



A New Course

SINGULUS has embarked on a new course to safeguard the future. New application opportunities in vacuum thin film technology were sought to complement our core competence in the optical disc business. The formation of our promising ophthalmic lens coating division exemplifies this strategy.

Year End Closing for SINGULUS TECHNOLOGIES Consolidated as of 12/31/2003

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REPORT OF INDEPENDENT AUDITORS

We have audited the consolidated financial statements, comprising the balance sheet, the income statement and the statements of changes in shareholders' equity and cash flows as well as the notes to the financial statements, prepared by SINGULUS TECHNOLOGIES AG, Kahl am Main, for the fiscal year from January 1 to December 31, 2003. The preparation and the content are the responsibility of the Company's management. Our responsibility is to express an opinion whether the consolidated financial statements are in accordance with the US-GAAP, based on our audit.

We have conducted our audit of the consolidated financial statements in accordance with the German audit regulations and the generally accepted German standards for the audit of financial statements promulgated by the IDW ["Institut der Wirtschaftsprüfer in Deutschland": Institute of Public Auditors in Germany]. Those standards require that we plan and perform the audit such that it can be assessed with reasonable assurance whether the consolidated financial statements are free of material misstatement. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The evidence supporting the amounts and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the Group for the fiscal year in accordance with US-GAAP.

Our audit, which also extends to the management report of the Company and the Group prepared by the management board for the fiscal year from January 1 to December 31, 2003, has not led to any reservations. In our opinion, on the whole the management report of the Company and the Group together with the other disclosures in the consolidated financial statements provides a suitable understanding of the Group's position and suitably presents the risks of future development.

In addition, we confirm that the consolidated financial statements and the management report of the Company and the Group for the fiscal year from January 1, 2003 to December 31, 2003 satisfy the conditions required for the Company's exemption from its obligation to prepare consolidated financial statements and the group management report in accordance with German law.

Eschborn/Frankfurt am Main, February 24, 2004

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

sgd. Bösler
Wirtschaftsprüfer
(German Public Auditor)

sgd. Weber
Wirtschaftsprüfer
(German Public Auditor)

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2003 AND 2002

ASSETS

	Note No.	2003 KEUR	2002 KEUR
Cash and cash equivalents	(4)	66,425	53,915
Trade accounts receivable, net	(5)	79,275	52,995
Other receivables and other assets	(5)	8,848	12,169
Total accounts receivables, net		88,123	65,164
Raw and packing materials		27,208	24,696
Work in process		73,612	62,481
Prepayments to suppliers		1,503	1,672
Inventories, net	(6)	102,323	88,849
Deferred tax assets (current)	(13)	3,272	4,133
Total current assets		260,143	212,061
Trade accounts receivable, net (long-term)	(5)	17,209	18,248
Property, plant and equipment, net		15,842	14,577
Goodwill		16,539	16,539
Other intangible assets, net		695	495
Deferred tax assets (non-current)	(13)	1,409	1,429
Total non-current assets		51,694	51,288
Total assets		311,837	263,349

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2003 AND 2002
LIABILITIES

	Note	2003	2002
	No.	KEUR	KEUR
Trade accounts payable		28,957	25,521
Other current liabilities	(7)	19,304	18,367
Progress payments	(7)	19,116	11,984
Tax accruals		11,334	10,291
Other accruals	(9)	9,382	11,645
Total current liabilities		88,093	77,808
Convertible bonds	(7)	719	1,147
Pension accruals	(8)	3,558	2,763
Total long-term liabilities		4,277	3,910
Total liabilities		92,370	81,718
Share capital (37,064,316 and 36,947,226, respectively, authorized, issued and outstanding ordinary shares)	(10)	37,064	36,947
Additional paid-in capital	(10)	27,650	26,950
Retained earnings		159,514	119,257
Accumulated other comprehensive income		-4,761	-1,523
Total shareholders' equity		219,467	181,631
Total liabilities and shareholders' equity		311,837	263,349

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Note No.	2003		2002	
		KEUR	%	KEUR	%
Gross revenues	(15)	362,559	103,9	290,548	104.2
Sales deductions and direct distribution cost		-13,771	-3,9	-11,748	-4.2
Total net revenues		348,788	100,0	278,800	100,0
Cost of goods sold		-238,233	-68,3	-178,651	-64.1
Gross profit		110,555	31,7	100,149	35,9
Research and development		-16,290	-4,7	-16,155	-5.8
Sales and customer services		-19,148	-5,5	-16,673	-6.0
General management and adminis- tration		-10,271	-2,9	-9,760	-3.5
Other operating income/(expenses)		-4,358	-1,2	-4,820	-1.7
Total operating expenses		-50,067	-14,4	-47,408	-17.0
Operating income (EBIT)		60,488	17,3	52,741	18,9
Interest income	(12)	4,044	1,2	2,120	0.8
Interest expense	(12)	-1,530	-0,4	-340	-0.1
Income before tax		63,002	18,1	54,521	19,6
Income tax	(13)	-22,745	-6,5	-17,932	-6.4
Net income		40,257	11,5	36,589	13,1
Other comprehensive income:					
Currency translation adjustment		-2,907		-2,485	
Minimum pension liability adjustment, net		-331		-143	
Comprehensive income		37,019		33,961	
Earnings per share - basic (in EUR)		1,09		0,99	
Earnings per share - diluted (in EUR)		1,04		0,95	
Weighted average shares outstanding - basic		36,986,738		36,792,112	
Weighted average shares outstanding - diluted		38,599,908		38,589,372	

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	Share capital KEUR	Additional paid-in capital KEUR	Retained earnings KEUR	Accumu- lated other com- prehensive income KEUR	Total share- holders' equity KEUR
Balance at December 31, 2001	36,436	15,197	82,668	1,105	135,406
Capital increase	511	11,753			12,264
Minimum pension liabil- ity adjustment, net				-143	-143
Currency translation adjustment				-2,485	-2,485
Net income			36,589		36,589
Balance at December 31, 2002	36,947	26,950	119,257	-1,523	181,631
Capital increase	117	700			817
Minimum pension liabil- ity adjustment, net				-331	-331
Currency translation adjustment				-2,907	-2,907
Net income			40,257		40,257
Balance at December 31, 2003	37,064	27,650	159,514	-4,761	219,467

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003 KEUR	2002 KEUR	
Cash flows from operating activities			
Net income	40,257	36,589	
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	3,722	2,878	
Additions to pension accrual	795	394	
Other non-cash expenses / income	-1,085	-1,376	
Deferred taxes	2,029	-217	1,679
	45,718		38,268
Changes in operating assets and liabilities			
Trade accounts receivable, net	-25,813	-756	
Other receivables and other assets	3,245	-6,940	
Inventories, net	-14,486	-29,309	
Trade accounts payable	3,502	8,196	
Other current liabilities	1,002	4,888	
Progress payments	7,132	3,096	
Tax accruals	241	4,381	
Other accruals	-2,154	-27,331	-17,319
Net cash provided by operating activities	18,387	20,949	

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003 KEUR	2002 KEUR
Cash flows from investing activities		
Purchase of fixed assets	-8,866	-5,265
Disposal of fixed assets	3,622	1,175
Cash paid for the acquisition of consolidated companies less cash acquired	0	-11,253
Net cash used in investing activities	-5,244	-15,343
Cash flow from financing activities		
Increase/Decrease in convertible bonds	-250	348
Capital increase	769	864
Net cash provided by financing activities	519	1,212
Net increase in cash and cash equivalents	13,662	6,818
Effect of foreign currency exchange rate changes	-1,152	-334
Cash and cash equivalents, beginning balance	53,915	47,431
Cash and cash equivalents, ending balance	66,425	53,915
Supplemental cash flow disclosures		
Cash paid for interest	117	253
Cash paid for income taxes	14,597	22,498

