

**HYMER Aktiengesellschaft
Bad Waldsee**

Consolidated Financial Statements and
Group Management Report
31 August 2008

*Translation of the German Audit Opinion***AUDIT OPINION**

We have audited the consolidated financial statements prepared by HYMER Aktiengesellschaft, Bad Waldsee, comprising the consolidated income statement, the consolidated balance sheet, consolidated cash flow statement, statement of changes in group equity, statement of recognised income and expenses and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 September 2007 to 31 August 2008. The preparation of the consolidated financial statements in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [“Handelsgesetzbuch”: German Commercial Code] is the responsibility of the Company’s management. Our responsibility is to express an opinion 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 Sec. 317 HGB [“Handelsgesetzbuch”: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 the 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 Sec. 315a (1) 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.

Ravensburg, 1 December 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Müller
Wirtschaftsprüfer
[German Public Auditor]

Bürkle
Wirtschaftsprüfer
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HYMER Aktiengesellschaft, Bad Waldsee

Consolidated Income Statement for Fiscal Year 2007/08

| | (Notes) | 2007/08 EUR k | 2006/07 EUR k |
|--|---------|------------------|------------------|
| Revenue | (1) | 913.231 | 869.851 |
| Changes in inventories | | 16.789 | 2.325 |
| Own work capitalised | | 4.374 | 5.626 |
| Total output | | 934.394 | 877.802 |
| Other operating income | (2) | 14.336 | 11.072 |
| Cost of materials | (3) | 689.755 | 634.063 |
| Personnel expenses | (4) | 137.374 | 130.336 |
| Amortisation and depreciation | (5) | 21.877 | 19.824 |
| Other operating expenses | (6) | 59.557 | 54.977 |
| Operating result | | 40.167 | 49.674 |
| Investment income | | 710 | 10 |
| Share of loss of associates | | -451 | -496 |
| Interest income | | 1.194 | 1.187 |
| Interest expenses | | 13.654 | 11.364 |
| Financial result | (7) | -12.201 | -10.663 |
| Earnings before tax | | 27.966 | 39.011 |
| Income taxes | (8) | 10.715 | 13.538 |
| Earnings after tax | | 17.251 | 25.473 |
| thereof attributable to minority interests | | 262 | 369 |
| thereof attributable to equity holders of HYMER AG | | 16.989 | 25.104 |
| Earnings per share in EUR (basic and diluted) | (10) | 4,25 | 6,28 |

HYMER Aktiengesellschaft, Bad Waldsee
Consolidated Balance Sheet as of 31 August 2008

| ASSETS | (Notes) | 31/08/2008 EUR k | 31/08/2007 EUR k | EQUITY AND LIABILITIES | (Notes) | 31/08/2008 EUR k | 31/08/2007 EUR k |
|-------------------------------|---------|-----------------------|-----------------------|------------------------------------|---------|-----------------------|-----------------------|
| NON-CURRENT ASSETS | | | | EQUITY | | | |
| Intangible assets | (1) | 18.444 | 16.902 | Issued capital | (8) | 12.000 | 12.000 |
| Property, plant and equipment | (1) | 133.188 | 127.467 | Capital reserve | (9) | 12.707 | 12.707 |
| Investments in associates | (2) | 724 | 1.175 | Revenue reserves | (10) | <u>184.661</u> | <u>172.447</u> |
| Financial assets | (3) | 6.418 | 6.881 | attributable to HYMER shareholders | | 209.368 | 197.154 |
| Income tax receivables | | 793 | 681 | Minority interests | | <u>1.506</u> | <u>1.440</u> |
| Deferred tax assets | | <u>1.079</u> | <u>1.247</u> | | | <u>210.874</u> | <u>198.594</u> |
| | | <u>160.646</u> | <u>154.353</u> | NON-CURRENT LIABILITIES | | | |
| CURRENT ASSETS | | | | Financial liabilities | (13) | 54.756 | 27.296 |
| Inventories | (4) | 212.833 | 196.491 | Other non-current liabilities | (14) | 0 | 253 |
| Trade receivables | (5) | 88.963 | 100.705 | Pension provisions | (15) | 7.897 | 8.699 |
| Other financial assets | (6) | 29.387 | 21.444 | Other non-current provisions | (16) | 7.195 | 6.959 |
| Income tax receivables | | 4.062 | 3.690 | Deferred tax liabilities | | <u>5.395</u> | <u>5.259</u> |
| Other current assets | (7) | 16.186 | 10.109 | | | <u>75.243</u> | <u>48.466</u> |
| Cash and cash equivalents | (20) | <u>9.764</u> | <u>11.069</u> | CURRENT LIABILITIES | | | |
| | | <u>361.195</u> | <u>343.508</u> | Trade payables | | 44.967 | 32.275 |
| | | <u>521.841</u> | <u>497.861</u> | Other financial liabilities | (17) | 159.149 | 188.399 |
| | | <u>521.841</u> | <u>497.861</u> | Income tax liabilities | | 2.664 | 1.595 |
| | | <u>521.841</u> | <u>497.861</u> | Other current liabilities | (18) | 23.488 | 23.398 |
| | | <u>521.841</u> | <u>497.861</u> | Current provisions | (19) | <u>5.456</u> | <u>5.134</u> |
| | | <u>521.841</u> | <u>497.861</u> | | | <u>235.724</u> | <u>250.801</u> |
| | | <u>521.841</u> | <u>497.861</u> | | | <u>521.841</u> | <u>497.861</u> |

HYMER Aktiengesellschaft, Bad Waldsee

Consolidated cash flow statement for fiscal year 2007/08

| | Notes | 2007/08 EUR k | 2006/07 EUR k |
|--|-------------|------------------|------------------|
| Earnings before tax | | 27,966 | 39,011 |
| Amortisation and depreciation of non-current assets | | 21,877 | 19,824 |
| Change in provisions | | -244 | -307 |
| Income tax payments | | -10,043 | -15,610 |
| Net disposals of non-current assets | | -1,730 | 234 |
| Investment income | | -710 | -10 |
| Interest result | | 12,460 | 10,177 |
| Interest received | | 1,193 | 1,175 |
| Interest paid | | -12,806 | -10,424 |
| Changes in trade receivables | | 12,083 | -28,609 |
| Change in inventories | | -16,342 | -30,594 |
| Change in other assets | | -14,191 | 2,473 |
| Change in other liabilities | | 12,836 | -457 |
| Cash flow from operating activities | | 32,349 | -13,117 |
| Cash paid for investments in | | | |
| Property, plant and equipment | | -24,265 | -26,242 |
| Intangible assets | | -6,414 | -7,555 |
| Equity investments | | 0 | -25 |
| Dividends received | | 710 | 10 |
| Cash received from disposals of property, plant and equipment | | 3,288 | 272 |
| Cash flow from investing activities | | -26,681 | -33,540 |
| Cash paid to shareholders and minority interests | | -5,476 | -5,477 |
| Cash received from the issue of financial liabilities | | 38,000 | 69,589 |
| Cash repayments of financial liabilities | | -39,790 | -13,136 |
| Cash flow from financing activities | | -7,266 | 50,976 |
| Net change in cash and cash equivalents | | -1,598 | 4,319 |
| Cash and cash equivalents at the beginning of the period | | 11,069 | 6,750 |
| Changes in cash and cash equivalents due to changes in the consolidated group | | 293 | 0 |
| Cash and cash equivalents at the end of the period | (20) | 9,764 | 11,069 |

HYMER Aktiengesellschaft, Bad Waldsee
Statement of Changes in Group Equity for 2007/08

| (Notes) | Issued capital | Capital reserve | Revenue reserves Consolidated retained earnings | Reserve for pension obligations | Capital attributable to shareholders of HYMER Aktiengesellschaft | Minority interests | Group equity |
|--|-------------------|-----------------|--|---------------------------------------|--|-----------------------|-----------------|
| | (8) EUR k | (9) EUR k | (10) EUR k | (10) EUR k | EUR k | EUR k | EUR k |
| 1 September 2006 | 12.000 | 12.707 | 152.380 | 77 | 177.164 | 1.268 | 178.432 |
| Earnings after tax | | | 25.104 | | 25.104 | 369 | 25.473 |
| Actuarial gains and losses from pension obligations | | | | 223 | 223 | | 223 |
| Deferred taxes on revaluations recognised directly in equity | | | | -57 | -57 | | -57 |
| Total profit recognised for the period | | | 25.104 | 166 | 25.270 | 369 | 25.639 |
| Dividend payment | | | -5.280 | | -5.280 | -197 | -5.477 |
| 31 August 2007 | 12.000 | 12.707 | 172.204 | 243 | 197.154 | 1.440 | 198.594 |
| Earnings after tax | | | 16.989 | | 16.989 | 262 | 17.251 |
| Actuarial gains and losses from pension obligations | | | | 722 | 722 | | 722 |
| Deferred taxes on revaluations recognised directly in equity | | | | -217 | -217 | | -217 |
| Total profit recognised for the period | | | 16.989 | 505 | 17.494 | 262 | 17.756 |
| Dividend payment | | | -5.280 | | -5.280 | -196 | -5.476 |
| 31 August 2008 | 12.000 | 12.707 | 183.913 | 748 | 209.368 | 1.506 | 210.874 |

HYMER Aktiengesellschaft, Bad Waldsee
Statement of Recognised Income and Expenses
for Fiscal Year 2007/08

| | <u>EUR k</u> | <u>2006/07 EUR k</u> |
|---|----------------------|--------------------------|
| Actuarial gains and losses from pension obligations | 722 | 223 |
| Deferred taxes on revaluations recognised directly in equity | <u>-217</u> | <u>-57</u> |
| Changes in value posted directly to equity | 505 | 166 |
| Earnings after tax | <u>17.251</u> | <u>25.473</u> |
| Total profit and revaluations recognised directly in equity for the period | <u><u>17.756</u></u> | <u><u>25.639</u></u> |
| thereof attributable to minority interests | 262 | 369 |
| thereof attributable to equity holders of HYMER AG | 17.494 | 25.270 |

HYMER Aktiengesellschaft, Bad Waldsee

Notes to the Consolidated Financial Statements for Fiscal Year 2007/2008

Basis

General

HYMER Aktiengesellschaft with registered offices in Holzstrasse 19, Bad Waldsee, Germany, is a publicly listed company and the ultimate parent company of the HYMER Group. The business purpose of the companies of the HYMER Group comprises the manufacture and sale of leisure products including motorhomes and caravans.

The consolidated financial statements of HYMER Aktiengesellschaft for the fiscal year 2007/08 have been prepared pursuant to International Financial Reporting Standards (IFRS) in accordance with Regulation (EC) No. 1606/2002 in conjunction with Sec. 315a HGB [“Handelsgesetzbuch”: German Commercial Code]. Under this regulation all publicly traded companies with registered offices in the EU must prepare their consolidated financial statements pursuant to IFRS.

The consolidated financial statements for the fiscal year 2007/08 are in compliance with the standards and interpretations of the International Accounting Standards Board (IASB), London, applicable as of the balance sheet date, as required to be applied in the EU, and the provisions of Sec. 315a HGB to be applied additionally. All standards and interpretations whose adoption is mandatory as of 31 August 2008 have been applied. Standards and interpretations issued by the IASB as of 31 August 2008 but whose adoption is not yet mandatory were not early adopted.

The term IFRS also includes the International Accounting Standards (IAS) that are still valid. All interpretations applicable for the fiscal year 2007/08 issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly Standing Interpretations Committee (SIC), were also adopted.

The consolidated financial statements of HYMER Aktiengesellschaft have been prepared in euro. Unless otherwise specified, all amounts are stated in thousands of euro (EUR k).

The consolidated financial statements have been prepared under the historical cost convention, with the exception of financial assets measured at fair value or available for sale. These were measured at fair value.

The income statement has been prepared using the nature of expense method.

The figures for the prior year have been calculated according to the same principles.

HYMER Aktiengesellschaft is registered in the commercial register of Ulm District Court under HRB 600243. The consolidated financial statements of HYMER Aktiengesellschaft are published in the *elektronischer Bundesanzeiger* [Electronic German Federal Gazette].

The Board of Directors released the consolidated financial statements for review by the Supervisory Board on 1 December 2008.

Effects of New or Amended Standards

The following standards and interpretations were adopted in fiscal 2007/08 for the first time:

| | |
|--------------------|--|
| IFRS 7: | Financial Instruments: Disclosures |
| IAS 1 (rev. 2005): | Amendments – Capital Disclosures |
| IFRIC 10: | Interim Financial Reporting and Impairment |
| IFRIC 11: | IFRS 2 – Group and Treasury Share Transactions |

New disclosures were made by HYMER Aktiengesellschaft regarding the objectives, policies and processes for managing capital in the Group following adoption of the amendments to IAS 1 for the first time. The application of IFRS 7 for the first time essentially results in additional disclosures as to the type and significance of financial instruments as well as the type, extent and management of financial risks. Since the changes to the standards only relate to disclosure requirements, there was no effect on the presentation of the financial position, financial performance and cash flows of the Group. Comparative figures as of 31 August 2007 were disclosed.

First-time adoption of the IFRIC did not result in any effects on the consolidated financial statements of HYMER Aktiengesellschaft.

The IASB had issued the following standards and interpretations by 31 August 2008, which were not yet subject to mandatory adoption and had not been early adopted voluntarily:

| | |
|------------------------|--|
| IAS 1 (rev. 2007): | Presentation of Financial Statements |
| IAS 23 (rev. 2007): | Borrowing costs (mandatory capitalisation of certain borrowing costs) |
| IAS 27 (amended 2008): | Consolidated and Separate Financial Statements |
| IFRS 3 (rev. 2008): | Business Combinations |
| IFRS 8: | Operating Segments |
| IFRIC 12: | Service Concession Agreements |
| IFRIC 13: | Customer Loyalty Programmes |
| IFRIC 14: | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| IFRIC 15: | Agreements for the Construction of Real Estate |
| IFRIC 16: | Hedges of a Net Investment in a Foreign Operation |

Early adoption of these standards and interpretations is not planned.

The revised version of IAS 1 involves significant changes in presentation and disclosure of financial information in the financial statements. The new provisions require above all the introduction of a statement of comprehensive income showing both the profit or loss for the period and expenses and income recognized directly in equity. This statement of comprehensive income is to replace the income statement in its present form. In addition, a statement of financial position is required not only as of the end of the reporting period and the end of the previous reporting period, but also as of the beginning of the comparative period if the entity applies an accounting policy retroactively, corrects an error or reclassifies an item of the financial statements. The adoption of IAS 1 requires changes to the presentation of the consolidated income statement, statement of recognised income and expenses and the consolidated statement of changes in equity of HYMER Aktiengesellschaft. The revised standard is effective for reporting periods beginning on or after 1 July 2009.

IAS 23 was amended with respect to the capitalisation of borrowing costs and now prescribes mandatory capitalisation of such borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The option for the immediate recognition in profit or loss has been abolished. The amendment is applicable for fiscal years beginning on or after 1 January 2009. Since the HYMER Group does not have any qualifying assets at present, the consolidated financial statements are not expected to be affected.

The revisions to IAS 27 primarily relate to accounting for shares not involving control (minority interests) that will in future participate in full in the Group's losses and for transactions that lead to loss of control of a subsidiary and the effects of which are to be recognized in profit or loss in future. The effects of disposal of shares that do not lead to loss of control should be recorded directly in equity. Since no negative minority interests are expected on the date of first application (fiscal years starting on 1 July 2009 or later), no effects on the consolidated financial statements are anticipated.

The significant revisions in IFRS 3 relate to the introduction of an option for the measurement of minority interests between the purchased goodwill method and the full goodwill method, in which the entire goodwill of the acquired entity must be recognized, including that part attributable to minority interests. Other important aspects include the revaluation to profit or loss of existing capital interests when control is initially obtained (business combination achieved in stages) and mandatory accounting for contingent consideration at the date of acquisition. The transitional provisions provide for prospective application of the new regulation. There were no changes to assets and liabilities arising from business combinations prior to the first-time adoption of the new standards. Adoption of the standard is mandatory for fiscal years beginning on or after 1 July 2009.

IFRS 8 governs the content of segment reporting and replaces IAS 14 "Segment Reporting". Under IFRS 8, segment reporting must be prepared based on financial information used internally by management to control and monitor the segments. Segment reporting in the HYMER Group will not change on account of the new regulation. IFRS 8 is to be applied for the first time to fiscal years beginning on or after 1 January 2009.

IFRIC Interpretation 14 provides guidance for determining the maximum amount of a surplus from a defined benefit plan that can be recognised as an asset pursuant to IAS 19 "Employee

Benefits". Since there are no plan assets in the HYMER Group's pension plans, IFRIC 14 is not expected to have any effect on the consolidated financial statements of HYMER Aktiengesellschaft. IFRIC 14 is mandatory for fiscal years beginning on or after 1 January 2008.

HYMER Aktiengesellschaft does not anticipate any effects on the consolidated financial statements from the future adoption of the other interpretations because the transactions covered in them are at present not relevant for the HYMER Group.

