

INTERIM REPORT

1st half year 2007



one step ahead



Highlights

- Increase in revenue and EBIT
- Largest order in the company history after the end of the reporting period
- Board confirms forecast:
Revenue +10 to 20%
EBIT +50 to 60%
EBIT +6 to 12% (without goodwill write down)

Masterflex at a Glance

	30.06.2007	30.06.2006	Change in %
Revenue (€ thou.)	63,662	55,082	15.6 %
EBITDA (€ thou.)	7,764	7,197	7.9 %
EBIT (€ thou.)	6,263	5,791	8.2 %
EBT (€ thou.)	5,166	4,697	10.0 %
Net profit (€ thou.)	3,170	3,041	4.2 %
Earnings per share (€)	0,73	0,70	4.3 %
EBIT margin	9.8%	10.5%	
Net profit margin	5.0%	5.5%	
Number of employees	785	661	18.8 %
	30,06,2007	31,12,2006	Change in %
Equity (€ thou.)	31,017	31,520	-1.6 %
Total assets (€ thou.)	121,503	112,719	7.8 %
Equity ratio (%)	25.5%	28.0%	-8.9 %

Highlights	2
Masterflex at a Glance	2
Foreword by the Board	4
Interim Management Report	5
Group structure and business activities	5
Market and competition	5
Earnings, Financial Situation and Net Assets	10
Research and development, investment	12
Supplementary report	13
Risk report	13
Forecast report	14
Outlook	14
The Masterflex Share	16
Interim Financial Statement	18
Consolidated Balance Sheet	18
Consolidated Income Statement	20
Consolidated Cash Flow Statement	22
Consolidated Statement of Changes in Equity	24
Notes to the interim report (1 st half year 2007).....	26
Table of equity holdings	30
Financial calendar of Masterflex AG 2007	31
Management and control	31



Dear Shareholders,

Masterflex AG can look back on a successful first half of the year 2007. Consolidated revenue increased for the 20th year in a row since the company's foundation. Compared with the same period last year, revenues in-

creased by 15.6 percent to reach a new record of EUR 63.7 million (Q2 2006: EUR 55.1 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) continued to develop continued to improve, rising by 7.9 percent to EUR 7.8 million (Q2 2006: EUR 7.2 million).

As already outlined in Quarterly Report 1/2007, the amortisation of goodwill in the Medical Technology business unit in the amount of EUR 4.1 million shown on the 31 December 2006 statements are not being distributed across the individual quarters of the year 2006. As a result, group earnings before interest and taxes (EBIT) on the level of operating profits rose by 8.2 percent to EUR 6.3 million (Q2 2006: EUR 5.8 million), putting us within our estimated range of +6 to +12 percent for the full year. Group net profits increased by 4.2 percent to EUR 3.2 million (Q2 2006: EUR 3.0 million), corresponding to earnings per share of EUR 0.73 (+ 4.3 percent).

Our successful growth is based on innovative products and the increasing internationalisation of our business activities. As a result of the successful developments during the first half of the year, we are optimistic regarding the further course of business for the year, all the more so after the fuel cell technology business unit received the largest order in the company's history in July 2007. Work on the order is due to commence in the autumn and will continue until the summer of 2008. In addition, the High-tech Hose Systems business unit is poised to launch a patented hose with a polyurethane lining, which is superior to all previous hose types. This new innovation will enable us tap into new market segments in which we have not been active up to now.

A handwritten signature in black ink, appearing to read 'D. Herzog'.

Detlef Herzog
Chairman of the Board

Interim Management Report

Group structure and business activities

Group structure Masterflex AG, Gelsenkirchen, specializes in the development and processing of high-tech plastics, including in particular polyurethane (PUR). Since 1987, our core business has been the production of high-tech hose systems for complex industrial applications.

Of the course of time, we have expanded to include the business units Medical Technology, Advanced Material Design and Mobile Office Systems.

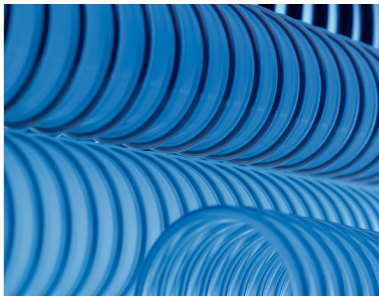
Market and competition

High-tech Hose Systems – a solid core business

The first half year of 2007 saw the upturn in the plastics sector in Germany continue, resulting in our positive forecasts issued at the start of the year being exceeded. According to a survey conducted by industry journal "Kunststoff Information", around three quarters of companies in the sector did better business during the first half year 2007 than in the last six months of the previous year.