CONSOLIDATED FIXED ASSETS MOREMENT SCHEDULE FOR FISCAL YEAR 2003

	Acquisition and production cost				
	1/1/2003 KEUR	Additions KEUR	Reclassi- fication KEUR	Disposals KEUR	Currency Translation Differences TEUR
Property, plant and equipment					
Land, land rights and buildings including buildings on third party land	6,213	3,937	0	1,097	0
Technical equipment and machines	871	317	33	0	0
Other equipment, factory and office equipment	6,847	2,289	366	0	-176
Equipment under operating leases	5,808	1,574	5,808	0	0
Payments on account and assets under construction	1,097	235	0	-1,097	0
	20,836	8,352	6,207	0	-176
Intangible assets					
Concessions, industrial and similar rights and assets and licenses in such rights and assets	1,199	514	0	0	0
Intangible pension asset	191	0	63	0	0
Goodwill	16,539	0	0	0	0
	17,929	514	63	0	0
	38,765	8,866	6,270	0	-176

Accumulated depreciation					Net book values		
12/31/2003	1/1/2003	Provisions	Reversals	Currency Translation Differences	12/31/2003	12/31/2003	12/31/2002
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
11,247	584	264	0	0	848	10,399	5,629
1,155	348	181	33	0	496	659	523
8,594	3,680	1,410	334	-119	4,637	3,957	3,167
1,574	1,647	1,616	2,281	0	982	592	4,161
235	0	0	0	0	0	235	1,097
22,805	6,259	3,471	2,648	-119	6,963	15,842	14,577
1,713	895	251	0	0	1,146	567	304
128	0	0	0	0	0	128	191
16,539	0	0	0	0	0	16,539	16,539
18,380	895	251	0	0	1,146	17,234	17,034
41,185	7,154	3,722	2,648	-119	8,109	33,076	31,611

SINGULUS TECHNOLOGIES AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2003

Note 1 - Basis of presentation

The accompanying consolidated financial statements present the operations of SINGULUS TECHNOLOGIES AG and its subsidiaries (the "Company").

All amounts are stated in thousand Euro (KEUR) unless mentioned otherwise.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). The consolidated financial statements have been prepared in accordance with the EC 7th Directive based on the interpretation of the Directive by GAS 1 "Exempting consolidated financial statements in accordance with § 292a of the German Commercial Code" issued by the German Accounting Standards Committee (GASC). According to the German Commercial Code ("HGB"), the Company, since it is listed on a German Stock Exchange, is exempt from publishing consolidated financial statements according to German generally accepted accounting principles ("German GAAP"). German GAAP varies in certain respects from US GAAP. Since the Company maintains its books and records in German GAAP, certain adjustments have been recorded for the preparation of these consolidated financial statements in accordance with US GAAP. These adjustments primarily relate to deferred taxes due to deductible temporary differences and differences from consolidation, accounting for leases, accounting for pension obligations, accounting for stock-based compensation as well as accounting of foreign currency hedges and goodwill.

Note 2 - Description of business

The Company is engaged in the development, manufacturing and distribution of metallizers for prerecorded, recordable and rewritable CD and DVD coating and replication lines for the mentioned products. Metallizers are distributed under the name "SINGULUS" and "MODULUS" and replication lines under the names "SKYLINE" for prerecorded CD and DVD, "STREAMLINE" for CD-R and DVD-R, "SPACELINE" for Video DVD and "SUNLINE" for CD-RW and DVD-RW. Since 2002 the Company is also engaged in the development, manufacturing and distribution of Mastering systems which complement the Company's replication lines.

Note 3 - Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include all companies in which the Company has legal or effective control.

The following subsidiaries are included:

- SINGULUS Emould GmbH, Würselen, Germany
- SINGULUS OMP B.V., Best, Netherlands
- OMP International GmbH, Schaffhausen, Switzerland
- SINGULUS TECHNOLOGIES Inc., Windsor, USA
- SINGULUS TECHNOLOGIES Service Group Inc., Windsor, USA
- SINGULUS TECHNOLOGIES Ltd., Swindon, UK
- SINGULUS TECHNOLOGIESASIA PACIFIC Pte. Ltd., Singapore
- SINGULUS TECHNOLOGIES LATIN AMERICA Ltda., Sao Paolo, Brazil
- SINGULUS TECHNOLOGIESIBERICA S.L., Sant Cugat del Vallés, Spain
- SINGULUS VIKA CHINA LIMITED, Wanchai, Hong Kong
- SINGULUS TECHNOLOGIES FRANCE S.a.r.l., Valence, France
- SINGULUS TECHNOLOGIES ITALIA s.r.l., Senigallia (Ancona), Italy
- SINGULUS TECHNOLOGIES TAIWAN Ltd., Taipeih, Taiwan

All subsidiaries are directly or indirectly wholly owned, except SINGULUS Vika China Limited, in which the Company holds a stake of 51%.

The equity and net income attributable to minority shareholders' interests are shown separately on the balance sheet and income statement, respectively. However, if the minority shareholders' share of losses exceeds the carrying amount of their interests in equity, this carrying amount is adjusted to zero and the recognition of losses is discontinued. Therefore, no equity or net income attributable to minority shareholders' in respect to SINGULUS Vika China Limited has been recognized as of December 31, 2003 and 2002. The total of unrecognized shares of losses attributable to minority shareholders' amounts to KEUR -19 as December 31, 2003, and KEUR -18 as of December 31, 2002.

The results of operations for businesses acquired are included in the consolidated financial statements from their respective date of acquisition. All significant inter-company balances and transactions have been eliminated in consolidation.

Acquisitions

Effective January 1, 2002, the Company acquired a 100 % equity interest in Optical Measuring-Equipment & Projects B.V., Best, Netherlands, for KEUR 25,238. KEUR 11,343 of the purchase price were paid by issuing 379,110 ordinary bearer shares with a fair market value as of December 6, 2001 of EUR 29,92 per share. The Company accounted for this business combination in accordance with SFAS 141, "Business Combinations". KEUR 1,400 of the purchase price were allocated to land and buildings and KEUR 1,600 were allocated to other intangible assets (production backlog). The resulting Goodwill of KEUR 13,322 is not amortized but is subject to an annual impairment test in accordance with SFAS 142, "Goodwill and Other Intangible Assets".

Under SFAS 142, goodwill will no longer be amortized on a straight-line basis over its estimated useful life, but will be tested for impairment at least annually. The goodwill impairment test, which is based on fair value, is to be performed on a reporting unit level. A reporting unit is defined as a SFAS 131 operating segment or one level lower. Under SFAS 142, intangible assets with indefinite lives will not be amortized. Instead, they will be carried at the lower of cost or market value and tested for impairment at least annually. All other recognized intangible assets will continue to be amortized over their estimated useful lives.

The annual impairment test is performed on December 31 of the financial year in consideration.

Foreign currency translation

The financial statements of the Company's foreign subsidiaries are measured in the currency in which that entity primarily conducts its business (the functional currency). The functional currency of all these subsidiaries is the applicable local currency. The translation of the applicable foreign currency into Euro is performed for balance sheet accounts using current exchange rates in effect at the balance

sheet date, except for subsidiaries' share capital which is translated at the relevant historical rate, and for revenue and expense accounts using the weighted-average rates of exchange prevailing during the year. The unrealized gains and losses resulting from such translation are included in accumulated other comprehensive income.

Gains and losses from foreign currency transactions are charged or credited to current income at settlement date based on the difference in exchange rates between the transaction date and the settlement date.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, products have been shipped (for metallizers - excluding MODULUS - and moulding machines), acceptance by customers has been obtained (for replication lines) or services have been rendered, the price of the transaction is fixed and determinable and collectability is reasonably assured.

