

REPORT FOR THE SECOND QUARTER OF 2007



Overview of the second quarter 2007 and the first half-year 2007:

- Second-quarter turnover (€ 12.9 million) at previous year's level (€ 12.9 million)
- Rise in incoming orders indicates profitable growth in the second six months of the year
- Net results of the second quarter: + € 0.2 million – net result in the previous quarter offset at semi-annual level as expected (1st half-year 2007: + € 0.1 million)
- Stable growth of the component business – significant improvement in incoming orders in the systems business
- Forecast for the entire year confirmed

Key Data:

	Q2/ 2007	Q2/ 2006		+/- in %	I. HY 2007	I. HY 2006		+/- in %
Turnover								
Group	12.9	12.9	Mio.€	+/-0%	24.4	22.9	Mio.€	+7%
Vision Systems	5.8	6.6	Mio.€	-12%	11.1	11.3	Mio.€	-2%
Vision Components	7.0	6.2	Mio.€	+13%	13.3	11.6	Mio.€	+15%
Orders								
Incoming Orders	15.3	19.1	Mio.€	-20%	26.3	31.4	Mio.€	-16%
Results								
Gross Margin	45	57	%	-12Pp*	46	55	%	-9Pp**
EBITDA	2.1	4.6	Mio.€	-54%	3.7	5.6	Mio.€	-34%
EBIT	0.5	2.0	Mio.€	-75%	0.4	2.9	Mio.€	-86%
EBT	0.3	1.9	Mio.€	-84%	0.2	2.7	Mio.€	-93%
Net Results	0.2	1.1	Mio.€	-82%	0.1	1.5	Mio.€	-93%
Net Margin	2	9	%	-7Pp*	0	7	%	-7Pp**
Number of Shares	3.5	3.5	Mio.		3.5	3.5	Mio.	
Earnings per Share	0.07	0.32	€		0.04	0.43	€	
Cash								
Cash funds (as of cut-off date)					1.3	2.2	Mio.€	-41%
Balance Sheet (as of cut-off date)								
Equity Capital					25.1	22.6	Mio.€	+7%
Equity Capital Ratio					52	50	Mio.€	-2Pp**
Staff (as of cut-off date)								
Number of Staff					307	297		+3%
Shares (as of cut-off date)								
Share Price (XETRA)					11.10	13.50	€	-18%
Marked Cap					38.85	47.25	Mio.€	

* Quarterly and semi-annual figures have not been audited. ** Pp = percentage points

Ladies and gentlemen,

In the second quarter, incoming orders, turnover and earnings all improved over the previous quarter as expected, leading to a positive result. At the semi-annual level, we offset the loss accumulated in the first quarter and generated a slightly positive overall result.

The weaker semi-annual result compared to the previous year is due to a slight slump in demand in the systems business and a generally lower gross margin. The latter was a result of start-up costs in the components business' electronic production and an unfavourable product mix in the systems business.

Incoming orders in the second quarter provided a positive impulse leading us to expect growth in turnover in the second six months of the year. An improved product mix and lower production costs will also contribute towards an absolute and relative improvement of the result in the second half of the year.

As in the first quarter, more than half of our second-quarter turnover was generated from the consistently growing digital industrial camera business (Vision Components segment). A 15% increase in turnover in the first half-year makes us one of the fastest-growing manufacturers of industrial cameras worldwide.

Given the outlook for the second year, which is shored up by the level of incoming orders, we retain our forecast for the overall year with an expected turnover of between € 51 to 57 million and a result before taxes of € 2 to 5 million.

Turnover and incoming orders

In the second quarter of 2007, the company generated turnover of € 12.9 million, emulating the level of the previous year's quarter (€ 12.9 million). In the first half of 2007, total turnover amounted to € 24.4 million (first half-year 2006: € 22.9 million, +7%). This increase is predominantly due to the continuous growth of our components business (see segment-related information).