The performance of Masterflex AG is fully in line with this trend, as evidenced by the continued successful development of the core High-tech Hose Systems business unit as well during the first half year of 2007.

Our growth is based on an



innovative product portfolio and the successful internationalisation of our business activities. Demand for our highly specialized hoses remains strong, as our polyurethane material is a high-performance plastic that clearly outperforms conventional materials such as PVC, rubber and steel in many respects, such as abrasion resistance and weight.

Revenue for this segment during the first half year of 2007 was up 8.0 percent to EUR 21.8 million (Q2 2006: EUR 20.2 million), EBIT before reconciliation items increased by 3.9 percent to EUR 4.6 million (previous year: EUR 4.4 million).



In the second quarter, our products were presented with great success at a number of domestic and international trade shows, including Hannover Messe Industrie (Germany), the international air show at Le Bourget/Paris and industrial trade fairs in Poland and

Russia. Among our range of promising new products are hose systems that can be used for fire protection applications. Another new innovation is our patented hose featuring an inner lining of polyurethane. This hose is due for general market release and will be presented at the major plastics trade show K at the end of October. We firmly believe this PUR inline hose to be superior to all previous PUR hose types due to its unprecedented long life, which will also help us open up new market segments in which we have not been active up to now. These products underline yet again our position as the technological leader in the marketplace.

Our internationalisation efforts in the current fiscal year continue to progress according to plan. In the US, our focus is on reacting to new legislation that offers potential demand for our exhaust gas extraction hoses. The engines fitted in the fire department vehicles must be started at specific time intervals to ensure that they are ready to start quicker in the event of an emergency. During this procedure, the exhaust gases must be collected and conducted away.

Due to the positive development of the core business, we are expanding our production capacities. Our subsidiary Novoplast Schlauchtechnik GmbH is to commence work in August on a new production and warehouse facility at the company's headquarters in Halberstadt. This facility is due to be put into operation in spring 2008.

Fuel cell technology

Fuel cell technology has been subsumed under the High-tech Hose Systems business unit since last year. In the first half year of 2007, we drew significantly closer to the start of series production of our Cargobike, which uses an innovative, stable-running fuel cell drive system. We presented the light mobile vehicle at the Hannover Messe in cooperation with T-Com, and have already commenced small-batch production. For the remainder of the year, we will be working on various projects concerned with developing solutions for alternative mobility concepts.

Masterflex AG celebrated yet another success in July 2007. Through its newly founded majority-owned subsidiary CAB, Berlin, the group received a major order to supply 14,000 electric bicycles. This new order is the largest Masterflex AG has ever received. The Executive Board firmly believes that this is a crucial step for Masterflex AG towards opening up the market for light mobile vehicles. Production and delivery of the bicycles will be in Germany. Deliveries will commence in autumn 2007 and are due to be completed by summer 2008. Further information is available in the supplementary report.

Overall, we are extremely satisfied with the expansion achieved to date by our solid High-tech Hose Systems business unit. The strategic development of our markets and the further strengthening of our capacity for innovation are the focus of the company's initiatives aimed at securing our technological leadership and sustained growth going forward.

Medical Technology – enhancing profitability

Medical Technology revenues continued to develop positively during the first half of 2007. We are particularly satisfied with the performance of the Medical Devices unit. Overall revenues in this segment rose by 2.3 percent to EUR 9.2 million (Q2 2006: EUR 9.0 million).

With regard to our target of developing the earnings of the Medical Technology business unit, we are confident that we are well on the way to achieving sustained improvements in the earnings situation starting in 2008. During the first six months of 2007, EBIT was EUR 113 thousand, representing only a slight increase over the previous year (EUR 57 thousand). However, the restructuring measures implemented

in spring at our subsidiary Angiokard Medizintechnik GmbH & Co. KG with the aim of improving efficiency there have already shown the first signs of success in the second quarter of 2007. The product portfolio was modified and the sales organisation was optimized.



We see further potential for increased profitability in our product range, which is ideally placed to meet the demand for medical products that are both reliable as well as cost effective.

We are also confident that the project based on our patented respirator mask will reach a positive outcome, and we are currently examining a range of promising options. Our preference in this regard is to identify a strategic partner with an outstanding knowledge of the medical market to take on the successful marketing of the project. As we outlined in the risk report in the 2006 Annual Report, there is still a risk that we may terminate the project completely. The expenses already capitalized in the context of an order trend would then result in a corresponding loss in the form of development expenditure.

We remain firmly convinced that Medical Technology offers numerous potential opportunities for Masterflex AG, and that we can achieve satisfactory profitability in this business unit. In addition to carrying out detailed analyses and assessments of all our processes in order to achieve this goal, our primary focus is on developing innovative products, such as the silver catheter project. This precious metal is highly valued in the area of medical technology due to its outstanding hygiene properties. We have already developed a product that is currently undergoing stress tests to provide us with accurate information regarding its durability.

