a works agreement applies to employees of Suss MicroTec Lithography GmbH and of SUSS MicroTec AG, who have reached the age of 57 and were employed full-time or part-time in their present job for at least three years in the five years preceding the pre-retirement period.

During the pre-retirement period, the previous regular working time is reduced to 50%. The working time to be performed during the entire pre-retirement period is generally distributed such that it is performed in full in the first half of the pre-retirement period (work phase) and the employee is released from work duties in the second half (release phase).

In addition to the gross compensation reduced to 50%, the employee receives a topping-up amount, which is measured such that the net monthly salary under the pre-retirement plan equals at least 82% of the monthly full-time net salary. The topping-up amount is paid free of tax and social security charges.

(24) Financial Debt

The maturity structure of the bonds, bank loans and liabilities from finance leases as of December, 31 2009 and the previous year's balance sheet date is as follows:

DECEMBER 31, 2009

in € thousand	Remaining term 1 year or less	Remaining term 1 to 5 years	Remaining term more than 5 years	Total
Bank liabilities	833	8,967	0	9,800
Liablities from finance lease	914	1,995	0	2,909
Total	**1,747**	**10,962**	**0**	**12,709**

DECEMBER 31, 2008

in € thousand	Remaining term 1 year or less	Remaining term 1 to 5 years	Remaining term more than 5 years	Total
Bank liabilities	5,614	9,047	0	14,661
Liablities from finance lease	144	152	0	296
Total	**5,758**	**9,199**	**0**	**14,957**

Bank Loans

Of the bank loans, € 752 thousand (2008: € 5,538 thousand) relate to the utilization of credit facilities and € 9,048 thousand (2008: € 9,123 thousand) to long-term loans.

The Company has various credit facilities with national and international banks. The credit facilities and their utilization have developed as follows:

in € thousand	2009	2008
Credit line	9,951	10,388
Utilization	752	5,538
Open credit line	**9,199**	**4,850**

In April 2009, SUSS MicroTec AG signed loan agreements with three banks to extend the credit line expiring on March 31, 2009. Thanks to the inclusion in the syndicate of a third member, the credit line was raised from € 6 million to € 9 million. The extended credit line runs until March 31, 2010, and has been approved without covenants. It is connected with the pledging of current assets and patents of the domestic companies concerned and serves primarily to back advance payment guarantees.

As of the balance sheet date, the line was utilized in an amount of € 2,450 thousand (previous year: € 2,089 thousand) in the form of guarantees.

The local credit line in Japan fell from 700 million yen in the previous year to 100 million yen. This line is provided by one bank and was granted without collateral. As of the balance sheet date it was utilized in full.

The average interest rate for the utilization of the credit facilities was 1.88% (2008: 1.98%).

Other than SUSS MicroTec AG, that issued three promissory notes in 2007 with a nominal amount of € 3,000 thousand each, only Image Technology Inc. has bank loans. Outstanding loans as of the end of the fiscal year were composed as follows:

Entity

in € thousand	2009	2008	Interest rate	Due date
SUSS MicroTec AG	2,982	2,976	6.00%	12/18/2012
SUSS MicroTec AG	2,982	2,976	6.17%	12/18/2012
SUSS MicroTec AG	2,982	2,976	6.06%	12/21/2012
Suss MicroTec Lithography GmbH	0	13	3.75%	04/30/2011
Image Technology Inc,	102	182	9.27%	03/26/2011
Total	**9,048**	**9,123**		
... thereof due current	81	76		
... thereof due noncurrent	8,967	9,047		
... due in 2010	81			
2011	21			
2012	8,946			
2013	0			
2014	0			
... later	0			
	9,048			

Liabilities from Finance Leases

The Company currently has operating leases for various furnishings and items of equipment in the production and administrative areas. In addition, there are finance leases for buildings, land and fixtures, plant, and machinery as well as for other plant and operating and office equipment, the underlying assets of which are capitalized and subject to normal depreciation.

In the reporting year, SUSS MicroTec AG sold the SAP software that it had introduced in July 2008 to a leasing company and subsequently leased it back. The purchase price totaled € 2,957 thousand and was received by the Company in the fourth quarter. The lease term agreed was 40 months.

The terms of the lease liabilities and the future financial obligations from operating leases are as follows:

in € thousand		Finance lease	Operating lease	Thereof operating lease with related parties
Depreciation / expenses in 2009		311	2,350	0
Depreciation / expenses in 2008		186	3,053	931
	... due in 2010	991	2,182	0
	2011	991	1,811	0
	2012	974	1,390	0
	2013	98	1,265	0
	2014	4	3	0
	... later	0	0	0
Total		**3,058**	**6,651**	**0**
thereof interest		149		
Liability as of December 31, 2009		**2,909**		
... current		914		
... noncurrent		1,995		

(25) (Current) Provisions

The current provisions are composed as follows:

in € thousand	2009	2008
Warranty provisions	1,226	1,907
Serverance payments	81	683
Miscellaneous provisions	465	571
Total	**1,772**	**3,161**

The warranty provisions were created for statutory and contractually agreed guarantees and warranty claims of customers arising from deliveries of tools in the amount of their probable utilization.

The provision for severance pay takes into consideration measures to reduce the workforce at the Lyon, France location.

The current provisions have developed as follows:

in € thousand	As of 01/01/2009	Utilization	Reversal	Additions	Discontinued operations	As of 12/31/2009
Warranty provisions	1,907	-1,026	0	1056	-711	1,226
Severance payments	683	-359	-92	81	-232	81
Miscellaneous provisions	571	-362	-20	447	-171	465
Total	**3,161**	**-1,747**	**-112**	**1,584**	**-1,114**	**1,772**

(26) Other (Current) Financial Liabilities

The other current financial liabilities break down as follows:

in € thousand	2009	2008
Bonuses and commissions	1,825	1,743
Third party services	1,753	1,591
Compensation of the Supervisory Board	132	87
Currency forwards	17	361
Interest forwards	442	351
Miscellaneous	367	1,232
Total	**4,536**	**5,365**

Under other financial liabilities, the Company shows the negative market values from the forward currency transactions and interest derivatives. Further details on the forward currency transactions and interest hedges are provided in paragraph 29 "Additional information on financial instruments."

(27) Other (Current) Liabilities

Other current liabilities break down as follows:

in € thousand	2009	2008
Customer deposits	12,118	19,368
Accrued personnel expenses	1,785	3,489
Deferred income	524	776
VAT	326	555
Miscellaneous	153	0
Total	**14,906**	**24,188**

The prepayments received are comprised of advance payments by customers for tools prior to their final acceptance. When the acceptance has gone ahead and with corresponding realisation of sales, the advance payments are offset against the receivables.

The accrued personnel expenses contain mainly obligations for vacation arrears and credit accounts under the flexible hours plan.

(28) Tax Liabilities

The tax liabilities are composed of domestic income taxes of € 554 thousand (2008: € 201 thousand) and foreign income taxes of € 41 thousand (2008: € 600 thousand).