Consolidated Group

Apart from HYMER Aktiengesellschaft, the consolidated financial statements include two (prior year: two) entities with registered offices in Germany and four entities (prior year: four) with registered offices abroad. These are controlled by HYMER Aktiengesellschaft.

One joint venture is included in the consolidated financial statements on a proportionate basis. In addition, one associate is included in the consolidated financial statements using the equity method.

A complete list of the entities included in the consolidated financial statements is presented under other disclosures. The entities not included in the consolidated financial statements are not material for the presentation of a true and fair view of the financial position, financial performance and cash flows of the Group.

Joint Ventures

The joint venture CAPRON GmbH, Bad Waldsee, is included proportionately in the consolidated financial statements of HYMER Aktiengesellschaft at 50%. CAPRON GmbH manufactures motorhomes and caravans in former East Germany.

CAPRON GmbH has current assets of EUR 12,780 k (prior year: EUR 19,304 k) and non-current assets of EUR 10,050 k (prior year: EUR 10,374 k). Its current liabilities amount to EUR 13,780 k (prior year: EUR 24,412 k), while non-current liabilities total EUR 185 k (prior year: EUR 576 k). In fiscal 2007/08, the entity reported income of EUR 74,737 k (prior year: EUR 274 k) and expenses (before income taxes) of EUR 68,812 k (prior year: EUR 26,409 k). CAPRON GmbH employed an annual average of 144 (prior year: 104) employees.

Consolidation Principles

The consolidated financial statements are based on the annual financial statements of HYMER Aktiengesellschaft and the subsidiaries included in consolidation, prepared in accordance with uniform accounting and measurement methods. Capital consolidation was performed pursuant to IFRS 3 in accordance with the purchase method by offsetting the cost of purchase against the pro rata assets remeasured at the time of acquisition as well as the liabilities and contingent liabilities of subsidiaries. Debit differences are capitalized as goodwill under intangible assets pursuant to IFRS 3. Credit differences are recorded as an expense in the income statement. With the exception of CAPRON GmbH all entities included in the consolidated financial statements had been consolidated for the first time before 1 September 2004. In accordance with IFRS 1, the amortised values obtained from the capital consolidation under HGB were maintained.

All intercompany sales, expenses, income as well as receivables and liabilities are consolidated and any intercompany profits or losses eliminated.

Guarantees and assurances assumed by HYMER Aktiengesellschaft in favour of consolidated subsidiaries were eliminated since the underlying liabilities are recognised on the liabilities side of the consolidated balance sheet.

Equity investments on which the Company exercises a significant influence are accounted for using the equity method (IAS 28).

Accounting and Valuation Principles

The financial statements of HYMER Aktiengesellschaft and its German and foreign subsidiaries are prepared in accordance with uniform accounting policies as required by IAS 27.

Revenue Recognition

Revenue from sales of products is recognised once ownership and risks have been transferred to the customer if a price has been agreed or can be measured and payment can be expected. Revenue is disclosed net of discounts, price reductions, customer bonuses and rebates. Revenue from the rendering of services is recognised in line with the percentage of completion when the amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Product-Related Expenses

Expenses for advertising and sales promotion and other sales-related expenses are expensed as incurred. Provisions for potential claims arising from warranty obligations related to products already sold are set up on the basis of past experience and taking legal and contractual terms into consideration. Additional provisions are also set up for any special cases that are identified.

Borrowing Costs

Borrowing costs are expensed as incurred.

Research and Development Expenses

Any research and non-capitalisable development costs are recorded with effect on income when they are incurred.

Hedging Activities

Within the HYMER Group, derivative financial instruments are only used to hedge against foreign exchange and interest risks from the operating business or to reduce the resulting financing requirements. Most foreign exchange risks relate to financing. Pursuant to IAS 39, all derivative financial instruments, including interest rate swaps, are recognised at fair value. Derivatives that are used at the HYMER Group to hedge against interest or foreign exchange risks but which do not satisfy the strict criteria of IAS 39 are classified as held-for-trading and measured at fair value.

Internally Developed Software and Other Development Costs

Development costs for newly developed products or other internally generated intangible assets (e.g. software) have been capitalised in accordance with the prerequisites of IAS 38, provided that both the technical feasibility and the sale of the newly developed products is guaranteed and the cost of the asset can be measured reliably. If the requirements for capitalisation are not satisfied, development costs are expensed in the year in which they are incurred. Pursuant to IAS 38, research costs are treated as current expenses.

Expenses incurred in the course of the start-up of new production processes or facilities are also recognised in profit or loss when they are incurred.

Amortisation begins upon commencement of commercial use of the asset and is applied using the straight-line method over the asset's expected useful life, which is generally three to five years at present.

Other Intangible Assets

Intangible assets acquired for a consideration – mainly software – are stated at cost and amortised over their expected useful life of up to five years using systematic, straight-line amortisation.

Property, Plant and Equipment

Items of property, plant and equipment used for operating purposes are stated at cost less systematic depreciation for depletion. The cost of self-constructed assets includes directly allocable costs as well as appropriate portions of production-related overheads. Borrowing costs are offset as an expense.

Depreciation is allocated systematically in line with the pattern of consumption using the straight-line method. Property, plant and equipment have the following useful lives which are uniform throughout the group:

| | <u>(years)</u> |
|---|----------------|
| Buildings | 10 to 33 |
| Technical equipment and machines | 6 to 10 |
| Other equipment, furniture and fixtures | 3 to 13 |

Residual values, depreciation methods and the useful life of assets are revised annually and adjusted if required.

Government Grants

Pursuant to IAS 20, government grants are only recognised if there is reasonable assurance that they will be received and the Company will comply with the conditions attaching to them.

Grants in the form of investment subsidies are deducted from the cost of the underlying asset. Investment grants are recognised as a liability and released systematically over a term of six years. Government grants related to income are recognised in profit or loss.

Leases

Under finance leases, economic title is allocated to the lessee in cases in which it bears all risks and rewards incidental to ownership (IAS 17). If the economic title is allocable to the HYMER Group, it is recognised as an asset at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments. The leased asset is depreciated over the shorter of the lease term or its useful life. The discounted payment obligations resulting from the lease payments are recognised as a liability and reported under other liabilities. Lease payments are divided into the components finance costs and repayment of the lease liability in such a way that the residual carrying amount of the lease liability is subject to a constant interest rate. Finance costs are recognised immediately in profit or loss.

At the HYMER Group, the lease payments under operating leases are recognised as expenses on a straight-line basis in the income statement.

At present, there are no leases that would qualify as finance leases at the HYMER Group.

Impairment Losses

The Group tests intangible assets and items of property, plant and equipment for impairment whenever indications of impairment become known or in the course of the mandatory annual impairment test (incomplete development projects). Whether an asset is impaired is assessed by comparing the carrying amount to the recoverable amount.

The recoverable amount is the higher of the asset's fair value (less costs to sell) and the present value of estimated future cash flows expected to arise from its continuing use. If the carrying amount is higher than the recoverable amount, an impairment loss equal to the difference is recognised. If the reasons for an impairment recorded in prior years no longer apply, the impairment is reversed to an amount not exceeding amortised cost. The reversal of impairment recognised on goodwill is not permissible.

If no cash flows can be allocated to the individual asset, the recoverable amount is determined for the smallest cash-generating unit. Recoverability is assessed by comparing the carrying amount to the recoverable amount of the cash-generating unit. The recoverable amount for this purpose is the value in use based on the discounted cash flows before tax. If the carrying amount is more than the recoverable amount of the cash-generating unit, an impairment loss equal to the difference is recognised in profit or loss.

Goodwill is not reported in the consolidated financial statements of HYMER at present. Consequently, impairment tests for goodwill were not required.

Assets and Liabilities Held for Sale

Individual non-current assets or groups of non-current assets and related liabilities are classified as “held for sale” and disclosed separately in the balance sheet when their sale has been decided and is probable. Assets classified as held for sale are stated at the lower of the carrying amount and fair value less costs to sell. Systematic depreciation ceases when an asset is classified as “held for sale”.

At present, there are assets or liabilities held for sale at the HYMER Group.

Investments in Associates

Associates are valued using the equity method based on the share in equity.

Financial Assets

Current and non-current financial assets within the meaning of IAS 39 are classified as follows:

- Held-for-trading
- Financial assets held to maturity
- Available-for-sale financial assets
- Loans and receivables

Trade receivables are recognised at the amount invoiced. An impairment loss is recognised whenever there are indications that the amount is not recoverable. The assessment criteria are potential payment difficulties which have been identified, for example through monthly analysis of overdue receivables at the level of individual debtors. Further criteria include information provided by sales staff regarding the creditworthiness of customers and insolvency proceedings. The Board of Directors is informed of the maturity situation on a monthly basis (if necessary without delay) and makes its decisions on further action based on this. Bad debt allowances are recorded on gross receivables on adjustment accounts.

Receivables are derecognised when they are deemed to be uncollectible.

Financial instruments held to maturity are valued at amortised cost. Fixed-interest securities are classified as held to maturity when the Group intends and is capable of holding these to maturity.

Loans granted are classified as “loans and receivables” and recognised at amortised cost using the effective interest rate method.

The item “available-for-sale financial assets” primarily contains current and non-current securities as well as investments in associates. Following initial recognition, available-for-sale financial assets are measured at fair value. This is equivalent to the market price in the case of securities. Investments in associates are measured at cost if there is no active market for the entities and their fair value cannot be measured reliably by any other means. Whenever there is any indication of impairment, an impairment test is conducted pursuant to IAS 39. Gains and losses from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is disposed of or an impairment is detected. In the case of an impairment loss, the accumulated net loss is eliminated from equity and disclosed in profit or loss.

Financial assets are recognised on the settlement date. A financial asset is derecognised when the contractual rights to receive the cash flows from the asset have expired or when all risks and rewards incidental to ownership have been substantially transferred. The asset is derecognised on the settlement date.

Inventories

Pursuant to IAS 2, inventories are measured at average cost. In addition to direct costs, costs of conversion include production-related material costs and production overheads. This also includes production-related depreciation, a proportionate amount of production-related administrative expenses as well as pro rata production-related labour costs. Borrowing costs are not capitalised. Write-downs to the lower of cost or net realisable value are recognised where necessary. If the reasons for writing down inventories in the past no longer apply, the write-down is reversed.

Other Assets

Other assets are measured at cost less appropriate write-downs for all recognisable specific risks.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and demand deposits at banks.

Financial Liabilities

Financial liabilities are initially recognised at cost, which corresponds to the fair value of the given consideration. Transaction costs are also taken into account. In subsequent periods, liabilities are measured at amortised cost. Amortised cost corresponds to the cost of the financial liabilities adjusted for repayments, issue costs and the amortisation of any debt discounts or debt premiums.

Pension Provisions

The HYMER Group pension plan is a defined benefit plan.

In accordance with IAS 19, the pension provisions for the defined benefit obligations are computed based on actuarial calculations using the projected unit credit method and taking salary and pension trends into account as well as employee turnover.

Exercising the option of IAS 19, actuarial gains and losses are recorded directly in equity taking deferred taxes into account.

The cost of the benefits earned is disclosed under personnel expenses. Expenses arising from the accrual of interest on pension obligations are disclosed in the financial result. Similarly, interest effects of other long-term employee benefits are disclosed in the financial result.

Retirement benefit costs are generally considered non-current.

Other Provisions

Other provisions are recognized if there is a present obligation to third parties from a past event. It must be possible to estimate the amount reliably and it must be probable (i.e. more likely than not) that there will be an outflow of future resources. Provisions are only recognised for legal and constructive obligations to third parties.

Non-current provisions with a residual term of more than one year are discounted to the balance sheet date based on the appropriate interest rates, provided the effect of the time value of money is material.

If the possibility of an outflow of resources is not more likely than not, yet not unlikely either (contingent liabilities), an explanation is provided in the notes to the consolidated financial statements rather than setting up a provision.

Deferred Taxes

Deferred tax assets and deferred tax liabilities are recognised in accordance with IAS 12 and using the liability method for all temporary differences between the carrying amounts recognised in the tax accounts and in the IFRS financial statements, unless special requirements dictate otherwise (e.g., IAS 12.15, 12.24).

Deferred tax assets also include tax credits that result from the expected utilisation of existing tax loss carryforwards and tax credits in subsequent years. Deferred taxes are determined on the basis of the tax rates which, under the current legislation, apply in the individual countries at the time of realisation or which are expected to apply.

Deferred tax assets on temporary differences and on unused tax losses are only recognised when it is sufficiently probable that the expected future tax reductions will be used. The carrying amount of a deferred tax asset is reviewed every balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised, even partially. Unrecognised deferred tax assets are reviewed each balance sheet date and recognised at the amount that reflects the probable realisation of the deferred tax assets as a result of future taxable income.

No deferred tax liabilities are recognised for taxable temporary differences related to investments in subsidiaries if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred taxes relating to items posted directly to equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to offset current tax assets and current tax liabilities and these relate to income taxes levied by the same taxation authority on the same taxable entity.

Current Tax Assets and Liabilities

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Judgements, Assumptions and Estimates

Judgements, assumptions and estimates have to be made when preparing the consolidated financial statements that have effects on the amount and disclosure of the assets and liabilities, income and expenses and contingent liabilities reported.

The assumptions and estimates primarily relate to impairment tests for intangible assets and property, plant and equipment, uniform useful lives of assets, accounting and measurement policies for provisions and the recognition of deferred tax assets.

The projected balance sheets and income statements authorised by management and the Supervisory Board are used – among other things – for impairment tests of intangible assets and property, plant and equipment. These reflect current expectations of management. Typically, these projected figures contain various kinds of estimating uncertainties, especially regarding the future development of procurement and sales markets, meaning that the actual future situation may differ from planning. Estimates are also used in part for the calculation of net selling prices.

The measurement of warranty provisions is a special case. These are measured based on actual warranty costs and assumptions regarding the incidence of warranty cases. Actuarial estimates are incorporated into the calculation of pension provisions, especially regarding the

interest rate used, mortality and the expected future salary and pension. Owing to the long-term nature of pension provisions, there is considerable uncertainty surrounding some of these estimates.

Additional assumptions and estimates concern specific bad debt allowances. These were determined using case-by-case analyses at customer level. The actual values may in some cases differ from the assumptions and estimates. Changes are recognised in income as and when better information is available.

The HYMER Group sells a portion of its trade receivables to a factoring company on a revolving basis. In the course of establishing whether the sale of receivables should be recognised in the balance sheet as a disposal, risks must be assessed and judgements made by management, especially in relation to the interest risks borne by the HYMER Group from the potentially late settlement of receivables. The credit risk relating to sold receivables is borne by the factoring company.

At the time of preparing the consolidated financial statements, the underlying discretionary decisions and estimates were not subject to any significant risks. Consequently, a significant adjustment is not expected in the assets and liabilities disclosed in the consolidated financial statements for the next fiscal year.

Notes to the Consolidated Income Statement

The consolidated income statement has been prepared using the nature of expense method.

1. Revenue

| Classification by product | 2007/08 | 2006/07 |
|----------------------------------|-----------------------|-----------------------|
| | EUR k | EUR k |
| Motorhomes | 726,475 | 678,899 |
| Caravans | 120,311 | 127,543 |
| Other revenue | 66,445 | 63,409 |
| | <u>913,231</u> | <u>869,851</u> |

Other revenue primarily concerns trade in replacement parts and camping accessories. A classification into regional markets is provided in the segment reporting.

2. Other Operating Income

| | 2007/08 | 2006/07 |
|--|---------------|---------------|
| | EUR k | EUR k |
| Cross-charged advertising expenses | 1,720 | 1,811 |
| Insurance indemnification | 3,166 | 1,069 |
| Rental income | 435 | 830 |
| Income from the reversal of provisions | 1,860 | 1,846 |
| Cross-charged expenses | 2,703 | 2,123 |
| Income relating to other periods | 274 | 156 |
| Exchange gains | 75 | 173 |
| Incidental revenue | 700 | 1,266 |
| Proceeds from the disposal of non-current assets | 1,742 | 0 |
| Other | 1,661 | 1,798 |
| Total | 14,336 | 11,072 |

3. Cost of Materials

| | 2007/08 | 2006/07 |
|---|----------------|----------------|
| | EUR k | EUR k |
| Raw materials, supplies and purchased merchandise | 647,570 | 592,555 |
| Purchased services | 42,185 | 41,508 |
| | 689,755 | 634,063 |

4. Personnel Expenses

| | 2007/08 | 2006/07 |
|---|----------------|----------------|
| | EUR k | EUR k |
| Wages and salaries | 110,118 | 104,483 |
| Social security, pensions and other benefit costs | 26,568 | 25,276 |
| Post-employment benefits | 688 | 577 |
| | 137,374 | 130,336 |

The employer's share of statutory social security including the employer's share of the state pension insurance is included under social security, pension and other benefit costs.

The average number of employees in the year was:

| | 2007/08 | 2006/07 |
|------------------------------------|--------------|--------------|
| Wage earners | 2,404 | 2,329 |
| Commercial and technical employees | 800 | 768 |
| | 3,204 | 3,097 |

5. Amortisation and Depreciation

Amortisation and depreciation do not include any impairment losses.

