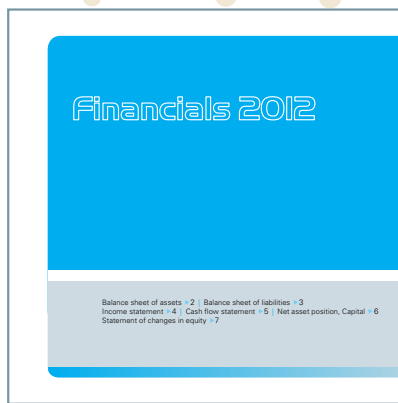


Annual Report
2012

nanofocus[®]
see more ■

Embedded downloads:





Foreword

Letter to the Shareholders ▶ 6 | Interview with the Management Board ▶ 9

Company culture & technology ▶ 14

Developing partnerships ▶ 16 | Understanding processes ▶ 18
Influencing technologies ▶ 20 | Conveying knowledge ▶ 22

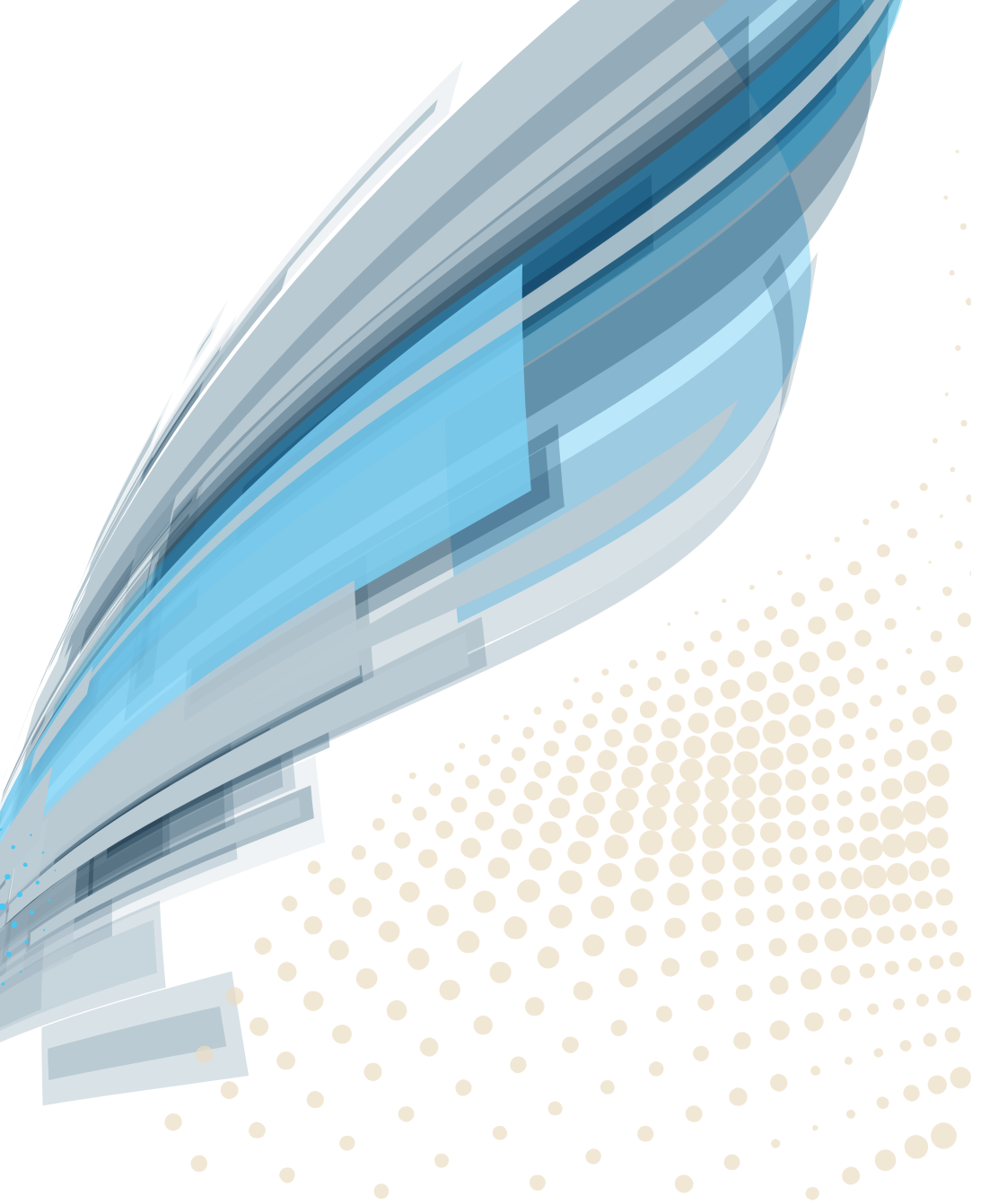
Share 2012 ▶ 25

Share chart ▶ 26 | Investor Relations ▶ 27 | Share data ▶ 29

Supervisory Board Report ▶ 31

Financial calendar ▶ 34

Contact ▶ 34



Foreword

Letter to the Shareholders ▶6

Interview with the Management Board ▶9

Letter to the Shareholders

Dear Shareholders,

our technologies are tools to create new and better products. Such as economical engines, high-performance electronics components, more effective medical technology or a perfect surface refinement. Each of these achievements is not simply the product of a measurement process. It is the product of a corporate objective, which can often only be solved by technical innovation. Such a solution is more than just technology – sensible, economic deployment is the key. Measurement values alone are meaningless; only using the technology correctly can bring about success.

The solution at the push of a button – in most cases, such a promise can either not be trusted or only be applied in a simple and manageable laboratory environment.

As a highly qualified engineering company, NanoFocus AG operates in the area of industrial process technology. The fact that we know how to use our measurement systems and sensors to achieve best results is part of our success. In this context, our profound understanding of our customers' technical and economic processes is based also on our nearly 20 years of experience as a company and our successful partnership with many well-known companies.

As a result, major international manufacturers place their trust in us whenever they wish to sustainably improve their production processes, if competent engineering knowledge is required and if measurement systems are used, which actually achieve more and provide genuine economic benefits. The NanoFocus industrial measurement technology provides our customers with the right tools in order to answer basic questions of efficiency and quality assurance in those manufacturing processes critical for quality.