OTHER DISCLOSURES

(29) Additional Information on Financial Instruments

Under IAS 32, financial instruments are comprised of generally all economic occurrences performed on a contractual basis that include a claim for cash. They include original financial instruments such as trade accounts receivable and payable as well as financial receivables and liabilities. The financial instruments also include derivative instruments that are used to hedge currency and interest rate risks. The estimated market values of the financial instruments do not necessarily represent the values that the Company would realize in an actual transaction under present market conditions. The following section provides a comprehensive overview of the significance of financial instruments for the Company and supplies additional information on balance sheet items containing financial instruments.

The following table shows the carrying values of all categories of financial assets and liabilities:

in € thousand	2009	2008
Financial assets		
Financial assets held for sale	10,489	3,759
Loans and receivables	15,154	23,858
Financial assets held for trading	43	132
	25,686	**27,749**
Financial liabilities		
Financial liabilities held for trading	459	712
Financial debt	18,335	24,430
	18,794	**25,142**

The table below presents the market values and the carrying values of the financial assets and liabilities:

	2009		2008	
in € thousand	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	20,621	20,621	20,603	20,603
Accounts receivable	14,842	14,842	23,142	23,142
Other investments	0	0	5	5
Other financial assets	355	355	848	848
denominated at amortized cost	312	312	716	716
denominated at fair value	43	43	132	132
Securities denominated at fair value	10,489	10,489	3,759	3,759
Financial liabilities				
Accounts payable	4,458	4,458	5,116	5,116
Financial debt	12,709	13,476	14,957	14,939
Bank liabilities	9,800	10,636	14,661	14,617
Liabilities from finance lease	2,909	2,840	296	322
Other financial liabilities	4,536	4,536	5,365	5,365
denominated at amortized costs	4,077	4,077	4,653	4,653
denominated at fair value	459	459	712	712

The following methods and assumptions apply in determining the market values:

Cash and cash equivalents: On account of the short-term nature of the investments, the carrying values correspond to the market values of the instruments.

Accounts receivable/payable: On account of the short-term nature of the receivables and payables, the carrying values correspond approximately to the market values of the instruments.

Other investments: It is not possible to reliably determine the market value of the other investments. The other investments are, moreover, of subordinate significance for the presentation of the net assets, financial position, and results of operations of the enterprise.

Other financial assets/liabilities: Due to the current nature of the assets and liabilities, the carrying values of the other financial assets and liabilities, which are measured at adjusted acquisition costs, correspond roughly to their market value.

The valuation of **other financial assets and liabilities** that are measured at market value depends on their type. The market value of forward currency transactions is determined by the rates for forward currency transactions. The market value of interest derivatives is determined by discounting the expected future cash flows over the remaining term of the contract on the basis of current market interest rates and the interest structure graph.

Securities: The market value of the financial assets available for sale corresponds to the prices in an active market.

Bank loans: The market value of the financial liabilities with regard to bank loans was calculated by discounting the expected outflow of funds at usual market interest rates for debt instruments with comparable conditions and residual terms.

Liabilities from finance leases: The market value of the liabilities from finance leases was determined by discounting the expected outflow of funds at usual market interest rates for debt instruments with comparable conditions and residual terms.

The net gains and losses on financial instruments have developed as follows:

in € thousand	2009	2008
Loans and receivables	78	107
Financial assets and liabilities held for trading	164	-967
Financial assets held for sale	53	8

Net gains or losses from loans and receivables contain changes in the adjustments, gains and losses from retirements, and receipts of payments for loans and receivables that had been written off.

Net gains and losses on financial assets and financial liabilities held for trading purposes contain market value changes of the derivative financial instruments.

In the reporting year, the market value change of € 53 thousand recorded in the previous year under comprehensive income – after accounting for deferred taxes – in the financial assets available for sale was reclassified from equity to the statement of income since these securities had since matured.

Derivative Financial Instruments

For purposes of risk management, derivative financial instruments are used to limit the effects of fluctuations in exchange rates and interest rates.

The market values of the different kinds of derivative financial instruments have developed as follows:

	2009		2008	
in € thousand	Assets	Liabilities	Assets	Liabilities
Currency forwards	43	17	132	361
Interest forwards	0	442	0	351

Intragroup procurement and sales obligations in foreign currencies arise from cross-border supply relationships between the subsidiaries. This applies above all to the group companies in the currency areas of the US dollar and the Japanese yen, that obtain products from affiliated companies in the euro currency area. At the time an order is placed, forward currency transactions are concluded in order to hedge against currency changes in the period until payment is made. Since at the time the forward currency transaction is concluded, the underlying transaction has not yet occurred and will only come into being on realization of the sale, the purpose here is the hedging of planned transactions. The Company shows the change in the market values under other operating income or other operating expenses. The potential risks arise from fluctuation in currency exchange rates and in the creditworthiness of the contractual partners, these being exclusively German financial institutions with first-rate credit standing.

The Company seeks to limit interest risks arising from the sensitivity of financial debt to fluctuations in the level of market interest rates by deploying interest derivatives such as interest swaps. The Company hedged the variable part of the promissory note loans issued in 2007 with swap contracts with matching terms. The interest swaps even out the effect of future changes in the interest rates on the cash flows of the underlying investments with variable interest. In the first quarter of the reporting year, the Company applied hedge accounting for the first time, recording the fluctuations in market value under other comprehensive income. Since in the second quarter the hedge relationship ceased to be effective, the application of hedge accounting ended and the market value fluctuations of the interest swaps were again recorded as interest income and expense.

(30) Related Parties

Under IAS 24, disclosure is required of persons that control or are controlled by SUSS MicroTec AG unless already included in the consolidated financial statements.

Control exists if a shareholder has more than half of the voting shares of SUSS MicroTec AG or has the possibility, on the strength of the articles of incorporation or contractual agreement, to control the financial and business policies of SUSS MicroTec AG.

Furthermore, the obligation of disclosure set out in IAS 24 also covers transactions with joint ventures and transactions with persons that exercise a substantial influence on the financial and business policies of SUSS MicroTec AG, including close family members or intermediate entities. A substantial influence on the financial and business policy of the Group may rest on a shareholding in SUSS MicroTec AG of 20% or more, a seat on the Management Board or Supervisory Board of SUSS MicroTec AG or another key position in management.

In 2009, the Group was subject to the disclosure requirements of IAS 24 pertaining to business relationships with the chairman of the Supervisory Board of SUSS MicroTec AG, who has since left office. The former chairman of the Supervisory Board, Dr. Richter, was also the CEO of Thin Materials AG, Eichenau. SUSS MicroTec AG entered into a cooperation agreement with this company in the first quarter of the reporting year. The contract governs the collaboration of the two enterprises in the area of thin wafer processing. Under the contract, SUSS MicroTec AG acquired intellectual property (IP) and expertise for € 900 thousand. The capitalized intellectual property will be amortized over five years. At the ordinary Shareholders' Meeting of SUSS MicroTec AG, that was held on June 24, 2009, Dr. Richter resigned his office as Chairman of the Supervisory Board of the Company.