Advanced Material Design – well positioned

Activities in the Advanced Material Design business unit include surface technology, the specialisation of the SURPRO Group, which was acquired in August 2005.



Thanks to an excellent order situation during the first six months of 2007, the company recorded very high production levels. In order to satisfy customer demand, additional personnel were employed, while production activities were also extended over weekends. This positive development led to

increases both in revenue as well as in overall performance. Revenue rose by 4.6 percent to EUR 9.8 million (previous year: EUR 9.0 million). As previously reported, the orders are only due to ship starting from the second half of the year. This is reflected in the increased inventory of semi-finished products compared with the previous year. As a result of higher personnel costs and upfront expenditures in respect of the second half of the year, EBIT fell by 9.5 percent to EUR 0.45 million (previous year: EUR 0.5 million).

Mobile Office Systems – accelerated expansion

The Mobile Office Systems business unit is comprised of the operations of our subsidiary DICOTA GmbH and its subsidiaries. DICOTA GmbH is one of the world's leading providers of the full range of system cases and bags for transporting notebooks and office systems.

Business during the first half of 2007 developed extremely well although the summer months have seen a slowdown in this trend, particularly in Europe. Eastern Europe and Asia, in particular, continue to be the key growth drivers, with both regions reporting significant increases in both revenue and earnings. In total, the DICOTA Group generated revenues of EUR 22.9 million, which equates to an increase of 7.4 percent (Q2 2006: EUR 16.9 million). EBIT experienced extremely dynamic growth. Compared with the same period last year, earnings before interest and taxes soared by 38.3 percent to EUR 1.7 million (Q2 2006: EUR 1.2 million).



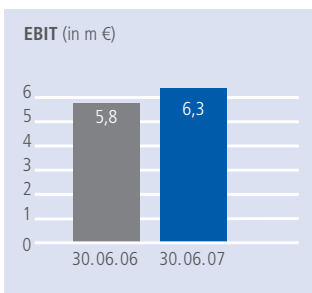
In June, the DICOTA Group exhibited its product range at key trade fairs including Computex in Taipei. The company succeeded in making promising contacts and lining up a range of new business transactions. Sales activities were backed up by inten-

sive publicity work that resulted in numerous media announcements. The second half of the year will focus on the continued expansion of the Group's internationalisation. Based on the growth recorded to date, we anticipate the dynamic performance of Mobile Office Systems to continue, particularly given the projected further expansion of the notebook market.

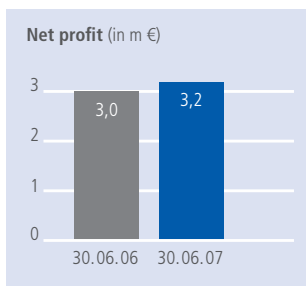
Earnings, Financial Situation and Net Assets

Earnings position

The financial position of Masterflex AG as of 30 June 2007 reflects the successful performance by the company. Consolidated revenues continued to grow in this, the twentieth year since the company's foundation. Consolidated revenue increased by 15.6 percent to EUR 63.7 million (Q2 2006: EUR 55.1 million). Gross revenue for the Group rose 20.5 percent to EUR 68.0 million (Q2 2006: EUR 56.5 million), with the higher proportion of semi-finished products at the SURPRO Group a key factor accounting for this development.



The cost of materials as a percentage of revenue increased to 48.7 percent versus the previous year, due in particular to the dynamic performance by the DICOTA Group (Q2 2006: 47.3 percent). As a result, DICOTA accounted for over 40 percent of the cost of materials for the group as a whole as at 30 June 2007.



Personnel costs declined slightly to 24.1 percent (Q2 2006: 24.8 percent). Depreciation/amortisation of property, plant & equipment increased marginally in comparison to last year by EUR 95 thousand to a total of EUR 1,501 thousand (previous year: EUR 1,406 thousand).

Other operating expenses rose on an absolute basis by 17.9 percent to EUR 11.7 million (previous year: EUR 9.9 million) as a result of increasing revenues. This was primarily the result of the successful expansion of the DICOTA Group.

Compared with the previous year, the financial result remained virtually unchanged at EUR –1.1 million, resulting in earnings before taxes (EBT) as of 30 June 2007 rising by 10.0 percent to EUR 5.2 million (previous year: EUR 4.7 million). The taxation rate was 36.0 percent – a deterioration compared with the previous year (Q2 2006: 33.0 percent). Consolidated net profit was up 4.2 percent to EUR 3.2 million (previous year: EUR 3.0 million), which equated to earnings per share of EUR 0.73.