Revenues are recognized excluding value-added tax and net of goods returned, trade discounts, and allowances.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements" (SAB 101). SAB 101 outlines the SEC's views on applying generally accepted accounting principles to revenue recognition in financial statements. Specifically, the bulletin provides both general and specific guidance as to the periods in which companies should recognize revenues. In December 2003, the SEC issued SAB 104 "Revenue Recognition", which revised or rescinded parts of SAB 101 and codified some additional revenue recognition guidance in accordance with newly issued authoritative pronouncements.

In addition, SAB 101, as modified by SAB 104, also highlights factors to be considered when determining whether to recognize revenues on a gross or net basis and how to recognize revenue transactions with multiple elements. The Company believes that its policies with regard to the recognition of revenues are in compliance with the guidance of SAB 101 as modified by SAB 104.

Research and development

Significant costs are incurred each year in connection with research and development and engineering programs that are expected to contribute profits to future operations. Such costs are expensed as incurred.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less and bank drafts with an original maturity of three months or less to be cash equivalents.

Accounts receivable

Invoices for goods sold are mainly stated in Euro. Allowances are recorded for management's estimate of the likely uncollectible amounts. For the accounting methods of the currency forward contracts the company uses for hedging purposes please refer to "Derivative financial instruments".

Inventories

Inventories are generally valued at the lower of cost or market. Raw materials and supplies including spare parts are valued at average cost. A full cost absorption method is employed using standard cost techniques for the costing of work-in process. The standards are reviewed and adjusted annually. Potential losses from obsolete and slow-moving inventories are provided for in the current period.

Property, plant and equipment

Property, plant and equipment are recorded at acquisition costs. For financial reporting purposes depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Useful lives have been estimated as follows:

- Buildings: 25 years
- Machinery and equipment: 2 to 10 years
- Other equipment, factory and office equipment: 1 to 4 years

Gains or losses on sale or losses on retirement of assets are included in income. Please refer to the attached fixed assets movement schedule for details.

Impairment of Long-Lived Assets

The Company applies the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived". This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired because the carrying value exceeds the expected undiscounted cash flows, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

In 2003 and 2002, no events or changes in circumstances occurred which indicated that the carrying amount of any long-lived asset may not be recoverable.

Intangible assets

Acquired intangible assets are stated at acquisition cost, less amortization on a straight-line basis over their estimated useful life (3 years for EDP software). In addition, intangible pension assets as calculated and recorded under SFAS 87,

'Employers' accounting for pensions', are included in intangible assets. KEUR 16,539 of the intangible assets relate to goodwill resulting from the acquisition of e-mould GmbH, Würselen, Germany, in 2001 and Optical Measuring-Equipment & Projects B.V., Best, Netherlands, in 2002. The impairment tests in 2003 and 2002 did not lead to impairment charges and also no planned depreciation was taken on the goodwill, either.

Warranty accruals

Warranty costs are provided for when the related revenue is recognized based on the estimated costs of fulfilling the warranty obligation, including handling and transportation costs. The calculation of the warranty accrual is based on historical experience.

Pension accruals and other accruals

The valuation of pension accruals is based upon the projected unit credit method in accordance with SFAS 87, "Employers' Accounting for Pensions". Other accruals are recorded when an obligation to a third party has been incurred, the payment is probable and the amount can be reasonably estimated.

Leases

The Company is a lessee of property, plant and equipment and a lessor of equipment (replication lines). All leases that meet certain specified criteria intended to represent situations where the substantive risks and rewards of ownership have been transferred to the lessee are accounted for as capital leases. All other leases are accounted for as operating leases.

Equipment under operating leases, where the Company is the lessor, is valued at production costs and depreciated over its estimated useful life of 5 years using the straight-line method. Related lease income is recorded when earned on a straight-line basis over the term of the contract.

Deferred taxes

Deferred taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock based compensation

The Company has issued convertible bonds to management and certain other employees which are accounted for in accordance with Accounting Principles Board (APB) Opinion No 25, "Accounting for Stock Issued to Employees". Following the provisions of SFAS 123, "Accounting for Stock based Compensation", the required additional disclosures are given in the notes to the consolidated financial statements.

Comprehensive income

The Company adopted SFAS 130, "Reporting Comprehensive Income". SFAS 130 establishes standards for the reporting and presentation of comprehensive income and its components in a full set of financial statements.

Comprehensive income of the Company consists of net income, currency translation adjustment and minimum pension liability adjustment, as presented on the face of the consolidated income statement. SFAS 130 requires only additional disclosures in the consolidated financial statements; it does not affect the Company's financial position or results of operations.

Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share are computed by dividing net income applicable to common shareholders by the weighted average number of common and potentially dilutive common shares outstanding.

Derivative financial instruments

The Company uses foreign currency forward contracts as a means of hedging exposure to foreign currency risks for accounts receivable. The Company and its subsidiaries are end-users and do not utilize these instruments for speculative purposes. The Company has strict policies regarding financial stability and the credit worthiness of its counter parties.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS 133, as amended by SFAS 137 and 138, establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific accounting criteria are met.

If a derivative instrument qualifies for hedge accounting, the gains or losses from the derivative may offset results from the hedged item in the statement of operations or other comprehensive income, depending on the type of hedge. To qualify for hedge accounting, a company must formally document, designate and assess the effectiveness of transactions that are to receive hedge accounting.

Effective January 1, 2001, the Company adopted SFAS 133 as amended by SFAS 137 and SFAS 138. The adoption did not have a material impact on the financial position or the results of operations of the Company.

As of December 31, 2003, the Company had foreign currency forward contracts amounting to USD 7.9 million (December 31, 2002: USD 13.0 million) in order to hedge foreign currency risks relating to trade accounts receivable. Those derivative transactions, while providing effective economic hedges under the Company's risk management policies, do not qualify for hedge accounting under the rules of SFAS 133. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under SFAS 133, are recognized in other operating income or expenses. Therefore, a gain of KEUR 126 (prior year: gain of KEUR 1,414) in respect to those contracts has been recorded.

Concentration of credit risk

The Company provides services to a wide range of clients who operate in many industry sectors in varied geographic areas. The Company grants credit to all qualified clients and does not believe that it is exposed to undue concentration of credit risk to any significant degree.

New pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 143, "Accounting for Asset Retirement Obligations." SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. An entity shall measure changes in the liability for an asset retirement obligation due to passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period. The interest rate used to measure that change shall be the credit-adjusted risk-free rate that existed when the liability was initially measured. That amount shall be recognized as an increase in the carrying amount of the liability and as an expense classified as an operating item in the statement of income. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The Company's adoption of SFAS 143 in fiscal year 2003 had no material impact on its results of operations or its financial position.

In April 2002 the FASB issued SFAS No. 145. This statement amends SFAS No. 13 which requires that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. This especially effects contracts that have previously been accounted for as a capital lease, and now have to be classified as an operating lease. SFAS No. 145 is effective for financial years beginning after May 15, 2002 with early application encouraged. The Company is of the opinion that the adoption of SFAS No. 145 has no material impact on its result of operation or its financial position.

In June 2002, the FASB issued SFAS 146, "Accounting for the Costs Associated with Exit or Disposal Activities". SFAS 146 addresses significant issues regarding the recognition, measurement and reporting of costs that are associated with exit and disposal activities, including restructuring activities that are currently accounted for under Emerging Issues Task Force ("EITF") 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)".

SFAS 146 also includes costs related to terminating a contract that is not a capital lease and termination benefits that employees who are involuntary terminated receive under the terms of a one-time benefit arrangement that is not an ongoing benefit or an individual deferred-compensation contract. SFAS 146 was effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS 146 has no material impact on the Company's financial statements.