In the previous year, the Group was subject to the disclosure requirements of IAS 24 pertaining to the business relationship with the members of the Supervisory Board and their close family. Dr. Winfried Süss resigned his office as Chairman of the Supervisory Board on June 19, 2008. All of the expenses incurred until this point that fulfil the above criteria come under the disclosure obligations of IAS 24. Various Group companies (Suss MicroTec Lithography GmbH, Suss MicroTec Test Systems GmbH, Suss MicroTec Inc.) have notably rented their business premises from real estate companies (Süss Grundstücksverwaltungs GbR and Hunger Mountains, USA) that are controlled by the Süss family. Rental expenses were incurred totaling € 931 thousand. Moreover, salaries and pensions of € 233 thousand were paid to members of the Süss family.

Mr. Peter Heinz, who until June 19, 2008, was a member of the Supervisory Board of SUSS MicroTec AG, has, since 2007, been a member of the Board of Image Technology Inc., a 100% subsidiary of Suss MicroTec Inc. Mr. Heinz received remuneration of € 4 thousand for his activity.

(31) Financial Obligations and Contingent Liabilities

The other financial obligations and contingent liabilities are composed as follows:

in € thousand	2009	2008
Purchase contingencies	7,052	10,458
Obligations from rental contracts	6,150	9,843
Miscellaneous	0	1,123
Total	**13,202**	**21,424**

The order obligation commits the Company to later purchase of services from third parties or materials.

Following the departure of Dr. Winfried Süss from the Supervisory Board, the obligations from the rental contracts no longer include any obligations to related parties.

(32) Explanations on the Consolidated Cash Flow Statement

In the consolidated cash flow statement of the SUSS Group, a distinction is made in accordance with IAS 7 (Cash Flow Statements) between payments flows from operating activity and from investing and financing activity.

The item cash and cash equivalents in the cash flow statement contains all of the liquid funds shown in the balance sheet, i.e. cash in hand, cheques and deposits with banks if available within three months without significant fluctuations in value. In the reporting year, part of the liquid funds, € 350 thousand (2008: € 350 thousand) As of the balance sheet date, served as collateral for a deposit insurance contract. Furthermore, a balance of € 362 thousand (2008: € 362 thousand) was pledged to cover a rental surety.

The cash flows from investing and financing activities are computed on the basis of payments. On the other hand, the cash flow from operating activity is derived indirectly from the net earnings for the year.

Under the indirect computation, effects due to currency translation are eliminated from the relevant changes in balance sheet postings. The changes in the relevant balance sheet postings can, therefore, not be reconciled with the corresponding figures on the basis of the consolidated balance sheets.

The other non-cash income and expenses in an amount of € 432 thousand (2008: € -1,628 thousand) contain mainly currency effects.

The sale and lease back of the SAP software in the reporting year is shown as take-up of funds in cash flow from financing activity.

(33) Segment Reporting

Information about the Segments

The activities of the SUSS Group are analyzed in the segment reporting in accordance with the rules of IAS 8 (Operating Segments) by product line as the primary reporting format and by region as the secondary reporting format. This analysis is aligned with the internal control and reporting system and takes into consideration the different risk and earnings structures of the segments.

The activities of the SUSS Group are divided into the Lithography and Substrate Bonder divisions. Along with the Others division, these activities are shown in the segment reporting under continuing operations. The Others division combines further activities of the Group and the non-allocatable costs of the Group functions. The Test Systems and Device Bonder segments have been combined under discontinued operations. However, in the reporting year, the discontinued operations contain only the figures of the Test Systems division since no activities took place in the Device Bonder division.

In the Lithography division, the SUSS Group develops, produces, and distributes the product lines Mask Aligner and Coater. The development and production facilities are located in Germany at Garching near Munich and Vaihingen near Stuttgart. Substantial parts of the distribution organizations in North America and Asia are active for this division. Lithography represents distinctly over half of the entire business of the Group and is represented in the microsystems technology, compound semiconductor, and advanced packaging markets.

The Substrate Bonder division encompasses the development, production, and distribution of the Substrate Bonder product line. The activities in this division are concentrated mainly at Waterbury, Vermont, in the USA. Apart from through Waterbury itself, distribution is worldwide in small units at locations in Europe and Asia. Bond Cluster, which enable vacuum-free bonding, is a major cornerstone of this segment. A further cornerstone is the supply of manual tolls for 6 and 8 inch wafer applications.

As of the balance sheet date there was no concrete sales intention for the Test Systems division, located at Sacka near Dresden, and, therefore, these division activities were not shown under discontinued operations. The division was sold in January 2010. It was comprised of development, production, and distribution in Europe of test equipment. It is for this segment, second to lithography, that most of the employees in the international distribution organizations (North America, Asia) work. The Test Systems are mainly for laboratory applications, in particular for error analysis, but also for applications in the production environment (microsystems technology, LED testing systems).

The Device Bonder division, that was sold in 2007, covered the development, production and distribution of the Device Bonder product line. The division activities were located at St. Jeoire, France. This facility also hosted substantial parts of the distribution organization in addition to development and production activities. On account of the technical complexity and the low size of the market, there were no other noteworthy distribution organizations active within the Group for this division.

Aside from covering non-allocatable costs of SUSS MicroTec AG, the Others division contains the operational activities in the mask business that are not allocated to the main divisions, as well as activities in the areas of Micro-optics and C4NP.

Other Explanations on Segment Reporting

The segment data was gathered using the accounting and measurement methods applied in the consolidated financial statements. Due to the segmenting of the Group by product line, independently of entities, there are no material intersegmentary transactions. An exception is the charging-on of costs by SUSS MicroTec AG, these costs being recorded in the Others division, to the main segments for the performance of certain Group functions such as financing and strategy issues. Since the previous year, these charges have also contained the expenses incurred by the holding company in connection with the introduction and operation of the SAP system.

In compliance with the requirements of IFRS 8 Segment Reporting, which has been mandatory since January 1, 2009, the segment reporting contains a disclosure of the pre-tax result per segment for the first time. This enables the sum of the segment results to be reconciled with the overall consolidated earnings before taxes. The disclosure was made for the previous year.

The segment result was adjusted in the previous year, too. Since then it has also included income and expenses from the translation of foreign currency and from disposals of assets. The sum of the segment results now corresponds to the operating consolidated result (EBIT).

Among the principal non-cash expenses and income are adjustments on trade receivables, markdowns on inventories, personnel expenses from the stock option plans, and the release of provisions.

The segment assets represents the necessary assets of the individual segments.They contain intangible assets (including goodwill), tangible assets, inventories, and accounts receivable.

The segment debts include the operating debts and provisions of the individual segments.