Incoming orders in the second quarter 2007 increased significantly over the first quarter, amounting to € 15.3 million (first quarter 2007: € 11.0 million, +39%). Due to a short-term postponement of orders from the first quarter to the second quarter 2007, which became known after the first quarter report, incoming orders in the first quarter had to be reduced from € 11.3 million to € 11 million. The difference was brought forward to the second quarter. As a result of this postponement, the second-best quarterly level of income orders ever (after the second quarter 2006) was recorded. Incoming orders in the second quarter of 2007 were 20% lower than the record previous year's quarter, which was dominated by an exceptionally high individual order from the flat screen industry (second quarter 2006: € 19.1 million). Due to the same reason, incoming orders in the entire first half of the year 2007 (€ 26.3 million) remained below the level of the previous year (€ 31.4 million, -16%).

Result

The result before taxes in the second quarter came to € 0.3 million (second quarter 2006: € 1.9 million). In the first half-year 2007, the result before taxes amounted to € 0.2 million (first half-year 2006: € 2.7 million).

The decline in the result compared to the previous year's period is predominantly due to a lower gross margin. In the second quarter, the gross margin declined from 57% in 2006 to 45% in 2007, and in the first half-year of 2007 from 55% (2006) to 46%. This was due to an unfavourable product mix in the systems business and higher production costs in the components business. The latter is owing to the conversion of the manufacturing process in compliance with new EU directives and an expansion and modernisation of our production facilities. The conversion processes were largely completed in the course of the second quarter; as a consequence, production costs in the components business will successively return to their former level during the second half of the year.

In the operating expenses field, sales and marketing costs rose disproportionately in relation to turnover compared to the previous year. This development is due to increased marketing activities and an extension of our sales organisation in the components business.

The second quarter's net result came to € 0.2 million and the first half-year's net result to € 0.1 million, which translates into earnings per share of € 0.07 and € 0.04 respectively (second quarter 2006: net result € 1.1 million, earnings per share: € 0.32, first half-year 2006: net result € 1.5 million, earnings per share: € 0.43).

Segment-related information

The **Vision Components segment** develops and distributes digital high-performance cameras for technical applications. Founded in 1997, Vision Components has developed into one of the three largest and most renowned manufacturers of industrial cameras worldwide. With a portfolio of over 100 different cameras, we offer our customers an extensive range of area scan, line scan and intelligent cameras. In 2007, our components business is once more set to grow faster than the market. Demand for our scout and pioneer product lines, which were launched at the end of 2006, is particularly lively at present. The two products are based on the new GigE-Vision connection standard. Basler was a main contributor where the definition and development of this standard is concerned. GigE-Vision allows users to transmit image signals at fast speed on cable distances of up to 100 m directly to the image processing computer. This facilitates complicated, faster and more cost-effective solutions for our customers. In the past quarter, we started serial production of our new sprint high-speed camera which, at 140,000 exposures per second, records this type of image information faster than any other camera. To achieve this unprecedented performance and secure the associated competitive advantage, we have for the first time employed our own image sensor technology in this product line. Sprint cameras are predominantly used for surface inspection (e.g. scanning of fast-moving strip products in production), digital recording of documents or mail sorting.

Turnover in the Vision Components segment in the second quarter of 2007 rose by 13%, reaching the level of € 7.0 million for the first time (second quarter 2006: € 6.2 million). In the first half-year, this segment generated turnover of € 13.3 million (first half-year 2006: € 11.6 million), which translates into a 15% increase compared to the previous year. Incoming orders reached a new record level and rose by 14% compared to the previous quarter to € 7.4 million (second quarter 2006: € 6.5 million). In the first half-year, incoming orders totalled € 14.6 million (first half-year 2006: € 12.2 million), thereby exceeding the previous year by 20%.

During the entire first half-year of 2007, considerable investments and expenses have been directed towards the preparation of further growth in the Vision Components segment. Manufacturing was converted to lead-free production processes, the machine fleet was modernised and extended. Furthermore, we expanded our sales organisation and continued to invest in the extension and modernisation of our product portfolio. As a consequence, the Vision Components segment failed to generate the customary profitability level in the first half-year. The second-quarter segment result before interest and taxes amounted to € 1.2 million and the first half-year result to € 2.0 million (second quarter 2006: € 1.8 million, first half-year 2006: € 3.3 million). Given the temporary character of this decline in margin, we expect the Vision Components segment to return to its previous level of income in the second half of the year.