6. Other Operating Expenses

| | 2007/08 | 2006/07 |
|---|----------------------|----------------------|
| | EUR k | EUR k |
| Advanced training / employee events / plant security | 1,473 | 1,242 |
| Rent expenses for property and other furniture and fixtures | 3,939 | 4,445 |
| Repairs by third parties | 6,251 | 4,755 |
| Purchased services | 1,768 | 2,134 |
| Monetary transaction costs | 154 | 505 |
| Selling expenses | 9,297 | 8,617 |
| Consulting | 3,546 | 3,348 |
| Office supplies / communication media | 1,423 | 1,374 |
| Travel and entertainment | 2,258 | 1,987 |
| Advertising expenses | 19,073 | 16,091 |
| Insurance and contributions | 1,510 | 1,648 |
| Expenses from additions to provisions | 878 | 1,540 |
| Other taxes | 2,141 | 2,031 |
| Other | 5,846 | 5,260 |
| | <u>59,557</u> | <u>54,977</u> |

The “other” line item primarily contains depreciation charges and impairment losses recognised on items of current assets, expenses from cases of damage and expenses relating to other periods.

7. Financial Result

| | 2007/08 EUR k | 2006/07 EUR k |
|--|------------------|------------------|
| Investment income | 710 | 10 |
| Profit/loss from associates | -451 | -496 |
| Income from Investments | 259 | -486 |
| Income from investment securities and loans | 310 | 288 |
| Other interest income | 884 | 899 |
| Interest income | 1,194 | 1,187 |
| Interest and similar expenses | 13,464 | 11,102 |
| Interest expenses from pension provisions | 190 | 262 |
| Interest expenses | 13,654 | 11,364 |
| Financial result | -12,201 | -10,663 |

Losses from derivative financial instruments measured at fair value totalled EUR 84 k (prior year: gains of EUR 125 k).

8. Income Taxes

| | 2007/08 EUR k | 2006/07 EUR k |
|--|------------------|------------------|
| Current tax expense | 10,628 | 13,629 |
| Deferred tax assets on temporary differences | -81 | 531 |
| Deferred taxes on unused tax losses | 168 | -622 |
| | 10,715 | 13,538 |

The 2008 business tax reform is applicable to HYMER AG as of fiscal year 2007/08. The reform includes the reduction of corporate income tax to 15%, from the previous 25%. Taking an average trade tax levy rate of 377% into account and a solidarity surcharge of 5.5%, the total tax rate for domestic entities is 30% (prior year: 38%). This income tax rate is used for the tax reconciliation.

The nominal income tax rates applicable abroad ranged between 33% (prior year: 33%) and 38% (prior year: 38%).

Income tax expenses do not include expenses or income from changes in accounting and measurement policies. Deferred tax assets and liabilities as of 31 August 2008 are shown by balance sheet item in the following table:

| | 31/08/2008 | | 31/08/2007 | |
|-------------------------------|-----------------|----------------------|-----------------|----------------------|
| | Assets EUR k | Liabilities EUR k | Assets EUR k | Liabilities EUR k |
| Intangible assets | 51 | 3,399 | 56 | 3,412 |
| Property, plant and equipment | 389 | 2,843 | 334 | 2,591 |
| Financial assets | 46 | 0 | 46 | 0 |
| Inventories | 180 | 515 | 120 | 451 |
| Pension obligations | 221 | 0 | 466 | 0 |
| Other provisions | 813 | 814 | 451 | 809 |
| Other differences | 1,005 | 164 | 997 | 101 |
| Unused tax losses | 714 | 0 | 882 | 0 |
| | 3,419 | 7,735 | 3,352 | 7,364 |
| Offsetting | -2,340 | -2,340 | -2,105 | -2,105 |
| Carrying amount | <u>1,079</u> | <u>5,395</u> | <u>1,247</u> | <u>5,259</u> |

Recognition of actuarial gains and losses in equity pursuant to IAS 19 resulted in deferred tax assets of EUR 217 k (prior year: EUR 57 k) in the fiscal year.

All other changes were recognised with effect on profit or loss.

With respect to the measurement of deferred tax assets, the future development of business expected at the time of preparing the consolidated financial statements was based on the Company's business plan for the following three fiscal years.

The tax expense from a write-down or non-recognition of deferred tax assets for which it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised amounts to EUR 1,202 k (prior year: EUR 20 k). The corresponding unused tax losses come to EUR 6,117 k (prior year: EUR 2,320 k) and can be carried forward indefinitely.

Reconciliation of estimated tax expense to current income tax expense disclosure:

| | 2007/08 | 2006/07 |
|---|---------------|---------------|
| | EUR k | EUR k |
| Earnings before income tax | 27,966 | 39,011 |
| Expected tax expense at the domestic tax rate | 8,390 | 14,824 |
| Foreign tax rate differential | 537 | -64 |
| Differences due to the tax rate | 0 | -1,133 |
| Tax effect of non-deductible expenses | 314 | 609 |
| Tax effect of tax-free foreign income | -210 | 0 |
| Unrecognised deferred taxes on unused tax losses | 1,202 | 20 |
| Tax effect of the reversal of deferred tax assets | -110 | 0 |
| Effects of tax revaluations | 0 | -944 |
| Taxes due as a result of tax field audits | 672 | 0 |
| Other | -80 | 226 |
| Disclosed tax expense | 10,715 | 13,538 |
| Effective tax rate as a % | 38.3% | 34.7% |

The effects of the amendments to tax law concern in fiscal 2006/07 the recognition of corporate income tax credits resulting from the imputed tax method for determining corporate income tax.

There are no income tax effects to the HYMER Group from the distribution of the proposed dividend at HYMER Aktiengesellschaft.

9. Other Notes to the Income Statement

The expenditures for research and development recognised in the income statement for the fiscal year 2007/08 amounted to EUR 4,181 k (prior year: EUR 3,380 k).

10. Earnings per Share

In accordance with IAS 33, the earnings per share were determined as the profit or loss attributable to HYMER AG shareholders (EUR 16,989 k; prior year: EUR 25,104 k) divided by the annual-average number of shares outstanding (4,000,000 shares each year). Basic earnings per share correspond to diluted earnings per share.

Notes to the Consolidated Balance Sheet

1. Intangible Assets and Property, Plant and Equipment

The development of the individual intangible assets and property, plant and equipment is shown in the statement of changes in non-current assets below.

Intangible Assets

| | | Franchises, industrial rights, licences | Developments | Payments on account | Total |
|--|-------------------|--|--------------|------------------------|--------|
| Cost | | | | | |
| | 01/09/2006 | 6,386 | 10,832 | 2,045 | 19,263 |
| Additions | | 618 | 5,251 | 1,686 | 7,555 |
| Disposals | | 736 | 0 | 0 | 736 |
| Reclassifications | | 35 | 0 | -3 | 32 |
| Cost | | | | | |
| | 31/08/2007 | 6,303 | 16,083 | 3,728 | 26,114 |
| Amortisation and depreciation | 01/09/2006 | 4,730 | 1,758 | 0 | 6,488 |
| Additions (systematic) | | 603 | 2,800 | 0 | 3,403 |
| Disposals | | 679 | 0 | 0 | 679 |
| Amortisation and depreciation | | | | | |
| | 31/08/2007 | 4,654 | 4,558 | 0 | 9,212 |
| Net carrying amount | 01/09/2006 | 1,656 | 9,074 | 2,045 | 12,775 |
| Net carrying amount | 31/08/2007 | 1,649 | 11,525 | 3,728 | 16,902 |

| | Franchises, industrial rights, licences | Developments | Payments on account | Total |
|--|--|--------------|------------------------|--------|
| Cost | | | | |
| 01/09/2007 | 6,303 | 16,083 | 3,728 | 26,114 |
| Additions | 770 | 4,187 | 1,457 | 6,414 |
| Disposals | 277 | 133 | 5 | 415 |
| Reclassifications | 196 | 0 | -196 | 0 |
| Cost | | | | |
| 31/08/2008 | 6,992 | 20,137 | 4,984 | 32,113 |
| Amortisation and depreciation | 4,654 | 4,558 | 0 | 9,212 |
| 01/09/2007 | | | | |
| Additions (systematic) | 861 | 3,970 | 0 | 4,831 |
| Disposals | 276 | 98 | 0 | 374 |
| Amortisation and depreciation | | | | |
| 31/08/2008 | 5,239 | 8,430 | 0 | 13,669 |
| Net carrying amount | | | | |
| 01/09/2007 | 1,649 | 11,525 | 3,728 | 16,902 |
| Net carrying amount | | | | |
| 31/08/2008 | 1,753 | 11,707 | 4,984 | 18,444 |

Property, Plant and Equipment

| | Land, land rights and buildings | Technical equipment and machines | Other equipment, furniture and fittings | Payments on account and assets under construction | Total |
|--|--|---|--|--|---------|
| Cost | | | | | |
| 01/09/2006 | 106,216 | 33,328 | 95,194 | 4,450 | 239,188 |
| Additions | 4,396 | 5,955 | 14,158 | 1,733 | 26,242 |
| Disposals | 156 | 389 | 2,901 | 40 | 3,486 |
| Reclassifications | 735 | 2,391 | 627 | -3,785 | -32 |
| Cost | | | | | |
| 31/08/2007 | 111,191 | 41,285 | 107,078 | 2,358 | 261,912 |
| Amortisation and depreciation | 31,914 | 22,207 | 66,940 | 0 | 121,061 |
| 01/09/2006 | | | | | |
| Additions (systematic) | 3,133 | 3,263 | 10,025 | 0 | 16,421 |
| Disposals | 93 | 313 | 2,631 | 0 | 3,037 |
| Reclassifications | -136 | 136 | 0 | 0 | 0 |
| Amortisation and depreciation | | | | | |
| 31/08/2007 | 34,818 | 25,293 | 74,334 | 0 | 134,445 |
| Net carrying amount | | | | | |
| 01/09/2006 | 74,302 | 11,121 | 28,254 | 4,450 | 118,127 |
| Net carrying amount | | | | | |
| 31/08/2007 | 76,373 | 15,992 | 32,744 | 2,358 | 127,467 |

| | | Land, land rights and buildings | Technical equipment and machines | Other equipment, furniture and fittings | Payments on account and assets under construction | Total |
|--|-------------------|---------------------------------------|---|--|--|---------|
| Cost | | | | | | |
| | 01/09/2007 | 111,191 | 41,285 | 107,078 | 2,358 | 261,912 |
| Additions | | 7,137 | 4,483 | 10,087 | 2,558 | 24,265 |
| Disposals | | 1,939 | 958 | 2,488 | 0 | 5,385 |
| Reclassifications | | 199 | 1,026 | 505 | -1,730 | 0 |
| Cost | | | | | | |
| | 31/08/2008 | 116,588 | 45,836 | 115,182 | 3,186 | 280,792 |
| Amortisation and depreciation | 01/09/2007 | 34,818 | 25,293 | 74,334 | 0 | 134,445 |
| Additions (systematic) | | 3,276 | 3,676 | 10,094 | 0 | 17,046 |
| Disposals | | 929 | 980 | 1,978 | 0 | 3,887 |
| Reclassifications | | -88 | 29 | 59 | 0 | 0 |
| Amortisation and depreciation | | | | | | |
| | 31/08/2008 | 37,077 | 28,018 | 82,509 | 0 | 147,604 |
| Net carrying amount | 01/09/2007 | 76,373 | 15,992 | 32,744 | 2,358 | 127,467 |
| Net carrying amount | 31/08/2008 | 79,511 | 17,818 | 32,673 | 3,186 | 133,188 |

Intangible assets essentially relate to capitalised development costs and purchased computer software. Intangible assets have useful lives of up to five years.

Property, plant and equipment do not contain any leased assets, since the lease arrangements of the HYMER Group do not qualify as finance leases.

2. Investments in Associates

The 44.6% investment in EXPOCAMP Freizeit und Caravaning Center Wertheim GmbH, Wertheim, was measured using the equity method and reported under investments in associates.

The associate has current assets of EUR 16,932 k (prior year: EUR 2,968 k) and non-current assets of EUR 17,973 k (prior year: EUR 18,160 k). Its current liabilities amount to EUR 18,554 k (prior year: EUR 4,364 k), while non-current liabilities total EUR 14,130 k (prior year: EUR 14,130 k). In fiscal 2007/08, the entity reported income of EUR 23,880 k (prior year: EUR 16,937 k) and expenses of EUR 24,891 k (prior year: EUR 18,049 k).

EXPOCAMP Freizeit and Caravaning Center Wertheim GmbH performs common sales activities for the brands HYMER, Bürstner, LAIKA, Niesmann+Bischoff, Movera as well as Dethleffs, LMC and TEC.

3. Non-Current Financial Assets

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|-----------------------|---------------------|---------------------|
| Equity investments | 2,804 | 3,296 |
| Financial receivables | 3,614 | 3,585 |
| | 6,418 | 6,881 |

Financial receivables include trade receivables of EUR 1,497 k (prior year: EUR 1,538 k).

4. Inventories

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|---|---------------------|---------------------|
| Raw materials, consumables and supplies | 89,582 | 91,972 |
| Work in process | 10,650 | 11,028 |
| Finished goods and merchandise | 112,599 | 93,488 |
| Payments on accounts | 2 | 3 |
| | 212,833 | 196,491 |

An impairment loss of EUR 6,506 k was recognised on inventories in fiscal 2007/08 (prior year: EUR 4,237 k). The inventories are not subject to any restrictions.

5. Trade Receivables

Trade receivables are primarily due from authorised dealers. Outstanding receivables include notes receivable of EUR 12,682 k (prior year: EUR 636 k). Notes receivable were not impaired and they are not overdue. No impairment losses were recognised on notes receivable.

Impairment losses recognised on trade receivables for which no notes were accepted:

| | 2008 EUR k | 2007 EUR k |
|-------------------------------|---------------|---------------|
| Impairments as of 1 September | 2,359 | 1,613 |
| Additions | 2,392 | 1,289 |
| Utilisation | -963 | -334 |
| Reversals | -257 | -209 |
| Impairments as of 31 August | 3,531 | 2,359 |

The corresponding receivables break down as follows:

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|---|---------------------|---------------------|
| Gross value of impaired trade receivables | 10,803 | 10,416 |
| Carrying amount | | |
| after impairment | 77,774 | 101,607 |
| before impairment | 81,305 | 103,966 |
| Not impaired or past due | 39,365 | 74,417 |
| Not impaired and past due for | | |
| 1 to 30 days | 11,565 | 6,042 |
| 31 to 60 days | 5,338 | 4,028 |
| 61 to 360 days | 9,786 | 7,049 |
| More than 360 days | 4,448 | 2,014 |

Title is generally retained on the vehicles sold by the Group. The risk of partial or complete default is covered by retaining the paperwork for vehicles until payment has been received. In such cases the vehicles sold are demanded back and otherwise disposed of. Past experience has shown that at least the corresponding value of the receivables defaulted on can be realised in this way. The estimated current value of the vehicles with retention of title amounts to EUR 82,736 k (prior year: EUR 93,354 k) as of the balance sheet date.

Trade notes with a nominal value of EUR 11,410 k were passed on to banks as of 31 August 2008. In accordance with IAS 39.14 et seq. the trade notes continued to be recognised under the item line “Trade receivables” in the balance sheet despite being passed on to banks. The corresponding cash inflow is disclosed under the item line “Other financial liabilities”. According to German law on bills of exchange, the endorser of a note is liable for the notes payable in the event that the purchaser does not pay the note upon maturity.

Receivables were down EUR 40 million as of 31 August 2008 as a result of the sale of receivables.

6. Other Financial Assets

| | 31/08/2008 | 31/08/2007 |
|--------------------------------------|---------------|---------------|
| | EUR k | EUR k |
| Loans | 2,290 | 2,215 |
| Receivables from insurance companies | 2,118 | 347 |
| Receivables from customers | 145 | 965 |
| Creditors with debit balances | 10,387 | 6,324 |
| Bonuses | 13,819 | 10,707 |
| Payments on accounts | 607 | 347 |
| Other | 21 | 539 |
| | 29,387 | 21,444 |

7. Other Current Assets

| | 31/08/2008 | 31/08/2007 |
|---|---------------|---------------|
| | EUR k | EUR k |
| Other taxes | 10,709 | 5,540 |
| Receivables from the labour office (special German phased retirement: “Altersteilzeit”) | 511 | 447 |
| Receivables from employees | 65 | 78 |
| Receivables from public authorities | 487 | 316 |
| Prepaid expenses | 3,970 | 3,179 |
| Other | 444 | 549 |
| | 16,186 | 10,109 |

8. Issued Capital

The issued capital of HYMER Aktiengesellschaft remains unchanged since the cut-off date of the IFRS opening balance sheet. It totalled EUR 12,000,000.00 as of 31 August 2008 and is divided into 4,000,000 no par value bearer shares (common stock). Explanations on authorised capital and significant interests in capital are presented in the group management report for 2007/08.

9. Capital Reserve

The capital reserve contains premiums on the issue of shares. It is subject to the restrictions of Sec. 150 AktG [“Aktengesetz”: German stock corporations act].

10. Revenue Reserves

The revenue reserves comprise earned group equity and other comprehensive income.