The investments are additions of intangible and tangible assets. It is not possible to reconcile these directly with the Group schedule of fixed assets since the segment reporting does not show the sale and lease-back of the SAP Software as an investment.

The depreciation charges in the year under review include impairment of € 4,690 thousand. These result exclusively from measurement at fair value in connection with the discontinued operations in the division Test Systems. In the previous year, impairments of € 13,210 thousand were recorded under depreciation charges. Of this amount, € 663 thousand related to the Substrate Bonder division, € 101 thousand to the Test Systems division, and € 12,446 thousand to the Others division. The impairment in the others division was constituted in an amount of € 4,426 thousand by the impairment of the goodwill of the Masks business and in an amount of € 8,020 thousand by the impairment of the capitalized development costs for the C4NP project.

In the previous year, SUSS MicroTec AG had adjusted the presentation of the number of employees in the segment reporting. For the year under review, the employees in the Group's administrative areas have been allocated for the first time to the segment for which they are most active. Previously these employees had been allocated to the Others division.

For the regional segment reporting, sales are segmented according to the location of the customers. Group reporting does not require this information to be collected for the domestic operations. The assets and investments were calculated on the basis of the location of the Group company concerned.

(34) Management Board and Supervisory Board

Management Board of the Proprietary Company

The members of the Management Board of SUSS MicroTec AG in 2009 were:

Frank Averdung	Academic title Diplom-Elektroingenieur, resident in Feldkirchen, Chairman of the Management Board since February 1, 2009
Responsible for the areas:	Distribution, marketing, production, research and development, work safety, quality management, environmental protection, patents, and Group strategy
Michael Knopp	Academic title Diplomkaufmann, resident in Ratingen, Member of the Management Board
Responsible for the areas:	Finance and accounts, information technology, law, tax and insurance, human resources, facility management and investor relations
Christian Schubert	Academic title Diplomkaufmann, resident in Metten, Member of the Management Board until May 31, 2009
Responsible for the areas:	Materials management and logistics

The remuneration of the Management Board contains fixed and variable components. The Management Board members received as fixed remuneration monthly salaries, allowances for social security, and a company car for personal.

As short-term variable remuneration, the Board members receive an annual bonus which is linked to specific individual objectives. Subsequent changes to the defined objectives are not permitted.

The total cash remuneration of the Management Board in the reporting year was € 754 thousand. In adittion to his fixed salary (including the social security contributions and the monetary value of his private use of the company vehicle), Mr. Knopp was paid € 53 thousand from the provision formed as of the previous years', balance sheet date for the variable salary component.

In the reporting year, a provision of € 185 thousand was formed for the bonuses for the year 2009 of Mr. Averdung and Mr. Knopp.

This remuneration is distributed among the different members of the Board as follows:

2009

in € thousand	Frank Averdung	Michael Knopp	Christian Schubert
Compensation			
Fixed	245	219	100
Variable	98	87	5
Total	**343**	**306**	**105**

2008

in € thousand	Dr. Stefan Schneidewind	Michael Knopp	Christian Schubert
Compensation			
Fixed	221	215	62
Variable	32	53	15
Total	**253**	**268**	**77**

Moreover, on account of the options granted to Board members in 2009, € 69 thousand (2008: € 287 thousand) was recognized as personnel expense in the holding company.

There is a pension provision of € 5 thousand (2008: € 5 thousand) for one former member of the Management Board of the Company.

Moreover, salary payments of € 195 thousand (2008: € 74 thousand) were paid to a former member of the Board and a provision was formed of € 0 thousand (2008: € 282 thousand) for salaries still to be paid.

Supervisory Board

The members of the Supervisory Board in the 2009 fiscal year were:

Dr. Franz Richter resident in Eichenau, Chairman of the Management Board of Thin Materials AG in Eichenau, Chairman of the Supervisory Board until June 24, 2009

Further appointments:
Siltronic AG, Munich (member of the Supervisory Board)
EpiSpeed AG, Zug, Switzerland (member of the administrative Board)
Replisaurus Technologies Inc., Kista, Sweden (Chairman of the Board of Directors)
SEMI International, San José, California, USA
(member of the International Board of Directors)

Dr. Stefan Reineck resident at Kirchardt, managing shareholder of RMC Dr. Reineck Management & Consulting GmbH, Deputy Chairman of the Supervisory Board until June 24, 2009, and thereafter Chairman of the Supervisory Board.

Further appointments:
AttoCube Systems AG, Munich (Chairman of the Supervisory Board)
NanoScape AG, Munich (Chairman of the Supervisory Board)
aleo solar Aktiengesellschaft, Prenzlau (member of the Supervisory Board)
TF Instruments Inc., Monmouth Junction, New Jersey, USA
(member of "Board of Directors")
Phoseon Technology Inc., Hillsboro, Oregon, USA (member of "Board of Directors")
Johanna Solar Technology GmbH, Brandenburg an der Havel (Chairman of the Advisory Board) until October 31, 2009

Jan Teichert resident in Metten, member of the Management Board of Einhell Germany AG, Landau (Isar)

Further appointments: none

Sebastian Reppegather Zurich, investment director at Fidinam S.A., Lugano, Switzerland, from June 24, 2009

Further appointments: Sterling Strategic Value Limited, Tortola, British Virgin Islands (member of the Board of Directors)
IED Beteiligungs-GmbH, Frankfurt am Main (member of management)

Apart from the reimbursement of expenses incurred in exercising his office, each member of the Supervisory Board receives a fixed remuneration for each fiscal year. Pursuant to the change in the company by-laws resolved on June 19, 2008, the Chairman of the Supervisory Board receives € 45,000 p.a., his deputy € 40,000 p.a. and each further member of the Supervisory Board € 35,000 p.a. If an officer of the Supervisory Board is a member for only part of the fiscal year, the remuneration is awarded in proportion to the duration of membership. In addition, the members of the Supervisory Board receive an amount of € 1,500 for attendance at any session of the Supervisory Board or one of its committees.

The details of the remuneration of the Supervisory Board for the past fiscal year are as follows:

2009

in €	Membership in 2009	Fixed remuneration	Attendance fee	Out of pocket expenses and VAT	Total
Sebastian Reppegather	since 06/24/2009	17,500.00	7,500.00	4,050.00	29,050.00
Dr. Franz Richter	until 06/24/2009	22,500.00	6,000.00	5,415.00	33,915.00
Dr. Stefan Reineck	all year	42,500.00	13,500.00	21,321.50	77,321.50
Jan Teichert	all year	37,500.00	13,500.00	9,690.00	60,690.00

In the previous year, the remuneration of the Supervisory Board was composed as follows:

2008

in €	Membership in 2008	Fixed remuneration	Attendance fee	Out of pocket expenses and VAT	Total
Dr. Winfried Süss	up to 06/19/2008	22,500.00	10,500.00	0.00	33,000.00
Gerhard Rauter	up to 06/19/2008	11,250.00	3,000.00	412.00	14,662.00
Peter Heinz	up to 06/19/2008	7,500.00	4,500.00	4,338.08	16,338.08
Prof Dr. Anton Heuberger	up to 06/19/2008	7,500.00	3,000.00	3,385.00	13,885.00
Heinz-Peter Verspay	up to 06/19/2008	7,500.00	3,000.00	2,156.25	12,656.25
Dr. Franz Richter	since 06/19/2008	22,500.00	9,000.00	25,416.83	56,916.83
Dr. Stefan Reineck	all year	27,500.00	19,500.00	20,521.46	67,521.46
Jan Teichert	since 06/19/2008	17,500.00	9,000.00	5,086.00	31,586.00

From his time as managing director of the predecessor company of Suss MicroTec Lithography GmbH, there was a pension provision for Dr. Süss, the Chairman of the Supervisory Board until June 19, 2008, which amounted to € 2,025 thousand as of December 31, 2008.