The **Vision Systems segment** develops and distributes test systems used in industrial mass production. With over 5,000 installations, we are one of the most renowned manufacturers of inspection systems worldwide. On the one hand, our solutions distinguish themselves through their high performance in terms of test speed and exactness. On the other hand, they are tailored to our customers' needs. We focus on applications in the flat screen industry, the solar industry, the rubber/elastomer industry and the optical storage industry. In the second quarter, the Vision Systems segment generated turnover of € 5.8 million, 12% below the previous year's level (second quarter 2006: € 6.6 million). In the first half-year, at € 11.1 million, the segment's turnover was close to the previous year's figure (first half-year 2006: € 11.3 million, -2%).

The business with inspection systems for the flat screen industry was restrained throughout the second quarter. Due to the decline in average proceeds for flat screens and the associated decline in our customers' income position during the past few quarters, investments in new production equipment were postponed or even cancelled. However, since demand for LCD screens continues to increase consistently, our customers plan to increase investment in production equipment in the medium-term. This development has already had an initial effect on our incoming orders, which have risen compared to the first quarter. In the last few months, leading manufacturers of solar wafers and thin-layer solar cells have successfully tested our inspection systems. We expect initial substantial orders in the second half of the year. Our systems deliver valuable test data that minimise the number of faulty products in the production process and increase production efficiency.

The last quarter's positive trend in our business with inspection systems for the rubber and elastomer industry is continuing. Demand for inspection systems for optical storage media remained weak in the past quarter. Due to the delays in the launching of the new Blu-ray disc and HD-DVD storage media on the consumer market, we do not expect any major impulses for investment in new production machines before the coming year.

At € 8.0 million, incoming orders in the Vision Systems segment in the second quarter more than doubled compared to the previous year's quarter (first quarter 2007: € 3.8 million). This increase is predominantly due to new orders from the flat screen industry and the sealing industry. Comparison with the previous year has only limited significance, as we recorded an extraordinarily highly level of incoming orders from the flat screen industry in the second quarter of 2006. Adjusted by these special effects, incoming orders are approximately at the previous year's level (second quarter 2006: € 12.6 million). In the first half-year, incoming orders totalled € 11.8 million (first half-year 2006: € 19.2 million, -39%).

The second-quarter profit before taxes and interest in the Vision Systems segment amounted to € -0.9 million (second quarter 2006: € 0.3 million) due to a low turnover level and a low-margin product mix. In the first half-year of 2007, the result amounted to € -1.6 million (first half-year 2006: € -0.2 million).

Research & development

In the second quarter, total research and development costs declined to € 1.5 million (second quarter 2006: € 1.8 million). Hence, total costs in the first half-year amounted to € 3.6 million (first half-year 2006: € 3.5 million). Since capitalisations associated with new product developments account for a smaller proportion of total expenses than in the previous year and depreciation has risen due to numerous new product launches since the third quarter of 2006, the research and development balance in the first half-year rose by 45% to € -2.9 million (first half-year 2006: € -2.0 million).

Workforce

The number of staff remained largely stable in the second quarter of 2007, amounting to 307 as of 30 June 2007 (30 June 2006: 297 members of staff). The regional distribution of the work force was as follows (last year's figure in brackets):

- parent company in Ahrensburg: 261 (254)
- subsidiary in the USA (Exton, PA): 15 (16)
- subsidiary in Taiwan: 16 (14)
- subsidiary in Singapore: 9 (8)
- representative offices in Shanghai, Korea and Japan: 6 (5)

Cash

In the second quarter, the operative cash flow amounted to € 1.3 million (€ 2.2 million, -41%). The decline in the operative cash flow was predominantly due to the fact that the net result was € 1.4 million lower. In the same period, liquid funds rose from € 1.4 million to € 1.7 million due to the raising of loans from credit institutions.