In November 2002, the FASB issued FASB Interpretation ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others – an interpretation of FASB statements 5, 57 and 107 and rescission of FASB Interpretation 34." This interpretation elaborates on the disclosure to be made by a guarantor in its financial statements regarding obligations under certain guarantees that it has issued. FIN 45 also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation due to the issuance of the guarantee. Disclosure requirements are effective for financial statements of interim and annual periods ending after December 15, 2002. The recognition and measurement provisions are effective for guarantees issued or modified after December 15, 2002. The Company determined that the recognition and measurement provisions of FIN 45 had no impact on its consolidated financial statements.

In December 2002, the Financial Accounting Standards Board issued SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure". SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition to the fair value method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure provisions of SFAS No. 123 to require disclosure in the summary of

significant accounting policies of the effects of an entity's accounting policy with respect to stock-based employee compensation on reported net income and earnings per share in annual and interim financial statements. SFAS No. 148 does not amend SFAS No. 123 to require companies to account for their employee stock-based awards using the fair value method. However, the disclosure provisions are required for all companies with stock-based employee compensation, regardless of whether they utilize the fair method of accounting described in SFAS No. 123 or the intrinsic value method described in APB Opinion No. 25, Accounting for Stock Issued to Employees. The provisions of SFAS No. 148 are effective for fiscal years beginning after December 15, 2002. The Company does not expect SFAS No. 148 to have any effect on its financial position or results of operations upon its adoption in fiscal year 2003.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS 149 amends and clarifies accounting for derivative instruments and hedging activities under SFAS 133. SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003. However, the provisions of SFAS 149 that relate to Derivative Implementation Group Issues that have been effective for fiscal quarters that began prior to June 15, 2003, shall continue to be applied in accordance with their respective effective dates. The adoption of SFAS 149 did not have a significant impact on the Company's consolidated financial statements.

In May 2003, the EITF reached a consensus on EITF 01-8, "Determining Whether an Arrangement Contains a Lease". EITF 01-8 clarifies certain provisions of SFAS 13, "Accounting for Leases," with respect to the identification of lease elements in arrangements that do not explicitly include lease provisions. Any lease element identified under EITF 01-8 should be accounted for under current lease accounting literature by lessors and lessees. Initial adoption of EITF 01-8 did not have a significant impact on the Company's financial statements.

In December 2003, the FASB issued SFAS 132 (revised 2003), "Employers' Disclosure about Pensions and Other Postretirement Benefits – an amendment of FASB Statement No. 87, 88 and 106," which requires additional disclosures about

the Group's defined benefit plan and other postretirement plan assets, obligations, net costs, and cash flows. The Company has adopted the new disclosure requirements as of December 31, 2003 (see Note 8).

In December 2003, the FASB issued FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("FIN 46R"), which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights (a "variable interest" in a "variable interest entity") and accordingly should consolidate the entity. FIN 46R replaces FIN 46, "Consolidation of Variable Interest Entities," which was issued in January 2003. The Company does not expect FIN 46R to have any effect on its financial position or results of operations upon its adoption in fiscal year 2003.

Corporate governance

Pursuant to the German Stock Corporation Law ("AktG"), § 161 and § 15 EGAktG, the Company's Board of Directors and Supervisory Board have issued a declaration of compliance and have granted shareholders permanent access to this declaration.

Note 4 - Cash and cash equivalents

	2003	2002
	KEUR	KEUR
Cash at bank and cash in hand	65,884	33,174
Bank drafts with original maturity of three months or less	541	20,741
	66,425	53,915

Note 5 - Accounts receivable and other assets

Trade accounts receivable

	2003	2002
	<u>KEUR</u>	<u>KEUR</u>
Trade accounts receivable – short term	82,169	61,300
Trade accounts receivable – long term	17,209	18,248
Less - allowance for doubtful accounts	(2,894)	(8,305)
	<u>96,484</u>	<u>71,243</u>

Other receivables and other assets

	2003	2002
	<u>KEUR</u>	<u>KEUR</u>
Tax refunds	2,772	8,341
Prepaid expenses	1,815	532
Forward contracts at fair value	1,540	1,414
Bonus from suppliers	1,048	67
Employee loans	171	221
Insurance claims	70	124
Accrued interest income	27	17
Others	1,405	1,453
	<u>8,848</u>	<u>12,169</u>

Concerning "Forward contracts at fair value" please refer to "Derivative Financial Instruments" under Note 3.

Note 6 - Inventories

Inventories consist of the following:

	2003	2002
	KEUR	KEUR
Raw materials and packing materials	32,279	31,663
Work-in process	73,612	62,954
Prepayments to suppliers	1,503	1,672
Less – inventory reserve	(5,071)	(7,440)
	102,323	88,849

Note 7 - Liabilities

Other current liabilities

	2003	2002
	KEUR	KEUR
Sales commissions	4,858	2,550
Annual bonus	2,288	1,408
Accrued interest income	1,925	0
Accruals for invoices not yet received	1,444	3,455
Liabilities for employee's compensation for future absence	1,415	1,244
Other personnel liabilities	1,405	787
Tax liabilities	1,112	439
Liabilities for social security insurance	708	925
Current portion of convertible bonds	639	511
Outstanding credit notes to customers	595	710
Shareholder's meeting / Annual report liabilities	450	385
Outstanding wages and salaries	272	922
Remaining purchase price for acquisitions	0	2,701
Other	2,193	2,330
	19,304	18,367

The remaining purchase price for acquisitions at December 31, 2002 relates to the acquisition of Optical Measuring-Equipment & Projects B.V., Best, Netherlands.

Progress payments

	2003	2002
	<u>KEUR</u>	<u>KEUR</u>
Advanced payments received from customers	19,116	11,984

The progress payments at December 31, 2003 and 2002, represent the advance payments received from customers mainly for replication lines included in the work-in process.

The increase is mainly due to the fact that orders for replication lines are higher than prior year's volume.

Convertible bonds

Convertible bonds include only convertible bonds held by management and certain other employees.

	2003	2002
	<u>KEUR</u>	<u>KEUR</u>
Non-current portion of convertible bonds	719	1,147

The convertible bonds have been issued according to a management share option plan. This was created for members of the management board and employees of the Company in order to motivate the respective subscribers to ensure the success of the Company. The conditional capital increase necessary for the issuance of the convertible bonds was agreed upon by the extraordinary general shareholders' meeting on November 6, 1997, the ordinary shareholders' meeting on May 7, 1999 and the ordinary shareholders' meeting on May 7, 2001. According to the shareholders' resolutions, the management board is authorized to issue interest-bearing convertible bonds in one or more steps with an aggregate nominal value of up to Euro 1,597,104 up to September 30, 2002 and to issue interest-bearing convertible bonds in one or more steps with an aggregate nominal value of up to Euro 1,800,000 up to September 30, 2005 and a maturity up to December 31, 2010, subject to the consent of the supervisory board.

On November 30, 1997, 150,000 convertible bonds with a nominal amount aggregating to KEUR 383 with an interest rate of 6 % p.a. were issued. Each DM 5 (Euro 2.56) nominal value of convertible bonds may be converted to six ordinary bearer shares with a nominal value of Euro 1. The conversion rate was fixed to the initial offer price of DM 82 (Euro 41.93) per share with a nominal value of DM 5 . Considering a 3 for 1 stock split and another 2 for 1 stock split after the issuance of the convertible bonds the current conversion rate is Euro 6,99. In 1998 and 1999, 14,727 convertible bonds equivalent to KEUR 38 were returned by employees who have left the company. In 1999, 2000, 2001 and 2002, 94,688 of the convertible bonds with a total nominal value of KEUR 242 were converted. Another 19,515 convertible bonds with a total nominal value of KEUR 50 were converted in 2003. A further 7.5 % may be converted on each conversion date thereafter. Conversion dates are May 31 and November 30 of each calendar year up to 2005. On December 31, 2003, the aggregated nominal value of the outstanding convertible bonds of this tranche amounts to KEUR 54.