High-gloss prospectuses and advertising promises cannot solve a measurement problem, and the very positive feedback, high customer loyalty and our many years of successful development

partnerships confirm to us almost every day what our customer companies view as the key to economic success: sound engineering work, precise industry knowledge and the ability to understand and sustainably optimize complex correlations. We also want to continue to live these values: proximity to the customer, a dialog on an equal footing, and the strong desire to a long-term, trusting cooperation. I am convinced that a term such as high-class workmanship is never out-of-date – on the contrary. And I believe that at the heart of NanoFocus AG lies the interplay of a fair, partnership-based company culture and an astonishing technological performance.

It is precisely this path which we choose to tread out of conviction. With growing success, with the great commitment of all employees and also with the help of our shareholders.

Kind regards



Jürgen Valentin
Chief Technology Officer (CTO) and Spokesman of
the Management Board



Dipl.-Phys. Jürgen Valentin
Chief Technology Officer
(CTO) and Spokesman of the
Management Board

Joachim Sorg

Management Board member
for Administration, Finances
and Controlling (CFO)

Dipl.-Phys. Jürgen Valentin

Chief Technology Officer
(CTO) and Spokesman of the
Management Board

Dipl.-Ing. Marcus Grigat

Chief Operations Officer
(COO)



Interview with the Management Board

NanoFocus was able to close 2012 with an increase in revenues of 9%; EBIT and net profits also went up. Are you happy with 2012 and the result?

Jürgen Valentin: Definitely. The company figures show that we are continually providing sound work. In the last two years, we have achieved a good level in all areas. We above all view this as the basis for our further development. What the company figures alone do not show immediately are the large projects with long durations. Since we are increasingly gaining ground in the industrial production sector, we are currently dealing in planning periods, which started before 2012 and will continue long after 2013.

Joachim Sorg: Economically speaking, we are happy with the result. But it is also important to show outsiders the enormous structural work that we have done in the last few years, and which has already been successfully incorporated into the company figures. Even if the standard area constitutes a very important pillar for us, we, who clearly started out as a medium-sized company, have today reached large project business. This can be scheduled more easily and has bigger margins.

What does this mean for 2013? How does a focus on project business influence the plan for the year?

Jürgen Valentin: Inquiries received continue to be stable and basically as in 2012. Some bigger projects have not yet been realized at the moment, which can of course be felt in the fluctuating quarterly revenues. This will no doubt balance out by the end of the year. Our technological basis continues to be equally strong. We have developed new products and more compact sensors and added new application areas. We are optimistic that the new systems and sensors will continue to sell also to our existing customers.

Marcus Grigat: That's an important point. Most of our business comes from regular customers and the number of inquiries placed by these important customers is very high. However, due to project business, many of these inquiries and orders are not in the standard area. Our regular customers have been our project partners for many years, they are internationally trading groups, and work on these projects can therefore stretch over longer time periods.



»We have achieved a considerable standard, and our technology plays an important role for the companies. We are justifiably perceived as a very reliable, German high-tech mechanical engineering company.«

Dipl.-Ing. Marcus Grigat
Chief Operations Officer (COO)



»In many cooperations, we are almost an extended workbench, the companies' innovation supplier. For many companies, NanoFocus technology is the ticket towards future safety and a technological edge.«

Joachim Sorg

Management Board member for Administration, Finances and Controlling (CFO)

Work with international groups results in very high technological and project development requirements for NanoFocus.

Marcus Grigat: Yes, of course, but we are able to provide that, otherwise these companies would not rely on us. We must always maintain a major technological edge. These customers expect this, because they are groups that themselves continuously work on innovations. Our partners such as VW, BMW, ThyssenKrupp Steel or Samsung expect technological premium products, high investments in development and excellent support. And we must keep up with the customers' pace. We have achieved a considerable standard in the last 15 years, and our technology genuinely plays an important role for the companies. We are justifiably perceived as a very reliable, German high-tech mechanical engineering company.

How did the strategic focus of NanoFocus AG develop against this background in 2012 and 2013? Where do you view yourselves in the economic environment in Germany?

Jürgen Valentin: Direct contact with our customers makes Germany very important for us; here, we can act as a partner for innovation and expansion. For many years, NanoFocus has been a sound provider for production areas that are critical for quality. In this respect, we have always stayed true to our basic focus. Put simply: We are dealing with premium technology, we are not "science fiction" and we also do not depend on PR and speculation bubbles in specific technology sectors. We widely service highly varied industries. We do have specific areas of focus, which we professionally equip with process tools. We are market and technological leaders in each of these areas. We offer our customers precisely those high-performance process tools, which are in ever higher demand in major groups against the backdrop of issues such as the energy debate and miniaturization. I am sure that we will also be able to grow further in the future.

Joachim Sorg: This definitely means organic growth, because we develop together with our project partners. In many cooperations, we are almost an extended workbench, the companies' innovation supplier. The budgets invested in our top technologies are innovation budgets. For many companies, NanoFocus technology is the ticket towards future safety and a technological edge.

One area that was particularly important for NanoFocus in the last two years was the automotive industry.

Marcus Grigat: We simply have a good-sized group of customers in the automotive area. Different groups such as Volkswagen, BMW and Daimler are clearly signalling that they are interested in a further expansion. The figures are good, there is still great potential for us that we will be able to realize in the coming years.

Jürgen Valentin: As far as the major automotive customers are concerned, we are primarily focusing on a further expansion. We receive inquiries from other sites and we are also in intensive discussions with other international manufacturers. This could quickly result in increasing our group of customers. Currently, we are of course most actively involved with VW and BMW. Here, we have seen for some years that our specialized equipment, which we developed for the automotive industry, is in particularly high demand. As a result, it is of course our strategy to continue to deliver to this market and to expand our activities. In many cases, the know-how that we acquire because of these special solutions can also be used in other areas and industries. We profit from it in multiple ways.

Marcus Grigat: We must demonstrate that we are not technologically bound to a specific industry. Our 3D surface measurement technology and our knowledge of how to characterize technical surfaces are lucrative for many industries. For instance, the areas of forensics and medicine have for many years been a very important application area for NanoFocus technology. Here, we also have high development and growth perspectives. Medical technology has longer development cycles and test phases than the automotive sector. In this area, we are involved in several interesting projects, which could generally become major sources of revenue for us.

What do these structures and areas of focus mean for your sales strategies? After all, sales has been a key topic for NanoFocus again and again in the last few years.