Shares held

The board of directors and the supervisory board, as of 30 June 2007, held the following shares and warrant rights:

	Shares		Options	
	30.06. 2007	31.03. 2007	30.06. 2007	31.03. 2007
Supervisory Board				
N. Basler (Chairman)	1.8 Mio.	1.8 Mio.	-	-
K. Ellegast (Vice Chairman)	3,000	3,000	-	-
E. Kottkamp	-	-	-	-
Management Board				
D. Ley (Chairman)	135,282	135,282	23,800	23,800
J. P. Jennings	2,000	2,000	3,000	3,000
P. Krumhoff	500	500	4,557	4,557

General shareholders' meeting

At the General shareholders' meeting, which took place on 21 May 2007 in Hamburg, the shareholders of Basler AG approved an important new direction for the further financing of the company's planned growth. With 99% in favour, the board of directors was authorised to extend the convertible bond that was issued in 2004 until 31 July 2009 in the amount of close to three million Euros.

The other agenda items also concurred with the board of director's thinking. Konrad Ellegast from Ötjendorf was re-elected to the supervisory board. The former long-time CEO of Phoenix AG has been on the board since 2004 and is holding further mandates on the supervisory board of Technotrans AG and on the advisory board of C. Mackprang Jr. GmbH & Co. With 99% of the present votes, the board of directors was discharged by a similarly high majority as the supervisory board (98%). Besides a number of amendments of the articles of association, a resolution was passed regarding the acquisition of own shares and BDO Deutsche Warentreuhand AG, Hamburg, was appointed auditor for the financial year 2007. The detailed agenda can be viewed on the Internet at www.baslerweb.com.

At the supervisory board meeting that followed the General shareholders meeting, Prof. Dr. Eckart Kottkamp was elected new Vice Chairman of the supervisory board. Prof. Kottkamp has been on the supervisory board since 2006 and has years of experience in the industry, inter alia as CEO of Hako-Werke GmbH, Claas Landmaschinen AG and Jungheinrich AG. He holds further mandates at Carl Schenck AG and Hako-Werke GmbH.

Agenda Item	In favor (in million)	%	Against	Abstentions
Resolution regarding the carrying forward of the unappropriated retained earnings to new account	2.2	99.31	15,243	1,350
Discharge of the board of directors	2.1	99.66	7,066	1,100
Discharge of the supervisory board	0.3	97.88	7,318	1,100
Selection of the auditor BDO	2.2	Close to 100	100	3,302
Election of Konrad Ellegast to the supervisory board	2.2	99.93	1,500	5,538
Resolution regarding the creation of new authorised capital	2.2	99.74	5,728	2,100
Authorisation to acquire own shares	2.2	99.69	6,916	1,170
Authorisation to extend convertible bonds	2.2	99.68	7,166	1,736
Extension of the resolution passed at the general shareholders meeting of 1 July 2004 regarding the conditional capital increase	2.2	99.71	6,518	2,486
Amendment of the articles of association regarding the conditional capital increase	2.2	99.75	5,468	2,100
Transmission of information to the shareholders by way of remote data transmission	2.2	Close to 100	50	2,102

Corporate Governance – declaration of compliance according to Section 161 AktG (German Stock Corporation Law)

The board of directors and the supervisory board declare that the recommendations for conduct issued by the corporate governance code commission set up by the Federal government as amended on 12 June 2006 were complied with throughout the financial year 2007 and will be complied with in the future.

The following recommendations have been excluded:

Item 5.3. - Formation of supervisory board committees

The supervisory board shall not form any committees since Basler AG's supervisory board consists of three members only, thereby guaranteeing efficient processing of all concerns that form part of the supervisory board's responsibilities. Furthermore, the generally accepted minimum staffing of committees exceeds three members.

Item 5.4.7. – Supervisory board remuneration

The supervisory board remuneration is set out in the articles of association. The level of remuneration takes account of both the position of Chairman and of Vice Chairman. Due to the current level of fixed remuneration, a variable component is currently not planned for the supervisory board members.

The updated declaration of compliance with the code can be viewed on the Basler website's Investor Relations-area at www.baslerweb.com/aktie. If you have any questions regarding the corporate governance code, please contact our compliance officer: Peter Krumhoff (CFO), Tel. 04102 - 463 100, ir@baslerweb.com

Events after the reference date

After the reporting date of 6 July 2007, the Bundesrat approved the corporate tax reform act 2008. According to IAS 12.48, we are under obligation to report fiscal changes in the respective period after the Bundesrat's approval. Hence, the fiscal changes will be included in the third quarter 2007 when the law enters into force. The corporate tax reform 2008 reduces our tax rate in Germany from 37% to 28%. With respect to the interim financial statements as of 30 June this would lead to additional tax expenses arising from the change in the tax rate of k€ 93. The balance sheet total will decline by approx. 2 million, thereby increasing the equity capital ratio by two percentage points to 54.6%.

