INTERIM REPORT Q2-2007

THIELERT

SELECTED KEY FIGURES

	2007 EUR '000	Prior Year EUR '000	Δ in %
Revenues	41.229	23.740	74
Europe incl. Germany	8.202	10.004	-18
USA and rest of the world	33.027	13.736	140
EBITDA	11.632	6.770	72
EBIT	9.121	4.829	89
EBT	7.638	4.295	78
Consolidated net profit for the period	4.700	2.747	71
Balance sheet total	184.579	171.385	8
Equity	107.820	103.645	4
Capital expenditures	6.569	9.973	-34
Depreciation, amortization	2.511	1.941	29
Liquid funds	580	5.208	-89
Financial debt	44.368	37.668	18
Net financial debt	43.788	32.460	35
Net Working Capital	96.318	77.348	25
Capitalized development cost	2.921	1.022	186
EBIT, adjusted for capitalized R&D expenses	6.200	3.807	63
EBITDA, adjusted for capitalized R&D expenses	8.711	5.748	52
Earnings per share (EUR)	0,24	0,14	71
Employees	326	311	5

SEGMENT INFORMATION

Aircraft Engines	Q2 2007 EUR '000	in %	Q2 2006 EUR '000	in %
Revenues	22.960	100	11.041	100
EBITDA	7.782	34	3.613	33
EBIT	6.325	28	2.766	25

Technology & Prototyping	Q2 2007 EUR '000	in %	Q2 2006 EUR '000	in %
Revenues	18.269	100	12.699	100
EBITDA	3.850	21	3.157	25
EBIT	2.796	15	2.063	16

MANAGEMENT REPORT

A. DEVELOPMENT OF BUSINESS

The entire General Aviation market once again grew in the second quarter compared to the previous year. The number of aircraft shipped increased by 1.7 per cent to 1,883 aircraft. The main driving forces of growth in General Aviation were the 'Turboprops' segment (+15.2%) with a total of 182 (previous year: 158) aircraft despatched and the 'Business Jets' segment (+14.7%) with 475 (previous year: 414) jets delivered.

In contrast to the overall trend in General Aviation, the Piston Engine market, which is relevant for Thielert, dropped by 4.2 per cent to 1,226 (previous year: 1,280) aircraft shipped, compared to the last year's figure.

The Diamond Aircraft Industries GmbH company which is currently the only original equipment manufacturer (OEM) that equips the relevant models of its new aircraft with CENTURION engines, defied this downturn. Diamond's growth already realised in the first quarter continued in contrast to the market trend. The number of aircraft of the single-engine type DA40 increased by 22.3 per cent, the figure for twin-engined DA42 by even 34.4 per cent.

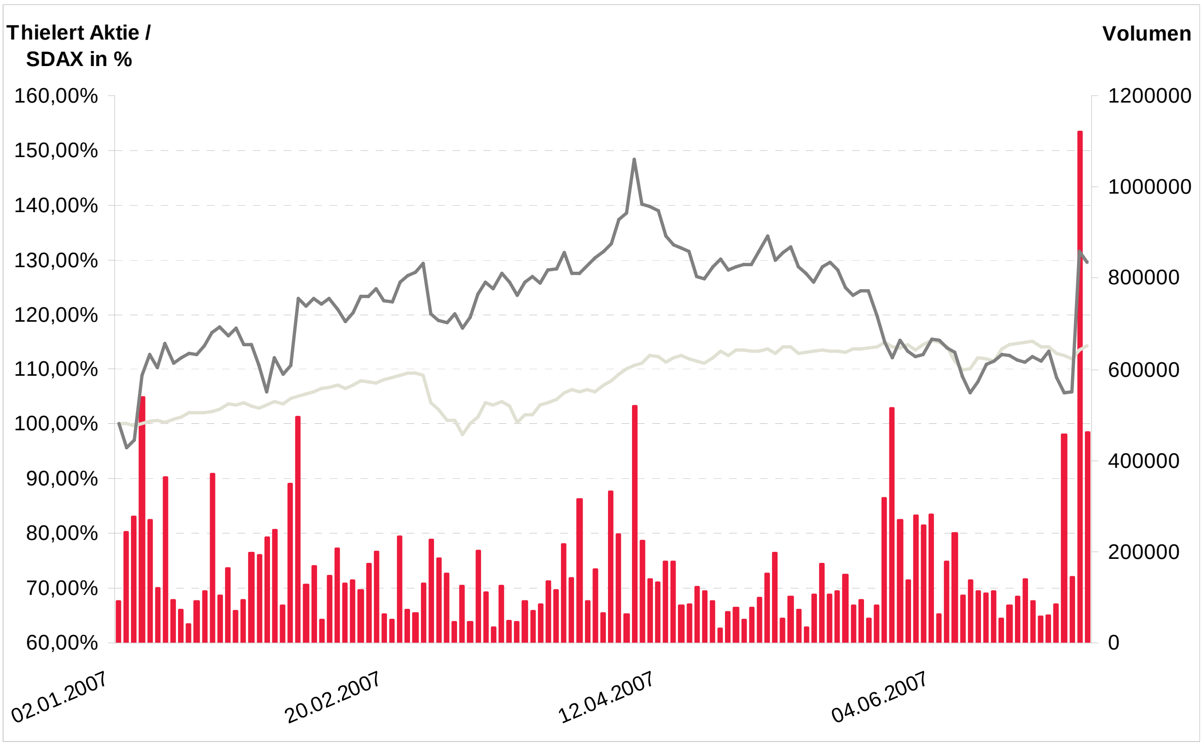
In addition to the welcome growth of one of our main customers, orders for CENTURION engines also proved to be once again so positive across-the-board, equipping the company with a full order book.