Jürgen Valentin: Yes, and it continues to be one. Setting up high-performing structures is a challenge precisely because of the many layers of our business models. We have made good progress with this topic by now. We were able to strengthen sales qualitatively and in terms of personnel, and we know exactly where we want to get to. A certain focus on our lucrative specialized markets is important in order to expand our growth. This includes a good key account management and detailed industry expertise. We have these, among others in the three currently most important areas of automotive construction, forensics and semiconductor technology. And we have also continue to see major business opportunities in the medical sector in the next few years.

In addition to this, there is our standard area. This consists of measurement systems that can be used universally, comparable to a scanning electron microscope, even though much more advanced technologically. Here, the focus is truly on individual products, not on a specific industry or application. For us, this means traditional sales and lead management.



»We offer our customers precisely those high-performance process tools, which are in ever higher demand in major groups against the backdrop of issues such as the energy debate and miniaturization.«

Dipl.-Phys. Jürgen Valentin
Chief Technology Officer (CTO) and Spokesman of the Management Board

These are our two pillars: a technical focus on specialized markets developed through innovation partnerships on the one hand, and effective lead management for standard equipment on the other hand.

In addition to sales, the expansion and professionalization of your management system has also been a project of paramount internal importance for NanoFocus in the last few years.

Marcus Grigat: It is an important component of our focus on business with major customers. Our partners not only expect high-performing technologies as they have come to expect from NanoFocus, but also that certain management systems are in place. Internationally, compliance with specific standards has become obligatory. The certification according to ISO 9001, which we completed in 2011, was no doubt the most important step in this respect. Also in 2012, ISO 9001 was again successfully confirmed. But this is only part of the "overall package", one building block for integrated management, which we will implement in our Company step by step. Finally, we also extensively profit from this in our processes and our productivity.

NanoFocus AG has now also been certified according to OHSAS 18001. Is this part of this overall package?

Marcus Grigat: Precisely. OHSAS has its roots in the English-speaking area and is a certificate, which mainly deals with health and safety. It is important for us to signal to our customers that we not only regularly monitor the quality of our products and processes, but also health and safety. As a result, OHSAS is an important building block to further expand the management system and to ensure that customers perceive us as a professional partner. This is essential for us. But it is also an important topic for our employees. We are a high-tech company with some sensitive areas for health and safety. Therefore, it is important to keep a high standard in the relevant training sessions and safety measures. This is also related to work satisfaction.

This is also relevant to your pronounced commitment to topics such as a work-life balance and employee fairness.

Marcus Grigat: That is definitely one way of looking at this, yes. We are an excellent "fair company", and we take part in extensive surveys and promotion measures such as GeMiNa to improve the work-life balance. Safety and employee satisfaction belong together in any event. There are undoubtedly even more topics and certificates that we can use to further develop our internal structure and processes in the future. I think that this is the important keyword for NanoFocus: continuous improvement process. We want to drive this and demonstrate this.

At the end now, let's have a quick look at your stock market package. In 2012, NanoFocus AG engaged a designated sponsor. What is the background of this measure?

Joachim Sorg: In the end, the aim is to increase the sustainable attractiveness of the share, especially for institutional investors. The ongoing tradability on Xetra is a requirement for this. For cost reasons, we only had a so-called "ongoing auction with sponsor" (FAMS) – but that is not on the same level of quality. NanoFocus AG is an established company with high-quality technological products and a renowned group of customers. But on the stock market, we are among the smaller second-tier stock – we need to be aware of that. As a so-called small- or microcap in a high-tech environment, our share has a comparatively low liquidity. Even with relatively few transactions, this can quickly lead to disproportionate rate fluctuations. In order to balance this out, and to successively give our share a solid tradability in line with our business model, we engaged Süddeutsche Aktienbank AG as our designated sponsor. With this decision, we intensified our previously good business relationship based on two capital measures. This provides additional incentives for institutional, and of course also for private, investors to invest in NanoFocus.

Company culture & technology

NanoFocus AG secures a technological edge for its customers – which is always also a result of our joint targets and of a trusting and reliable cooperation. Our technologies are tools enabling customers to enjoy better products. We know that our understanding of processes and our high support competence constitute the most important bases for long-term customer benefits. As a result, for us, success comprises two elements: technological knowledge and a culture promoting a communication and cooperation.





Develop partnerships



Dr. Josef Frohn
Partner management,
NanoFocus AG

"As a cooperation partner, NanoFocus makes it possible for industrial companies to secure their technological edge and production quality in the long term. Market successes such as the μ surf cylinder and our successful cooperation with German automotive manufacturers impressively demonstrate the customer benefits of our development partnerships."

The μ surf cylinder: a development based on a cooperation with the automotive industry.

At the start of the innovation, there was a demand across the industry for a new, fast and above all reliable method to measure and analyze cylinder running surfaces. A cross-company working group made up of leading German automotive manufacturers was born, and in 2004, the first working version of the μ surf cylinder was presented under the technological management of NanoFocus.

The μ surf cylinder has the highest performance standard in the world.

The μ surf cylinder optically captures the 3D surface structure of cylinder running surfaces and returns the necessary key values to optimize manufacturing processes. The captured surface structures are essential for performance and efficiency. As a result, the measurement system was continually improved in close cooperation with major automotive manufacturers. Today, the NanoFocus system is used to set up and approve new production facilities and processes, when developing new engines, investigating damage events and for process control during production.



"With the μ surf cylinder, we can quickly and non-destructively capture 3D surface data in a way that was not previously possible. As a result, the know-how of NanoFocus is very important for us in this area. The extremely pleasant cooperation with NanoFocus is also notable. The communication is uncomplicated and the contacts are very competent. More complex problems are discussed at length until a solution is found. It is clear that you can rely on NanoFocus in the long term."

Dipl.-Ing. Stefan Rubach, Volkswagen AG,
Technical Development/Measurement Technology

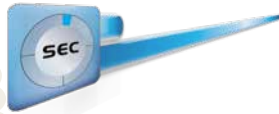
Volkswagen AG relies on the competence of NanoFocus engineers when optimizing its engine manufacture.

In contrast to some laboratories and smaller manufacturing environments, the requirements and practical conditions in engine manufacture are often too complex for "off the peg" technological solutions. As a result, NanoFocus experts are available in the long term in order to sustainably secure the technological edge of our customers and to enable a further development of industrial measurement technology. Volkswagen AG's successful utilization of the μ surf cylinder is a good example for the long-term benefits, but also the high level and technological quality of such a partnership.