494,181 convertible bonds with an aggregated nominal value of KEUR 494 were issued in 1999 and 2000 with an interest rate of 6 % p.a. Each Euro 1 nominal value of convertible bonds may be converted to two ordinary bearer shares with a nominal value of Euro 1. 121,000 convertible bonds equivalent to KEUR 121 have been returned in 2000 by employees who have left the Company. In 2000 and 2001 these convertible bonds were given to new employees. The conversion rate for convertible bonds with an aggregate nominal value of KEUR 373 was fixed to the share price as of December 21, 1999 (Euro 29.73 per share, considering a 2 for 1 stock split after the issuance of the convertible bonds) with a nominal value of 1 Euro. The conversion rate for convertible bonds with an aggregate nominal value of KEUR 81 was fixed to the share price as of November 30, 2000 (Euro 37.50 per share). The conversion rate for the remaining convertible bonds with an aggregate nominal value of KEUR 40 was fixed to the share price as of January 31, 2000 (Euro 42.45 per share, considering a 2 for 1 stock split after the issuance of the convertible bonds). 25 % of the convertible bonds may be converted on May 31, 2002 and a further 7.5 % may be converted on each conversion date thereafter. Conversion dates are May 31 and November 30 of each calendar year up to 2007. In fiscal year 2002, 153,181 convertible bonds

with an aggregate amount of KEUR 153 were returned to the Company. On December 31, 2002, the aggregated nominal value of the outstanding convertible bonds of this tranche amounts to KEUR 341. In fiscal year 2003, 158,500 convertible bonds with an aggregate amount of KEUR 159 were returned to the Company. On December 31, 2003, the aggregated nominal value of the outstanding convertible bonds of this tranche amounts to KEUR 183.

In 2001, 711,000 convertible bonds with an aggregated nominal value of KEUR 711 were issued at nominal value with an interest rate of 4 % p.a. Each Euro 1 nominal value of convertible bonds may be converted to one ordinary bearer share with a nominal value of Euro 1. The conversion rate for these convertible bonds was fixed to Euro 32.53 equaling 130 percent of the average share price of the period from May 14 to May 18, 2001 (Euro 25.02 per share). 25 % of the convertible bonds may be converted at May 31, 2003 and a further 15 % may be converted on each conversion date thereafter. Conversion dates are May 31 and November 30 of each calendar year up to 2006. In 2002, 61,432 convertible bonds with an aggregate amount of KEUR 61 were returned to the Company. In 2003, 221,000 convertible bonds with an aggregate amount of KEUR 221 were returned to the Company. On December 31, 2003, the aggregated nominal value of the outstanding convertible bonds of this tranche amounts to KEUR 429.

In 2002, 563,182 convertible bonds with an aggregated nominal value of KEUR 563 were issued at nominal value with an interest rate of 4 % p.a. Each Euro 1 nominal value of convertible bonds may be converted to one ordinary bearer share with a nominal value of Euro 1. The conversion rate for these convertible bonds was fixed to Euro 19,09 equaling 130 % of the average share price of the period from September 9 to September 13, 2002 (Euro 14.69 per share). 25 % of the convertible bonds may be converted at November 30, 2004 and a further 15 % may be converted on each conversion date thereafter. Conversion dates are May 31 and November 30 of each calendar year up to 2008. In 2003 another 130,000 convertible bonds of this tranche with a nominal value of KEUR 130 were issued. On December 31, 2003 the aggregated nominal value of the outstanding convertible bonds of this tranche amounts to KEUR 693.

As of December 31, 2003, the aggregate nominal value of all four tranches of the convertible bonds amounts to KEUR 1,358. Based on the conversion date, the value at maturity of the bonds is as follows:

	KEUR
Due in 2004	<u>639</u>
Due in 2005	<u>345</u>
Due in 2006	<u>223</u>
Due in 2007	<u>131</u>
Due in 2008	<u>20</u>
	<u>1,358</u>

According to the above table, the current portion of the convertible bonds due within one year amounts to KEUR 639 therefore is stated under 'Other current liabilities'.

Compensation expenses are calculated and recorded for stock option plans that qualify as variable plans under APB No. 25. In fiscal year 2003 the Company did not record compensation expenses in relation to the stock option plans since the performance conditions as defined were not met as of December 31, 2003.

Had compensation expense for options granted under the plans been determined based on fair value at the grant dates in accordance with SFAS 123, the company's charge to income for the year 2003 and 2002 would have been KEUR 4,320 KEUR 4,117 respectively. Net income and earnings per share would have been reduced to the pro-forma amounts shown below:

	<u>2003</u>	<u>2002</u>
Net income under US GAAP:		
As reported (KEUR)	40,257	36,589
Pro forma (KEUR)	35,937	32,472
Earnings per share per US GAAP (basic):		
As reported (EUR)	1.09	0.99
Pro forma (EUR)	0.97	0.88
Earnings per share per US GAAP (diluted):		
As reported (EUR)	1.04	0.95
Pro forma (EUR)	0.93	0.84

The fair value of options granted was estimated using the Black-Scholes stock options pricing model. The following assumptions were used for the calculation of the options granted in 2003: dividend yield of zero, volatility of 60.4 % (2002: 63.4 %), risk free rate of 3.9 % (2002: 3.8 %) and expected life of 5 years (2002: 4.5 years).

All options granted in the year 2003 had an exercise price of EUR 18.24 respectively EUR 26.01 which was above the market value of the stock, and the fair value of each option was EUR 5.04 respectively EUR 7.19.

The following table summarizes the information about the stock options outstanding at December 31, 2003.

Range of exercise price EUR	Number of stock options	Weighted average exercise price EUR	Weighted average remaining contractual life years
6.99	21,072	6.99	1.0
18.24	80,000	18.24	5.0
19.09	563,182	19.09	3.5
26.01	50,000	26.01	5.0
29.73	182,500	29.73	3.5
32.53	428,568	32.53	2.0
	1,325,322	23.41	3.1

Note 8 - Employee benefit plans

In Germany, the Company sponsors a pension plan covering all employees who were taken over from Leybold AG, the employees who were hired by Leybold AG on behalf of the Company as well as the members of the board of directors. The pension plan is based on the benefit plan of Leybold AG established in 1969 and the amendments hereto as of 1977, 1986 and 2001.

Consistent with German practice, the pension plan is not funded. Pension costs are recorded based on independent actuarial valuations. Pension benefits under German plans are generally based on a percentage of the employees' compensation for each year of credited service.

The table that follows contains a reconciliation of the changes in the benefit obligation and the funded status for the respective reporting periods:

	2003	2002
	KEUR	KEUR
Change in projected benefit obligation:		
Projected benefit obligation, beginning balance	3,260	2,723
Service cost	149	155
Interest cost	185	163
Amendments	0	0
Actuarial (gain)/loss	700	239
Benefits paid	(79)	(20)
Projected benefit obligation, ending balance	4,215	3,260
Funded status		
Funded status	(4,215)	(3,260)
Unrecognized net (gain) or loss	1,398	720
Unrecognized prior service cost	128	191
Net amount recognized	(2,689)	(2,349)
Amounts recognized in the consolidated balance sheet consist of:		
Accrued pension liability	(3,558)	(2,763)
Intangible assets	128	191
Accumulated other comprehensive income	741	223
	(2,689)	(2,349)

Principal weighted assumptions used in determining projected benefit obligation are as follows:

	2003	2002
Discount rate	5.25%	5.75%
Salary increase	3.00%	3.00%
Pension payment increase	1.50%	1.50%

The components of net periodic pension cost were as follows:

	2003	2002
	KEUR	KEUR
Service cost	149	155
Interest cost	185	163
Amortization of prior service cost	63	63
Recognized actuarial loss / (gain)	22	13
	419	394

Pension benefit payments were KEUR 79 during 2003 and KEUR 20 during 2002. The total estimated future pension benefits to be paid by the Company's pension plan for the next 10 years approximates KEUR 1,730 and are expected as follows:

					2009 to	
	2004	2005	2006	2007	2008	2013
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
	79	79	79	123	216	1,154

Note 9 - Other accruals

Other accruals include the following:

	2003	2002
	KEUR	KEUR
Warranty accruals	8,739	8,671
Buy-back obligations	350	1,432
Contingent losses	0	1,000
Other	293	542
	9,382	11,645

Warranty accruals are determined based on the estimated costs of fulfilling the warranty obligation, including handling and transportation costs and calculated as a percentage of sales (2 % for all sales and additional 6 % for prototypes) based on historical experience.