Asset position

The net asset position of Masterflex AG as of 30 June 2007 revealed a continued improvement compared with that of December 2006. Total assets stood at EUR 121.5 million (+7.8 percent) and there were no material changes to the balance sheet as at the end of fiscal 2006. The equity ratio was 25.5 percent, representing a decrease of 8.9 percent. The company still holds 134,126 treasury shares, the cost of which reduced equity. Net indebtedness increased by EUR 5.6 million to EUR 49.81 million as working capital rose at the DICOTA Group and the SURPRO Group.

The acquisition of land and property as well as the construction of production and administration buildings was financed during the period under review through public subsidies.

Financial position

The statement of cash flows shows a continued negative cash flow from operating activities, as the Masterflex Group experiences dynamic growth. As stated above, this was due to the high upfront expenditures by the SURPRO Group and the DICOTA Group in connection with orders that will only be billable in the second half of the year.

The change in the level of cash and cash equivalents since 31 December 2006 is – EUR 1,553 thousand. At EUR -696 thousand, the net cash used in/from operating activities was EUR 4,205 thousand below last year's figure as at 30 June 2006. The increase in inventories of EUR 6,680 thousand and in liabilities of EUR 1,603 thousand is in connection with the increases in revenue and gross revenue.

With regard to the net cash from/used in financing activities, it should be noted that Masterflex AG paid a dividend per share of EUR 0.80 to shareholders during the second quarter of 2007. This amounted to a total of EUR 3.5 million.

Employees

The company's successful performance was also reflected in the increase in the number of employees. As at 30 June 2007, the number of employees at the company rose by 18.8 percent to 785 (previous year: 661 employees).

Research and development, investment

There are no material changes in this area in relation to the information provided in the 2006 Annual Report.

Supplementary report

Significant events after the end of the reporting period

With effect from 1 July 2007, Novoplast Schlauchtechnik GmbH has withdrawn from the group of controlled companies, as the company has been transferred to Angiokard GmbH & Co. KG within the Masterflex AG group of companies. This has led to a change in the structure of the group has changed, but not in the number of consolidated companies. This move has no impact on the Group's financial, asset and earning positions and is only relevant in terms of turnover tax.

On 20 July 2007, the subsidiary Masterflex Brennstoffzellentechnik GmbH reported the receipt of a major order through its majority-owned subsidiary CAB GmbH, Berlin, to supply 14,000 electric bicycles. CAB GmbH (Clean Air Bike) GmbH was also established after the end of the reporting period. Fifty one percent of the shares are held through Masterflex Brennstoffzellentechnik GmbH, with the remaining 49 percent held by Hawk Bikes GmbH, Berlin. As earnings before interest and taxes are fully allocated, this has an impact on the asset, financial and earnings position of the Group.

Besides, the credit lines of Masterflex AG were expanded after the accounting date.

Risk report

Detailed analyses of risk management policies/procedures and the potential risks facing the organisation are included in the 2006 Annual Report. There are no material changes to the statements contained therein. The Masterflex Group is not currently aware of any risks that could pose a threat to the future of the company as a going concern.

Forecast report

Masterflex AG has identified a number of promising business opportunities, which were discussed in the 2006 Annual Report. There have been no material changes to that discussion.

In the future, Masterflex AG will also continue to focus on identifying niche markets in which we can deploy our material expertise and processing know-how to position ourselves as a technological leader. In the period under review, we have once again emphasized the expertise of core High-tech Hose Systems business unit in using our innovative polyurethane (PUR) material to produce unique products, as exemplified by our hose featuring a PUR inner lining and unprecedented service life.

The order for 14,000 electric bicycles has further enhanced the opportunities for the Group to secure an advantageous position in the niche market for light mobile vehicles. Masterflex AG regards this order as yet another step on the way to establishing itself as the market leader in the area of innovative drive systems for light mobile vehicles. From a company perspective, the associated increase in awareness will also further enhance the public perception of the innovative fuel cell projects undertaken by Masterflex AG.

The Mobile Office Equipment business unit offers additional growth potential for Masterflex AG. The DICOTA Group is currently enjoying extremely dynamic growth, and the expansion into Eastern Europe and Asia has progressed extremely to date. We therefore anticipate further significant revenue and EBIT contributions from this business unit.