Time savings, precision and flexibility are decisive arguments for VW's use of μ surf cylinder and its cooperation with NanoFocus.

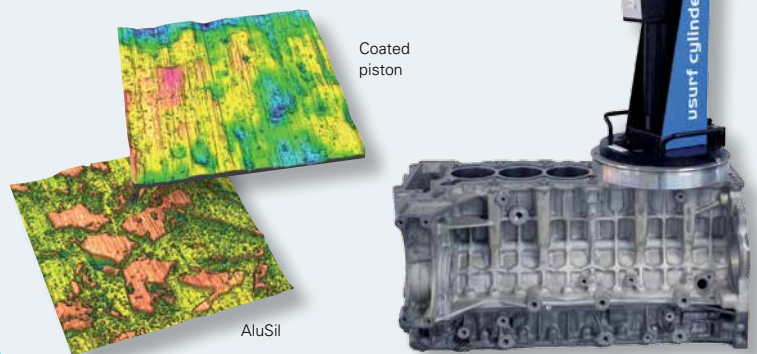
The μ surf cylinder above all leads to a time saving in production for VW. Cylinder running surfaces can be inspected much faster, without a trade-off in measurement precision. For VW, the NanoFocus data today play a key role in manufacture and quality control.

In contrast to other processes, the μ surf technology provides meaningful measurements and analyses in only a few seconds. Simple operations and an intelligent software ensure maximum efficiency.



The technology is used in areas where it is essential for a company to develop technologically. But measurement tasks and environmental conditions in production can change all the time. The NanoFocus employees therefore cater to the VW engineers' requests and support them in making adjustments. They ensure that the measurement process is used according to standards even if the conditions are changing and develop suitable key values for the quality assurance process together with the users.

NanoFocus μ surf cylinder is an optical 3D surface measurement system for the non-contact measurement of cylinder running surfaces.



Understand processes



Marta Szejda
Application engineer,
NanoFocus AG

"The NanoFocus AG process tools are used in production areas, which require us to have detailed knowledge of the industry. In addition to the requirements of measurement technology, we also take into account cost efficiency and quality management. This process understanding is part of our industry applications – application-specific industrial measurement technology for automotive manufacture, medical technology or semiconductors."

Optical 3D measurement systems are the key technology for cost-efficient mass production.

Regular 2D roughness measurements only return incomplete data because they do not take into account the third dimension. Some errors and structural faults might thus not be identified, possibly resulting in an inconsistent quality standard and a later deficiency of the components further down the line. In the worst-case scenario, this can lead to expensive recall campaigns.

µsoft metrology



3D surface inspections, on the other hand, such as can be performed with NanoFocus AG systems, return complete measurement data and are especially meaningful due to three-dimensional capture. Optimal quality assurance becomes possible without deficiencies and negative follow-up costs.

Industrial measurement technology requires detailed industry-specific knowledge

Know-how, experience and technologically advanced measurement technology can be used in many different industries – though specific measurement systems rarely can. The differences in the manufacture and corresponding measurement requirements between solar cells, razor blades or semiconductor elements, to name just three examples, are too vast to be solved with one and the same technological configuration. Competence in industrial measurement technology therefore requires precise knowledge of industry-specific technological details, measurement conditions and production processes.

The measurement and control software µsoft metrology returns meaningful 3D images of the measurement result with intensity overlay, and meets the highest requirements of traceability and conformity with standards. Thanks to the snapshot technology, automated measurement rows have become a possibility – µsoft metrology regulates all settings such as area of focus and brightness.

NanoFocus AG can offer the best measurement solution for each application – from electronics and semiconductor production to photovoltaics or medical technology.

Technologically, many of our measurement processes are related, given that they are all based on our patented basic technologies μ surf, μ sprint and μ scan. Nevertheless, the surface characterization of solar panels hide different challenges to the compliance with geometric tolerances which individual electronics components might require. Yet other demands might be placed on the equipment if reactive substances in medical biosensors must be checked.

In the last 20 years of our company's history, our engineers have gained experience in countless application scenarios – ranging from the automotive industry to safety technology. And in addition to major industrial use, our measurement technology is also utilized to determine fossil remains or to check whether a work of art is genuine.

Knowledge of applications and references to many specialized areas form the basis for our technological edge.



Automotive industry



Fuel cell technology



Printing and paper industry



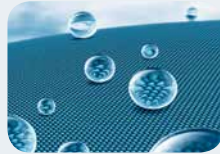
Semiconductors



Medical technology



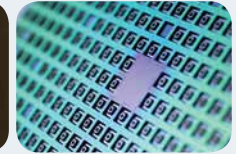
Mechanical engineering



Materials science



Art



Microsystem technology



Security technology



Solar technology



Tool manufacture

NanoFocus systems are used across the world, whenever structures critical for quality must be measured and analyzed quickly and efficiently using a highly precise optical 3D surface analysis.

Influence technologies



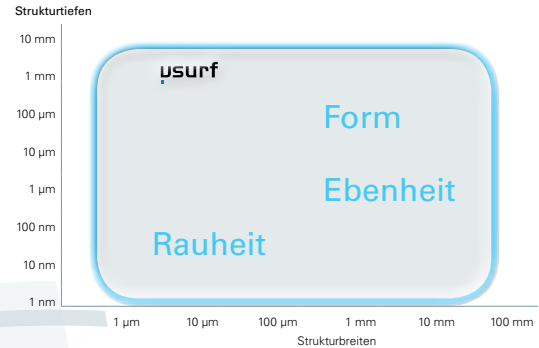
Dr.-Ing. Gerd Jakob
Research and Development
Director,
NanoFocus AG

"Our measurement technology and our core competences are continually developed further closely tailored to the requirements of our project partners. Innovation and optimization are not an objective in themselves but ways to achieve new goals and meet technological challenges. NanoFocus is the technological leader for optical industrial measurement systems – because we are able to respond to our customers' needs."

NanoFocus AG has been a pioneer of technological advancement in the development of new measurement systems since 1997.

In 1997, NanoFocus developed the world's first confocal microscope, which allowed the high-resolution roughness measurement of surfaces. The first measurement system of this type was a milestone for laboratory and industrial measurement. For the first time, surfaces could be captured and analyzed three-dimensionally without contact and hence without disruption up to the nanometer range. Renowned research institutes were using it shortly after its launch. Soon afterwards, well-known industrial companies followed, and until today, NanoFocus systems, which are continually developed further and improved, are the first choice for precise quality control in production environments.