Buy-back guarantees were given to leasing institutions and relate to sales of replication lines. The Company sets up provisions for buy-back-obligations, if there is evidence that one or more replication lines will be returned.

Note 10 - Shareholders' equity

Share capital

In 2002, the share capital increased by KEUR 132 due to the conversion of convertible bonds when 131,676 new bearer shares were issued. Moreover 379,110 new bearer shares with a total nominal amount of KEUR 379 were issued in order to pay 50 percent of the provisional purchase price for the acquisition of Optical Measuring-Equipment & Projects B.V., Best, Netherlands. At December 31, 2002, the share capital of the Company amounts to KEUR 36,947 and consists of 36,947,226 bearer shares, with a nominal value of Euro 1 each.

In 2003, the share capital increased by KEUR 117 due to the conversion of convertible bonds when 117,090 new bearer shares were issued.

At December 31, 2003, the share capital of the Company amounts to KEUR 37,064 and consists of 37,064,316 bearer shares, with a nominal value of Euro 1 each.

All shares have been fully paid. Each share is entitled to one vote. All shares are admitted to the official market [Geregelter Markt] a market segment of the Frankfurter Stock Exchange [Deutsche Börse Frankfurt].

Conditional capital

The management board is authorized to issue, in one or more steps, interest-bearing convertible bonds equivalent to KEUR 1,597 shares of Euro 1 each with a maturity up to December 31, 2010, subject to the consent of the supervisory board (conditional capital I). The management board is authorized to issue, in one or more steps, interest-bearing convertible bonds equivalent to KEUR 1,800 shares

of EURO 1 each with a maturity up to December 31, 2010, subject to the consent of the supervisory board (conditional capital II). On November 30, 1997, a nominal amount, aggregating to KEUR 383 of the conditional capital, was converted to convertible bonds following a share management option plan. In 1999 and 2000, a nominal amount, aggregating to KEUR 494 of the conditional capital, was converted to convertible bonds according to an additional share management option plan. In 2001 a nominal amount aggregating to KEUR 711 of the conditional capital was converted to convertible bonds and in 2002 a further nominal amount, aggregating to KEUR 563 was converted to convertible bonds. In 2003 a nominal amount aggregating to KEUR 130 of the conditional capital was converted to convertible bonds. The long-term portion of the convertible bonds are stated under 'Long-term liabilities', the current portion due within one year is stated under 'Other current liabilities'. We further refer to the comments under Note 7 - Liabilities.

Authorized capital

The management board is authorized to increase the Company's share capital with the consent of the supervisory board, in one or more steps, until June 21, 2007, by an aggregate nominal amount of up to KEUR 7,363 by issuing new bearer shares with a nominal value of Euro 1 each, against contribution in cash or in kind (authorized capital 1). Furthermore, the management board is authorized to increase the Company's share capital, in one or more steps, until June 21, 2007 by an aggregate nominal amount of up to KEUR 1,841 by issuing new bearer shares with a nominal value of Euro 1 each, against contribution in cash or in kind (authorized capital 2). For both authorized capital amounts the pre-emptive rights may, with consent of the supervisory board, be excluded under certain conditions.

Additional paid-in capital

The additional paid-in capital increased in 2003 by KEUR 700 and in prior years by KEUR 3,503 due to the conversion of convertible bonds. Moreover the additional paid-in capital increased in 2002 by KEUR 10,964 when 379,110 new bearer shares with a total nominal amount of KEUR 379 were issued in order to pay 50 % of the provisional purchase price for the acquisition of Optical Measuring-Equipment & Projects B.V., Best, Netherlands.

Dividend payments

Dividends may only be declared and paid from distributable shareholders equity as shown in the Company's annual statutory unconsolidated accounts. As of December 31, 2003, the Company's German statutory unconsolidated accounts state revenue reserves of KEUR 15,169 and retained earnings of KEUR 106,370.

Note 11 - Leases and rentals

As of December 31, 2003 minimum annual rental payments for rental commitments were as follows:

	<u>KEUR</u>
2004	1,103
2005	1,103
2006	1,103
2007	1,103
2008	1,103
2009 and thereafter	10,478
	<u>15,993</u>

Rental expenses for these operating leases were KEUR 1,103 for 2003 and KEUR 1,103 for 2002.

Note 12 - Interest income / -expenses

Interest income consists of the following

	2003	2002
	KEUR	KEUR
Interest income from long-term receivables	3,423	1,224
Interest income from financial investments	589	303
Other interest income	32	593
Interest expenses	(1,530)	(340)
	2,514	1,780

Note 13 - Income taxes

Based on a guideline for the interpretation of the revised section 8, paragraph 4 of the Corporation Income Tax Act on the usage of tax loss carry forwards issued by the German tax authorities, the usage of tax loss carry forwards may be limited. This paper presents the interpretation of the tax authorities but does not represent law and may eventually be either confirmed or abolished by the Federal Tax Court. In this opinion, the tax authorities state that tax loss carry forwards acquired in connection with a change in ownership of a corporation of more than 50 % of the shares cannot be used against future income if predominantly new assets are supplied in the following five years. Based on this paper, the usage of such tax losses could be disallowed in the case of Singulus Technologies AG from fiscal year 1997 onwards.

If this interpretation would succeed in a court case a tax risk with respect to the realization of such tax loss carry forwards for fiscal year 1997 in the amount of up to 4.6 million Euro exists. However, legal proceedings are pending before the federal court (Bundesverfassungsgericht) with regard to the formal unconstitutionality of Sec. 12 (2) UmwStG (Reorganization Tax Law) due to failure to comply with the legislative procedure. As the legislative procedure for Sec. 8 (4) KStG (Corporate Income Tax Act) has the same defects, it is possible that this regulation is formally unconstitutional

as well. At present, the outcome of this discussion is uncertain and cannot be finally evaluated. Accordingly, no accrual has been set up for this matter in the financial statements.

Beside this contingency, the tax accruals (2003: KEUR 11,334; 2002: KEUR 10,291) include a provision for income taxes which has been set up in prior years in an amount of KEUR 5,113, as the acceptance of the realization of corporate income tax loss carry forwards in prior years by the tax authorities is subject to a final assessment.

Income tax data from continuing operations for the year ended December 31, 2003 and 2002, is as follows:

	2003	2002
	KEUR	KEUR
Pretax income:		
Germany	48,513	39,044
Foreign	17,013	22,194
	65,526	61,238
Consolidation adjustments	(2,524)	(6,717)
	63,002	54,521
Current income tax:		
Germany:	9,938	7,307
Corporate income tax	5,415	4,209
Trade tax		
Foreign		
Income tax	5,363	6,633
	20,716	18,149
Deferred income tax:		
Germany	1,964	139
Foreign	65	(356)
Total income tax	22,745	17,932

Under German corporate tax law, taxes on income are composed of corporate taxes, trade taxes and solidarity surcharge. Deferred income taxes are established for all significant temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and for tax purposes

Deferred tax assets, for which no valuation allowances have been provided, include the following:

	2003	2002
	KEUR	KEUR
Temporary differences due to		
Inventory reserves	1,790	2,160
Other accruals/liabilities	299	809
Warranty accruals	804	763
Allowance for doubtful accounts	293	319
Other temporary differences	605	666
Consolidation adjustments	890	845
	4,681	5,562

Deferred tax liabilities of KEUR 1,507 (in 2002: KEUR 503) which relate to consolidation adjustments (KEUR 244 in 2003 and KEUR 308 in 2002) and other temporary differences (KEUR 1,263 in 2003 and KEUR 195 in 2002) are included in the tax accruals.