The measurement differences from the first-time application of IFRS were offset under other group equity as well as the debit and credit differences from capital consolidation of the subsidiaries consolidated for the first time prior to 1 September 2004.

Other comprehensive income relates exclusively to the actuarial gains and losses from defined benefit pensions plans and similar obligations recognised directly in equity in accordance with IAS 19 as well as the related effects on deferred taxes.

11. Disclosures on Capital Management

The capital management of the HYMER Group has the primary aim of securing a stable equity ratio at a high level in order to support business activities with a strong equity base and maintain the benefits of shareholders. Equity as disclosed in the balance sheet is used to calculate the equity ratio, which amounted to 40.4% as of the balance sheet date (prior year: 39.9%).

12. Dividends

A dividend of EUR 3,520,000.00 is proposed at HYMER Aktiengesellschaft for fiscal year 2007/08. This corresponds to EUR 0.88 per share for 4,000,000 participating no par shares. A dividend of EUR 5,280,000.00 (EUR 1.32 per share) was distributed for fiscal year 2006/07.

13. Non-Current Financial Liabilities

| | 31/08/2008 | 31/08/2007 |
|------------------|---------------|---------------|
| | EUR k | EUR k |
| Bank liabilities | 33,956 | 21,859 |
| Promissory notes | 20,800 | 5,437 |
| | 54,756 | 27,296 |

14. Other Non-Current Liabilities

| | 31/08/2008 | 31/08/2007 |
|-----------------------------------|------------|------------|
| | EUR k | EUR k |
| Liabilities to public authorities | <u>0</u> | <u>253</u> |

15. Pension Provisions

The pension provisions concern obligations from future and current post-employment benefits to current and former employees of the HYMER Group as well as their surviving dependants. Old-age pension systems vary according to local legal, tax and economic conditions and are usually based on the employee service period as well as employee remuneration.

The Group's post-employment benefits are based on defined benefit plans. There are no defined contribution plans other than state pension schemes.

With defined benefit plans, the entity's obligation consists of fulfilling the commitments made to current and former employees. The retirement benefit costs of HYMER Aktiengesellschaft and the subsidiaries are funded by provisions. There are no retirement benefit costs financed by funds or plan assets.

The amount of the pension obligation (projected benefit obligation) was calculated using actuarial methods for which estimates are necessary. Apart from life expectancy, the following assumptions are of significance:

| | 31/08/2008 | 31/08/2007 |
|--------------------------|------------|------------|
| | % | % |
| Discount rate | 6.1 | 5.4 |
| Wage and salary trend | 1.5 | 1.5 |
| Rate of pension increase | 1.5 | 1.5 |
| Employee turnover | 2.0 | 2.0 |

The wage and salary trend comprises expected future increases in wages and salaries which are estimated, among other things, on the basis of inflation and the economic situation of the HYMER Group.

Exercising the option for the early adoption of IAS 19, actuarial gains and losses have been recognised without effect on equity since 1 September 2004. Such gains and losses can result from changes to the calculation parameters (particularly changes to the discount factor) and changes in estimates of the risk development of retirement benefit costs.

The pension provision disclosed in the balance sheet corresponds to the present value of provision-funded pension obligations.

The expenses resulting from defined benefit plans which are accounted for in the consolidated income statement can be broken down as follows:

| | 2007/08 EUR k | 2006/07 EUR k |
|--|------------------|------------------|
| Current service cost | 408 | 1,624 |
| Expenses from the unwinding of the discount on pension obligations | 190 | 262 |
| Retirement benefit costs | 598 | 1,886 |

The pension provisions developed as follows:

| | 2007/08 EUR k | 2006/07 EUR k | 2005/06 EUR k | 2004/05 EUR k |
|---|------------------|------------------|------------------|------------------|
| Carrying amount in consolidated balance sheet as of 1 September | 8,699 | 7,459 | 7,872 | 7,227 |
| Retirement benefit costs | 598 | 1,886 | 802 | 787 |
| Actuarial gains and losses | -722 | -223 | -539 | 414 |
| Pension payments | -678 | -423 | -676 | -556 |
| Carrying amount in consolidated balance sheet as of 31 August | 7,897 | 8,699 | 7,459 | 7,872 |

In fiscal 2007/08, defined benefit obligations decreased by EUR 8 k following experience adjustments to reflect differences between actuarial assumptions and actual conditions.

16. Other Non-Current Provisions

| | Sales EUR k | Personnel EUR k | Other EUR k | Total EUR k |
|-------------------------------------|----------------|--------------------|----------------|----------------|
| 1 September 2007 | 5,106 | 1,747 | 106 | 6,959 |
| Utilisation | 0 | 0 | 0 | 0 |
| Reversal | -1,077 | 0 | 0 | -1,077 |
| Increase due to the passage of time | 139 | 107 | 0 | 246 |
| Addition | 63 | 983 | 21 | 1,067 |
| 31 August 2008 | 4,231 | 2,837 | 127 | 7,195 |

The provisions for obligations relating to sales primarily relate to warranty and product liability obligations.

Based on past experience, provisions are set up for future internal and external expenses from warranty obligations for goods delivered and services provided that have already been invoiced. The calculation of the warranty provisions is based on assumptions and estimates concerning the amount of the future burden as well as the period of time between delivery and the date on which an expense is incurred. Provisions for the warranty and product liability obligations are generally utilised by the Group within a two-year warranty period.

The provisions relating to personnel primarily comprise obligations from phased retirement arrangements. These have terms of up to six years from the balance sheet date.

17. Other Current Financial Liabilities

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|---|---------------------|---------------------|
| Bank liabilities | 148,635 | 166,237 |
| Promissory notes | 4,544 | 17,000 |
| Loan liabilities to entities in which equity investments are held | 2,736 | 2,542 |
| Debtors with credit balances | 2,020 | 1,724 |
| Payments on account | 152 | 298 |
| Sundry | 1,062 | 598 |
| Total | 159,149 | 188,399 |

The repayment obligations from long-term loans due in the next fiscal year are reported under current bank liabilities. This item also contains liabilities from short-term financing.

18. Other Current Liabilities

| | 31/08/2008 | 31/08/2007 |
|---------------------------------------|---------------|---------------|
| | EUR k | EUR k |
| Liabilities to employees | 18,004 | 17,704 |
| Social security liabilities | 1,331 | 1,208 |
| Liabilities to public authorities | 1,018 | 2,037 |
| Deferred income | 159 | 198 |
| Liabilities payable to the tax office | 1,688 | 1,297 |
| Sundry | 1,288 | 954 |
| | 23,488 | 23,398 |

19. Current Provisions

| | Sales | Personnel | Other | Total |
|------------------|--------|-----------|-------|--------|
| | EUR k | EUR k | EUR k | EUR k |
| 1 September 2007 | 3,650 | 786 | 698 | 5,134 |
| Utilisation | -2,080 | -758 | -195 | -3,033 |
| Reversal | -755 | -28 | 0 | -783 |
| Addition | 2,229 | 1,541 | 368 | 4,138 |
| 31 August 2008 | 3,044 | 1,541 | 871 | 5,456 |

The provisions for obligations relating to sales primarily relate to warranty and product liability obligations as well as potential losses from pending transactions.

The provisions relating to personnel primarily comprise obligations from phased retirement arrangements, overtime and severance payments.

20. Notes to the Consolidated Statement of Cash Flows

The consolidated cash flow statement shows how the cash of the HYMER Group changed in the course of the fiscal year as a result of cash received and paid. In accordance with IAS 7 a distinction is made between cash flows from operating activities and from investing and financing activities.

The cash and cash equivalents presented in the cash flow statement contain all liquid assets shown in the consolidated balance sheet, i.e. cash in hand, checks and bank balances with an original term of less than three months. Cash and cash equivalents are not subject to any restrictions.

The cash flow from investing and financing activities is determined on the basis of payments made or received, i.e., directly. The cash flow from operating activities, on the other hand, is

derived indirectly from the earnings before taxes. When performing the indirect calculation, changes in balance sheet items considered in connection with ordinary activities are adjusted for effects from changes in the consolidated group. Changes in the balance sheets concerned can therefore not always be reconciled with the figures based on the published consolidated balance sheet.

Other Notes

1. Contingent Liabilities

No provisions are recognised for the following contingent liabilities, stated at face value, as the probability that they will occur is estimated to be low:

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|---------------|---------------------|---------------------|
| Notes payable | 0 | 15,517 |
| Guarantees | 3,942 | 369 |
| | 3,942 | 15,886 |

HYMER Aktiengesellschaft has entered into a guarantee of up to EUR 7,500 k for liabilities of CAPRON GmbH.

2. Other Financial Obligations

Besides liabilities, provisions and contingent liabilities, the Company has other financial obligations in particular from rent and lease agreements, ongoing capital expenditure projects and from procurement agreements.

| | 31/08/2008 EUR k | 31/08/2007 EUR k |
|---|---------------------|---------------------|
| Obligations from rent, lease and hereditary building right agreements | | |
| due within 1 year | 2,261 | 2,067 |
| due between one and five years | 3,206 | 3,109 |
| due later than five years | 289 | 293 |
| Obligations from ongoing capital expenditure projects | 1,004 | 7,689 |

The rent, lease and hereditary building right agreements primarily concern company buildings, vehicles, IT hardware and storage areas. There are no subleases in place with entities outside the Group.

3. Litigation

HYMER Aktiengesellschaft or its group entities were not involved in litigation or arbitration proceedings that could have a significant influence on the economic situation of the Group in the past two years, nor do they expect to be involved in any such proceedings in the foreseeable future. Provisions have been formed at suitable amounts to account for any probable financial burdens from other litigation or arbitration proceedings.

4. Segment Reporting

The internal organisational and management structure as well as the reporting to the Board of Directors and the Supervisory Board form the basis for the primary structure of segment reporting at the HYMER Group. Results are classified into brands and leisure products. Segment reporting is intended to increase the transparency of the earnings power and profit prospects as well as the risks and opportunities of the different business segments in the Group.

Retail of leisure products and camping accessories forms the core business of the “Movera” segment. The other segments manufacture motorhomes and caravans.

The “other” item is a catch-all item also serving as a cross-function consolidation and reconciliation item in particular.

The secondary reporting structure focuses on regional segments. Regional segment information is provided based on the location of customers for revenue, and based on the registered offices of the entities for capital expenditures and segment assets.

Segment Reporting

(prior-year figures in brackets)

| Group | HYMER | Niesmann+ Bischoff | Bürstner | LAIKA | Movera Freizeitartikel | Other, Consolidation | Total Group |
|---|-----------|-----------------------|-----------|----------|---------------------------|-------------------------|----------------|
| | EUR k | EUR k | EUR k | EUR k | EUR k | EUR k | EUR k |
| Revenue, external | 421,061 | 44,970 | 321,908 | 86,875 | 38,417 | | 913,231 |
| | (379,720) | (49,134) | (308,452) | (97,386) | (35,159) | | (869,851) |
| Intrasegment revenue | 37 | 0 | 2 | 0 | 1,047 | -1,086 | 0 |
| | (23) | (0) | (40) | (0) | (1,510) | (1,573) | (0) |
| Total revenue | 421,098 | 44,970 | 321,910 | 86,875 | 39,464 | -1,086 | 913,231 |
| | (379,743) | (49,134) | (308,492) | (97,386) | (36,669) | (-1,573) | (869,851) |
| EBIT * | 25,482 | -86 | 12,073 | 5,191 | 1,741 | -3,975 | 40,426 |
| | (25,389) | (1,499) | (15,936) | (8,129) | (1,829) | (-3,594) | (49,188) |
| Thereof: Share of profit of associates | -277 | | -174 | | | | -451 |
| | (-305) | | (-191) | | | | (-496) |
| Other financial result | | | | | | | -12,460 |
| | | | | | | | (-10,177) |
| Income taxes | | | | | | | 10,715 |
| | | | | | | | (13,538) |
| Earnings after tax | | | | | | | 17,251 |
| | | | | | | | (25,473) |
| Segment assets | 303,640 | 30,183 | 135,506 | 71,168 | 11,737 | -46,815 | 505,419 |
| | (298,353) | (29,130) | (141,009) | (52,076) | (9,929) | (-50,498) | (479,999) |
| Shares in associates | 445 | | 279 | | | | 724 |
| | (722) | | (453) | | | | (1,175) |
| Non-allocable assets | | | | | | | 15,698 |
| | | | | | | | (16,687) |
| Total assets | | | | | | | 521,841 |
| | | | | | | | (497,861) |
| Segment liabilities | 37,204 | 3,180 | 33,014 | 19,897 | 1,634 | -3,754 | 91,175 |
| | (27,465) | (14,210) | (29,340) | (16,834) | (4,050) | (-10,354) | (81,545) |
| Non-allocable liabilities | | | | | | | 219,792 |
| | | | | | | | (217,722) |
| Total liabilities | | | | | | | 310,967 |
| | | | | | | | (299,267) |
| Capital expenditure | 20,098 | 1,415 | 8,024 | 1,028 | 114 | 0 | 30,679 |
| | (22,989) | (1,581) | (7,955) | (1,184) | (113) | (0) | (33,822) |
| Amortisation and depreciation | 11,472 | 1,153 | 8,171 | 856 | 225 | 0 | 21,877 |
| | (10,505) | (965) | (7,150) | (994) | (210) | (0) | (19,824) |

* EBIT: Earnings before interest and taxes.

Segment assets comprise all assets used to generate the operating result of the segment and essentially include property, plant and equipment, inventories and receivables. Segment liabilities are obligations from operating activities; apart from trade payables, these mainly comprise other provisions and pension provisions. The capital expenditures as well as the amortisation and depreciation relate to segment assets.

| | 2007/08 | 2006/07 |
|---|----------------|----------------|
| | EUR k | EUR k |
| Sales revenue by regional market | | |
| Germany | 311,794 | 298,936 |
| Other EU countries | 544,545 | 470,736 |
| Other countries | 56,892 | 100,179 |
| | 913,231 | 869,851 |
| Capital expenditures by region | | |
| Germany | 29,071 | 31,713 |
| Other EU countries | 1,608 | 2,109 |
| | 30,679 | 33,822 |
| Assets by region | | |
| Germany | 380,480 | 373,835 |
| Other EU countries | 141,361 | 124,026 |
| | 521,841 | 497,861 |

5. Financial Instruments

Risk Management

In the course of ordinary operations, the HYMER Group is exposed in particular to interest rate risks in the area of financing. Significant foreign exchange risks also stem from the area of financing alone.

The aim of the risk management system is to hedge against adverse effects on the financial performance of the Group. Instruments are used for this purpose as is customary on the market. Uniform group policies govern the handling of transactions as well as the functional segregation between trade, handling and monitoring. At present, all derivative financial instruments are entered into with banks.

The Board of Directors and the Supervisory Board are informed regularly about the interest rate risk exposure of the HYMER Group.

Interest Rate Risk

HYMER uses some loans subject to floating interest rates for group financing. The aim is to make use of opportunities to reduce the cost of financing when borrowing costs drop. Consequently, the HYMER Group is exposed to an interest-related cash flow risk.

Interest rate hedges are used to hedge against interest rate risks relating to outstanding loans. Interest rate risks are hedged on a case-by-case basis. The volume and terms of the hedging instruments correspond to the repayment structure of loans. As of the balance sheet date, the Company had interest rate swaps denominated in euro and in Swiss francs.

The market values reported correspond to the price at which third parties would assume the rights or obligations from the financial instruments.

A change in the market interest rate for loans subject to a floating rate of interest would have affected the financial result in fiscal year 2007/08 by EUR 193 k (prior year: EUR 155 k).

Currency Risk

All future payment transactions that are not denominated in the reporting currency of the given group entity are subject to currency risks. There are currency risks on the UK sales market in particular. If the exchange rate of the pound sterling to the euro had fluctuated above or below the actual rate by 10% in fiscal 2007/08, this would have affected the revenue of the HYMER Group by EUR 2.9 million. There is a further currency risk with respect to one loan liability of HYMER Aktiengesellschaft which is denominated in Swiss francs.

Credit Risk

Customers who wish to conclude significant transactions with the Group on credit terms are subject to credit verification procedures. Trade receivables are continually monitored. The HYMER Group finances various dealers by granting long-term payment terms. To secure against the risk of default, the documents required for registration of a vehicle are withheld until the debt is settled. Employees of the HYMER Group also conduct regular inspections of inventories held by dealers.

In order to reduce the risk of default, all financial transactions are conducted exclusively with banks that enjoy excellent credit ratings and not exceeding specified limits.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, financial assets and derivative financial instruments, the Group's exposure to credit risk arising from default of the counter party does not exceed the carrying amount of these instruments.

In the course of the economic slow-down at the end of the fiscal year 2007/08, the financial situation of contractual partners may worsen and the risk of default increase for the HYMER Group.

Fair Values

The fair values of the financial assets and liabilities in the consolidated balance sheet are calculated based on the market prices.

The fair values of interest rate swaps are calculated using recognised actuarial methods and based on the market information available on the date the values are determined.

The carrying amounts of current financial assets and liabilities approximate fair value owing to the short terms to maturity.