Application area of μ surf sensor



μ surf, μ scan and μ sprint – the basic technologies of NanoFocus set global standards.

One particularly important argument for using the systems is their reliability, which is based on international standards. In order to maintain global brand quality, manufacturers must apply binding and consistent quality and production standards at all sites. NanoFocus systems guarantee standardized measurement processes, which work equally reliably under different production conditions.

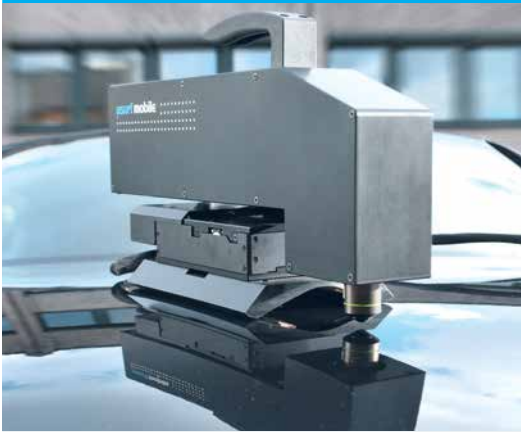
The three NanoFocus measurement technologies are based on confocal technologies developed further by NanoFocus. The measurement methods and applications are adapted to ever increasing requirements in close cooperation with our industrial customers. User-oriented innovation based on concrete customer requests is at the heart of our development work. Today, NanoFocus not only offers the fastest confocal sensor, but is also considered the global leader for measurement precision.

Back in 1997



Market launch of the first generation of NanoFocus μ surf, the world's first industrially usable confocal microscope for the analysis of technical surfaces.

Time saving and measurement precision: perfected NanoFocus technology instead of three different regular systems.



"The simplification of the measurement process is especially important, because it is no longer necessary to use up to three different measurement systems in order to sufficiently describe surfaces. NanoFocus μsurf mobile can perform the majority of measurement tasks, irrespective of reflectivity and roughness – completely non-destructively and even in mobile use."

Timm Plueck, BASF Coatings GmbH.

The lacquer specialists BASF Coatings use NanoFocus technology to analyze and optimize all coatings, ranging from steel plates to varnish. The system used was the first confocal measurement system for simple, mobile use in production. Today, the new version of this mobile measurement station is used in different industries across the world.

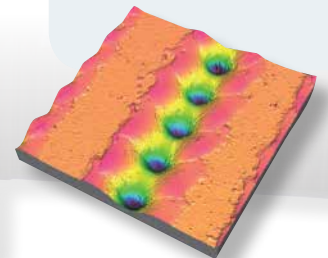
The new generation of the μsurf measurement head is a good example for such customized innovation. Smaller, lighter and even more flexible usage – those were the aims for the new development level of our μsurf sensors. Whenever the surfaces of large components such as are used in the automotive industry must be inspected, regular tactile methods soon reach their limits. They are used manually and only on samples. The new μsurf compact measurement head was therefore designed for optical 3D measurement especially for use on robot arms. The extremely high-performance sensor far surpasses old measurement methods, and its robot use means that it can be ideally employed in fully automated production control. Automotive manufacturers are already using the gauge head with much success: it constitutes an important advancement for future automation in tool manufacture.

μsurf technology and software conforms with standards

μsurf
ISO 25178-6, ISO 5436-1,
VDI 2655-1.2

μsoft control
(Control and measurement software)
ISO 11562, ISO 4287, ISO 4288,
ISO 5436-1, ISO 5436-2

μsoft analysis
(Analysis software)
EUR 15178 EN, ISO 1101,
ISO 11562, ISO 12085,
ISO 12181-1, ISO 12181-2,
ISO 12780-1, ISO 12780-2,
ISO 12781-1, ISO 12781-2,
ISO 1302, ISO 13565-1,
ISO 25178-2, ISO 25178-6,
ISO 4287, ISO 4288,
ISO 5436-1, ISO 5436-2,
ISO/TS 16610-1,
ISO/TS 16610-20,
ISO/TS 16610-22,
ISO/TS 16610-31,
ISO/TS 16610-40,
ISO/TS 16610-41,
ISO/TS 16610-49



lasered structures

Convey knowledge



Dr. Georg Wiora

Strategic Development and
Innovation Management,
NanoFocus AG

"We offer our customers the knowledge and experience needed to reach their technological targets and to fulfill their individual measurement requirements. We provide insights into new dimensions and new fields of knowledge. In workshops and training sessions, we turn companies into measurement experts and give them the opportunity to exclusively test new technologies and application scenarios."

NanoFocus technology is backed up by the bundled knowledge of the different departments and numerous research institutes.

The technological edge, which NanoFocus AG can secure its customers, is the result of a broad range of different competences. Since its founding in 1994, NanoFocus AG has therefore put its focus on cooperating with different areas of expertise including in its development and consultancy work. NanoFocus AG combines an interdisciplinary expert team from the areas of Optics, Electronics, CAD construction, Software programming, Analytics and Facility design. In addition, the company maintains various research cooperations, including Physikalisch-Technische Bundesanstalt (PTB), RWTH Aachen and different Fraunhofer institutes.

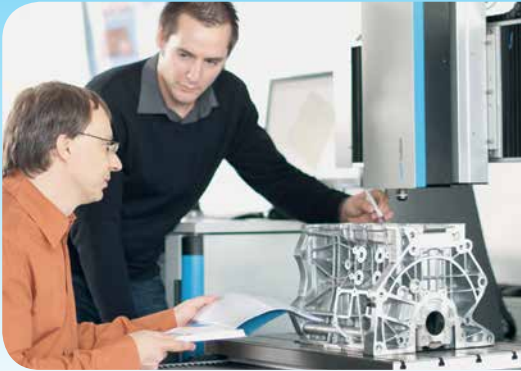
NanoFocus research partners

ThyssenKrupp Steel AG, Twin Analytical, Ltd., Fraunhofer Institute for Environmental, Safety and Energy Technology UMSICHT, Professorship for Manufacturing Technology at the Friedrich-Alexander-University Erlangen-Nuremberg, Center for Microtechnological Products at the Technical University Dresden, Institute for Shape-Cutting Manufacture at Dortmund University, Institute for Measurement and Control Technology at Hanover University, Intelligent Automation, Inc., USA