Share and Option Holdings of the Officers of the Corporate Bodies as at Year End:

	2009		2008	
	Shares	Options	Shares	Options
Dr. Stefan Schneidewind (until 10/02/2008)	–	–	18,278	150,000
Michael Knopp	22,500	97,500	22,500	30,000
Frank Averdung (since 02/01/2009)	27,500	67,500	–	–
Christian Schubert (until 05/31/2009)	–	–	0	0
Sebastian Reppegather (since 06/24/2009)	0	0	–	–
Dr. Franz Richter (until 06/24/2009)	–	–	101,040	0
Dr. Stefan Reineck	9,600	40,000	6,600	40,000
Jan Teichert (since 06/19/2008)	0	0	0	0

(35) Employees

In the reporting year, an average of 623 employees (2008: 699) were employed in the SUSS Group.

Status as of the end of the year:

	2009	2008
Administration	79	91
Sales and Marketing	238	267
Operations	297	316
Total	**614**	**674**

(36) Auditor's Fees

The fee recorded in the reporting year for the auditor of the consolidated financial statements, KPMG AG, Wirtschaftsprüfungsgesellschaft, pursuant to section 314 (1) Nr. 9 of the HGB (new version), was € 226 thousand (2008: € 425 thousand) and was composed as follows:

in € thousand	2009	2008
Year-end audits	224	296
Tax advisory services	0	51
Miscellaneous	2	78
Total	**226**	**425**

The item audit of the financial statements includes the entire fee for the audit of the annual financial statements of SUSS MicroTec AG and the audit of the consolidated financial statements as well as the financial statements of subsidiaries audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

The item tax consultancy in the previous year included the fee for tax advice of SUSS MicroTec AG on selected questions.

The main component of the other services in the previous year were consultancy services connected with the introduction of SAP.

(37) Corporate Governance

As in the previous years, the Management Board and the Supervisory Board submitted the Declaration of Compliance pursuant to section 161 of the AktG and declared that they have complied with the recommendations of the German Corporate Governance Code in the version of June 6, 2008, with three exceptions – a deductible for D&O insurance, formation of committees, and remuneration of members of the Supervisory Board, and will comply in future with the updated version of June 18, 2009, with four exceptions – invitation to the Shareholders' Meeting / voting right proxies, a deductible for D&O insurance, formation of committees, and remuneration of members of the Supervisory Board.

The declaration of compliance has been made permanently available at www.suss.com

(38) Disclosure Pursuant to Section 160 No. 8 of the AktG

In the reporting year, the following notifications were made to the Company pursuant to section 21 (1) of the WpHG (securities trading law) in conjunction with section 32 (2) InvG (investment act):

On January 7, 2009, Dr. Winfried Süss, Germany, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG (securities trading law) that on December 31, 2008, his share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the thresholds of 5% and 3% and amounted on this day to 0% (0 voting rights).

On January 7, 2009, Süss SCS, Strassen, Luxembourg, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG (German securities trading law) that on December 31, 2008, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the thresholds of 3% and 5% and amounted on this day to 7.53% (1,281,000 voting rights).

On January 7, 2009, Falcivest, SCS, Strassen, Luxembourg, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG (securities trading law) that on December 31, 2008, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.04% (518,194 voting rights).

On January 7, 2009, Falcivest, SCS, Strassen, Luxembourg, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG (securities trading law) that on January 2, 2009, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 3% and amounted on this day to 2.99% (508,194 voting rights).

On January 7, 2009, Terramater (Stichting), Amsterdam, Netherlands, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG that on December 31, 2008, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the thresholds of 3%, 5% and 10% and amounted on this day to 10.57% (1,799,194 voting rights). Pursuant to section 22 subsection 1 sentence 1 number 1 of the WpHG, 10.57% (1,799,194 voting rights) are attributed to it. The voting rights attributed to Terramater are held via the following entities under its control, whose share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Süss SCS, Strassen, Luxembourg
+ Falcivest, SCS, Strassen, Luxembourg

On January 7, 2009, Crest Capital S.A., Strassen, Luxembourg, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG that on December 31, 2008, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the thresholds of 3%, 5% and 10% and amounted on this day to 10.57% (1,799,194 voting rights). Pursuant to section 22 subsection 1 sentence 1 number 1 of the WpHG, 10.57% (1,799,194 voting rights) are attributed to it. The voting rights attributed to Crest Capital S.A. are held via the following entities under its control, whose share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Süss SCS, Strassen, Luxembourg
+ Falcivest, SCS, Strassen, Luxembourg

On January 23, 2009, Falcivest, SCS, Strassen, Luxembourg, notified us pursuant to section 21 subsection 1 sentence 1 of the WpHG that on January 23, 2009, its share of voting rights in SUSS MicroTec AG, Garching, Germany, exceeded the threshold of 3% and amounted on this day to 3.02% (513,194 voting rights).

On January 15, 2010, Mr. Tito Tettamanti of the United Kingdom of Great Britain and Northern Ireland notified us pursuant to section 21 subsection 1 of the WpHG that on January 13, 2010, his share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights out of a total of 17,019,126). Pursuant to section 22 subsection 1 sentence 1 number 1 of the WpHG, 19.70% (3,352,152 voting rights) are attributable to him. The voting rights attributed to him are held via the following entities under his control, whose share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Gritlot Limited, Douglas, Isle of Man
+ Sterling Strategic Value Limited, Tortola, British Virgin Islands

On January 15, 2010, Gritlot Limited, Douglas, Isle of Man, notified us pursuant to section 21 subsection 1 of the WpHG (securities trading act) that on January 13, 2010, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights out of a total of 17,019,126). Pursuant to section 22 subsection 1 sentence 1 number 1 of the WpHG, 19.70% (3,352,152 voting rights) are attributable to it. The voting rights attributed to it are held via the following entities under its control, whose share of voting rights in SUSS MicroTec AG amounts in each case to 3% or more:

+ Sterling Strategic Value Limited, Tortola, British Virgin Islands

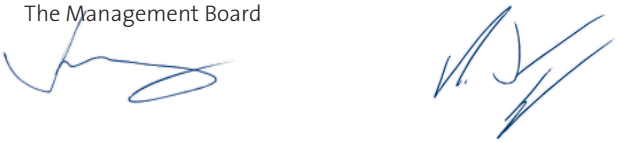
On January 15, 2010, Sterling Strategic Value Limited, Tortola, British Virgin Islands, notified us pursuant to section 21 subsection 1 of the WpHG that on January 13, 2010, its share of voting rights in SUSS MicroTec AG, Garching, Germany, fell below the threshold of 20% and amounted on this day to 19.70% (3,352,152 voting rights of a total of 17,019,126 voting rights).