Since the fair value of investments in associates cannot be reasonably expected to be determined reliably, they are measured at cost. Non-current financial assets and liabilities are stated at the amount corresponding to the fair value based on the market interest rate applied.

| | 31/08/2008 | | 31/08/2007 | |
|---|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | EUR k | EUR k | EUR k | EUR k |
| Assets | | | | |
| Financial receivables (loans and receivables) | 31,508 | 31,508 | 23,491 | 23,491 |
| Trade receivables (loans and receivables), without notes receivable | 77,774 | 77,774 | 101,607 | 101,607 |
| Notes receivable from trade (loans and receivables) | 12,682 | 12,682 | 636 | 636 |
| Shares in entities in which equity investments are held at amortised cost (Available-for-sale financial assets) | 2,802 | 2,802 | 3,296 | 3,296 |
| Derivative financial instruments (held-for-trading) | -117 | -117 | -33 | -33 |
| Cash and cash equivalents (loans and receivables) | 9,764 | 9,764 | 11,069 | 11,069 |

| | 31/08/2008 | | 31/08/2007 | |
|--|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | EUR k | EUR k | EUR k | EUR k |
| Equity and liabilities | | | | |
| Liabilities to banks (financial liabilities at amortised cost) | 182,591 | 182,591 | 188,096 | 188,096 |
| Promissory notes (financial liabilities at amortised cost) | 25,344 | 25,344 | 22,437 | 22,437 |
| Financial liabilities (at amortised cost) | 5,970 | 5,970 | 5,162 | 5,162 |
| Trade payables (financial liabilities at amortised cost) | 44,967 | 44,967 | 32,275 | 32,275 |
| According to the measurement categories in accordance with IAS 39 | | | | |
| Loans and receivables | 131,728 | 131,728 | 136,803 | 136,803 |
| Available-for-sale financial assets measured at amortised cost | 2,802 | 2,802 | 3,296 | 3,296 |
| Held-for-trading | -117 | -117 | -33 | -33 |
| Financial liabilities at amortised cost | 258,872 | 258,872 | 247,970 | 247,970 |

The maturity profile of the principal and interest payments for financial liabilities is presented in the table below.

| | Carrying amount as of 31/08/2008 | | Cash flows | | |
|-----------------------------|-------------------------------------|------------------------------|--------------------------|--------------------------------------|-------------------------------|
| | Total EUR k | Thereof: Current EUR k | Up to 1 year EUR k | Between 1 and 5 years EUR k | More than 5 years EUR k |
| Liabilities to banks | 182,591 | 150,762 | 156,416 | 27,020 | 7,008 |
| Promissory notes | 25,344 | 4,544 | 4,714 | 17,462 | 4,780 |
| Other financial liabilities | 5,970 | 5,970 | 6,194 | 0 | 0 |
| | 213,905 | 161,276 | 167,324 | 44,482 | 11,788 |

| | Carrying amount as of 31/08/2007 | | Cash flows | | |
|-----------------------------|-------------------------------------|------------------------------|--------------------------|--------------------------------------|-------------------------------|
| | Total EUR k | Thereof: Current EUR k | Up to 1 year EUR k | Between 1 and 5 years EUR k | More than 5 years EUR k |
| Liabilities to banks | 188,096 | 166,237 | 171,847 | 16,414 | 6,855 |
| Promissory notes | 22,437 | 17,000 | 17,574 | 5,570 | 201 |
| Other financial liabilities | 5,162 | 5,162 | 5,336 | 0 | 0 |
| | 215,695 | 188,399 | 194,757 | 21,984 | 7,055 |

Loan liabilities mainly relate to liabilities of HYMER Aktiengesellschaft denominated in EUR and CHF. The liabilities denominated in CHF amounted to EUR 2,045 k (prior year: EUR 3,068 k). These are subject to an interest rate that is pegged to the three-month EURIBOR plus an interest premium. The interest risk is hedged by arranging fixed rates of interest and by using derivative financial instruments including interest rate swaps.

Most of the existing long-term loans will be redeemed over the coming four to seven years. EUR 9,250 k of this amount falls due in more than five years. The loan notes will be repaid in instalments until 2015. The amount due within the twelve months of the balance sheet date is disclosed under current financial liabilities.

Mortgages of EUR 36,844 k (prior year: EUR 36,844 k) are pledged as security.

Net Gains or Losses by Measurement Category

| | Interest | Impairments | Other net gains/ losses | Total net gains/ losses |
|---|----------|-------------|-------------------------|-------------------------|
| | EUR k | EUR k | EUR k | EUR k |
| 2007/08 | | | | |
| Loans and receivables | 1,194 | -2,392 | 257 | -941 |
| Available-for-sale financial assets | | | | |
| measured at amortised cost | 0 | 0 | 710 | 710 |
| Held-for-trading | 0 | 0 | -84 | -84 |
| Financial liabilities at amortised cost | 13,212 | 0 | 0 | 13,212 |
| 2006/07 | | | | |
| Loans and receivables | 1,187 | -1,289 | 209 | 107 |
| Available-for-sale financial assets | | | | |
| measured at amortised cost | 0 | 0 | 10 | 10 |
| Held-for-trading | 0 | 0 | 125 | 125 |
| Financial liabilities at amortised cost | 10,905 | 0 | 0 | 10,905 |

Impairment losses recognised on loans and receivables include additions to the specific bad debt allowance for trade receivables. Other net gains include the reversal of bad debt allowances for trade receivables.

Other net gains from the disposal of available-for-sale financial assets (measured at amortised cost) relate to income from dividends from entities in which equity investments are held.

Derivative Financial Instruments

The nominal value of derivative financial instruments corresponds to the call or put prices or the contract value of the hedged transactions. The nominal values resulting from the market values corresponding to the carrying amounts are detailed below broken down by terms to maturity:

| | Nominal value of the underlying transaction | Market value total | Market value with a residual term of | | |
|--------------------------------|--|--------------------------|---|-------------------------------------|-------------------------------|
| | | | Less than one year | Be- tween 1 and 5 years | More than five years |
| | EUR k | EUR k | EUR k | EUR k | EUR k |
| 31/08/2008 | | | | | |
| Interest rate hedge agreements | 14,369 | -117 | 0 | -117 | 0 |
| 31/08/2007 | | | | | |
| Interest rate hedge agreements | 29,541 | -33 | 0 | -49 | 16 |

The market value of derivative financial instruments does not account for any counter-development in the value of the hedged transactions. Moreover, it does not necessarily correspond to the amount that will be obtained in the future based on current market conditions. The risk management of derivative financial instruments is based on market values.

6. Government Grants

In fiscal 2007/08, government incentives totalling EUR 732 k (prior year: EUR 3,442 k) were received. A total of EUR 1,000 k had to be paid back. The amounts break down as follows:

| | 2007/08 EUR k | 2006/07 EUR k |
|---|------------------|------------------|
| Government grants relating to income in connection with phased retirement agreements (“Altersteilzeit”) | 357 | 431 |
| Investment subsidies | -1.000 | 2.631 |
| Investment grants | 375 | 380 |

7. Subsequent Events

Prior to the release of the consolidated financial statements by the Board of Directors, there were no events or developments resulting in significant change in the disclosure or carrying amount as of 31 August 2008 of individual asset and liability items.

8. Audit Fees

The following fees were recognised under group expenses relating to the auditors of HYMER Aktiengesellschaft appointed by the shareholders' meeting:

| | <u>2007/08</u> EUR k | <u>2006/07</u> EUR k |
|---|-------------------------|-------------------------|
| Ernst & Young AG | | |
| Audit of individual and consolidated financial statements of HYMER AG | 113 | 115 |
| Other advisory services | 25 | 0 |

The following fees for the other auditors active in the HYMER Group were included in group expenses:

| | <u>2007/08</u> EUR k | <u>2006/07</u> EUR k |
|-------------------------|-------------------------|-------------------------|
| Statutory audit | 92 | 94 |
| Tax advisory services | 66 | 14 |
| Other advisory services | 33 | 19 |

9. Related Parties

According to IAS 24, transactions with persons or entities that can be influenced by the reporting entity or that can influence the entity must be reported unless they are already included in the consolidated financial statements as consolidated entities.

Related persons or entities of the HYMER Group generally concern the members of the Board of Directors and the Supervisory Board as well as entities in which HYMER Aktiengesellschaft holds investments. This also includes the entities outside the HYMER Group controlled either directly or indirectly by Mr. Erwin Hymer.

Transfer prices for intragroup sales are determined using a market-based approach. HYMER Aktiengesellschaft received adequate compensation for every transaction in light of the circumstances known at the time of the transaction.

As in the prior year, there were no doubtful or uncollectible receivables from related parties in the period under review.

HYMER Group Transactions with Investees

Bachem Werk GmbH, Bad Waldsee:

The HYMER Group was invoiced a total of EUR 13 k (prior year: EUR 13 k) for the rental of two buildings. This amount is not settled but was instead granted to the HYMER Group as a monthly loan. The loan reached EUR 104 k (prior year: EUR 97 k) as of year-end. The related interest expense in the HYMER Group amounted to EUR 5 k (prior year: EUR 5 k).

HYMER-ERIBA GmbH, Bad Waldsee:

An amount of EUR 328 k (prior year: EUR 300 k) was invoiced by HYMER-ERIBA GmbH to the HYMER Group as compensation for services. In exchange, the HYMER Group invoiced EUR 313 k (prior year: EUR 285 k) as an allocation of administrative expenses.

Niesmann+Bischoff GmbH, Bad Waldsee:

The HYMER Group received EUR 10 k (prior year: EUR 10 k) under the profit and loss transfer agreement dated 25 March 1997. This results in a liability of EUR 52 k (prior year: EUR 52 k) at the HYMER Group due to Niesmann+Bischoff GmbH.

Eriba-Hymer Nederland B.V., Hardinxveld-Giessendam, Netherlands:

Eriba-Hymer Nederland B.V. invoiced the HYMER Group EUR 780 k (prior year: EUR 540 k) for sales commissions, EUR 165 k (prior year: EUR 166 k) for other costs and EUR 6 k (prior year: EUR 9 k) for deliveries of replacement parts. The HYMER Group invoiced Eriba-Hymer Nederland B.V. a total amount of EUR 217 k (prior year: EUR 141 k).

Hymermobil S.A.R.L., Cernay, France

Hymermobil S.A.R.L. was merged with Hymer France S.A.S. with effect as of 1 January 2008. Therefore all related parties of Hymermobil S.A.R.L. until this date were already disclosed by Hymer France S.A.S.

HYMER Group Transactions with Associates

EXPOCAMP Freizeit und Caravaning Center Wertheim GmbH, Wertheim:

Revenue of EUR 7,475 k (prior year: EUR 5,992 k) was generated with EXPOCAMP as well as other income of EUR 82 k. In exchange, EUR 101 k (prior year: EUR 564 k) was offset by EXPOCAMP.

Transactions of HYMER Group Entities with the Entities Controlled by Mr. Erwin Hymer and his Family Members

CMC Caravan GmbH & Co. Beteiligungs-KG, Bad Waldsee:

A total of EUR 7 k (prior year: EUR 17 k) was invoiced by CMC Caravan GmbH & Co. Beteiligungs-KG to the HYMER Group. In the year under review, EUR 8 k (prior year: EUR 7 k) was invoiced to CMC Caravan GmbH & Co. Beteiligungs-KG.

Dethleffs GmbH & Co. KG, Isny:

A total of EUR 149 k (prior year: EUR 3,576 k) was invoiced by Dethleffs GmbH & Co. KG to the HYMER Group in the year under review. As at the end of the fiscal year, the loan extended to the HYMER Group stood at EUR 829 k (prior year: EUR 833 k), the related interest expense attributable to the HYMER Group amounts to EUR 51 k (prior year: EUR 40 k). The HYMER Group generated income of EUR 597 k (prior year: EUR 941 k) with Dethleffs GmbH & Co. KG.

Hymer Erbbaurecht Polch GbR, Bad Waldsee:

The production and administration building constructed based on the hereditary building right of the Polch plant at the "Im Goll" industrial estate was rented by Hymer Erbbaurecht Polch GbR. In the year under review, the rent amounted to EUR 697 k (prior year: EUR 697 k) plus VAT and incidental costs invoiced separately. The rent is based on the rental value determined by an expert report.

hymer idc GmbH + Co. KG, Pforzheim:

In the year under review, Hymer idc GmbH + Co. KG invoiced the HYMER Group a total of EUR 245 k (prior year: EUR 540 k) for development projects. The HYMER Group generated revenue of EUR 1 k (prior year: EUR 0 k) with hymer idc GmbH in the year under review.

Hymer Leichtmetallbau GmbH & Co. KG, Wangen:

There are supplier relationships in place with Hymer Leichtmetallbau GmbH & Co. KG. In competition with other suppliers, the company supplied goods worth EUR 1,586 k (prior year: EUR 1,205 k) to the HYMER Group. Orders are only placed when this is advantageous based on the value for money available on the market. Hymer Leichtmetallbau GmbH & Co. KG was invoiced for materials and costs totalling EUR 14 k (prior year: EUR 1 k).

LMC Caravan GmbH & Co. KG, Sassenberg:

A total of EUR 242 k (prior year: EUR 428 k) was invoiced to LMC Caravan GmbH & Co. KG. This primarily relates to cross-charged costs attributable to common IT projects, including PDM/ERP/IGS/Firewall. LMC-Caravan GmbH & Co. KG invoiced the HYMER Group a total of EUR 37 k (prior year: EUR 8 k).

TEC Caravan GmbH & Co. KG, Sassenberg:

No trade was conducted with TEC Caravan GmbH & Co. KG in the year under review (prior year: EUR 39 k).

Transactions of HYMER Aktiengesellschaft with its Other Bodies

Shares held by the Board of Directors and the Supervisory Board:

| | 31/08/2008 Number of shares | 31/08/2007 Number of shares |
|--|-----------------------------------|-----------------------------------|
| Board of Directors in total | 700 | 700 |
| Supervisory Board in total | 0 | 3,093,050 |
| thereof held by the chairman of the Supervisory Board, Dipl.-Ing. Erwin Hymer | 0 | 3,093,050 |

The members of the Supervisory Board receive the following fixed remuneration pursuant to the articles of incorporation and bylaws. They do not receive variable remuneration components.

| | <u>EUR k</u> |
|-----------------------------------|--------------|
| Chairman of the Supervisory Board | 46.0 |
| Deputy chairman | 34.5 |
| Other members | 23.0 |

Remuneration of the Supervisory Board and Board of Directors:

| | <u>2007/08 EUR k</u> | <u>2006/07 EUR k</u> |
|---|--------------------------|--------------------------|
| Remuneration of the Supervisory Board | 173 | 86 |
| Remuneration of the Board of Directors | 727 | 804 |
| thereof variable component | 278 | 355 |
| Pension provisions for former members of management | 1,415 | 1,619 |
| Total remuneration of former members of the Board of Directors | 127 | 126 |

Itemised disclosure of the remuneration of the Board of Directors was not made, exercising Sec. 286 (5) HGB.

10. List of Shareholdings as of 31 August 2008

| | Share in capital % |
|--|--------------------------|
| Fully consolidated subsidiaries | |
| Bürstner GmbH, Kehl | 100.00 |
| Burstner S.A., Wissembourg, France | 100.00 |
| Hymer France S.A.S., Cernay, France | 98.00 |
| LAIKA CARAVANS S.p.A., Tavarnelle, Italy | 100.00 |
| MOREVA S.A.R.L., Etrelles, France | 100.00 |
| Movera GmbH, Bad Waldsee | 60.83 |

Additional disclosures pursuant to Sec. 313 (2) HGB

| | |
|---|--------|
| Bachem - Werk GmbH, Bad Waldsee | 100.00 |
| Bürstner AG, Reinach, Switzerland | 100.00 |
| Bürstner B.V., Hoozeveen, Netherlands | 100.00 |
| Carado GmbH, Bad Waldsee | 100.00 |
| Eriba-Hymer Nederland B.V., Hardinxveld-Giessendam, Netherlands | 100.00 |
| HYMER-ERIBA GmbH, Bad Waldsee | 100.00 |
| Niesmann+Bischoff GmbH, Bad Waldsee | 100.00 |
| SCI Alsace, Cernay, France | 98.00 |

Joint ventures consolidated proportionately

Germany

| | |
|------------------------------|-------|
| CAPRON GmbH, Neustadt i. Sa. | 50.00 |
|------------------------------|-------|

Companies consolidated at equity

Germany

EXPOCAMP Freizeit und Caravaning Center Wertheim
GmbH, Wertheim 44.60

11. Declaration on the German Corporate Governance Code

The Board of Director's declaration of compliance with the Corporate Governance Code including explanations on the deviations from it is published on the Company's website (www.hymer.com).