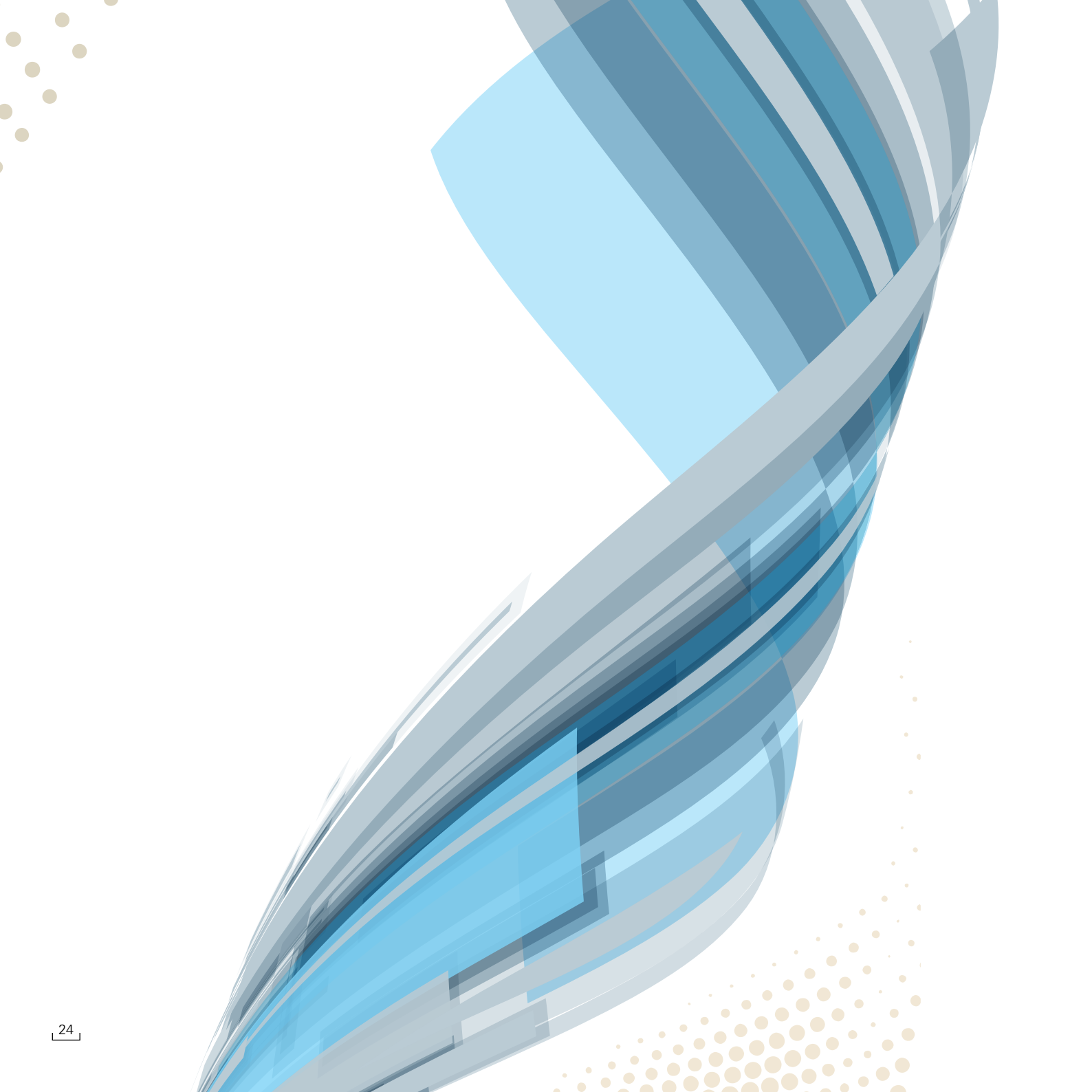
Practical workshops enable the companies to use the system even better and more efficiently.

Our experts present the latest knowledge of optical three-dimensional surface analysis to our customers and interested specialists at regular workshops. Talks on by measurement technology experts offer information on trends, technologies and the usage options of the NanoFocus measurement systems. Participants have the opportunity to use NanoFocus technology in practical measurements. Technical discussions and individual support consolidated the participants' knowledge of the best and most efficient use of the NanoFocus systems. In user meetings, the users can exchange their experiences across industry boundaries.



Individual and group trainings performed on site allow companies to make use of the extensive NanoFocus technology options down to the last detail.