Outlook

The Masterflex AG business model is a complex one that covers four different business units. However, the common strategy that applies across all of our fields of activity involves focussing on sustainable niche markets in which we can remain one step ahead of our competitors by positioning ourselves as market and technological leaders. This complexity requires flexibility, which is one of our greatest strengths

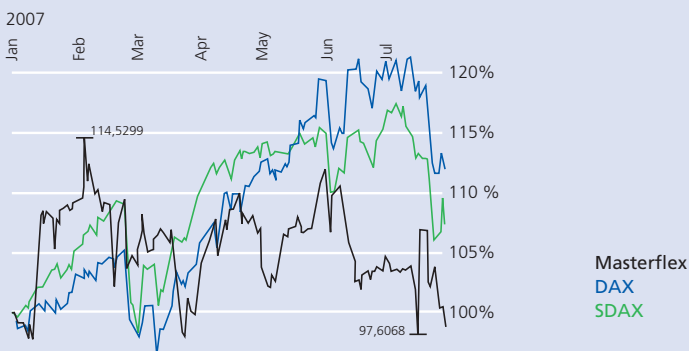
as demonstrated by Masterflex AG's twenty-year history of success. Consolidated revenue has increased every year since our foundation and we are a profitable organisation. This is also associated with the ongoing creation of jobs.

The positive development of fiscal year 2007 to date shows that we are following the right path, and we expect this positive trend to continue. A product that is clearly superior to other hoses is due for imminent launch by the High-tech Hose Systems business unit. Based on our current information and forecasts, the Mobile Office Systems business unit will continue its extremely strong performance until the end of the year. The Advanced Material Design business unit is also operating successfully and its joint ventures offer the potential to make our hose systems even more effective. We are projecting an increasingly dynamic trend in the surface technology area during the course of fiscal year 2007, as the order books are already in an extremely healthy state. And finally, we are reaping the first benefits of the restructuring measures implemented in the Medical Technology area. This will also have a positive influence on the development of the Group, and will have a particularly visible impact starting from fiscal year 2008.

We are therefore holding to our positive outlook for fiscal year 2007 and are reiterating our estimates for consolidated revenue to rise 10 to 20 percent and consolidated EBIT 50 to 60 percent, for a 6 to 12 percent increase on an operating level (before goodwill amortisation).

.

The Masterflex Share



The second quarter of 2007 was characterised by pronounced sideways movements in the share price. The share started on 2 April 2007 at a low for the quarter of EUR 23.34 (Xetra), reaching a quarterly high of EUR 25.97 (Xetra) on 1 June 2007, which was also the high for the first six months. Up to the publication date for this report, neither the reporting of excellent quarterly figures combined with a positive outlook, nor the announcement of the major order to supply electric bicycles have been able to halt the pronounced sideways movement of the share price over recent months.

Consequently, the promotion of confidence in the growth potential offered by Masterflex AG remains the highest priority of our Investor Relations efforts. The successful history of the company – which is now celebrating its twentieth year – demonstrates that Masterflex has what it takes to carry this success forward into the future. At the Annual Stockholders' Meeting, the Executive Board emphasized the positive business outlook for the year 2007. The announcement of the yearly figures and the first Quarterly Report of 2007 also drew a positive response from analysts. Equity research house First Berlin is due to release a new analysts' study on Masterflex AG in August 2007.

We are actively encouraging and promoting dialog with the capital market in order to highlight the future potential of Masterflex AG. Numerous meetings with domestic and international shareholders and investors were held during the second quarter of 2007. The announcement of this interim report will be followed by additional road shows to be staged both in Germany and abroad.

Annual Stockholders' Meeting 2007

The Annual Stockholders' Meeting was held on 5 June 2007 at the Schloss Horst in Gelsenkirchen and drew an excellent attendance of approximately 300 participants. All items on the agenda were passed by substantial majorities, representing a positive reward for the work of the Executive Board, Supervisory Board and the Auditor. The Annual Stockholders' Meeting also agreed the distribution of a dividend of EUR 0.80 per share, which was paid on 6 June 2007.

Furthermore, an amendment to the articles of association was passed. This amended the articles of association to comply with the Transparenzrichtlinie-Umsetzungsgesetz (TUG – Transparency Directive Implementing Act), which came into effect in January 2007. The TUG stipulates that the electronic forwarding of information to shareholders transmission is only permissible with the approval of the Annual Stockholders' Meeting. The Annual Stockholders' Meeting agreed that Masterflex AG may (also continue in future to) make use of practical and environmentally-friendly electronic forwarding of information, where appropriate:

The voting results can be downloaded from our homepage under Investor Relations/Stockholders' Meeting.

