

1. Interim Statement 2008

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Corporate Calendar

Financial Calendar

Fiscal Year January 1 to December 31

Annual shareholders' meeting August 21, 2008

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1. Interim Statement for the First Quarter of 2008

1. General Economic Conditions

Overall, there is expected to be a slowdown in global economic performance in 2008, one of the key factors behind this development being the current weak growth in the US. The high prices for raw materials and energy, the subprime crisis on the US mortgage market and the resulting turbulence on the international capital and finance markets continued to dampen global economic growth in the first quarter of 2008.

The German economy's pace of growth is also set to decrease in 2008 according to the leading German economic research institutes in their spring report issued in April. Gross domestic product (GDP), which grew 2.5% in 2007, is expected to increase by a mere 1.8% in the current year. Hence, the experts have revised the forecast they made in the fall of 2007 (2.2%).

2. Conditions in the Industry

CEAG AG, with its FRIWO Power Solutions (FPS) business unit, operates in different market segments as a manufacturer of high-quality power supplies and chargers. FPS supplies customized power supplies and chargers as well as standard products to the markets of IT and communications, household appliances and power tools, industrial applications, and medical technology.

The IT and communications segment is growing fast, in particular peripheral applications such as modems, routers, photo printers and credit card readers. The household appliances (e.g. toothbrushes and shavers) and white goods, industrial applications and medical technology segments are characterized by moderate yet sustainable growth.

3. Sale of the FMP Business Unit

On February 7, 2008, CEAG AG signed an agreement on the sale of the FRIWO Mobile Power (FMP) business unit to a subsidiary of Flextronics International Ltd., which is located in Singapore. FMP manufactures power supplies and chargers for the mobile telephone industry. After the necessary approvals had been granted by the antitrust authorities and all other conditions had been met, FMP's business activities were transferred to Flextronics with effect as of May 7, 2008.

In this interim statement, FMP's net profit is disclosed under discontinued operations in accordance with IFRS 5. As a result, only the income and expenses of the continuing operations – the FPS business unit – and of the holding company are discussed in detail, while the earnings of the FMP business unit are disclosed in a separate item entitled "Net profit (discontinued operations)". The prior-year figures of the income statement have been adjusted accordingly.

4. Overall Assessment of the CEAG Group's Performance in the First Quarter

CEAG AG's business performance was moderate in the first quarter of 2008. FPS's unit sales, revenues and earnings failed to match the very high comparative figures for the first quarter of 2007 in which FPS generated exceedingly strong growth.

5. Unit Sales in the First Quarter

The Group, with its FPS business unit, sold a total of 7.3 million power supplies and chargers in the first three months of the current year. This represents a decrease of 4.9% on the comparable prior-year quarter (7.7 million units). It should be noted in this context that FPS reported strong growth of 33.5% in the first quarter of 2007 compared with the same period in 2006 and that performance in 2007 therefore set a high benchmark. In addition, weaker demand from certain customers at times due to project postponements and delays had a negative impact on unit sales development.

6. Revenues in the First Quarter

FPS revenues decreased by 13.5% to EUR 19.8 million in the first three months of 2008 (prior-year quarter: EUR 22.9 million). Lower unit sales as well as the appreciation of the euro against the US dollar affecting orders invoiced in US dollars put a damper on revenue growth. Calculated using the prior year's exchange rates, revenues dropped by 9.5%.

7. Earnings in the First Quarter

The CEAG Group generated earnings before interest and taxes (EBIT) of EUR 0.5 million for the first quarter of 2008 compared with EUR 1.1 million in same prior-year quarter. The EBIT operating margin decreased from 4.8% to 2.5%. The drop in earnings reflects the negative impact of lower revenues as well as the weakness of the US dollar in the first quarter of 2008.

The Group reports a net profit of EUR 0.4 million from its continuing operations (Q1/2007: EUR 1.2 million). Net profit from discontinued operations, i.e. from the activities of FMP, amounted to EUR 0.3 million (Q1/2007: EUR 0.6 million). Consolidated net profit for the first quarter of 2008 came to EUR 0.7 million, compared with EUR 1.8 million in the same prior-year quarter. This corresponds to earnings per share of EUR 0.09 (Q1/2007: EUR 0.23).

The FPS business unit recorded EBIT of EUR 1.1 million in the first quarter as opposed to EUR 1.8 million in the prior-year quarter. The holding company's EBIT came to -EUR 0.6 million compared with -EUR 0.7 million in the same period of the prior year.

8. Net Assets and Financial Position as of March 31, 2007

The Group's total assets, including continuing and discontinued operations, stood at EUR 120.0 million as of March 31, 2008. The total was EUR 127.9 million at the end of 2007.

At EUR 44.2 million, equity was down EUR 0.4 million on the figure as of December 31, 2007 (EUR 44.6 million) due to negative currency translation differences. The Group reports an equity ratio of 36.8% at the end of March.

9. Employees

As of March 31, 2008, the Group – excluding the sold FMP business unit – employed a total of 298 people, including 236 in Ostbevern, Germany. This represents an increase of 16 people year on year (March 31, 2007: 282 people).

10. Outlook for 2008

Following the sale of FMP, CEAG will focus resolutely on the expansion of the FPS business unit. There are still good growth opportunities open to FPS after the successful development seen in recent years. The Management Board expects overall economic conditions to remain positive in the current year – despite the economic slowdown – and further growth for the

markets relevant to CEAG. On the cost side, however, raw materials prices are expected to continue rising or, at best, to remain high. Also, given the exchange rate between the euro and the US dollar, the currency used by CEAG for most of its invoicing, no fundamental change that might provide relief is apparent in the short term.

The Management Board anticipates that the weak demand from certain FPS customers will be temporary and that it will not detract from the business unit's growth trend. The Board therefore still believes that further unit sales growth for FPS is possible in 2008. To what extent this unit sales growth will be reflected in revenues and earnings depends to a considerable degree on market and cost effects as well as the development of the US dollar/euro exchange rate. Moreover, the earnings situation of the CEAG Group in the current year will be substantially influenced by the income from the sale of the FMP business unit.

Ostbevern, Germany, May 2008

CEAG AG
The Management Board

Key Figures for the CEAG Group (According to IFRSs)

		Q1/ 2008	Q1/2007	Change in %
Unit sales of power supplies and chargers CEAG/FPS	In millions of units	7.3	7.7	- 4.9
Revenues CEAG/FPS	EUR million	19.8	22.9	- 13.5
EBIT CEAG/FPS (continuing operations)	EUR million	0.5	1.1	- 54.8
EBIT operating margin	%	2.5	4.8	-
FPS EBIT	EUR million	1.1	1.8	- 35.6
Holding company EBIT	EUR million	- 0.6	- 0.7	-
Net profit (continuing operations)	EUR million	0.4	1.2	- 64.8
Net profit (discontinued operations)	EUR million	0.3	0.6	- 51.5
Consolidated net profit	EUR million	0.7	1.8	- 60.5
Earnings per share	EUR	0.09	0.23	- 60.5
Capital expenditure	EUR million	0.6	0.3	+ 138.5
Employees (as of March 31) FPS/CEAG	No.	298	282	+ 16 people

The interim statement for the first quarter of 2008 can be downloaded at www.ceag-ag.com.

More information:

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