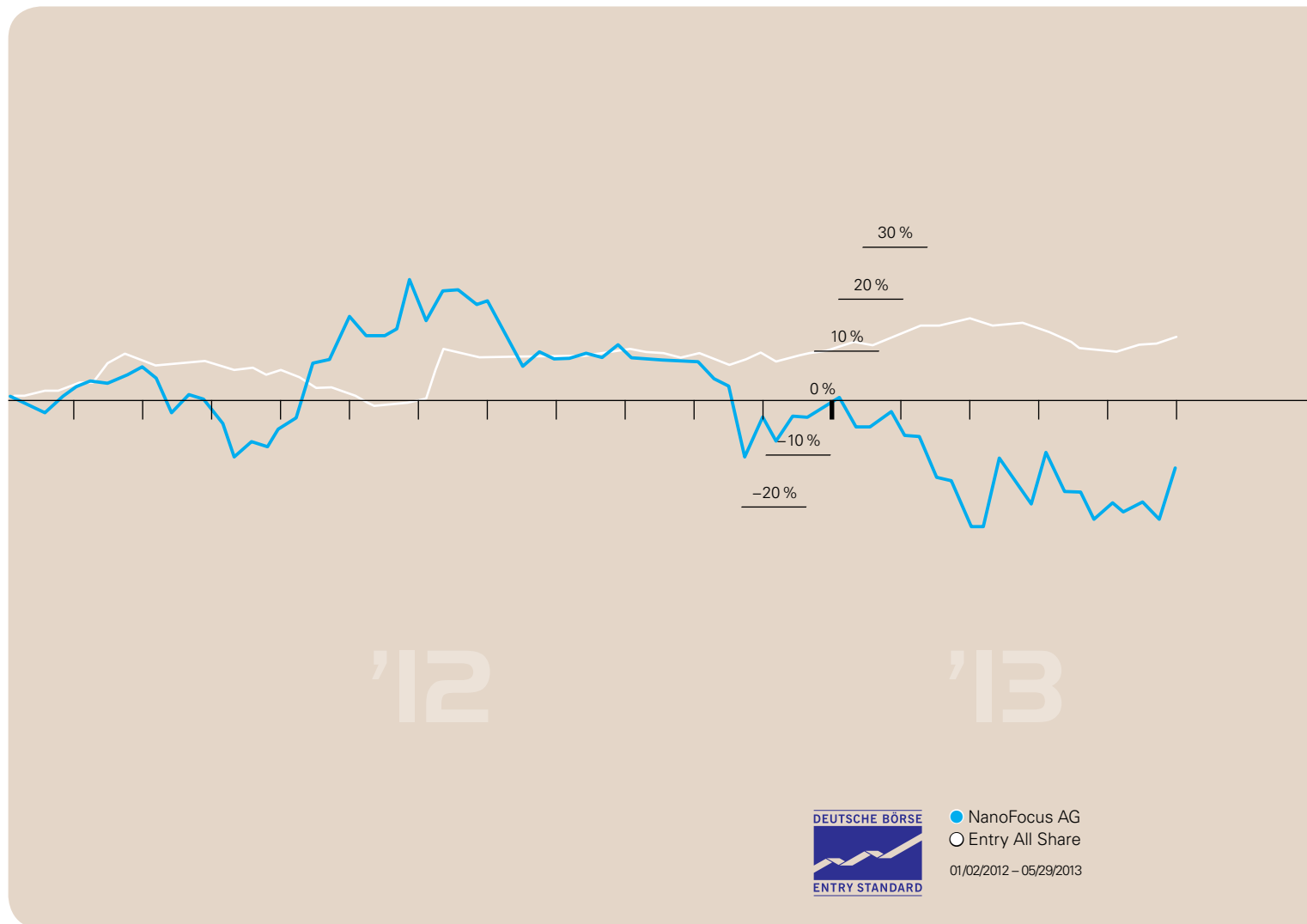




Share 2012

[Share chart ▶ 26](#) | [Investor Relations ▶ 27](#) | [Share data ▶ 29](#)

Share 2012



Price development and analyst evaluation

During most of the reporting period, the NanoFocus share price remained above the level of the Entry Standard. After a brief drop in April 2012, the share exceeded the index for a longer period.

In an environment characterized by sales pressure, the advance notice of a positive result of the 2012 financial year unfortunately only had a slightly stabilizing effect in early 2013, so that the share fell below the benchmark of the index in the new financial year.

At revenues of EUR 8.9 million and a positive net result, NanoFocus AG reached the revenue target formulated in the second half of 2012 of around EUR 9 million. The forecast EBIT returns corridor of 3% to 5% could also be achieved with 2.9%.

The general mood on the stock market was highly volatile due to the effects of the Euro crisis and the varying economic evaluations and actual results. The DAX again fluctuated by 2,000 index points between the start of the reporting period and the reporting compilation date in May 2013. The higher risk premiums were, and still are, a strain for micro and small caps.

The Company again achieved a growth of 9% for 2012. Analysts evaluations for the NanoFocus share in 2012 stated a price objective of an average of around EUR 4.30. Analysts continually recommended to buy the share. NanoFocus sees itself confirmed by these evaluations.

Investor Relations activity

In order to increase public awareness of the NanoFocus share, regular investor talks were held, and the business model and market opportunities of NanoFocus AG were presented at various national analyst conferences. In May, NanoFocus AG presented itself both at the Deutsche Börse AG Entry- and General-Standard conference and at the SPECTARIS Analysts Conference as part of the Optatec Trade Fair in Frankfurt. This was supplemented by presentations at the Börse München m:access-Konferenz and the One-on-Ones as part of the Deutsche Börse Equity Capital Forum in Frankfurt in the second half of the year. In addition, shareholders and investors made increased use of the offered opportunity to contact our IR team by phone or email, which offers a quick and uncomplicated contact for existing as well as interested shareholders.



Designated Sponsor mandate and ongoing Xetra listing

It is one of our objectives to increase the liquidity of the share in order to lower the volatility of the security. In order to reach this objective, we appointed Süddeutsche Aktienbank as our Designated Sponsor as of 9/18/2012. The ongoing trade on Xetra is to create additional incentives for institutional and private investors in the future.

Successful prospects continue

Indications for further growth in 2013 and exceeding this are boding well for NanoFocus AG. The market for demanding industrial measurement technology is growing globally. There are very good prospects for applications in the automotive and the electronics and semiconductor industries, which we as a company can serve with our products. In addition, the medical technology and machine construction areas are also a strategic topic for us.

The product μ surf cylinder for engine inspection has by now become established with German automotive manufacturers and is further increasing in importance for production process monitoring. Additional new projects and applications in the automotive area mean that we can be optimistic about future years. The role played by the μ surf cylinder in the automotive industry is fulfilled by the μ sprint sensor in the electronics and semiconductor area. Here, globally successful innovative electronics companies are using our systems, which will become ever more important in the semiconductor area, because e.g. computer chips are getting smaller and smaller and more and more high-performing. We are expecting significant industry investments, and hence revenue potential for our company, in these areas in the next few years.

In the past financial year, NanoFocus AG has further honed its new business model, and was able to prove its competence in industrial high-end measurement technology in innovative customer projects.

The perpetually increasing number of innovative and market-leading customers, and the many years of a trusting cooperation work along roadmaps give us the confidence to further expand the technological leadership of NanoFocus AG.

We view the NanoFocus share as sustainably having a good to very good potential for the remainder of 2013/2014.