Interim Financial Statement

Consolidated Balance Sheet

Assets	30.06.2007 * EUR thou.	31.12.2006 EUR thou.
NONCURRENT ASSETS		
Intangible assets	28,661	28,343
Property, plant and equipment	26,706	25,746
Long-term investments	783	1,215
Deferred tax assets	2,158	1,799
	58,308	57,103
CURRENT ASSETS		
Inventories	30,451	23,771
Prepaid expenses	915	760
Trade accounts and notes receivable	25,454	24,467
Income tax refund claims	1,010	1,199
Securities	1,499	0
Cash and bank balances	3,866	5,419
	63,195	55,616
Total Assets	121,503	112,719

* Unaudited

Equity and liabilities	30.06.2007 * EUR thou.	31.12.2006 EUR thou.
SHAREHOLDERS' EQUITY		
Consolidated equity	30,435	30,875
Minority interest	582	645
Total equity	31,017	31,520
NONCURRENT LIABILITIES		
Provisions	1,347	1,320
Financial liabilities	26,669	28,191
Deferred income	2,713	2,814
Other noncurrent liabilities	2,763	2,925
Deferred tax liabilities	2,250	2,283
	35,742	37,533
CURRENT LIABILITIES		
Provisions	3,772	3,833
Financial liabilities	28,506	18,901
Deferred income	212	221
Income tax liabilities	1,668	1,511
Other current liabilities	20,586	19,200
	54,744	43,666
Total Equity and liabilities	121,503	112,719

* Unaudited

Consolidated Income Statement

Statement as of	01.01.– 30.06.2007 * EUR thou.	01.01.– 30.06.2006 * EUR thou.
Revenue	63,662	55,082
Changes in inventories of finished goods and work in progress	2,352	-200
Work performed by the enterprise and capitalized	197	224
Other operating income	1,797	1,353
Total sales	68,008	56,459
Cost of materials	-33,162	-26,094
Staff costs	-15,353	-13,221
Depreciation and amortization expense	-1,501	-1,406
Other operating expenses	-11,729	-9,947
Total operating expenses	-61,745	-50,668
Income from investments	496	645
Other interest and similar expenses	143	81
Write downs for financial assets	0	0
Interest and similar expenses	-1,736	-1,820
EBT	5,166	4,697
Extraordinary income	0	0
Extraordinary expenses	0	0
Income tax expense	-2,216	-1,588
Deferred taxes	391	97
Other taxes	-114	-103
Minority interest	-57	-62
Net profit	3,170	3,041

* Unaudited

Statement as of	01.04.– 30.06.2007 * EUR thou.	01.04.– 30.06.2006 * EUR thou.
Revenue	31,226	27,147
Changes in inventories of finished goods and work in progress	276	-201
Work performed by the enterprise and capitalized	141	160
Other operating income	651	663
Total sales	32,294	27,769
Cost of materials	-15,712	-12,885
Staff costs	-7,741	-6,578
Depreciation and amortization expense	-741	-694
Other operating expenses	-5,203	-4,740
Total operating expenses	-29,397	-24,897
Income from investments	0	637
Other interest and similar expenses	67	20
Write downs for financial assets	0	0
Interest and similar expenses	-674	-1,299
EBT	2,290	2,230
Extraordinary income	0	0
Extraordinary expenses	0	0
Income tax expense	-1,064	-804
Deferred taxes	179	74
Other taxes	-49	-49
Minority interest	-31	-36
Net profit	1,325	1,415

* Unaudited

Consolidated Cash Flow Statement

Statement as of	30.06.2007 * EUR thou.	30.06.2006 * EUR thou.
Result for the accounting period (annual surplus) before taxes, interest expenses and financial yields	6,092	5,626
Payment of earning taxes	-2,105	-1,492
Depreciation and amortization expense	1,501	1,406
Change in provisions	123	205
Other non-cash expenses/income and gain/loss on disposal of noncurrent assets	-185	-174
Changes in inventories	-6,680	386
Changes in trade receivables and other assets	-1,079	-4,252
Changes in trade payables and other equity and liabilities	1,637	-1,804
Net cash from operating activities	-696	3,509
Proceeds from asset disposals	70	14
Payments to acquire noncurrent assets	-2,647	-3,133
Net cash used in investing activities	-2,577	-3,119
Proceeds from additions to equity (capital increases, sales of treasury shares)	0	0
Dividends paid to owners and minority interests (dividends, acquisition of treasury shares)	-3,613	-3,593
Interest and dividend receipts	621	726
Interest expenditure	-1,671	-1,729
Proceeds from securities/term deposits	618	0
Payments from securities/term deposits	-1,499	0
Payments to acquire securities/term deposits	8,698	6,011
Repayment of borrowings	-1,171	-1,667
Net cash from/used in financing activities	1,983	-252
Net change in cash and cash equivalents	-1,290	138
Changes in cash and cash equivalents due to exchange rates and other factors	-263	-514
Cash and cash equivalents at beginning of period	5,419	4,895
Cash and cash equivalents at end of period	3,866	4,519