In an ad-hoc release of 24 July 2007, the company announced that the CFO Peter Krumhoff will leave Basler AG with effect from 31 August 2007. Until the appointment of his successor, the CEO, Dr. Dietmar Ley, will take over the responsibilities of the CFO on a provisional basis.

Outlook

The results of the first half-year are below the expectations we had at the start of the year. While turnover in the Vision Components segment continued its solid and stable growth, demand in the Vision Systems segment was more restrained than we had initially assumed. Furthermore, due to various reasons, the gross margin in both business segments was lower than in the previous year's period.

In the second half of the financial year, we expect continued lively demand for our cameras. Growth in the components business is based on the market's positive reaction to the new product lines which we launched at the end of 2006, the expansion of our sales organisation and favourable framework conditions on our customers' markets. In the second half of the year, the Vision Systems division will grow once again as we will record rising turnover from inspection systems for the flat screen industry. Furthermore, we expect our first substantial turnover from the solar industry. At the end of this year, our camera components business will for the first time account for a larger share in overall turnover than our inspection systems business.

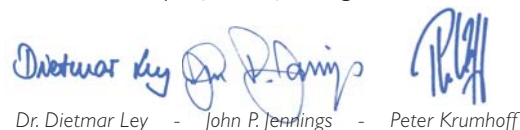
Given lower production costs and a more favourable product mix, we expect the gross margin to improve in the course of the year. Operating expenses in the second half of the year will be at a similar level as in the first six months. Hence, in the second half of the year, we expect a clearly positive result before taxes. Due to the incoming orders that have been booked and our current assessment of the business development in the remaining two quarters, we are maintaining our forecast for the overall year 2007 and continue to plan turnover in a band between Euro 51 and 57 million (2006: Euro 52.1 million) and pre-tax profits between Euro 2 and 5 million (2006: Euro 4.9 million).

Assurance by the company's legal representatives

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

Board of Directors

Dr. Dietmar Ley – John P. Jennings - Peter Krumhoff



Dr. Dietmar Ley - John P. Jennings - Peter Krumhoff

Consolidated Profit and Loss Statement

as of 30.06.2007 according to IFRS*

	Q2/2007 01.04.- 30.06.2007	Q2/2006 01.04.- 30.06.2006	I. HY. 2007 01.01.- 30.06.2007	I. HY. 2006 01.01.- 30.06.2006
in € thousand, result per share in €				
Sales	12,848	12,850	24,390	22,925
Cost of Sales	-7,035	-5,534	-13,174	-10,421
Gross profit	5,813	7,316	11,216	12,504
Sales and marketing expenses	-2,326	-2,225	-4,783	-4,262
General and administrative expenses	-1,793	-1,857	-3,699	-4,139
Research and development expenses				
Costs	-1,523	-1,770	-3,564	-3,481
Capitalization of intangible assets	1,454	1,637	3,220	3,633
Deduction for depreciation on capitalized intangible assets	-1,305	-1,171	-2,547	-2,106
Research and Development expenses balanced	-1,374	-1,304	-2,891	-1,954
Other income	166	63	603	762
Operating results	486	1,993	446	2,911
Interest results	-146	-130	-272	-248
Result before income taxes	340	1,863	174	2,663
Income taxes	-112	-740	-75	-1,141
Group net result for period	228	1,123	99	1,522
Number of shares	3,500,000	3,500,000	3,500,000	3,500,000
Earnings per share	0.07	0.32	0.03	0.43
Number of shares (diluted)	3,714,285	3,714,285	3,714,285	3,714,285
Delution effect out of corporate bond	38	38	38	38
Fully diluted result per share	0.07	0.31	0.04	0.42