The development of business in the first half of 2007 can be summed up as having been very successful.

Against the backdrop of the wide acceptance of Thielert's technology which continues to grow strongly, the company anticipates that the trend of this growth path will continue as scheduled.

B. THIELERT SHARES

Thielert shares began the second quarter at EUR 23.30 and closed mid-year slightly down by 2.7 per cent at EUR 22.60 . The announcement of the Cessna Aircraft Company cooperation with Thielert on 28 June 2007, put an end to the short-lived downtrend in the second quarter and caused an intraday peak of around 28 per cent at above-average high sales figures.



C. FINANCIAL POSITION

The overall positive development of business was also reflected in the financial position. Although net working capital rose from EUR 77.3 million at the beginning of the fiscal year to EUR 96.3 million at the end of the first half of 2007, projected on the year, it fell in relation to sales from 163 per cent in the comparison period of the previous year to a current figure of 117 per cent for the first half of the year under review.

The rise in working capital is due in large part to the increase in trade receivables (+EUR 16.3 million). This increase in trade receivables is due to a major extent to the reporting of long-term production orders and development expenses according to the Percentage-of-Completion method on the basis of production progress.

Inventory developed according to schedule. The increase reported in the first quarter of 2007 due to delays in planned deliveries diminished considerably. Overall inventory assets fell in the second quarter from EUR 46.1 million at the end of the first quarter in 2007 to its current figure of EUR 44.8 million. It increased in the first half of this year from EUR 41.3 million at the beginning of the year to EUR 44.8 million at the end of the period.

Property, plant and equipment increased in the first half of 2007 by approximately EUR 2.0 million. A separate treatment of investments made is presented in section G Investments.

Trade payables fell in the first half of 2007 from EUR 12.4 million at the beginning to EUR 12.0 million at the end of the reporting period.

D. FINANCIAL POSITION

The financial position is also characterised by the positive development of the company. The cash flow from operational activities improved from minus EUR 14.4 million in the first half of the previous year to its current rate of minus EUR 7.1 million.

Cash flow from investing activities rallied from minus EUR 9.7 million in the comparison period of the previous year to minus EUR 4.1 million in the first half of 2007.

The company's liquidity requirements for investments to be financed from operating activities fell from EUR 24.2 million in the first six months of the previous year to EUR 11.2 million in the first half of 2007.

Growth as well as the necessary measures for attracting new OEM customers and high start-up financing requirements for the series production of the CENTURION 2.0 and CENTURION 4.0 continue to influence the internal financing ability of the company. Nevertheless, a lasting positive trend in cash flow can be seen which is scheduled to improve in the second half of the year.

E. EARNINGS POSITION

In the first six months of the 2007 fiscal year, the Group achieved sales of EUR 41.2 million – an increase of 74% compared to the reference period of the previous year (of which EUR 18.3 million in PoC sales). In the Aircraft Engines segment, revenues increase by 108 per cent to EUR 23.0 million (EUR 11.0 million). The Technology & Prototyping segment recorded growth of 44% to EUR 18.3 million (EUR 12.7 million) in the same period.