* Unaudited

Consolidated Statement of Changes in Equity

	Issued capital	Share premium	Retained earnings (retained profits brought forward)
	EUR thou.	EUR thou.	EUR thou.
Equity at Dec. 31. 2005	4,366	17,521	9,795
Net profit	0	0	3,041
Changes in fair values of financial instruments	0	0	0
Currency translation gains/losses from translation of foreign financial statements	0	0	0
Sale of treasury shares	0	0	0
Purchase of own shares	0	0	0
Dividend distributions	0	0	-3,493
Change due to equity decreases	0	0	0
Other changes	0	0	3
Equity at Dec. 31. 2006	4,366	17,521	9,346
Equity at Dec. 31. 2006	4,366	17,521	10,780
Net profit	0	0	3,170
Changes in fair values of financial instruments	0	0	0
Currency translation gains/losses from translation of foreign financial statements	0	0	0
Sale of treasury shares	0	0	0
Purchase of own shares	0	0	0
Dividend distributions	0	0	-3,493
Change due to equity decreases	0	0	0
Other changes	0	0	0
Equity at June 31. 2007	4,366	17,521	10,457

Revaluation reserve	Exchange differences	Minority interest	Total
EUR thou.	EUR thou.	EUR thou.	EUR thou.
-504	-572	434	31,040
0	0	62	3,103
-17	0	0	-17
0	-514	0	-514
0	0	0	0
0	0	0	0
0	0	-100	-3,593
0	0	0	0
0	0	0	3
-521	-1,086	396	30,022
-419	-1,373	645	31,520
0	0	57	3,227
146	0	0	146
0	-263	0	-263
0	0	0	0
0	0	0	0
0	0	-120	-3,613
0	0	0	0
0	0	0	0
-273	-1,636	582	31,017

Notes to the interim report (1st half year 2007)

1. Accounting principles

The Masterflex AG Interim Report of 30 June 2007 was prepared in accordance with the International Financial Reporting Standards (IFRS), the International Accounting Standard (IAS) 34 ("Interim Financial Reporting") of the International Accounting Standards Board (IASB) and in compliance with the requirements of the "Near final draft" of the Deutsche Rechnungslegungs Standard Nr. 16 "Interim Financial Reporting" of the DRSC (Deutsches Rechnungslegungs Standards Committee e.V./German Accounting Standards Committee) and is in line with the company's key accounting principles presented here. The same accounting and measurement principles were applied for the past fiscal year as for the 31 December 2006 consolidated financial statements and for Quarterly Report 1/2007.

Segment reporting	HTS High-tech Hose Systems € thou.	MT Medical Techno- logy € thou.
30 June 2007		
Revenue	21,796	9,223
Earnings (EBIT)	4,612	113
Investments in property, plant and equipment and intangible assets	1,917	586
Assets	46,034	18,269
Depreciation and amortisation	867	253
Liabilities	10,986	2,199

2. Consolidation group

There were no changes during the first half of the year to the group of consolidated companies in relation to the status as of 31 December 2006 and as of the first quarter of 2007.

3. Dividend

On 5 June 2007, the Masterflex AG Annual Stockholders' Meeting approved the distribution of a dividend of EUR 0.80 per share. The distribution of a total of EUR 3,492,699.20 took place on 6 June 2007.

4. Segment reporting

IAS 14 states that primary segment reporting must be prepared on the basis of product-related business units. Masterflex AG has four business units: High-tech Hose Systems, Medical Technology, Advanced Material Design and Mobile Office Systems.

Advanced Material Design	MOS Mobile Office Systems	Segment aggregate	Reconcilia- tion	Group
€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
9,775	22,868	63,662	0	63,662
451	1,694	6,870	- 607	6,263
232	103	2,838	0	2,838
19,192	28,743	112,238	9,265	121,503
312	69	1,501	0	1,501
5,904	8,770	27,859	62,627	90,486

Segment reporting	HTS High-tech Hose Systems € thou.	MT Medical Techno- logy € thou.
30 June 2006		
Revenue	20,184	9,018
Earnings (EBIT)	4,441	57
Investments in property, plant and equipment and intangible assets	2,517	214
Assets	35,720	22,384
Depreciation and amortisation	837	212
Liabilities	5,719	2,873

5. Earnings per share

Basic earnings per share are calculated by dividing consolidated net profit by the average weighted number of shares outstanding during the period under review in accordance with IAS 33. Earnings per share as of 30 June 2007 were EUR 0.73 on a weighted average of 4,365,874 outstanding shares.

Since the stock option program expired in 2005, no calculation of diluted earnings per share is provided.