* unaudited

Consolidated Statement of Cash Flow

as of 30.06.2007 according to IFRS*

in € thousand	01.01. - 30.06.2007	01.01. - 30.06.2006
Group net profit	99	1,521
Deprecation of fixed assets	3,206	2,645
Payments for interests	175	175
Increase/decrease in provisions	-101	-148
Changes in deferred taxes	21	1,038
Invalid payment changes in shareholder's equity	18	4
Result from disposal of equipment	3	6
Inventories	-1,987	-2,199
Trade accounts receivable	-494	-980
Other assets, which are not assigned to investing or financing activities	-312	-336
Advanced payments received	370	478
Accounts payable	260	-71
Notes payable to shareholders	0	0
Other liabilities, which are not assigned to investing or financing activities	-9	30
Cash Flow from operating activities	1,249	2,163
Revenue from disposal of equipment	3	8
Purchase of equipment	-4,164	-4,286
Cash Flow from investing activities	-4,161	-4,278
Free Cash Flow	-2,912	-2,115
Increase in cash received by bank loan	1,500	400
Payments of interests	-175	-175
Cash Flow from financing activities	1,325	225
Net change in cash	-1,587	-1,890
Cash at beginning of period	3,268	3,326
Cash at end of period	1,681	1,436
Changes in cash and cash equivalents at end of period		
Paid out for interests	1,681	1,436
Paid out for taxes	0	0

* unaudited

Consolidated Balance Sheet

as of 30.06.2007 according to IFRS*

Assets in € thousand	per 30.06.2007	per 31.12.2006
Long-term assets		
Fixed assets		
Tangible assets	2,493	2,585
Other intangible assets	1,688	1,318
Capitalization of development	13,158	12,487
Total fixed assets	17,339	16,390
Deferred tax assets	9,051	8,703
Total long-term assets	26,390	25,093
Current assets		
Cash and cash equivalents	1,681	3,268
Short-term accounts		
Trade accounts receivable	6,421	5,326
Percentage of Completion receivables	3,553	4,155
Total current receivables	9,974	9,481
Inventories		
Finished goods and commodities	1,539	1,364
Work in process and semi-finished goods	1,845	1,030
Raw materials and supplies	5,091	4,140
Merchandise	275	229
Total inventories	8,750	6,763
Other accounts and financial assets	1,144	830
Total current assets	21,549	20,342
Total assets	47,939	45,435

* unaudited

Consolidated Balance Sheet

as of 30.06.2007 according to IFRS*

Liabilities in € thousand	per 30.06.2007	per 31.12.2006
Shareholder's equity		
Subscribed capital	3,500	3,500
Capital reserve	1,268	1,268
Equation of currency exchange	132	114
Accumulated earnings	20,162	20,066
Total shareholder's equity	25,062	24,948
Liabilities		
Long-term liabilities		
Silent partnership	1,023	1,023
Convertible bond	0	0
Long-term loans	519	511
Long-term liabilities to shareholders	0	0
Deferred tax liabilities	8,023	7,655
Total long-term liabilities	9,565	9,189
Short-term liabilities		
Convertible bond	2,727	2,727
Short-term liabilities to banks	5,500	4,000
Notes payable to shareholder's equity	187	170
Advanced payments received	506	135
Trade liabilities	2,018	1,758
Other liabilities	545	577
Tax provisions	145	151
Other provisions	1,685	1,780
Total short-term liabilities	13,313	11,298
Total	22,878	20,487
Total liabilities	47,939	45,435

* unaudited

Primary Group Segment Information according to IFRS*

Second Quarter 2007

in € thousand	Vision Systems		Vision Components		Reconsolidation		Group	
	I. Half 2007	I. Half 2006	I. Half 2007	I. Half 2006	I. Half 2007	I. Half 2006	I. Half 2007	I. Half 2006
Segment revenues	11,058	11,347	13,332	11,578	0	0	24,390	22,925
Segment results (EBIT)	-1,645	-200	2,009	3,264	81	-154	445	2,910
Segment assets	16,692	18,193	16,345	11,229	3,027	4,079	36,064	33,501
Segment liabilities	457	1,026	49	3	1,685	3,096	2,191	4,125
Segment investments	1,456	2,086	2,180	1,774	527	426	4,163	4,286
Segment depreciations	1,848	1,405	1,017	807	341	433	3,206	2,645