Production costs amounted to EUR 21.1 million (previous year: EUR 9.3 million) across the Group. Gross earnings stood at EUR 20.1 million (previous year: EUR 14.4 million); the gross margin sank proportionately from 61 to 49 per cent. The reason was the change requested by dealers and OEM customers from the supply of mere engines to complete kits. This led to a higher proportion of purchased articles from outside suppliers which yield lower margins, such as propellers,

Distribution and administration expenses jumped proportionately to sales from EUR 3.5 million in the previous year to EUR 5.3 million in the current reporting period.

Depreciation included in production costs; marketing and selling expenses, and administration expenses amounted to EUR 2.5 million (previous year: EUR 1.9 million).

The performance ratios, EBITDA; EBIT and EBT increased in the first six months as planned. EBITDA amounted to EUR 11.6 million (EUR 6.8 million); EBIT increased 89 per cent over the previous year's figure of EUR 4.8 million, and stood at EUR 9.1 million. EBT was EUR 7.6 million (EUR 4.3 million). The Group thus recorded a net profit of EUR 4.7 million (2.7 million) for the Group.

F. EARNINGS PER SHARE

Earnings per share are calculated based on the following data:

	Q2 2007	Q2 2006 adjusted
Net income	EUR 4.700k	EUR 2.747k
Weighted average of outstanding	0	0
common shares	19.891.530 shares	19.891.530 shares
Dilutive effects	0 shares	0 shares
Basis earnings per share	0,24 € per share	0,14 € per share
Diluted earnings per share	0,24 € per share	0,14 € per share

Dilution was not taken into consideration neither in the reporting period nor compared to the reference period of the previous year.

G. INVESTMENTS

Investments in property, plant and equipment amounted to EUR 6.6 million (previous year: EUR 10.0 million) in the first half of the year.

The automation of engine assembly at the Lichtenstein/Saxony site as well as the expansion of kit assembly in Altenburg in Thuringia formed the focus of investments. In this context, similar assembly departments such as electronic systems manufacturing and welding were relocated to the new plant in Altenburg at the beginning of the year and expanded according to schedule.

At the same time, Thielert acquired two adjoining premises with an additional total area of approx. 16,500 m^2 at the production site in Lichtenstein. The company is confident it has laid the strategic groundwork for further expansion of capacity with the purchase of the adjoining areas.

H. STAFF DEVELOPMENT

In the first half of 2007, the Thielert Group employed on average 326 full-time staff, of which 279 in Germany and 47 staff members abroad . This corresponds to an increase of five per cent compared with the reference period of the previous year.The number of staff includes on average 15 (previous year: 15) trainees.

Number of employees	**Q2 2007**	**Q2 2006**
Thielert AG	17	24
Thielert Aircraft Engines GmbH	262	242
Superior Air Parts, Inc.	47	45
Group	326	311

I. DEVELOPMENT OF SEGMENTS

The same reporting and valuation methods as used for the consolidated financial statements form the basis for information on the different segments.

Operational business activities still comprise the Aircraft Engines as well as Technology & prototyping segments.

Development, design and the production of certified piston aircraft engines for General Aviation as well as for unmanned aircraft (UAV) of the defence technology division all belong to the Aircraft Engines segment. This includes the development and manufacture of certified engines and structural components necessary for this division.

The Technology & Prototyping segment encompasses the development capacity for engine components for the automotive industry, the General Aviation division as well as the defence technology division for which the company does not require licensing or certification. In addition, this segment is also made up of the production and distribution of engines and precision parts for aviation including high-performance engine components for the automotive industry.

1. Aircraft Engines

Thielert AG continued to push the sale of its current core product, the CENTURION 2.0 in the second quarter of 2007. After key certifications had been received in the first quarter and the launch of the kit assembly had got underway at the new plant in Altenburg, sales of the CENTURION 2.0 engines as firewall forward kits were boosted.

The series production launch of the CENTURION 4.0 benefited in the second quarter from the granting of EASA certification for the installation of the engine in various aircraft prototypes of the Cessna 206. Thielert was granted supplemental type certification by European Aviation Safety Agency (EASA). This grants certifications for the models U206F and TU206 F each having 300 hp as well as the U206G, TU206G, 206H and T206 H models each with 310 hp. The Cessna 206 received a very warm response during its demonstration flights throughout Germany. Also the Thielert-Cessna 206 was cover motive of the largest german special interest magazine “aerokurier” published during AERO Friedrichshafen trade show.