The German statutory tax rate (for income tax, trade tax on income and solidarity surcharge) was approximately 37.3 % for the year ended December 31, 2003, and 36.0 % for the year ended December 31, 2002. The reconciliation between the statutory tax rates for income taxes and the effective tax rate is as follows:

	2003	2002
Statutory tax rate	37.3%	36.0%
Differences in foreign tax rates	-1.9%	-1.9%
Non tax deductible items (Germany)	0.0%	0.0%
Non tax deductible consolidation adjustments	0.0%	0.4%
Prior years tax refunds	0.7%	-1.6%
Effective tax rate	36.1%	32.9%

Note 14 - Contingent liabilities

Contingent liabilities not recognized on the consolidated balance sheets amount to KEUR 41,208 and represent buy-back guarantees given to leasing institutions related to sales of replication lines (KEUR 25,143) and contingent liabilities in connection with the discount of bank drafts (KEUR 16,065). If there are any claims under the guarantees given to leasing institutions, the Company has the right to resell the replication lines bought back.

Management is not aware of any other matters that could give rise to any other liabilities to the Company that would have a material adverse effect on the Company's business, financial condition or results of operation.

Note 15 - Segment reporting

The product groups of the Company are similar with regard to both production processes as well as marketing methods and markets. Hence, they are not considered as separate industry segments and do not require individual financial reporting for segments.

Revenue by product group

	2003	2002
	KEUR	KEUR
Prerecorded CDs/DVDs	229,976	220,967
Recordable CDs/DVDs	74,657	14,722
Mastering Systems	16,934	15,656
Service and other	40,992	39,203
	362,559	290,548

Geographic information as of December 31, 2003:

	Germany	Rest of Europe	America	Asia	Africa
	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>
Gross revenue by country of Origin	<u>326,850</u>	<u>19,195</u>	<u>10,082</u>	<u>6,432</u>	<u>0</u>
Destination	<u>19,232</u>	<u>113,962</u>	<u>77,185</u>	<u>145,934</u>	<u>6,246</u>

Geographic information as of December 31, 2002:

	Germany	Rest of Europe	America	Asia	Africa
	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>	<u>KEUR</u>
Gross revenue by country of Origin	<u>256,202</u>	<u>19,691</u>	<u>10,334</u>	<u>4,321</u>	<u>0</u>
Destination	<u>17,186</u>	<u>90,523</u>	<u>97,386</u>	<u>85,453</u>	<u>0</u>

According to international standards our report is concentrated on SINGULUS TECHNOLOGIES group.

On the following pages you will find the balance sheets and the income statement of the legal entity SINGULUS TECHNOLOGIES AG in prepared conformity with German accounting principles and translated into English.

The complete German report (HGB) is available on request:

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Balance Sheets as of December 31, 2003 and 2002

Assets

	Dec. 31, 2003	Dec. 31, 2002
	EUR	EUR
Fixed assets		
Intangible assets		
Franchises, industrial Trademarks and similar rights and values, as well as licences thereto	445,425.42	524,810.96
Property, plant and equipment		
Estates, similar rights and buildings on foreign estates	19,917,835.75	15,805,286.99
Technical equipment, plant and machinery	461,352.83	369,348.74
Other equipment, operational and office equipment	2,756,163.32	2,193,870.44
Prepayments to suppliers	234,780.00	1,097,299.32
	23,370,131.90	19,465,805.49
Equipment under operating leases	591,943.04	4,160,866.00
Financial assets		
Shares in affiliated companie	28,910,155.47	28,814,503.18
Loans to affiliated companies	1,075,401.10	1,075,401.10
	29,985,556.57	29,889,904.28
Total fixed assets	54,393,056.93	54,041,386.73
Current assets		
Total inventories		
Raw and packing materials	20,885,995.74	20,276,453.76
Work-in-process and finished goods	63,920,111.52	51,690,615.18
Prepayments to suppliers	695,111.15	1,282,141.05
Prepayments to suppliers	-18,438,134.33	-10,498,092.31
	67,063,084.08	62,751,117.68
Total accounts receivable		
Trade accounts receivable	79,710,603.68	76,228,331.09
Accounts due from affiliated companies	4,762,807.76	25,145.66
Other assets	4,232,095.32	8,262,561.39
	88,705,506.76	84,516,038.14
Checks, cash on hand and in Federal Bank and in postal giro accounts, and cash in bank	57,986,583.08	21,415,114.67
Total current assets	213,755,173.92	168,682,270.49
Deferred charges and prepaid expenses	1,703,653.98	388,779.11
Total assets	269,851,884.83	223,112,436.33

Balance Sheets as of December 31, 2003 and 2002

Liabilities

	Dec. 31, 2003	Dec. 31, 2002
	EUR	EUR
Shareholders' equity		
Share capital	37,064,316.00	36,947,226.00
Add. Paid-in capital	27,649,507.34	26,949,080.39
Other earnings	106,370,060.50	78,759,569.85
Retained earnings – ending	15,169,306.76	12,441,183.89
Total shareholders' equity	186,253,190.60	155,097,060.13
Provisions		
Pension accruals and reserves for similar obligations	3,557,507.00	2,762,747.00
Tax accruals	6,730,250.55	5,134,450.52
Other provisions	16,820,605.35	17,146,778.15
Total provisions	27,108,362.90	25,043,975.67
Liabilities		
Long-term loans	1,358,119.71	1,657,509.01
Trade accounts payable	21,240,501.94	10,963,346.91
Accounts due to affiliated companies	16,943,934.76	11,220,000.90
Other liabilities	14,995,656.78	19,130,543.71
– thereof for taxes EUR 265,083.34 (prior year EUR 210,994.71)		
– thereof for social security EUR 835,042.68 (prior year EUR 719,338.72)		
Total liabilities	54,538,213.19	42,971,400.53
Deferred charges and prepaid expenses	1,952,118.14	0.00
Total liabilities and shareholders' equity	269,851,884.83	223,112,436.33

Statements of Income for the years ended December 31, 2003 and 2002

	Dec. 31, 2003	Dec. 31, 2002
	EUR	EUR
Gross revenues	341,689,110.34	265,261,781.65
Increase in finished goods and work-in-process	12,229,496.34	22,565,976.33
Other capitalized production assets	1,574,100.80	2,773,565.00
Other operating income	5,711,371.23	4,547,645.60
	361,204,078.71	295,148,968.58
Cost of materials		
Cost of raw materials, supplies and benefit costs		
Personnel expenses	232,309,313.82	179,979,721.94
a) Wages and salaries	-7,882,004.29	-7,526,847.25
b) Social security, pension and other benefit costs thereof for pensions plan EUR 603,534.23 (prior year EUR 474,518.73)	-21,431,114.89 -4,964,841.28	-17,464,666.31 -3,965,974.22
Depreciation on intangible assets and plant and equipment		
Other operating expenses		
Income from affiliated companies thereof from affiliated companies EUR 2,434,260.42 (prior year EUR 9,837,542.03)	-3,777,598.54	-2,868,061.92
Other interest and similar income	-51,639,353.05	-50,397,836.75
thereof from affiliated companies	-322,004,225.87	-262,203,108.39
EUR 165,877.15 (prior year EUR 33,829.44)	4,214,403.29	2,434,260.42
Write-off financial assets and marketable securities		
Interest and similar expenses	3,902,984.88	2,225,172.89
	-2,053,369.88	-1,155,131.58
	6,064,018.29	3,504,301.73

**Statements of Shareholders' Equity for the years ended December 31, 2003
and 2002**

	Dec. 31, 2003	Dec. 31, 2002
	<u>EUR</u>	<u>EUR</u>
Operating income	45,263,871.13	36,450,161.92
Taxes on income	-14,885,593.80	-11,516,268.60
Other taxes	-39,663.81	-51,525.54
	-14,925,257.61	-11,567,794.14
Net income	30,338,613.52	24,882,367.78
Retained earnings at beginning of the year	12,441,183.89	14,466,714.70
Allocation to other earnings reserve	-27,610,490.65	-26,907,898.59
Retained earnings at end of the year	15,169,306.76	12,441,183.89

Average Total Employment

In the fiscal year concluded, the annual average of permanent numbered 313. The annual average for the prior year was 277.