* unaudited

Second Quarter 2007

in € thousand	Vision Systems		Vision Components		Reconsolidation		Group	
	Q2/ 2007	Q2/ 2006	Q2/ 2007	Q2/ 2006	Q2/ 2007	Q2/ 2006	Q2/ 2007	Q2/ 2006
Segment revenues	5,837	6,610	7,011	6,240	0	0	12,848	12,850
Segment results (EBIT)	-907	257	1,209	1,798	184	-62	486	1,993
Segment assets	512	874	1,117	889	374	223	2,003	1,986
Segment liabilities	927	795	541	416	160	239	1,628	1,450

* unaudited

Secondary Group Segment Information according to IFRS*

Second Quarter 2007

in € thousand	Europa		Reconsolidation		Group	
	I. Half 2007	I. Half 2006	I. Half 2007	I. Half 2006	I. Half 2007	I. Half 2006
Segment revenues	24,390	22,925	0	0	24,390	22,925
Segment assets	33,037	29,422	3,027	4,079	36,064	33,501
Segment investments	3,636	3,860	527	426	4,163	4,286

* unaudited

Second Quarter 2007

in € thousand	Europa		Reconsolidation		Group	
	Q2/2007	Q2/2006	Q2/2007	Q2/2006	Q2/2007	Q2/2006
Segment revenues	12,848	12,850	0	0	12,848	12,850
Segment investments	1,629	1,763	374	223	2,003	1,986

* unaudited

Consolidated Changes in Statement of Shareholder's Equity

as of 30.06.2007 according to IFRS*

in € thousand	Nominal capital	Capital reserve	Equation of currency exchange	Accumulated earnings	Total
Shareholder's equity as of 01.01.2006	3,500	1,268	97	17,106	21,971
Difference from currency conversion			1		1
Group net profit for year				626	626
Shareholder's equity as of 30.06.2006	3,500	1,268	98	17,732	22,598
Difference from currency conversion			16		16
Group net profit for year				2,334	2,334
Shareholder's equity as of 31.12.2006	3,500	1,268	114	20,066	24,948
Difference from currency conversion			18		18
Group net profit for year				96	96
Shareholder's equity as of 30.06.2007	3,500	1,268	132	20,162	25,062

* unaudited

Company profile

Basler AG is one of the leading companies in the vision technology field. Vision technology comprises both computer-based vision systems, which take automatic decisions on the basis of picture information, and cameras (vision components), which are built into the vision systems.

The company, which was founded in 1988 by Norbert Basler, currently employs over 300 members of staff at seven locations in the USA, Europe and Asia. The stock corporation's organisation, which is based on two business segments, reflects its current customer structure: the vision systems segment develops and distributes turnkey quality testing solutions designed for four industries (flat screen industry, optical storage media manufacturing industry, rubber and elastomer industry and solar industry).

The second segment, the vision components segment, develops and distributes standard components that are used in many different industrial sectors largely independently of concrete applications. The core component of our portfolio consists of digital cameras used for industrial applications.

On the basis of our unique combination of systems and components business, we intend to become one of the leading global vision technology companies. It is our aim to expand our turnover on a profitable basis by an average of 20% every year, involving a two digit pre-tax margin. The two essential factors supporting us on this growth path are our multi-sector strategy and sustainable investment in research and technology. Our multi-sector strategy makes us less susceptible to fluctuations in individual markets and helps us to offset demand cycles. Due to consistently high investment in research & development, we are meanwhile generating over half of our turnover from products that are less than two years old. Our extensive investment activities put us in an advantaged position compared to our competitors and guarantee our company's profitability.

Schedule of events for 2007

Financial dates	
08.11.2007	Publication of the results for the third quarter of 2007
12. - 14.11.2007	2007 Presentation at the Eigenkapitalforum, Frankfurt
Tradeshows and Conferences	
Vision Systems	
03. - 07.09.2007	EU PVSEC - Mailand, Italien
10. - 12.10.2007	Taiwan International Photovoltaic Forum and Exhibition-Taipeh, Taiwan
16. - 18.10.2007	Rubber Expo 2007 - Cleveland, USA
Vision Components	
25. - 27.09.2007	Vision Show France - Paris, France
06. - 08.11.2007	Vision Show - Stuttgart, Germany
05. - 07.12.2007	ITE - Yokohama, Japan

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