The most significant event in the second quarter is the cooperation contract with Cessna Aircraft Company. Cessna is a global market leader for aircraft in General Aviation. The American aircraft manufacturer announced the conclusion of the contract with Thielert Aircraft Engines GmbH on 27 June 2007 which contains the cooperation for future use of jet fuel piston aircraft engines. Through this cooperation, Thielert anticipates a significant increase in sales of CENTURION engines. Further details on the cooperation with Cessna will be made public by the Cessna Aircraft Company in the course of 2007. This announcement shows a further important development stage in the business partnership between the two companies which was introduced by a basic agreement reached in 2004.

The second quarter traditionally marks the beginning of Thielert's trade show season. Initially, the company presented the CENTURION jet fuel piston aircraft engines and the products of its subsidiary, Superior Air Parts, Inc at the beginning of April at the Sun N' Fun in Lakeland, California in the US.

The AERO was held in Friedrichshafen located near Lake Constance in Germany in the middle of April. This trade show which rotates every two years, is Europe's most important event for General Aviation. Thielert presents its entire product range over 520 m^2 starting with CENTURION engines through to aircraft with retrofit engines, FADEC products and, at a separate room on the stand, products by Superior Air Parts. A few weeks later, the company presented itself at two other European trade shows. From 8 June–10 June, the company was on display with its distributor partner, Airtime Aviation Ltd., at the AeroExpo in Wycombe, England. As a special highlight, the company presented a Piper PA28 equipped with a CENTURION 2.0. Certification for installing the CENTURION 2.0 in the Piper PA28 was granted in March 2007. Thielert also presented itself at the Paris Airshow in LeBourget, Paris from 18–24 June 2007. The Paris Airshow is among the most significant aviation trade show world wide. The emphasis of the products presented was on the engines for general aviation as well as defence technology.

The trend toward using CENTURION jet fuel piston aircraft engines for flight school operations continues. The Turkish Airlines flight school decided on using CENTURION engines. In the middle of June, the flight school ferried a Diamond DA 42 Twin Star with two CENTURION jet fuel piston aircraft engines from Wiener Neustadt, Austria to Istanbul, Turkey. Turkish Airlines will use the aircraft in future for training budding airline pilots. Further proof of intensified used in flight school operations came from the Bangkok Aviation Center. Within just about six months, the largest private passenger flight school in Thailand logged 1,000 flight hours with a Diamond DA 42 Twin Star. The CENTURION jet fuel piston aircraft engines proved themselves at other flight schools as well such as American Flyer in the US, EPAG École de Pilotage Amaury de la Grange in France, Cabair in Great Britain, Flight Training Adelaide in Australia, CTC Aviation Group in New Zealand as well as Flight Training in Great Britain. In addition, numerous transatlantic flights and a flight around the world have already been undertaken with the DA 42. In total, Thielert engines can boast of accumulating over 500,000 flight hours.

After the "World Flight For Hearing" in the previous year, Thielert showed its commitment to social causes once again, when it supported a humanitarian flight to Eastern Africa. The project carried out in April around the sport pilot Hartmut Hofmann, who supported two humanitarian projects on Lake Victoria, Tanzania, ran very positively. The team was underway for a total of three weeks. The three pilots flew with a Cessna 172 equipped with a CENTURION jet fuel piston aircraft engine over Italy, Greece, Egypt and Sudan on Lake Victoria. Along the way, the pilots benefited from the fuel's steady availability and the economical engine which allowed for greater distances to be covered.

The expansion of the Service Center Network continued on in the second quarter. At the end of the quarter, 195 technical aviation operations trained specially by Thielert for maintenance and repair work on CENTURION jet fuel piston aircraft engines were available. Compared to the previous year, this means an increase of 72 per cent. At the end of the second quarter, 113 Service Centers were on call. The company gained new Service Centers in the USA and Europe, among other places. This guarantees better coverage of the Maintenance and Repair Work division.

2. Technology & Prototyping

Growth in the Technology & Prototyping segment ran as expected. After the company's development resources were used mainly on the Aircraft Engines segment, to expand the market potential of aircraft engines for General Aviation through certification, development contracts for specialised applications became the centre of focus.

Beyond development contracts, the Technology & Prototyping segments still remains influenced by the operations of the US subsidiary Superior Air Parts, Inc. The increase in revenue and the integration of Superior Air Parts, Inc. into the Group continues to be at the centre of attention. As a traditionally low-yield reseller, suppliers in particular remained under the test. Work is also still being done to minimise costs for marketing and product liability insurance, which show great potential for cost-savings together with logistics and quality assurance. We can already establish that engine construction and engine sales have developed quite positively for the experimental market. The engines in the XP series by Superior have sold significantly higher than our forecast.