(39) Release of the Financial Statements

The Management Board of SUSS MicroTec AG released the IFRS consolidated financial statements for passing on to the Supervisory Board on March 11, 2010. The Supervisory Board has the task of examining the consolidated financial statements and declaring whether it approves the consolidated financial statements.

Garching, Germany, March 11, 2010

The Management Board



Frank Averdung Michael Knopp

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

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 assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, along with a description of the principal opportunities and risks associated with the expected development of the Group.

Garching, Germany, March 11, 2010

SUSS MicroTec AG

Frank Averdung

Michael Knopp

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by SUSS MicroTec AG, Garching, comprising the balance sheet, the income statement, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the report on the position of the Company and the group for the business year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315a Abs. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an option on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB [Handelsgesetzbuch "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institute der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU. The additional requirements of German commercial law pursuant to section 315a HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, Germany, March 12, 2010

KPMG Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Renner
Accountant

Jenuwein
Accountant

GLOSSARY

3D integration
3D integration is divided into two main categories: 3D packaging and 3D interconnect. 3D packaging is used to describe components stacked on a wafer-level packaging-strata without being connected using through-silicon vias (TSVs). 3D packaging is comprised of technologies such as SOC (system-on-chip) and other processes for which the connection is normally based on wire bonding. 3D interconnect on the other hand includes components joined by TSVs. This refers to vertical vias using through the massive silicon which, as a general rule, is heavily thinned.

300mm technology
Wafers are disks made, for example, of the purest monocrystalline silicon, the basic material used in manufacturing microchips. The largest number of siliconwafers by far (~42%) used around the world today is 300mm in diameter. The larger the wafer diameter, the more chips can be made on one wafer. The more chips that can be manufactured on a wafer, the lower the production costs per individual chip.

Advanced Packaging
This term describes modern technologies to "package" microchips in their housing. All microchip contacts must be guided individually to the outside of the housing to ensure a connection to the printed circuit board. Advanced packaging involves packaging processes that generally employ methods previously used only in the front-end manufacturing of microchips themselves, such as lithography and photoresist technologies.

Back end
This term is used to describe the second (rear) link in the microchip production chain. The back-end process begins once the wafer has passed through all front-end process steps in the manufacture of the microchip itself. In this process, microchips are tested on the wafer and, if required, prepared for bonding. The wafers are then sawed into individual microchips that are packaged in their housing. For cost reasons, back-end process work is primarily done in Asia, where semiconductor manufacturers have back-end facilities of their own or allow foundries to handle testing and packaging.

Bonding
Attaching two or more components or wafers to each other by means of various chemical and physical effects. Adhesive bonding, for example, uses adhesives (usually epoxy resins or photoresists) to attach two components. Fusion or direct bonding directly links two wafers that are initially only connected by the weak atomic forces (van der Waals forces) of water molecules in the borderline layer. By subsequently applying heat, the water molecules are broken down, and the oxygen atoms released combine with the wafer's silicon atoms to form the covalent bond silicon oxide. This is a very strong, non-soluble bonding of the two wafers.

Bump
A metallic (solder, gold, or similar) three-dimensional contact on a chip. In simple terms, it is described as a ball of solder on a single microchip contact.

C4NP
IBM paved the way for flip chip bonding in the late 1960s. This technology was used for the first time in 1973 in IBM System 3. Since then, billions of chips have made contact with the outside world via this process under the name IBM C4. C4 stands for "controlled collapse chip connection" and is sometimes also used as a synonym for flip chip bonding. C4NP is the next generation technology, which IBM developed in conjunction with SUSS MicroTec on the basis of the proven C4 process. "NP" stands for "new process."

Chip
General term used for semiconductor components. In electronics, a chip or microchip is understood to mean an integrated circuit embedded in housing. From the outside,all one generally sees is the black housing and the connection point that links the chip and printed circuit board (by wire or flip chip bonding). The piece of silicon in the housing is frequently also referred to as the chip or microchip.

Cluster
A group of individual process modules (e.g. Coater, Aligner) which is fed wafers for processing by a central robot.

Coater
A Coater is a special machine for the production of semiconductors. It disperses photosensitive resist to the wafer by way of rotational power.

Compound Semiconductor
Semiconductor composed of several elements, such as gallium arsenide, indium phosphide, silicon germanium, etc. Advantages over simple semiconductors include: speed, high temperature compatibility, and lower energy consumption.

Cost of Ownership (CoO)
This assesses acquisition and operating costs as well as the costs of clean room space and wear and tear and maintenance of the machines. These costs are then calculated in relation to the proportion of functioning components at the end of the production process. The higher the output of perfect chips, the better the cost of ownership of the machines for the customers. An outstanding CoO is of major significance, especially in mass production.

Die
Die, IC (integrated circuit), and chip are terms often used synonymously. Integrated circuits are known as dies until the point at which they are integrated into housing. Wafers are referred to as dies long as they are going through the individual process steps. The term "chips" is only used after the dies are isolated and packaged.

DRAM
DRAM = dynamic random access memory. Electronic memory chip components primarily used in computers. This is the world's most widely used memory chip.

Fab
This is a manufacturing facility which specializes in the production of ICs on wafers (chips). Today, building a large, modern fab complete with the required clean rooms and equipment costs approximately US$ 1.5 billion to US$ 4 billion.

Flip chip bonding
An advanced bonding technique between chip and housing that makes higher clock frequencies possible in signal transmission. The active side of the chip is face down and, therefore, has to be "flipped" before assembly.

Foundry
A chip factory where microchips are manufactured to a circuit design that is specified by the customer. Making goods to order in this way, the foundry operators have no chip design or product sales/marketing costs and can, therefore, focus their R&D resources entirely on the process technology. The globally leading foundries are located in Taiwan and Singapore.

Front end
Front-end processes are the production steps carried out on the wafer as a whole. This is where the chip itself is made. Back-end processes in which chips are tested on the wafer follow. There, the wafer is cut into individual chips that are then inserted into housing.

IC
An integrated circuit (IC) consists of electronic components such as transistors, resistors, and capacitors that are integrated on a tiny microchip. Today, tens of millions of this type of cells are housed in circuits on a single chip. This high integration density has led to a high degree of chip performance.

LED
Light-emitting diode. LEDs are semiconductor components that can generate light. They emit a very bright light, yet, at the same time, consume very little energy. Moreover, their life span is over ten times that of a conventional light bulb.