Share data

Total number of shares	3,000,000 bearer shares
Capital	EUR 3,000,000
Market capitalization	EUR 7,170,000 on 4/4/2013
Transparency level	Entry Standard (Open Market)
Share statistic 2012	
52-week-high	EUR 3.75
52-week-low	EUR 1.97
Traded number on all stock markets Incl. Xetra per diem (1-year basis)	ø 3,794 per trading day (1/1-12/31)
Company information	
Founding date	Founding on 8/24/1994, legal form limited liability company (GmbH). Changed to public company (AG) by resolution at the Annual General Meeting on 10/26/2001
Accounting standard	German Commercial Code (HGB) / Accounting Law Modernization Act (BilMoG)
Balance sheet date for financial year	12/31
Start of trading	11/14/2005, prospectus since 2006
Deutsche-Börse listing partner	BAADER/Wertpapierhandelsbank AG, Munich
Trading model	Xetra, continuous trading, Süddeutsche Aktienbank
Securities identification number/ISIN	540 066, DE 0005400667
Bloomberg	N2F.GR
Freefloat market capitalization	EUR 3,308,955 on 4/4/2013
Stock market listing	
	Xetra (continuous trading with specialist), Frankfurt on the Open Market (Entry Standard), Munich (M:access, since 2/1/2007), Berlin, Bremen, Düsseldorf, Stuttgart (OTC market)
Type of security	No-part bearer share (class)



Your contact:
Kevin Strewginski
Investor Relations

Phone +49 208 62 000 55
ir@nanofocus.de
www.nanofocus.de

Dr. Hans Hermann Schreier
Supervisory Board Chairman

Felix Krekel
Supervisory Board member

Ralf Terheyden
Deputy Supervisory Board Chairman



Supervisory Board Report

Dear Shareholders,

The NanoFocus AG Supervisory Board was newly made up at the constituent meeting on 7/11/2012. As planned, Mr. Mager left the Supervisory Board after being a member for many years. We would like to thank him for his excellent work. The founder of the company and former Management Board member Dr. Hans Hermann Schreier was appointed as the new Chairman of the Supervisory Board, after a two-year cooling-off period according to Corporate Governance guidelines. The auditor and tax advisor Ralf Terheyden acts as Deputy Chairman. The entrepreneur and Graduate Businessman Felix Krekel also continues as a Supervisory Board member, and Prof. Dr.-Ing. Stefan Altmeyer of the Higher Education College, Cologne, acts as proxy Supervisory Board member.

The NanoFocus AG Supervisory Board is characterized by high technical, entrepreneurial and finance law competences, which enable us to provide qualified support and control for the various aspects of strategic and financial management.

Tried and tested Supervisory Board activity continues

As the new Chairman of the Supervisory Board, I would like to continue Ralf Terheyden's good work and inform you of our activities and tasks this year. Our work will focus on monitoring and supervising the Management Board, as well as on providing strategic support in terms of making use of opportunities and avoiding risks.

As a result, in 2012, we e.g. met at eight Supervisory Board meetings, at which the Supervisory Board was updated on all questions regarding economic and technical development. Monthly controlling reports supplemented this, which meant that we stayed informed of the company's situation at all times. In addition to scheduled updates, we held regular discussions with the Management Board in order to debate strategic company developments and coordinate important resolutions with the Supervisory Board.

On course for qualitative growth

In 2012, NanoFocus AG was again able to record a revenue increase – a development, which the Supervisory Board considers to be extremely positive and for which we would like to express our appreciation to the Management Board. The Supervisory Board continues to believe that this means that there must be a stronger focus on increasing income and profits in the next five years.

On the one hand, the Management Board has strategically prepared the ground for this, whose reach and positive effect can already be felt. The focus on the higher-margin project business is also part of this qualitative growth process, as is an expansion of services and an increased cooperation with larger, well-known key industry customers.

On the other hand, the diversification into broader application options in various industries, from automotive manufacture to medical technology, provides a firm basis for securing lucrative future opportunities. This successful path consisting of project business, innovative ability and a high variety of applications should continue with a focus on substantially increasing profits.

Unanimous approval of the Annual Financial Statements

The Management Board presented the Supervisory Board with the Annual Financial Statements, the Annual Report and the Auditor's Report giving an unqualified audit opinion. The Supervisory Board discussed the Annual Financial Statements and the Annual Report in much detail at its meeting on 5/8/2013, taking account of the Auditor's Report. The auditor who signed the Auditor's Report provided the Supervisory Board with all information and answered all questions in detail. The Supervisory Board voiced no objections to the Annual Financial Statements or the result of the audit. The Supervisory Board unanimously approved the Annual Financial Statements and Annual Report compiled by the Management Board.

The Annual Financial Statement were confirmed according to § 172 of the Stock Corporation Act (AktG).

During the scheduled contract negotiations, the Supervisory Board renewed the contract with the CFO Joachim Sorg. Joachim Sorg enjoys the Supervisory Board's full confidence. We would like to thank him for all the work so far. The next scheduled contract negotiations with the other two Management Board members Jürgen Valentin and Marcus Grigat will take place in 2014.

A thank you to the Management Board, Shareholders and employees

The Supervisory Board would like to thank the Shareholders for their trust in the growth course of NanoFocus AG. In addition to thanking the Management Board for their dedication and great commitment, which guaranteed our company's success, we would also like to express our gratitude to the employees of NanoFocus AG.

We are convinced that NanoFocus AG is technologically and strategically on the right track towards further profitable growth.



A handwritten signature in blue ink that reads "Hans Hermann Schreier". The signature is written in a cursive style.

Dr. Hans Hermann Schreier
Supervisory Board Chairman

Financial calendar 2013

May 2013 5/6 – 5/8 Deutsche Börse Spring Conference, Frankfurt	May 2013 5/29 Publication of the Annual Report 2012	June 2013 6/6 Munich Stock Market m:access, Munich
July 2013 7/10 Annual General Meeting 2013, Oberhausen	August 2013 8/30 Publication of the Half-Year Report 2013	November 2013 11/11-11/13 Equity Capital Forum, Frankfurt am Main

Contact

NanoFocus AG | Lindnerstr. 98 | 46149 Oberhausen (Germany) | Phone +49 208 62000 0 | Fax +49 208 62000 99
info@nanofocus.de | www.nanofocus.de

Head office: Oberhausen | Registration court: Duisburg HRB 13864
Supervisory Board Chairman: Dr. Hans Hermann Schreier
Management Board: Jürgen Valentin (Chairman), Marcus Grigat, Joachim Sorg

Concept/text: Michael Schneiberg, schneiberg.de | Concept/design: Oliver Nicolay, nicolaygrafik.de
Photography: Mike Henning, henning-photographie.de | Print and production: JD Druck GmbH, jd-druck.de
Text, editing: NanoFocus AG | Picture credits: NanoFocus AG, Mike Henning, Oliver Nicolay, Fotolia



NanoFocus AG

Lindnerstraße 98 | 46149 Oberhausen | Tel. +49 208 62 000 0 | Fax +49 208 62 000 99 | info@nanofocus.de | www.nanofocus.de