J. RISK REPORT

Since the publication of the 2006 financial statements, no further significant risks have arisen. A detailed view of significant risks to the company can be discerned from the current annual report.

K. OUTLOOK

After a successful first half in 2007, the company anticipates sustained and positive growth in all business segments for the second half of the fiscal year.

As a result of positive press coverage and the ever-increasing number of satisfied CENTURION pilots, a continued increase in acceptance and demand for Thielert products is to be expected, which can be met by further expansion of production quantities.

In addition, the introduction of CENTURION engines in new aircraft of further OEMs is making headway at such a rate that continued development and expansion of business partnerships can be anticipated.

The company is also pushing the development of the Technology & Prototyping segment. Thus the company's products enjoy constantly increasing popularity in the Defence Technology segment, last but not least due to their excellent quality.

This outlook can also be found in the key financial figures, depending on a development according to plan, so that against the backdrop of the wide acceptance of Thielert technologies that continues on into the future, the trend along the growth path can be continued as scheduled.

L. SIGNIFICANT CHANGES TO THE FORECASTS AND STATEMENTS CONCERNING BUSINESS DEVELOPMENT FROM THE PREVIOUS MANAGEMENT REPORT

There are no significant changes to the information and statements forecasted in the previous Group Management Report. Reference is therefore made to the information from the previous Group Management Report

M. DISCLAIMER

The forward-looking statements described in this report are based on our beliefs and certain assumptions and therefore bear a certain amount of risks and uncertainties. A number of factors, many of which are out of our control, influence business activities and earnings. The factors could cause the actual performance and results of the Thielert Group to differ materially from such statements.

FINANCIAL STATEMENT

A. CONSOLIDATED BALANCE SHEET

Assets	30 Jun. 2007 EUR '000	31 Dec. 2006 EUR '000
A. Non-Current assets	**66.380**	**66.958**
I. Intangible assets	9.437	9.930
II. Property, plant and equipment	56.381	54.396
III. Deferred tax assets	562	2.632
B. CURRENT ASSETS	**118.199**	**104.427**
I. Inventories	44.831	41.324
II. Receivables and other current assets	72.787	57.895
1. Trade receivables	65.285	48.947
2. Other assets	7.503	8.948
III. Cash and bank balances	580	5.208
Total Assets	**184.579**	**171.385**

Equity and liabilities	30 Jun. 2007 EUR '000	31 Dec. 2006 EUR '000
I. Equity	**107.820**	**103.645**
1. Subscribed capital	19.892	19.892
2. Capital reserves	64.364	64.364
3. Revenue reserves	606	606
4. Consolidated retained earnings	22.959	18.783
II. Liabilities	**76.759**	**67.740**
1. Provisions	4.479	3.839
2. Other liabilities	59.875	50.613
a) Non-current liabilities	28.940	27.915
b) Current liabilities	30.935	22.698
3. Tax liabilities	12.406	13.288
Total equity and liabilities	**184.579**	**171.385**

B. CONSOLIDATED INCOME STATEMENT

	Q2 2007 EUR '000	in %	Q2 2006 adjusted EUR '000	in %
Revenue	41.229	100	23.740	100
Cost of sales	21.126	51	9.320	39
Gross profit	**20.103**	49	**14.420**	61
Marketing and selling expenses	5.253	13	3.510	15
General administrative expenses	4.635	11	3.289	14
Other operating income [+], expenses [-] and taxes	-1.094	-3	-2.792	-12
Operating profit [EBIT]	**9.121**	22	**4.829**	20
Interest result	-1.549	-4	-382	-2
Other income and expenses	66	0	-152	-1
Profit before tax [EBT]	**7.638**	18	**4.295**	18
Income taxes	2.938	7	1.548	7
Consolidated net proft after tax	**4.700**	11	**2.747**	11

Earnings per share

Weighted average number of outstanding shares	19.891.530	19.891.530
Dilutive effects of potential ordinary shares	0	0
Basis earnings per share	0,24 EUR	0,14 EUR
Diluted earnings per share	0,24 EUR	0,14 EUR