Lithography
The electrical circuits of ICs are created by structuring individual strata on a silicon wafer in a type of layer structure. To create very small structures in the individual strata, the wafer is coated with a light-sensitive material (photoresist) and then exposed using a mask. The structures on the mask are, thus, superimposed on the wafer by means of casting a shadow. Where the mask blocks the light, the photoresist on the wafer is not exposed. Where it is transparent, light falls onto the wafer and the photoresist is exposed. During development after exposure, the exposed photoresist areas are cleared above the strata and can be accessed by the following process step. Nowadays, typical structure sizes for front-end lithography applications are between 32nm (0.032 micrometers) and 0.6 micrometers. In the back-end, structure sizes ranging from several microns to tens of microns are generated by photolithography to create, for example, bumps for flip chip bonding.

Mask
A plate of glass or quartz glass on which the patterns needed to manufacture an IC are mapped. These patterns consist of transparent and opaque areas that correspond in size and shape to the circuits required.

Mask Aligner
Mask Aligners align a glass mask to a wafer (covered with photosensitive material previously spun or sprayed on by a coater) with sub-micrometer accuracy. The glass mask is patterned with the structures which need to be transferred onto the wafer. These structures will then build electrical circuits, grooves, and bridges – all the various things that the chip needs in order to function. The pattern is transferred onto the wafer by means of exposure not un-similar to a photographic procedure.

MEMS
Microelectromechanical systems (MEMS) is the term used primarily in North America for microsystems technology (MST), a term more common in Europe. Semiconductor-production technologies and processes are used to manufacture mechanical and other non-electrical elements. MEMS products are used, for example, in the automobile industry, telecommunications, optoelectronics, and medical technology.

Micrometer/micron
A metric unit of length, symbol: µm. A micron is a millionth of a meter. The diameter of a human hair is approximately 60µm.

Microsystem
A system made up of various components each less than 1 mm in size.

Microsystems technology
This term is defined differently by region. In Europe, it means the entire miniaturization of precision mechanics component structures of less than 1 mm. In the United States and Asia, in contrast, microsystems technology or the more frequently used microelectromechanical systems (MEMS) means the use of semiconductor electronics technologies to produce the smallest of sensors or even complex systems such as a complete chemical or biological analysis unit. MEMS components include, for example, the silicon acceleration sensor that is used to activate an airbag or an inkjet printer cartridge nozzle.

Nanoimprinting/nanoimprint lithography (NIL)
A mechanical method to create two- or three-dimensional structures in the nanometer range with a casting or stamping tool. In contrast to photolithographic production of devices on semiconductor wafers, the structures are formed by stamping patterns in soft polymers. The future importance of nanoimprinting will be in cost savings. Classical photolithography equipment will, if extended to extremely short wavelengths of light (EUV, x-ray), become too expensive.

Nanotechnology
(Greek. nãnos = dwarf) A collective term comprised of a broad range of technologies which deal with structures and processes in spatial dimensions ranging from one to several hundred nanometers. One nanometer is the billionth part of one meter (10 – 9m) and defines a border range where the typical dimensions of a single molecule are found. Nanotechnology is a stringent continuation and expansion of microtechnology with mostly unconventional, new approaches. The tasks of nanotechnology include creating materials and structures in the nanometer range.

Optoelectronics
By deliberately combining semiconductor electronics technologies and III-V materials such as gallium arsenide, light can be generated or detected (semiconductor lasers, LEDs, photodiodes, etc). This technology is primarily used in telecommunications to transmit very large quantities of data (fiber-optic networks). LEDs are also being used increasingly in automotives and domestically due to their many advantages, such as low energy requirement, extreme brightness, and very long lifespan.

Packaging foundries
See back end.

Photoresist
A light-sensitive material that is first applied as a layer to the wafer and then exposed through a mask using ultraviolet light. In exposed areas, the ultraviolet light brings about chemical changes. These areas are dissolved from the layer during development, leaving a relief-like structure in the photoresist coating. This process is highly similar to photography.

Prober
The Prober carries out individual analytical microchip tests. With the help of probe heads, electronic signals from microscopically small structures within the chip are detected and analyzed. Another possibility is the endurance test, which uses pressure, electricity, force, heat, and refrigeration to see if the chips satisfy requirements; errors are thus detected early on. The modular construction of our Prober systems makes them extremely flexible, which is highly valued, particularly in development projects.

Semiconductor
A monocrystalline material of which the electrical resistance can be changed by implanting foreign atoms into its crystal grid. Silicon is the most important and also the most frequently used semiconductor element. ICs made of silicon are also often called semiconductors.

Sensor
A component used to record and convert measurements such as temperature, pressure, and acceleration. These measurements are converted into electrical signals and relayed to a signal evaluation unit.

Silicon
A material with the structure of a crystal lattice with semiconducting properties. Semiconducting means that the material can be used as a conductor or non-conductor depending on the inclusion of certain foreign atoms. In the semiconductor industry, the most common base material used is silicon in monocrystalline disk form.

Spin / Spray Coaters
Coaters spread a photosensitive resist on the wafer. The SUSS MicroTec Spin Coater specializes in thick photo resists, which are applied to the wafers. The Spray Coater sprays a substrate and can thus also coat three-dimensional structures evenly.

Substrate Bonder
The Substrate Bonder connects two or more substrates (primarily wafers) aligned to one another in an extremely precise manner. This is done using soldering, adhesion, or another physical-chemical process. Many MEMS components require this processing step, as it is the only way to ensure that airbags, tire pressure sensors, GPS sensors, ink-jet printers, etc. work.

System on a chip
Highly complex ICs incorporating many different functions. Until recently, these functions had to be accommodated on several ICs. The enormous innovative momentum in process technology that has made it possible to manufacture ICs with ever smaller structure widths now means that different kinds of memory, digital signal processors, and analog functions can be accommodated on one chip. The advantage is that instead of many chips, only a handful or even a single one is needed, thereby reducing the space needed, the assembly requirements (and, therefore, the cost of the finished product), and, very importantly, the power consumption. This prolongs the battery life in battery-powered equipment such as laptops and cellular telephones. The trend towards ever smaller and more portable devices that should also be less and less expensive makes system on a chip increasingly important.

Through-silicon vias (TSVs)
Individual chip components are stacked on top of one another and joined with this technology. This shortens the path of the data stream between the individual chip components and allows for significantly less capacity losses. As such, through-silicon vias contribute to lowering the overall size of chips combined with a simultaneous rise in performance.

Tool
Machines, instruments, robots, etc. Tools are all individual systems that comprise a production line in a semiconductor factory.

Wafers
Slices of the purest silicon, for example, or compound semiconductors (gallium arsenide, indium phosphide, etc.) on which chips are produced. Over the past ten years, their diameter has increased from 150mm to 200mm and today to even 300mm. Twice as many chips fit onto the surface area of the latest 300mm wafers than onto a 200mm wafer, cutting production costs by approximately 30%.