12. Company Boards

Supervisory Board

Dipl.-Ing. **Erwin Hymer**, Bad Waldsee - Chairman - (until 13 February 2008)

Managing partner of CMC Caravan GmbH & Co. Beteiligungs KG,
Bad Waldsee

Professor **Bernd Gottschalk**, Esslingen - Chairman - (from 13 February 2008)

Member of the shareholders' committee and supervisory board of Voith AG,
Heidenheim

Member of the supervisory board of Plastic Omnium S.A., Paris

Member of the supervisory board, the audit committee and the personnel committee of
Fuchs Petrolub AG, Mannheim

Member of the supervisory board of ThyssenKrupp Steel AG, Duisburg

Member of the supervisory board of Hoffmann La Roche AG, Grenzach

Member of the advisory board of the Schaeffler Group, Herzogenaurach

Member of the advisory board of the WOCO Group, Bad Soden-Salmünster

Dipl.-Ing. Dr. **Gerhard Gross**, Gaienhofen – Deputy chairman -

Deputy chairman of the supervisory board of Kögel Fahrzeugwerke AG, Ulm

Member of the advisory board of Office Concept GmbH, Stuttgart

Dipl.-Kfm. **Uwe Holy**, Ermatingen (Switzerland)

President of the management board of Strellson AG, Kreuzlingen (Switzerland)

Member of the supervisory board of Engelhorn KGaA, Mannheim

Member of the supervisory board of Holy AG, Metzingen

Dipl.-Volkswirt **Michael Horn**, Weingarten

Deputy chairman of the management board of Landesbank Baden-Württemberg, Stuttgart

Member of the supervisory board of Grieshaber Logistik AG, Weingarten

Member of the supervisory board of Württembergische Lebensversicherung AG, Stuttgart

Member of the management board of Landesbank Rheinland-Pfalz, Mainz (until 30 June 2008)

Member of the supervisory board of SV Sparkassen-Versicherung Baden-Württemberg Holding AG, Stuttgart

Deputy chairman of the supervisory board of MKB Mittelrheinische Bank GmbH, Koblenz

Deputy chairman of the advisory board of MMV Leasing GmbH, Koblenz

Member of the management board of LBBW Luxemburg S.A., Luxemburg

Chairman of the management board of Bankhaus Ellwanger & Geiger KG, Stuttgart

Member of the management board of LBS Baden-Württemberg, Stuttgart/Karlsruhe

Deputy chairman of the supervisory board of Siedlungswerk gemeinnützige Gesellschaft für Wohnungs- und Städtebau, Stuttgart

Member of the supervisory board of Vorarlberger Landes- und Hypothekenbank AG, Bregenz

Member of the supervisory board of Landesbank Sachsen Aktiengesellschaft, Leipzig (from 24 February 2008 until 31 March 2008)

Member of the advisory board of Friedrich Burk GmbH & Co. KG, Ravensburg

Member of the advisory board of Elektro Stotz GmbH & Co. KG, Ravensburg

Brigitte Macleod, Bad Wurzach

Employee representative, assembly worker, HYMER AG

Andreas Post, Bad Waldsee

Employee representative, technical employee, HYMER AG

Board of Directors

Hans-Jürgen Burkert, Bad Waldsee

Commercial Officer

(until 31 August 2008)

Dr. Reinhard Knüppel, Dortmund

Technical Officer

Hermann Pfaff, Bad Waldsee

Commercial Officer

(from 1 September 2008)

Bad Waldsee, 1 December 2008

The Board of Directors

Dr. Reinhard Knüppel

Hermann Pfaff

Group Management Report

HYMER Aktiengesellschaft with registered offices in Bad Waldsee, is a publicly listed company and the ultimate parent company of the HYMER Group. The business purpose of the HYMER Group comprises the manufacture and sale of leisure products including motorhomes and caravans. The European Union is the Group's primary sales market.

The internal organisational and management structure of the Group is based on the business segments explained in the notes to the consolidated financial statements. The main production sites are located in Bad Waldsee, Kehl, Neustadt i. Sa., Tavarnelle, Italy, Wissembourg/France and Cernay/France.

The Board of Directors manages the Group based on the consolidated monthly reporting. The key indicators used for corporate management include earnings before income tax, gross profit margin (with total output as the reference figure), equity ratio, EBIT, working capital and pre-tax return on sales.

Development of the Economy as a Whole

The US real estate crisis has escalated into a global crisis on the financial markets since September 2007. Banks ceased virtually all lending between one another in the course of 2008. Stock markets across the world have been showing falling prices since the start of the year. The leading share index in Germany, the DAX, was already down 20% by the end of August, with the Dow Jones in New York down 12%. Economists fear that a recession will hit in 2009. The US Federal Reserve believes that the US economy will already slide into a recession in the third quarter of 2008.

The financial crisis hit the EU during a critical phase. The high cost of energy and oil, record prices for raw materials and a high exchange rate for the euro against the dollar toughening the export market combined with a significant drop in demand from the USA and an increase in the inflation rate to 4% in July 2008 put quite a damper on the EU economy. The indicators used to measure the mood of consumers and in industry fell considerably. Economic growth in the EU shrank from 2.1% in the prior-year period to 1.4% in 2008.

Following a 2.5% increase in GDP in 2007, the German government and financial experts had to revise their original forecast of 2.3% for 2008 to 1.7% .

In the third quarter of 2008, the warning signs of a recession were apparent in Germany, with falling production and order intake in the engineering sectors, extremely cautious spending by consumers and a heightening of the sales crisis in the automotive industry.

Developments in the Industry

The sales markets of the Hymer Group developed to a large extent as expected in fiscal 2007/08 up until April 2008. In May, the sales situation changed dramatically. This unfavourable change burdened sales in the whole industry.

The number of new vehicles registered on EU markets in the period from September 2007 to August 2008 totalled 200,519 units (prior year: 207,550) according to statistics from the European Caravan Federation (ECF). This is a decrease of 7,031 vehicles or 3.4%. The number of new caravans registered in the EU saw a drop of 7,728 units or 6.5%. The number of new registrations of motorhomes comes to 89,594 units following 88,897 vehicles in the prior year.

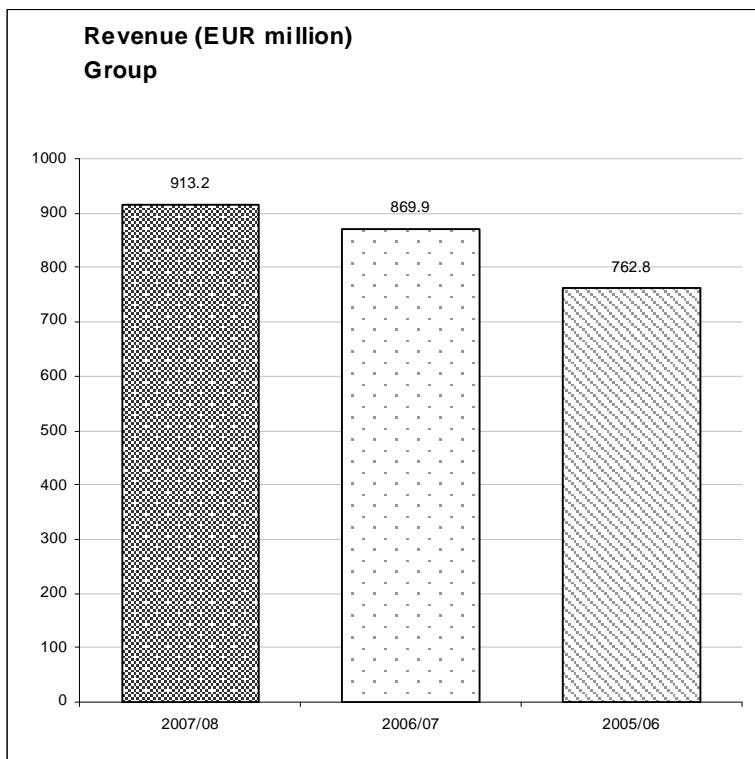
The German market for leisure vehicles followed this trend. The number of new caravans registered was down 6.4% to 19,168 units (prior year: 20,487). In contrast, the number of new motorhomes registered in Germany was up by 3.5% to 20,930 units (prior year: 20,223).

The sales situation in May signalled a drastic change across Europe. On the one hand, the number of new registrations in Europe was in decline, but only to a limited extent. On the other, manufacturers of leisure vehicles saw a dramatic slow-down of sales. The excessive number of vehicles held in stock was largely responsible for this development. Dealers increasingly encountered financial difficulties, reducing the number of new orders of vehicles from manufacturers and demanding the sale of their old stock. The large-scale efforts of various manufacturers to sell their stock led to intensified pressure on sales prices. As in the case of the automotive industry in Europe, high fuel prices, the ongoing discussion on climate change and growing uncertainty in the wake of the financial crisis have had a negative impact on customers' willingness to spend. Slack sales continued until the end of the fiscal year.

Business Development

The business development of the HYMER Group in 2007/2008 was also characterised by two completely different periods; the first eight months of the fiscal year went according to plan with double-digit growth. In contrast, the last four months of the reporting period from May to the end of August 2008 saw a sharp decline in sales. The Board of Directors of HYMER AG was therefore dissatisfied with the business development of the Group in the reporting period 2007/2008 overall.

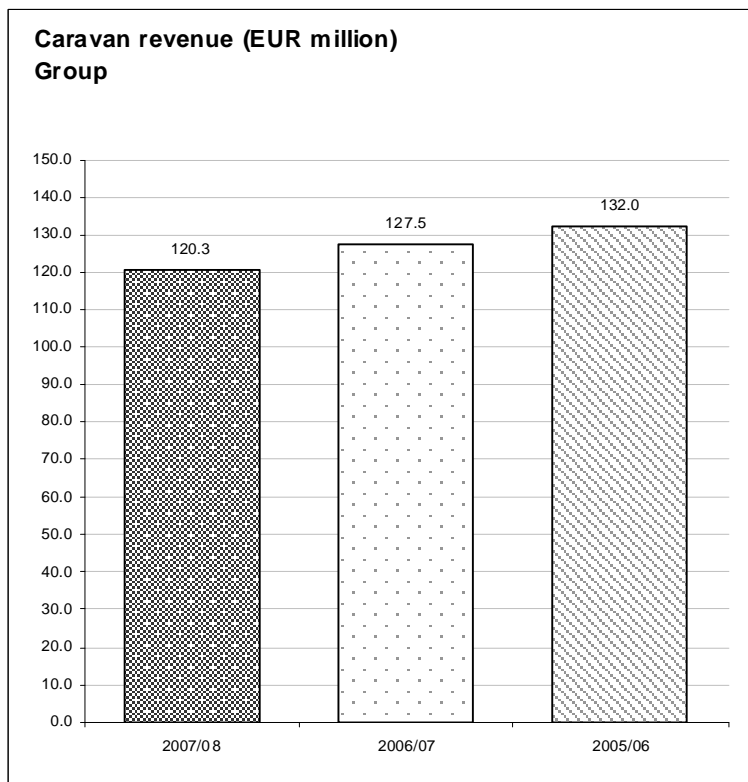
The HYMER Group was able to increase revenue in the fiscal year 2007/08 to EUR 913.2 million (prior year: EUR 869.9 million). The 5.0% increase in the volume of sales was attributable to the first eight months of the fiscal year. Revenue slipped below the prior-year level in the last third of the reporting period.



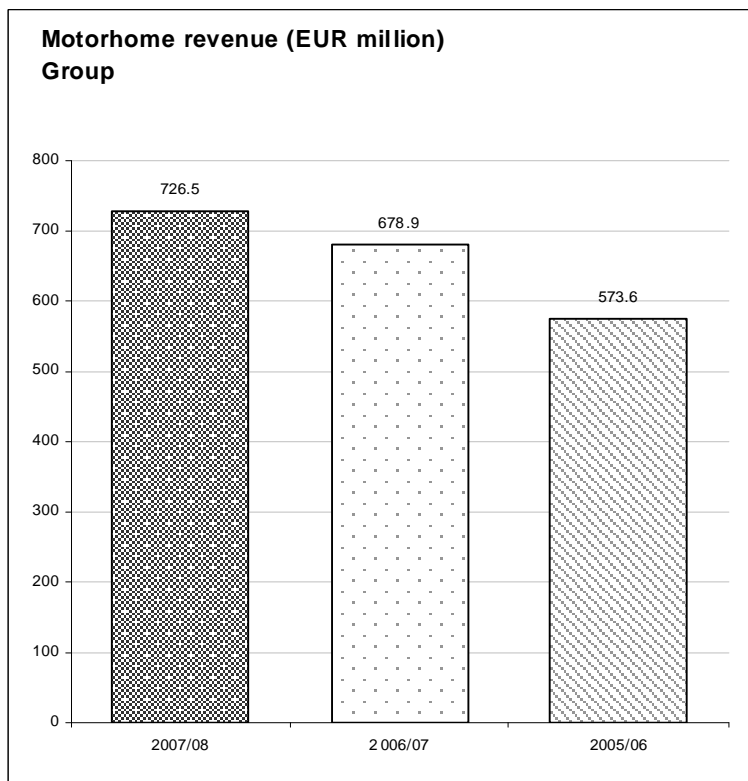
Revenue increased by 4.3% to EUR 311.8 million (prior year: EUR 298.9 million) in Germany. Sales in Germany accounted for 34.1% of total sales compared to 34.4% in the prior-year reporting period.

Revenue from exports saw a rise of 5.3% to EUR 601.4 million (prior year: EUR 570.9 million). Revenue from exports accounts for 65.9% of total sales compared to 65.6% in 2006/2007. As in prior years, France, the United Kingdom, Italy and the Netherlands remained the most important export markets of the HYMER Group.

The caravan division accounted for EUR 120.3 million (prior year: EUR 127.5 million) of group sales. This corresponds to a reduction of EUR 7.2 million or 5.7% on the prior year.



Motorhomes revenue of EUR 726.5 million (prior year: EUR 678.9 million) made up 79.6% of the Group's revenue.

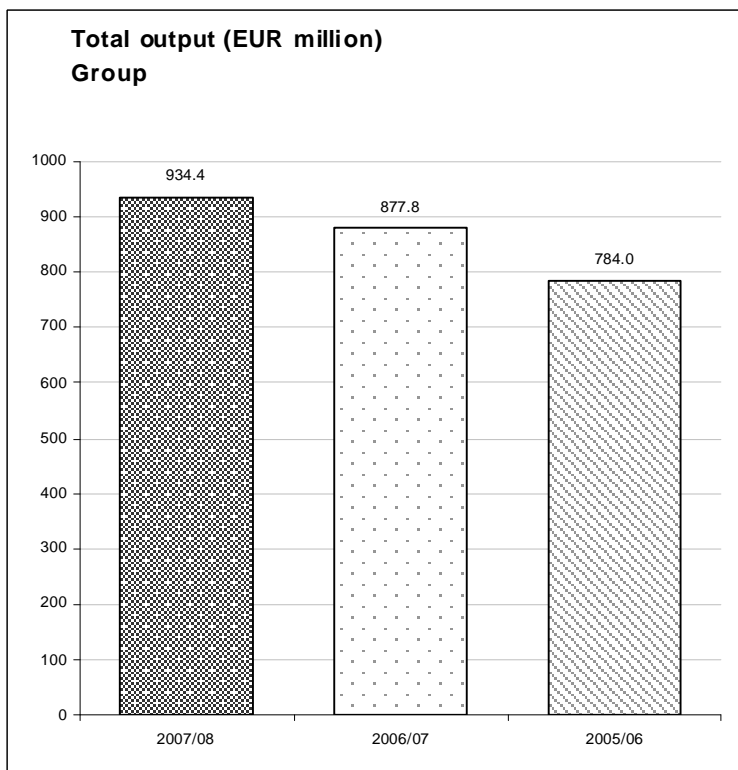


Other operating income amounted to EUR 14.3 million (prior year: EUR 11.1 million). This represents a change of EUR 3.2 million or 29.5% which is largely attributable to income from insurance claims and the disposal of assets. Inventories of finished goods and work in process increased by EUR 16.8 million (prior year: increased EUR 2.3 million) on account of the excessive stocks held by dealers and the associated drop in requirements. The Group's revenue of EUR 913.2 million was generated from the sale of 26,103 vehicles (prior year: 26,002 vehicles). Sales of caravans were down to 9,416 vehicles (prior year: 10,187 vehicles). With a sales volume of 16,687 motorhomes, the Group saw an increase of 872 vehicles or 5.5% compared to the prior year (15,815 vehicles).

Results of Operations

After consolidation of the results of operations of the group companies – HYMER AG, HYMER France S.A.S., CAPRON GmbH, Bürstner Group, Laika Caravans S.p.A. and Movera GmbH – the results of operations are as follows:

The Group managed to increase the total output including the change in own work capitalised by 6.4% to EUR 934.4 million in the fiscal year 2007/08 (prior year: EUR 877.8 million). The increase is attributable to the rise in revenue and the increase in inventories.



Cost of materials as a portion of total output rose at a relatively high rate by EUR 55.7 million or 8.8% to EUR 689.8 million (prior year: EUR 634.1 million). The ratio of cost of materials to total output in the Group increased to 73.8% (prior year: 72.2%). All segments of the HYMER Group reported a lower gross profit. In addition to the higher cost of materials, this development was caused by the increase in finished goods and work in progress accounted for at production cost and the contractually agreed support for dealers which burdens sales.