C. CONSOLIDATED AMENDED EQUITY STATEMENT ACCORDING TO IFRS

	Subscribed capital	Capital reserves	Revenue reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR
1 Jan. 2006	19.891.530	64.363.813	606.475	14.293.088	99.154.906
Comprehensive income					
Consolidated net profit for the year (adjusted)				2.747.102	2.747.102
Other comprehensive income				-517.415	-517.415
Total Comprehensive Income				2.229.687	**2.229.687**
30 Jun. 2006	**19.891.530**	**64.363.813**	**606.475**	**16.522.775**	**101.384.593**
Comprehensive income					
Consolidated net profit for the year				3.000.371	3.000.371
Other comprehensive income					
Foreign currency differences from net investments and translation				-1.247.324	-1.247.324
Result from cash flow hedging				33.014	33.014
Deferred taxes on other comprehensive income				473.983	473.983
Total comprehensive income				2.260.044	**2.260.044**
31 Dec. 2006	**19.891.530**	**64.363.813**	**606.475**	**18.782.819**	**103.644.637**
1 Jan. 2007	**19.891.530**	**64.363.813**	**606.475**	**18.782.819**	**103.644.637**
Comprehensive income					
Consolidated net profit for the year				4.700.557	4.700.557
Other comprehensive income					
Foreign currency differences from net investments and translation				-612.778	-612.778
Result from cash flow hedging					
Deferred taxes on other comprehensive income				88.206	88.206
Total comprehensive income				4.175.985	**4.175.985**
30 Jun. 2007	**19.891.530**	**64.363.813**	**606.475**	**22.958.805**	**107.820.622**

D. CASH FLOW STATEMENT

	Q2 2007 2006 EUR '000	Q2 2006 2005 adjusted EUR '000
Cash flow from operating activities		
Profit before tax	7.638	4.295
Adjustments for:		
Depreciation, amortization, impairment losses	2.511	1.941
Profit (-) / Loss (+) on disposal of fixed assets	13	96
Exchange rate gains	-1.042	772
Interest income	-67	-328
Interest expense	1.616	710
Increase in trade and other receivables	-11.974	-10.038
Translation difference	-23	673
Change in inventories	-3.739	-11.266
Increase in trade and other payables	723	-928
Cash generated from operating activities	-4.344	-14.073
Interest paid	-1.974	-326
Income taxes paid	-744	-44
Net cash from operating activities	**-7.062**	**-14.443**
Cash flow from investing activities		
Investment in group expansion	0	-6.897
Purchase of property, plant and equipment	-6.569	-3.076
Proceeds from the disposal of long term assets	2.285	202
Interest received	165	65
Net cash used for investing activities	**-4.119**	**-9.706**
Cash flow from financing activities		
Loans taken up	9.333	19.750
Repayment of loans	-2.780	-630
Net cash used for financing activities	**6.553**	**19.120**
Net increase in cash and cash equivalents	-4.628	-5.029
Cash and cash equivalents at the beginning of the reporting period	5.208	18.215
Cash and cash equivalents at the end of the reporting period	**580**	**13.186**

E. SEGMENT REPORTING

Aircraft Engines	**Q2 2007**		**Q2 2006 adjusted**	
	EUR '000	**%**	**EUR '000**	**%**
Revenues	22.960	100	11.041	100
Cost of sales	11.048	48	4.779	43
Gross profit	**11.912**	**52**	**6.262**	**57**
Marketing and selling expenses	2.158	9	1.125	10
General administrative expenses	2.681	12	1.343	12
Other operating income (+), expenses (-) and taxes	-748	-3	-1.028	-9
Operating profit (EBIT)	**6.325**	**28**	**2.766**	**25**
Operating profit (EBIT)	6.325	28	2.766	25
Depreciation and amortization	1.457	6	847	8
Operating profit before depreciation/amortization [EBITDA]	**7.782**	**34**	**3.613**	**33**

Prototyping & Technology	**Q2 2007**		**Q2 2006 adjusted**	
	EUR '000	**%**	**EUR '000**	**%**
Revenues	18.269	100	12.699	100
Cost of sales	10.078	55	4.541	36
Gross profit	**8.191**	**45**	**8.158**	**64**
Marketing and selling expenses	3.095	17	2.385	19
General administrative expenses	1.954	11	1.946	15
Other operating income (+), expenses (-) and taxes	-346	-2	-1.764	-14
Operating profit (EBIT)	**2.796**	**15**	**2.063**	**16**
Operating profit (EBIT)	2.796	15	2.063	16
Depreciation and amortization	1.054	6	1.094	9

SELECTED NOTES TO THE INTERIM FINANCIAL REPORT

A. INFORMATION ABOUT THE GROUP AND COMPANY

The Thielert Group develops and manufactures jet fuel piston aircraft engines for general aviation as well as components for high-performance engines and specialised parts with complex geometries including hardware and software for digital controls. The Group operates on the global market of piston aircraft engines.