Wire bonding
A common contact process that connects chips with housing via metal wires.

Yield
One of the key parameters in semiconductor production. It measures the output of functioning microchips in relation to the total number of microchips on a wafer. The higher the yield, the more efficient and cost-effective the chip production for the customer.

FINANCIAL CALENDER 2010

Annual Report 2009	March 30, 2010
Quarterly Report 2010	May 6, 2010
Shareholders' Meeting, Haus der Bayerischen Wirtschaft, Munich	June 23, 2010
Interim Report 2010	August 5, 2010
6th UBS Best of Germany-Conference, New York, USA	September 15 – 16, 2010
Nine-month Report 2010	November 4, 2010
Analysts' Conference at the German Equity Forum Fall 2010, Frankfurt / Main	November 22 – 24, 2010

CREDITS AND CONTACT

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HIGHLIGHTS 2009

January

Next Generation of ACS300 Coat/Develop Cluster Introduced

At Semicon Korea 2009, SUSS MicroTec introduced the second generation of the ACS300 Cluster, a modular system for the coating, baking, and development of wafers up to 300mm in diameter. The system, which is specially designed for advanced packaging and 3D processing, has the highest coating and development conformance currently available in the market along with a combination of high configuration flexibility and lower equipment costs. Since its market launch, the ACS300 Gen2 has already been sold twenty-two times worldwide.

February

Frank Averdung Assumes Chief Executive Officer Position Ahead of Schedule

Frank Averdung assumed the position of Chief Executive Officer of SUSS MicroTec AG effective February 1, 2009. In November of 2008, the Supervisory Board had already appointed the former Managing Director of Carl Zeiss SMS GmbH to the Company's Management Board. In his role at SUSS MicroTec, the Electrical Engineer is responsible for the areas of sales, marketing, production, work safety, research and development, patents, quality management, and Group strategy.

April

SUSS MicroTec's 60th Anniversary

On April 1, 1949, Karl Süss founded his eponymous company in a bombed-out house on Christophstraße in Munich, Germany. Back then, the business was already based on the sale of optical/high-precision products such as microscopes and measuring devices. On the occasion of the Company's 60th anniversary, SUSS MicroTec launched a campaign with the motto "Innovative Minds – 60 Years of Engineering Spirit," which highlights current developments at the Company and activities to promote up-and-coming scientists as well as the Company's successful and eventful history.

Nemotek Technologies Purchases SUSS MicroTec Equipment for Wafer-level Camera Production

Nemotek Technologies, a worldwide leading manufacturer of customized wafer-level cameras for mobile applications, acquires numerous lithography systems from SUSS MicroTec. In addition to the 200mm Mask Aligner for production, the package includes systems for coating, baking, and development. The SUSS MicroTec tools will be employed in the manufacture of image sensors at Nemotek's production site in Morocco.

May

Christian Schubert Resigns from SUSS MicroTec AG Management Board

At the end of his appointment, Christian Schubert resigned from the Company's Management Board on May 31, 2009. The business graduate assumed his position on the Management Board on October 2, 2008 on an interim basis and dedicated himself primarily to optimizing purchasing and procurement as well as materials logistics during his eight-month term.

June

3M and SUSS MicroTec Negotiate 3D Integration Cooperation Agreement

3M, one of the leading providers of modern materials for the semiconductor industry, and SUSS MicroTec negotiated a cooperation agreement for the development and sale of permanent and temporary bonding and debonding technologies for three-dimensional system integration as well as the manufacture of through-silicon vias (TSVs). As a result, SUSS MicroTec advances to the status of authorized equipment provider for 3M's Wafer Support System (WSS) and will manufacture and sell bonding systems, which are specially configured for these processes and based on the XBC300 and CBC300 Wafer Bonder lines.

Shareholders' Meeting – Special Election to the Supervisory Board

Approximately 120 shareholders, bank representatives, and guests accepted the invitation to the ordinary Shareholders' Meeting on June 24, 2009 in Munich to inform themselves in detail about the Company's strategic product orientation and the future market for 3D integration. In the scheduled special election, Mr. Sebastian Reppegather was elected to the Supervisory Board as Dr. Franz Richter's successor.

July

3D integration Development Cooperation Agreements Concluded with Industry and Research Partners

In July, SUSS MicroTec was able to announce the successful negotiation of two additional development cooperation agreements in the area of 3D integration. The development partners from the fields of industry and research include Thin Materials AG and the Belgian research center for nanoelectronics and nanotechnology IMEC. The focus of the cooperation is on the joint development of permanent and temporary bonding and debonding processes for the future market of 3D integration as well as the manufacture of through-silicon vias (TSVs). Thin Materials and IMEC are relying heavily on SUSS MicroTec's Wafer Bonder XBC300, which is optimally suited for implementing the two different processing solutions by virtue of its modular design and process flexibility.

September

SUSS MicroTec Presents World's First Test System for 3D Integration

In early September, SUSS MicroTec introduced the world's first test system for the electronic testing of three-dimensional, stacked structures at the 300mm wafer level. The new PA300PS 3D test system, which was developed specifically for 3D integration, makes it possible to carry out various tests during process development as well as conduct functional testing after wafer production and before further stacking processes.

SUSS MicroTec Collaborates with Taiwanese Research Institute ITRI

At the end of September, SUSS MicroTec announced that it would join forces with the Taiwan-based Industrial Technology Research Institute (ITRI), one of the world's leading research institutes in the semiconductor industry. The focus of cooperation is on the further development of packaging technologies in the area of chip fabrication (3D integration) via the Advanced Stacked-System Technology and Application Consortium (Ad-STAC), an association of thirteen multinational equipment, material, and application manufacturers in the semiconductor industry. The cooperative agreement will involve both the 300mm lithography cluster LithoPack300 and the bond cluster XBC300 being implemented in a demo production line in Hsin-Chu, Taiwan.

November

Chief Financial Officer Commits to Additional Five Years

Ahead of schedule, the Company's Supervisory Board is extending Michael Knopp's existing Management Board contract for an additional five years. This step represents a vote of confidence in the accomplishments of the 43-year-old business graduate. Mr. Knopp, who assumed the position of Chief Financial Officer of SUSS MicroTec AG in August of 2007, is particularly responsible for the successful adoption of SAP software and the implementation of restructuring and cost reduction measures.

December

HamaTech APE GmbH & Co. KG Takeover

On December 6, SUSS MicroTec AG announced its intention of acquiring HamaTech APE, a wholly owned subsidiary of Singulus Technologies AG as well as a production facility at the HamaTech APE site in Sternenfels. HamaTech APE is one of the world's leading equipment suppliers for the cleaning of photo masks in the semiconductor industry and is currently the world's only provider of cleaning solutions for the masks used in extreme ultraviolet lithography. Through this acquisition, SUSS MicroTec is expanding its existing product portfolio in the area of wet processing.

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