Personnel expenses increased by EUR 7.1 million or 5.4% to EUR 137.4 million (prior year: EUR 130.3 million). The ratio of personnel expenses to total output in the Group decreased from 14.8% in the prior year to 14.7%

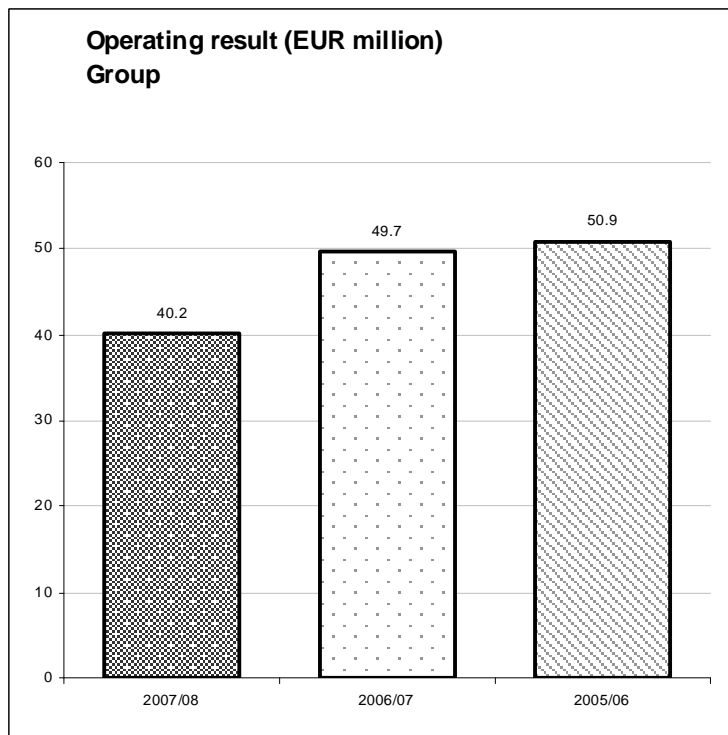
Earnings before interest and taxes, depreciation and amortisation (EBITDA) came to EUR 62.3 million (prior year EUR 69.0 million), down EUR 6.7 million or 9.7%.

Amortisation and depreciation increased by EUR 2.1 million or 10.6% to EUR 21.9 million (prior year: EUR 19.8 million). Of the expenses for amortisation and depreciation, EUR 11.5 million pertained to the HYMER segment. Amortisation and depreciation in the Bürstner segment more or less matched the level of capital expenditures.

Other operating expenses increased by EUR 4.6 million or 8.4% to EUR 59.6 million (prior year: EUR 55.0 million). Other operating expenses as a percentage of total operating expenses increased from 6.3% in the prior year to 6.4%. This is attributable to advertising expenses in relation to the 50th anniversary of HYMER, the renovation of a production hall and the general price increase for services.

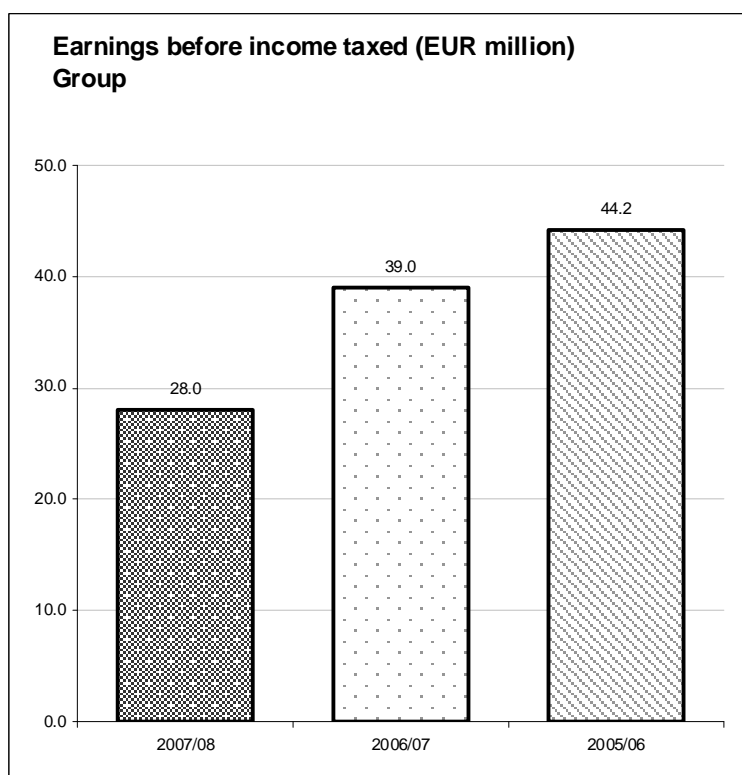
The operating result (earnings before financial result and income taxes) was down, despite the rise in operating performance. The HYMER Group recorded an operating result of EUR 40.2 million, down EUR 9.5 million or 19.1% on the prior-year figure of EUR 49.7 million. This development is due in particular to the higher cost of materials and increased amortisation and depreciation.

The HYMER Group's Hymer segment managed to maintain the prior-year operating result at a stable level.



Owing to an increase in loans and higher interest rates, the financial result calculated as the balance of income from equity investments and profit transfers, interest income and interest expenses totalled EUR -12.2 million in the reporting period, compared to EUR -10.7 million in the prior year.

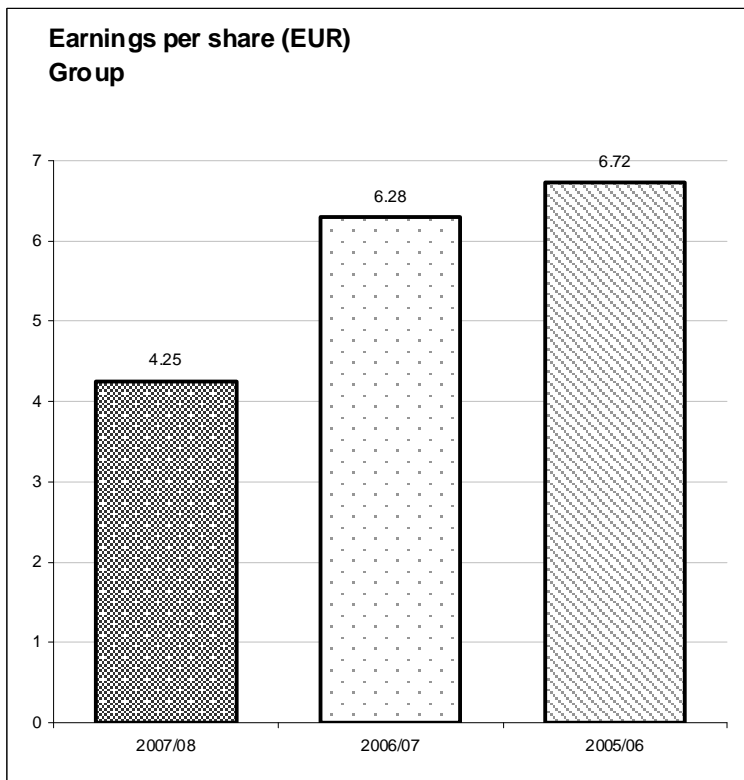
Earnings before income taxes amounted to EUR 28.0 million (prior year: EUR 39.0 million), down EUR 11.0 million or 28.2% on the prior year.



Income taxes totalled EUR 10.7 million (prior year: EUR 13.5 million). This corresponds to a EUR 2.8 million or 20.8% decrease. Since no unused losses were recorded, the tax rate increased from 34.7% to 38.3%. Current taxes of EUR 10.6 million were down EUR 3.0 million on the prior year (EUR 13.6 million).

The net profit of the HYMER Group came to EUR 17.0 million after deduction of EUR 0.3 million attributable to minority interests (prior year: EUR 25.1 million), a decrease of EUR 8.1 million.

Earnings per share totalled EUR 4.25 compared to EUR 6.28 in the prior year. This is a decrease of EUR 2.03 or 32.3%.



Net Assets and Financial Position

The HYMER Group's balance sheet total as at the cut-off date 31 August 2008 increased by EUR 23.9 million or 4.8% to EUR 521.8 million (prior year: EUR 497.9 million).

On the assets side of the balance sheet, non-current assets increased 4.0% to EUR 160.6 million (prior year: EUR 154.4 million). Current assets were up EUR 17.7 million or 5.2% to EUR 361.2 million (prior year: EUR 343.5 million). The increase in non-current assets included a 4.5% increase in property, plant and equipment. This pertained primarily to machines and equipment, the construction of the new sales branch in Bad Waldsee as well as tools and devices for new products.

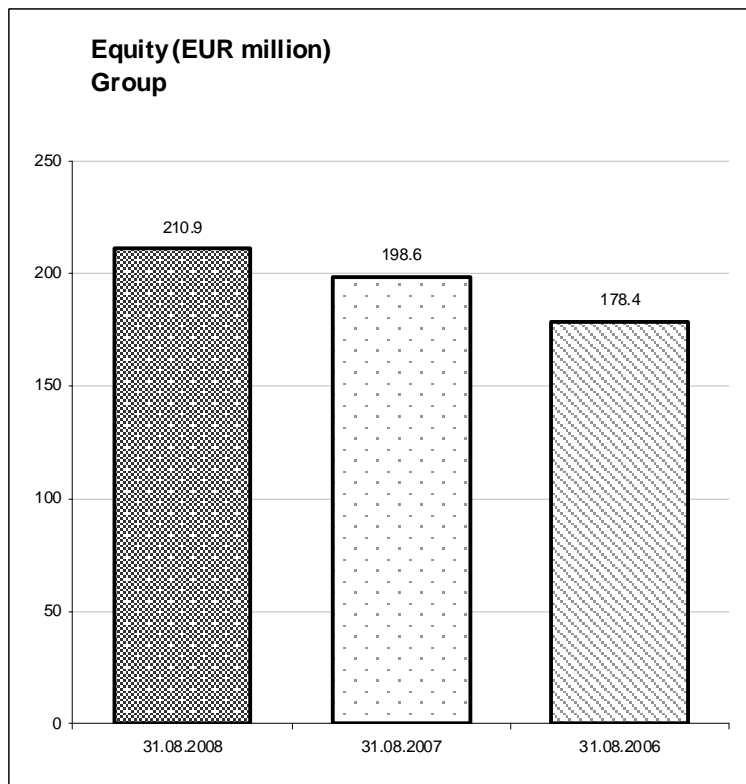
Within current assets, there was a rise in inventories to EUR 212.8 million (prior year: EUR 196.5 million). This is an increase of EUR 16.3 million or 8.3%. The significant rise in inventories pertains principally to finished vehicles and chassis under construction.

Trade receivables were down from EUR 100.7 million in the prior year to EUR 89.0 million. This is a reduction of EUR 11.7 million or 11.6%. This decrease in trade receivables is due to factoring started in the last fiscal year involving the sale of receivables of EUR 40.0 million to third parties to improve working capital. Other current financial assets were up EUR 7.9 million or 36.7% from EUR 21.5 million in the prior year to EUR 29.4 million. This relates to an increase in bonus claims from vehicle manufacturers, loan receivables, receivables from insurance companies and other receivables.

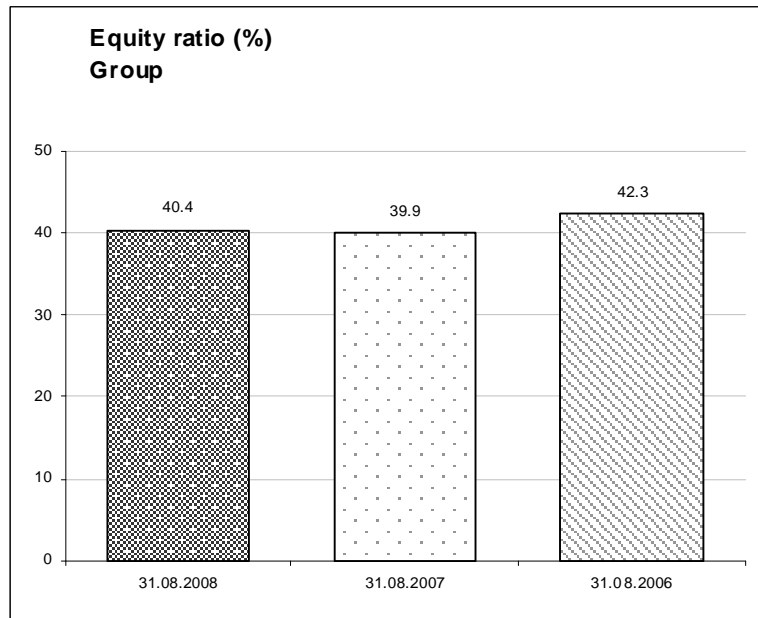
Cash and cash equivalents fell to EUR 9.8 million (prior year: EUR 11.1 million). The consolidated cash flow statement presents the source and utilisation of cash and cash equivalents.

The main movements on the equity and liabilities side of the balance sheet concern the increase in equity and non-current liabilities as well as decrease in current liabilities.

Equity improved to EUR 210.9 million (prior year: EUR 198.6 million). This is an increase of EUR 12.3 million or 6.2%. The equity ratio came to 40.4% (prior year: 39.9%).



The return on equity measured on the basis of earnings before income taxes came to 13.7% compared to 20.7% in the prior year. Revenue reserves increased EUR 12.3 million or 7.1% to EUR 184.7 million (prior year: EUR 172.4 million).



Within non-current liabilities, the item “Financial liabilities” almost doubled on the prior year to EUR 54.8 million (prior year: EUR 27.3 million). The increase came to EUR 27.5 million or 100.7%, and is above all attributable to capital expenditures made and the reclassification of current liabilities to non-current liabilities.

Current liabilities were down EUR 15.1 million or 6.0% to EUR 235.7 million (prior year: EUR 250.8 million) as a result of the repayment of loans due. Trade payables increased 39.3% or EUR 12.7 million to EUR 45.0 million (prior year: EUR 32.3 million). Other financial liabilities decreased EUR 29.3 million or 15.5% to EUR 159.1 million (prior year: EUR 188.4 million). A reduction of EUR 44.0 million in total was reported in the HYMER and Bürstner segments, although this was offset in part by the EUR 15.0 million increase in the Laika segment.

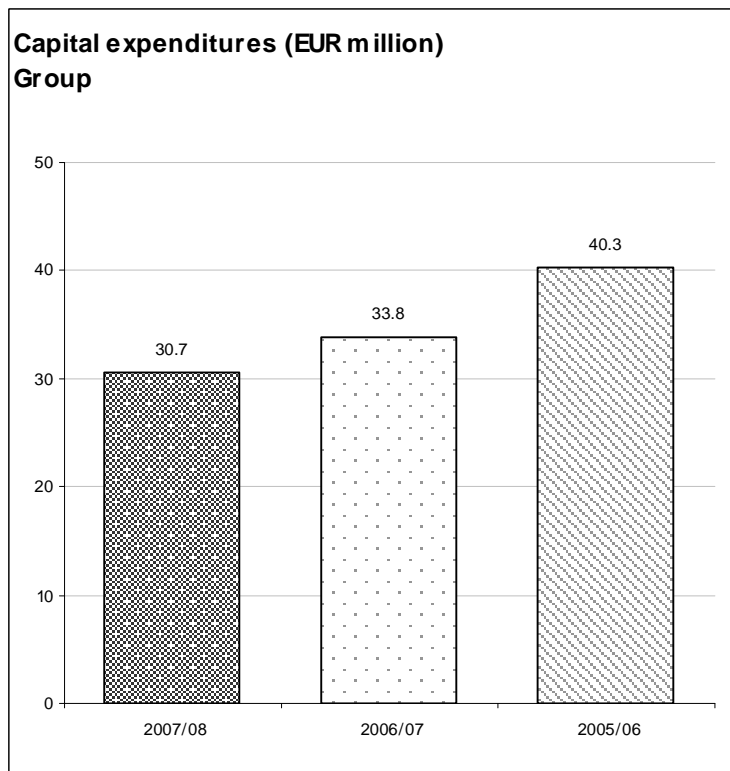
Other current liabilities were virtually unchanged at EUR 23.5 million (prior year: EUR 23.4 million).

There was a change of EUR 0.3 million in current provisions, attributable to a reduction in sales-related provisions and an increase in personnel provisions.

The Board of Directors does not envisage any liquidity problems. The HYMER Group is able to meet its payment obligations at any time.

Capital Expenditures

The HYMER Group made capital expenditures totalling EUR 30.7 million (prior year: EUR 33.8 million) in fiscal year 2007/08. This corresponds to a EUR 3.1 million or 9.2% decrease. The lower investment volume compared to the prior year is due to the fact that construction of the new production hall in Bad Waldsee was almost finished at the end of the fiscal year 2006/07 and the completion in the meantime of technical installations and fittings at the production facility. The Company made capital expenditures at a particularly high level in relation to this project in the last two fiscal years.



Of the total capital expenditures mentioned above, more than EUR 20 million pertained to the HYMER segment, primarily for the Bad Waldsee location in relation to the construction of a new sales branch, the renovation of a production hall and development projects.

The Group invested a further EUR 8.0 million in the Bürstner segment for tools, development costs, technical equipment and machines and new ERP software in particular.

An amount of EUR 2.5 million was spent on machines, tools and furniture and fixtures for the other segments, Laika, Niesmann+Bischoff and Movera.