The Thielert Aktiengesellschaft is the holding company, and has been listed in the Commercial Registry B of the Local Court Hamburg under No. 77 997 since 28 November 2000, with domicile in the Federal Republic of Germany in Hamburg, Helbingstr. 64-66.

B. BASIS FOR THE CREATION OF THIS REPORT

The Consolidated Interim Financial Statements for the period 1.January–30 June 2007, were prepared in accordance with IAS 34 on 'interim reporting' and should be read in conjunction with the consolidated financial report as at 31 December 2006.

C. ACCOUNTING AND VALUATION METHODS

The fundamental principles of accounting of the International Reporting Standards (IFRS) were used for this interim financial report. The same accounting and valuation methods used in the Consolidated Financial Statements as at 31 December 2006 apply.

There have been no significant changes in estimates.

D. CHANGES IN ACCOUNTING AND VALUATION METHODS FROM THE COMPARISON PERIOD OF THE PREVIOUS YEAR

In the course of the preparation of the Consolidated Financial Statements as of 31 December 2006, we have changed the accounting practice exercised related to contracts from development, certification, manufacture and delivery of aircraft engines combined with development and series distribution orders in the sense of accounting multiple-component businesses pursuant to IAS 18.13 as Percentage-of-Completion receivable in accordance with IAS 11.23. Instead work in process is posted according to IAS 2 at the lower of cost and net realisable value.

This change has lead to adjustments of the previous year's figures. They can be broken down into detail as follows:

Profit & Loss according to IFRS	Q2 2006 published TEUR	Change in accounting TEUR	Q2 2006 comparable TEUR
Revenue	28.240	-4.500	23.740
Cost of sales	-11.570	2.250	-9.320
Gross profit	16.670	-2.250	14.420
Marketing and selling expenses	-3.510	0	-3.510
General administrative expenses	-3.289	0	-3.289
Other operating income [+], expenses [-] and taxes	-2.792	0	-2.792
Operating profit [EBIT]	7.079	-2.250	4.829
Interest result	-382	0	-382
Other income and expenses	-152	0	-152
Profit before tax [EBT]	6.545	-2.250	4.295
Income taxes	-2.411	863	-1.548
Consolidated net proft after tax	4.134	-1.387	2.747

Cash flow according to IFRS	Q2 2006 published TEUR	Change in accounting	Q2 2006 comparable TEUR
Cash flow from operating activities			
Profit before tax and profit transfer	6.545	-1.386	5.159
Adjustments for:			
Depreciation, amortization, impairment losses	1.941		1.941
Profit (-) / Loss (+) on disposal of fixed assets	96		96
Exchange rate gains	772		772
Interest income	-328		-328
Interest expense	710		710
Increase in trade and other receivables	-14.538	4.500	-10.038
Translation difference	673		673
Change in inventories	-9.016	-2.250	-11.266
Increase in trade and other payables	-928	-864	-1.792
Net cash from operating activities	-14.443	0	-14.443
Net cash used for investing activities	-9.706	0	-9.706
Net cash used for financing activities	19.120	0	19.120
Cash and cash equivalents at the end of the reporting period	13.186	0	13.186

Consolidated Statement of changes in shareholders' equity	Subscribed capital EUR	Capital reserves EUR	Revenue reserves EUR	Retained earnings EUR	Total EUR
June 30, 2006 published	19.891.530	64.363.813	606.475	17.909.474	102.771.292
Änderung der Bilanzierung					
Konzernüberschuss veröffentlicht				4.133.801	4.133.801
Änderung der Bilanzierung				-1.386.699	-1.386.699
Konzernüberschuss vergleichbar				2.747.102	2.747.102
June 30, 2006 comparable	19.891.530	64.363.813	606.475	16.522.775	101.384.593

Segment reporting for the comparison period of the previous year has changed as follows due to changes in accounting methods:

Aircraft Engines	Q2 2006 published TEUR	Change in accounting TEUR	Q2 2006 comparable TEUR
Revenues	14.041	-3.000	11.041
Cost of sales	-5.566	787	-4.779
Gross profit	8.475	-2.213	6.262
Marketing and selling expenses	-1.189	64	-1.125
General administrative expenses	-1.436	93	-1.343
Other operating income (+), expenses (-) and taxes	-1.099	71	-1.028
Operating profit (EBIT)	4.751	-1.985	2.766
Operating profit (EBIT)	4.751	-1.985	2.766
Depreciation and amortization	905	-58	847
Operating profit before depreciation/amortization [EBITDA]	5.656	-2.043	3.613