6. Treasury shares

As at 30 June 2007, Masterflex AG held 134,126 treasury shares.

7. Employees

At 785 as at 30 June 2007, the number of employees was 18.8 percent higher than the figure for the same period last year (661 employees).

8. Income taxes

Income tax expenditure is calculated in the Interim Report based on the effective tax rate projected for Masterflex AG for the full year 2007, and is applied to the pre-tax earnings for the quarter. The effective tax rate is based on current earnings and tax planning.

Advanced Material Design	MOS Mobile Office Systems	Segment aggregate	Reconcilia- tion	Group
€ thou	€ thou.	€ thou.	€ thou.	€ thou.
9,008	16,872	55,058	0	55,082
498	1,225	6,221	- 430	5,791
192	72	2,995	0	2,995
18,259	20,042	96,405	6,759	103,164
314	43	1,406	0	1,406
7,797	5,232	21,621	51,521	73,142

9. Related party disclosures

The following individuals and companies with whom Masterflex AG and/or its consolidated subsidiaries have conducted transactions constitute material related parties pursuant to IAS 24:

MODICA Grundstücks-Vermietungsgesellschaft mbH & Co., Objekt Masterflex KG, Gelsenkirchen

Details of this relationship are provided in the 2006 Annual Report in the Group Notes under item 32 (p. 108f.). There were no changes during the period under review in relation to information provided therein.

10. Audit of the Interim Report

The interim accounts and the interim report of the half-yearly report have neither been examined according to section 317 of the German Commercial Code nor subjected to an audit by a certified public accountant.

11. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the

development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

August 2007



Detlef Herzog
Chairman of the
Board



Ulrich Wantia
Member of the
Executive Board



Dr. Andreas Bastin
Member of the
Executive Board

Table of equity holdings

Company name	Company headquarters	MASTERFLEX holding in %
MASTERFLEX S.A. R. L.	F-Béligneux	80
MASTERFLEX Technical Hoses Ltd.	GB-Oldham	100
FLEXMASTER USA, Inc. (sub-group)	USA-Houston	100
TechnoBochum GmbH	D-Bochum	100
MASTERFLEX Bulgaria Eood	BG-Sofia	100
MASTERFLEX Cesko s.r.o.	CZ-Plana	100
ANGIOKARD Medizintechnik GmbH & Co. KG (sub-group)	D-Friedeburg	100
ANGIOKARD Medizintechnik Verwaltungs-GmbH	D-Friedeburg	100
SURPRO-Verwaltungs GmbH (sub-group)	D-Wilster	100
DICOTA GmbH (sub-group)	D-Bietigheim- Bissingen	100
Matzen & Timm GmbH	D-Norderstedt	100
MASTERFLEX Brennstoffzellentechnik GmbH (sub-group)	D-Herten	100

Financial calendar

24–28 February	WIN Istanbul, exhibitor: Masterflex AG
15–21 March	CEBIT 2007, exhibitor: DICOTA Group
02 April	Annual earnings press conference, presentation of the 2006 Annual Report, 9.30 a.m., Industrieclub Düsseldorf
02 April	DVFA analysts conference, 15.00 p.m., DVFA Center, Frankfurt
16–20 April	Hannover Fair, exhibitor: Masterflex AG, Novoplast Schlauchtechnik GmbH, Masterflex Brennstoffzellentechnik
April	International road show
15 May	Quarterly Report I/2007
5 June	Annual Stockholders' Meeting, 11.00 a.m., Gelsenkirchen
15 August	Quarterly Report II/2007
14 November	Quarterly Report III/2007
November/ December	Equity forum, International road show

Management and control

The Executive Board of Masterflex AG

Detlef Herzog, Chairman of the Board

Ulrich Wantia, Member of the Executive Board

Dr. Andreas Bastin, Member of the Executive Board

The Supervisory Board of Masterflex AG

Friedrich-Wilhelm Bischooping, Chairman of the Supervisory Board

Prof. Dr. Detlef Stolten, Deputy Chairman of the Supervisory Board

Prof. Dr. Paulus Cornelis Maria van den Berg, Member of the Supervisory Board

WE ARE THERE FOR YOU WHENEVER AND WHEREVER YOU NEED US!

To find out more about the Masterflex Group, please log on to:
www.masterflex.de > Company > Locations

Investor Relations

Stephanie Kniep
fon +49 209 9707744
fax +49 209 9707720
kniep@masterflex.de
www.masterflex.de

Masterflex AG

Willy-Brandt-Allee 300
D-45891 Gelsenkirchen

fon +49 209 970770
fax +49 209 9707733
mail info@masterflex.de
www.masterflex.de/com
www.masterflex-bz.de