Research and Development

The market and end customers demand innovation. New advances are a strong incentive to buy. The Group therefore places great importance on product development. The research and development activities of the HYMER Group are entirely geared towards application solutions. The Group is not concerned with basic research. Development projects are organised with great care by the individual group entities. Each group entity and segment has its own team working independently of the others. The HYMER Group expressly favours this structure. The Company wants to promote competition between the greatest minds and

individual creativity within the group companies, as well as enabling each group brand to build on its market profile through innovation and new technical solutions.

HYMER manages and exploits the synergy potential of activities at the individual locations by means of a group-wide, uniform infrastructure using CAD and PDM. The corresponding ERP system is currently being introduced across the Group. Regular management conferences and meetings of the advisory board promote information exchange between the brands concerning innovative projects and prevent the costly reduplication of activities in the same area. In addition, the presentation of new projects is an opportunity for the start of future cooperation on new products within the Group. This policy applies to all segments and group activities, unless brand-specific, and has been in place at HYMER for many years.

The Company's development activities are crucial to its market success and ability to compete. Optimised production processes help cut costs. Innovative and useful performance features of leisure vehicles strengthen the brand and market position and promote sales to dealers and ultimately to end customers.

The HYMER Group companies worked on a number of pioneering innovations and presented them in the reporting period. "Innovision", the design concept vehicle presented in hall 17 at the Caravan Salon trade fair in Düsseldorf, is a significant trend-setter.

The Innovision concept represents the cutting-edge leisure vehicle, the motorhome of tomorrow. Working in close cooperation with supply partners and external institutions, HYMER developers took the best ideas from end customers and readers of the trade journal "Reisemobil" and turned them into practical solutions to mark its 50th anniversary.

The highlights among the many different developments include the economic and ecologically sound gas engine, electrically operated tinted windows which can be dimmed to make them non-transparent, completely new lighting technology and other improvements to comfort and convenience.

An awning fitted with ultra slim solar cells also was also received very positively. It unfolds electronically and provides a significant amount of electricity. Fair visitors were equally impressed by a particularly convenient roof rack and a kitchen which can be rotated to the outside. There is great room for innovation in the Innovision vehicle over the coming years.

Less spectacular but also very useful and attractive to purchasers is the innovative cab-over for semi-integrated vehicles developed by Bürstner. It enables four-berth vehicles of this class for the first time. These less expensive vehicles are particularly attractive in their market

segment in times of price consciousness on the part of end customers. This is especially true when they can offer decisive advantages over competitors' models.

Special mention should be made of the integrated motorhome based on an Iveco chassis developed in a cooperation between Niesmann+Bischoff and HYMER for the premium segment. Based on an identical conceptual design for the motorhome, different vehicles are produced using brand-specific adjustments which make a vast difference to the appearance. This enabled the realisation of considerable synergy effects and cost-cutting.

Development work capitalised in fiscal year 2007/08 came to EUR 4.2 million (prior year: EUR 5.3 million). A share of the development work for the Innovision design concept vehicle is allocable to the fiscal year 2006/07.

Subsequent Events

There were no events after the end of fiscal year 2007/2008 that would have been material to the presentation of the net assets, financial position and results of operations of the Group.

However, the crisis on the financial markets has worsened dramatically since September 2008. The potential consequences this could have on the future development of the Group is set out under "Risk report" and "Forecast".

Risk Report

As a group with international operations, the HYMER Group is exposed to a number of risks in the course of its operations. The foremost business aim to achieve a sustainable business development both in terms of earnings before income taxes and in terms of market shares. Meeting these targets requires a trade-off between possible risks and emerging opportunities.

The consideration of risks and opportunities and how they are likely to progress is part of the strategy of the HYMER Group. The Group's risk management system identifies, analyses and assesses the development of relevant risks. The Group's risk management system is largely unchanged compared to the prior year.

The key ratios for business development, planning deviations and continuous monitoring as well as the immediate notification of risks are fundamental components of reporting activities.

The Board of Directors manages the Group based on the consolidated monthly reporting. The key performance indicators used include revenue, unit sales, operating result, earnings before income taxes, order backlog and production output.

A risk manual provides detailed documentation of the elements of the early warning system for the detection of risks and, in particular, the relevant system components, functions and persons responsible.

Risks in the Economic Environment

A renewed increase in energy prices could curb consumers' willingness to spend, as might a shortage of credit or less favourable loan conditions resulting from the global financial crisis. End customers' lack of confidence regarding their savings is a further sales risk. The consequences of the expected recession may also restrict consumers' inclination to spend.

Political Environment

Environmental policy on CO₂ emissions and particulate matter in Europe and in Germany is subject to change and has yet to be dealt with definitively. Mandatory legal restrictions – especially those relating to diesel vehicles – could negatively impact the sales of HYMER leisure vehicles.

Market Risks

Dealers of leisure vehicles face the risk of insolvency as a result of the increased lack of funding for their stock. The loss of sales partners would weaken the sales network of the HYMER Group and cause a temporary drop in unit sales.

The insolvency of dealers of leisure vehicles and the associated collection of unpaid vehicles with retention of title that would be necessary pose a risk to the Group. There is also the possibility that goods would have to be sold on at a discount.

Growing competition presents a further market risk. Excessive stock held by dealers and manufacturers could lead to special sales campaigns being run on a large-scale on the market and intensified pressure on prices. The HYMER Group would see the effects of this reflected in earnings.

Capacity Risks

Maintaining modern production capacity at several locations across the Group requires a high capital outlay on account of the investment necessary. If it continues, the current crisis in demand could lead to write-downs of property, plant and equipment and increased fixed costs. This would have a negative effect on Group earnings.

Although – as explained in the forecast – the Company expects to deal with a shrinking market, a continuing decline could lead to more jobs being lost, resulting in a cost-intensive redundancy plan and possibly even more short-time work, both of which would negatively impact profits.

Risks from International Activities

Following the restructuring of Hymer France S.A.S. to streamline the workforce and product range, risks relating to this entity are highly unlikely. Moreva, a Bürstner Group entity with registered offices in Etreilles, France, which manufactures and sells motorhomes has had its production capacity adjusted in response to low demand. Appropriate bad debt allowances and provisions have been set up for measures which are likely to become necessary, including the reduction of inventories. We do not expect any further risks that would jeopardise the Group's ability to continue as a going concern.

Financing Risks

The financial crisis may affect the HYMER Group's ability to secure funding, though no such difficulties have been encountered so far. We do not currently expect there to be any shortages in this area.

Currency Risks

There are currency risks on the British sales market in particular. A fluctuation of 10% either side of the exchange rate would have affected Group revenue by EUR 2.9 million in 2006/07.

Overall Risk

At present there are no risks relating to Group organisation, information technology, the environment or legal matters which could jeopardise business development or the Company's ability to continue as a going concern.

In summary: the sales crisis, especially concerning dealers and manufacturers, harbours numerous uncertainties for the HYMER Group. It is unlikely that demand will pick up or even stabilise in the course of the new fiscal year. The effects of the financial crisis on the economy and consumer behaviour in the EU are difficult to judge. These two complex matters are both significant risk factors for the HYMER Group. Based on the information and findings currently available, these risks do not pose a threat to the Company's ability to continue as a going concern. However, they will shape the future development of the Group.

We are not aware of any other events which pose further risks to business development or the ability of the Company to continue as a going concern.

The financial strategy needed to ensure liquidity is based on medium- and short-term financial planning. With this in mind, we explain the current business development of the Group and the prospects of the industry during regular talks with our partner banks.

We refer to the notes to the consolidated financial statements for further explanations on risk management, interest risk, currency risk and credit risk.

The auditors have reviewed the internal control system of the Board of Directors and have deemed it in compliance with legal requirements.

Opportunities

At the start of 2008/2009, all manufacturers of leisure vehicles are in the same extremely difficult chronic sales position which started in May 2008. This strained situation does, however, also present opportunities to the HYMER Group.

The relationship between manufacturers and dealers lies at the heart of the sales problem. Both parties are suffering as a result of excessive vehicle stock.

Sales on the end customer market are fortunately almost at the prior-year level. The number of new caravans and motorhomes registered in Germany between May and October 2008

only fell by some 2.5%. With the exception of Spain, Italy and England, the majority of the EU markets only saw a slight fall on the prior year.

These market figures show that there continues to be customer interest. The sales difficulties experienced by manufacturers will be eased as soon as dealers are once again in a position to accept new vehicles.

The Group will overcome this lean period on the basis of sound finances and flexibility and by cutting production to a level that is well below sales.

The Group is well equipped with modern and cost-efficient production facilities in Germany and abroad. The Group holds a leading market position thanks to its strong brands and international sales network.

The product portfolio of the Group as a whole encompasses all of the end customers' needs and wishes. All standard sizes of motorhome and caravan are catered for, as is every market segment from budget to luxury leisure vehicles.

The distribution of the various Group brands is carried out by a dealership organisation working on a Europe-wide scale and focusing on service and customer support in addition to sales of leisure vehicles. Particularly in a market which is faltering, this proves a stabilising sales factor and significant competitive advantage.

Forecast

Although difficult to calculate the full consequences of the crisis on the financial markets which came to a head in the second half of 2008, the effects can already be felt. Many financial experts see the collapse in sales of vehicles as indicative of the economic downturn.

Only the leading emerging economies expect growth in 2009, albeit at a much slower rate. The most recent economic forecast for the euro zone released by the European Commission on 10 November is rather subdued. Growth is expected to come to a complete standstill in the EU in 2009. Germany will also see zero growth. Tightening restrictions on lending could mean a recession for the EU. The GDP of the euro zone is expected to fall to 0.1% in 2009 following on from 1.2% in 2008. According to reports from Brussels, some recovery is anticipated for 2010.

Risk of Recession

In the light of the threat of recession, increasingly cautious spending can be expected in the HYMER Group's most significant sales markets in the euro zone. The dealership organisation is also faced with this same economic development, leading to an increase in insolvency and increasing pressure on dealerships.

Although the number of registrations for leisure vehicles remained in the region of the prior-year figure in the final quarter of 2008, the excess of stock held by dealers alone means that a recovery of the sales situation cannot be expected any time soon. Only when inventories held by dealers as well as manufacturers have been reduced to a large extent will the state of affairs improve. At the moment it is impossible to say when this will be.

Compared to the prior year, the Group saw a fall in the volume of orders at the three most important trade fairs for the industry in LeBourget (France), Rimini (Italy) and Düsseldorf. The order backlog of the Group is unsatisfactory and below the prior-year level.

There are further obstacles faced by the leisure vehicles market. Uncertainty is widespread among end customers. Savings have been destroyed by the financial crisis. Nobody knows if this development will continue. Lending by banks is limited. The public debate on CO₂, particulate matter and mandatory permits for access to congestion zones have a negative effect on the decision to purchase a leisure vehicle, as do high fuel prices. The residual value of used vehicles is falling due to this consumer uncertainty.

Increased Financial Security of Target Customers

There are, however, also some positive factors. It is therefore to be hoped that the leisure vehicle market in Europe will not be as hard hit as the automotive industry. The target group of end customers for leisure vehicles is the over-50s. They are more financially stable than younger purchasers. If they are genuinely interested in caravanning holidays, their intention to purchase will not be abandoned completely but postponed.

Regardless of the current sales situation, the HYMER Group occupied a strong position as market leader. The production facilities of the HYMER Group overall are fully modernised and generally competitive in terms of costs. The new production hall in Bad Waldsee is equipped with state-of-the-art equipment and machines and enables cost-efficient work to be carried out. The Group will continue its efforts to maintain a high standard of technology. The HYMER Group plans to make capital expenditures of EUR 20.0 million in fiscal year 2008/09.

The restructuring of the French production location in Cernay was successfully completed. In the last fiscal year, restructuring measures were implemented for Moreva at our second production facility in France. Further steps will be required in response to the current sales crisis, however.

Targeted Adjustments

The adjustment of personnel capacity in terms of wage earners and salaried employees has already been started or is underway in the new fiscal year. Adjustments to the number of wage earners has been completed to a large extent based on existing production plans. A rapid reduction in capacity was achieved by decreasing the number of temporary workers and using up overtime accumulated on flexitime accounts. Further measures planned include periods of reduced working hours and potentially also redundancies. We deeply regret these steps which are hugely disruptive for those affected, but they are unavoidable.

We are aware, however, that every crisis also presents an opportunity. Therefore, we do not wish to exclude the possibility that the current dire sales situation will help consolidate the market. We will come to the necessary conclusions based on this market development and implement the resulting measures and activities as quickly as possible. The HYMER Group is in a sound and stable financial and economic position. It has the means to rise from the current crisis even stronger than before.

Target to at Least Break Even

The Group operates in an overall economic environment which is at present extremely difficult to assess, and in an industry-specific one which is unprecedented. The further consequences of the crisis on the financial markets are not predictable, even for economists and financial experts. However, it is precisely these consequences which are decisive in the assessment of the how the HYMER Group will develop. Equally important and just as unpredictable is the further development of the leisure industry market and the situation regarding excess stock held by dealers and manufacturers.

Following careful consideration of the information available as well as the risks and opportunities, the HYMER Group does deem it possible to put a figure on the forecast for the current fiscal year 2008/09 and the subsequent fiscal year. Should revenue and sales continue to develop negatively in fiscal years 2008/09 and 2009/10, the Board of Directors will do everything in its power to at least break even.

Dependent Company Report

In accordance with Sec. 312 (3) AktG [“Aktiengesetz”: German Stock Corporation Act] the Board of Directors hereby declares that, in the circumstances known at the date on which our Company entered the relevant transaction, the Company received adequate consideration for each transaction.

Segment Reporting Pursuant to Sec. 315 (4) HGB

The issued capital of HYMER Aktiengesellschaft totalled EUR 12,000,000.00 as of 31 August 2008 and is divided into 4,000,000 no par value bearer shares (common stock). All shares are of the same class. Each share entitles the holder to one vote at the annual shareholders’ meeting.

The Board of Directors is not aware of any restrictions relating to the voting rights or transferability of shares.

In accordance with Sec. 41 (3) in conjunction with Sec. 25 WpHG [“Wertpapierhandelsgesetz”: Securities Trading Act], HYMER Aktiengesellschaft was informed on April 1,

2002 that Mr. Erwin Hymer, Bad Waldsee, holds 77.4% of the voting rights. In accordance with Sec. 41 (3) in conjunction with Sec. 25 WpHG, HYMER Aktiengesellschaft published this in a timely manner. Mr. Hymer now has a 77.3% share in voting rights.

In December 2007, HYMER AG publicly announced that Deutsche Bank AG, Frankfurt, reported that its subsidiary DWS Investment GmbH, Frankfurt am Main, had exceeded the threshold of 3% on 5 December 2007 and now holds a voting share of 3.03%.

In January 2008, HYMER AG publicly announced that on 31 December 2007, the voting rights of Carolin Hymer, had exceeded the threshold of 3% and had since reached 3.53%.

In January 2008, HYMER AG publicly announced that on 31 December 2007, the voting rights of Christian Hymer, had exceeded the threshold of 3% and had since reached 3.53%.

In August 2008, HYMER AG publicly announced that on 31 March 2008, the voting rights of Financiere de L'Echiquier, Paris, France, had fallen below the threshold of 5% and had since reached 4.9968%. Of those, 0.1499% is allocable to the Company pursuant to Sec. 22 (1) Sentence 1 No 6 WpHG.

In June 2008, HYMER AG publicly announced that Baden-Württembergische Investmentgesellschaft mbH, Stuttgart, reported that it had exceeded the threshold of 5% on 27 May 2008 and now holds a voting share of 5.03% Baden-Württembergische Versorgungsanstalt für Ärzte, Zahn- und Tierärzte, Tübingen, must allocate 4.91% of the voting rights to Company pursuant to Sec. 22 (1) Sentence 1 No 6 WpHG.

In June 2008, HYMER AG publicly announced that on 12 June 2008, the voting rights of Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, had exceeded the threshold of 5% and had since reached 5.04%

There are no shares with special rights granting control authority. There are no voting rights controls on employees participating in capital.

Members of the Board of Directors are appointed and dismissed in compliance with the legal provisions (Sections 84 and 85 AktG). Amendments to the articles of incorporation and bylaws observe the provisions of Sections 133 and 179 AktG.

The Board of Directors is authorised to increase the share capital of the Company once or several times up to a total of EUR 6,000,000.00 through the issue of new voting no par bearer shares (authorised capital). The increase is subject to the approval of the Supervisory Board and applies until 7 March 2011. The shares can be issued in return for contributions in kind or cash. The Board of Directors is also authorised, with the approval of the Supervisory Board, to exclude the shareholders' statutory subscription rights in the following cases: if fractional amounts arise due to subscription ratios; in the case of capital increases through contributions in kind to acquire entities or investments in entities, provided the acquisition of or the investment in the entity is in the interest of the Company. With the approval of the Supervisory Board, the Board of Directors is authorised to set a date for the beginning of profit participation other than that prescribed by law as well to determine other details of the capital increase and the performance thereof, including but not limited to the issue price and the consideration to be paid for the new shares as well as to determine the granting of subscription rights as part of an indirect subscription right pursuant to Sec. 186 (5) AktG.

The Company has not entered into any agreements in case of a takeover bid.