Technology & Prototyping	Q2 2006 published TEUR	Change in accounting TEUR	Q2 2006 comparable TEUR
Revenues	14.199	-1.500	12.699
Cost of sales	-6.004	1.463	-4.541
Gross profit	**8.195**	**-37**	**8.158**
Marketing and selling expenses	-2.321	-63	-2.384
General administrative expenses	-1.853	-93	-1.946
Other operating income (+), expenses (-) and taxes	-1.693	-71	-1.764
Operating profit (EBIT)	**2.328**	**-264**	**2.064**
Operating profit (EBIT)	2.328	-264	2.064
Depreciation and amortization	1.036	58	1.094
Operating profit before depreciation/amortization [EBITDA]	3.364	-206	3.158

E. AUDIT REVIEW BY THE GROUP AUDITOR

The quarterly report as at 30 June 2007 was not subjected to an auditor's review. However, the quarterly report as at 30 June 2006 was subjected to an auditor's review. Changes in accounting procedures from the previous year's comparative figures were not subjected to an auditor's review.

F. CONTINGENCIES AND UNCERTAIN OBLIGATIONS

As concerning contingencies, no significant changes were made since the publication of the consolidated financial statements as of 31 December 2006.

Other financial obligations consist primarily of rent, tenancy and leasing agreements. As of 30 June 2007, they amounted to EUR 6.4 million after reaching EUR 6.9 million as at 31 December 2006.

G. TRANSACTIONS WITH RELATED PARTIES

In the period under review, no material transactions with related parties that extend beyond the scope of the activities listed in the consolidated financial statements as at 31 December have taken place since these statements were prepared.

H. CORPORATE GOVERNANCE

The updated declaration of conformity in accordance with Section 161 AktG is published on the company's homepage and appears in the Annual Report 2006 at www.thielert.com.

I. SIGNIFICANT CHANGES IN SHAREHOLDINGS

Thielert AG publishes notices on changes in shareholdings made to it in accordance with Section 21 (1a) of the WphG (German Securities Trading Act) on its company homepage www.thielert.com and in accordance with Section 26 WphG through a European media group.

J. EVENTS AFTER THE BALANCE SHEET DATE

On 11 July 2007, Diamond Aircraft Industries GmbH, one of the company's biggest customers, announced the maiden flight of a turbo diesel engine with 170 hp designed and developed by them..

After analysing and examining the facts known to us, the company views the announced development of the engine, not least against the background of its own experience in developing engines for General Aviation as well as Diamonds' history of development and other potential market participants in the certified diesel aircraft engine market, in a relaxed but attentive manner, seen over the medium term. We anticipate fostering a fruitful and trusted business partnership with our customer Diamond Aircraft Industries GmbH in the future which we can further build upon.

On 11 July 2007 Thielert AG successfully concluded a capital increase. Within the scope of this accelerated offer, a total of 1,300,600 shares, this is equivalent to approx. 6.5 per cent of share capital placed with international institutional investors. The placement price amounted to EUR 21.75 per share. The issuance volume stood at approx. EUR 28.3 million. Due to the capital increase, the share capital rose to a total of EUR 21,192,130. Cazenove AG accompanied Thielert AG as sole book runner and lead manager.

On 1 August 2007 the regular Annual General Meeting was held at the Hotel InterContinental in Hamburg. Shareholders unburdened the Board of Management and the Supervisory Board with 99.90 and 99.93 per cent of the votes. Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Hamburg were commissioned to conduct the audit for the 2007 fiscal year.

Furthermore, there have been no transactions after the reporting date which would have a considerable effect on the development of the business within the Thielert Group.

K. DECLARATION BY THE BOARD OF MANAGEMENT

To the best of our knowledge we certify, that according to the general principles of accounting, the shortened version of the interim financial report gives an accurate and fair view of the assets, the financial position, and the earnings of the Company in compliance with generally accepted accounting principles. The management report is in accord with the consolidated financial statements, represents an accurate view of the Company's position on a whole, and outlines the opportunities and risks involved in future development.

Hamburg, 14 August 2007

Board of Management

Frank Thielert	Roswitha Grosser
CEO	CFO

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Financial calendar:

14. November 2007: publication of Interim financial report 1 January– 30 September 2007

Note:

This report was published in both German and English on 15 August 2007.
Both versions are available on the Internet as downloads.

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