Corporate Bodies of SINGULUS TECHNOLOGIES AG

The Supervisory Board consists of three members who are appointed at the General Shareholders' Meeting. Supervisory Board members for the period under review are listed below:

Alexander von Engelhardt	William Slee	Thomas Geitner
Kronberg (Taunus)	London	Cologne
Chairman	Vice Chairman	

The appointment of the aforementioned Supervisory Board members is in effect through the General Shareholders' Meeting at which time a discharge decision for fiscal 2005 will be made.

Supervisory Board Remuneration

Each member of the Supervisory Board receives, in addition to compensation for expenses, fixed remuneration amounting to Euro 15,000 for each full financial year of Supervisory Board membership. (This fixed remuneration is payable at the end of the financial year.) In addition, subsequent to the decision on profit appropriation, each Supervisory Board member receives, for its membership on the Supervisory Board during the preceding financial year, performance-based remuneration of Euro 800.00 for each cent by which the consolidated earnings per share, pursuant to US-American accounting standards, exceed the amount of Euro 0.30. The basis of assessment is at most equal to the Company's balance sheet profit reduced by an amount of four of a hundred of the capital invested in the lowest issue amount of the shares.

The Chairman of the Board receives twice this amount, the deputy Chairman receives one and a half times the amount of fixed and performance-based remuneration.

Supervisory Board members who have been members of the Supervisory Board for only part of the financial year receive a reduced amount of fixed and performance-based remuneration on a prorated basis.

The Company reimburses each Supervisory Board member for the turnover tax attributable to its remuneration.

The current occupations of Supervisory Board members are listed below along with any additional supervisory board positions held, i. e. membership in comparable regulatory bodies:

	Professions	Further memberships in Supervisory Boards and other bodies
Alexander v. Engelhardt	Supervisory Board	<ul style="list-style-type: none"> ● WashTec AG (Chairman) ● Dr. Schmidt AG & Co. (Vice Chairman) ● Gütermann AG ● Tarkett Sommer AG
William Slee	Supervisory Board	<ul style="list-style-type: none"> ● The Game Group plc, Großbritannien (Non executive Director) ● Algemeen Burgerlijk Pensioenfonds (Member of the Investment Committee) ● Dimon Inc., Danville, Virginia, USA (Non executive Director) ● ECOFIN Water + Power Opportunities plc., Großbritannien (Non executive Director)
Thomas Geitner	Executive Director Vodafone Group plc.	<ul style="list-style-type: none"> ● Vodafone D2 GmbH, Düsseldorf ● Arcor AG & Co., Eschborn (Chairman) ● Vodafone Libertel N.V., Niederlande, (Until December 2, 2003) ● Vodafone Information Systems GmbH, Düsseldorf (Chairman) ● Vizzavi Ltd. London

Members of the company's management board were in 2003
 Roland Lacher (Chairman),
 Stefan A. Baustert (effective January 15, 2003),
 Klaus Hammen and
 Dr. Reinhard Wollermann-Windgasse (effective July 1, 2003).

The Managing Board received payments totaling 1.921 KEUR during the period in report. These are itemized as follows:

	Fix*	Variable	Total
	KEUR	KEUR	KEUR
Roland Lacher	360	304	664
Stefan Baustert	256	293	549
Klaus Hammen	188	237	425
Dr. Reinhard Wollermann-Windgasse	130	153	283
Total	934	987	1,921

* Basic salary plus benefits as well as monetary equivalents

Other Financial Obligations and Contingent Liabilities

In fiscal 2000, the company finalized a lease agreement for the office and manufacturing facility in Kahl. The term of the lease runs from July 1, 2000 through June 30, 2018 with an annual lease amount of 1.103 KEUR. Financing for the property was secured through the Commerzbank AG, Hanau in the form of a 13,805 KEUR mortgage.

Additionally, recourse agreements provided to finance companies for replication line sales total 25,143 KEUR. Any claims made will be offset by the profits realized from the resale of the returned machines.

Contingent liabilities from discounted bank drafts maturing after December 31, 2003, total 16,065 KEUR.

Furthermore, outstanding financial obligations for leased passenger and commercial vehicles have lease periods not exceeding 2 years.

By the year-end closing date, liabilities from surety orders totaled 70 KEUR.

Declaration in Accordance with § 161 AktG Re: Code of Corporate Governance

The company has submitted, and made available to shareholders, its declaration for 2003 as prescribed by § 161 AktG.

Kahl am Main, February 24, 2004

The Managing Board

R. Lacher S. Baustert K. Hammen Dr. R. Wollermann-Windgasse

GLOSSARY OF TECHNICAL TERMS

Anti-Reflective (AR) Coating reduces disturbing reflections on glass surfaces.

AOD/HD-DVD Advanced Optical Disc/High Density Digital Versatile Disc. Third generation optical storage medium for digital information (HDTV data); up to 15 Gigabyte storage capacity per layer. Operates with the blue laser (405 nm), 120 mm disc diameter.

Blu-Ray New, third generation optical data storage medium. Storage capacity is 25 Gigabyte per layer, works with the blue laser (405 nm), 120 mm disc diameter.

Bonding One of the DVD production steps in which two disc halves are permanently adhered to one another.

CD Compact Disc; first generation optical storage medium for digital pre-recorded information (audio, video, computer data); 650 megabyte storage capacity; 780 nm laser wavelength; one polycarbonate substrate (120 mm diameter, 1.2 mm thickness).

CD-ROM Compact Disc – Read Only Memory; first generation optical data storage medium used for pre-recorded data (software). This information can be read but not altered.

CD-R Compact Disc – Recordable; optical data storage medium used for personal archiving (burning) of digital information; information can be recorded onto a CD-R only once, thereafter it can only be read like a CD-ROM.

CD-RW Compact Disc – Rewritable; first generation optical data storage medium used for archiving (burning) digital information; the CD-RW can be recorded and erased repeatedly.

CD Card First generation optical storage medium with/of the size of a credit card which can be read on a conventional CD-ROM drive; usually 60 MB storage capacity.

Cleaning Performed to prepare eyeglass lenses for additional processing/coating.

Curing Process during which the lacquers applied to eyeglass lenses are dried.

DMS Evolution Mastering System for prerecorded, recordable and rewritable CD and DVD optical data storage formats.

DVD Digital Versatile Disc; second generation optical storage medium for digital information (audio, video, computer data); 9.4 (2 x 4.7) Gigabyte max. storage capacity; 650 nm laser wavelength; 2 polycarbonate substrates (120 mm diameter; 0.6 mm thickness each), individually produced, coated and subsequently bonded together. The digital information can be read but not altered.

DVD-Audio Digital Versatile Disc-Audio; second generation optical data storage medium for music.

DVD-Plus Second generation optical storage medium combining CD and DVD technology on a single disc. A CD is bonded to the flip-side of a DVD 5 disc.

DVD-ROM Digital Versatile Disc-ROM; second generation optical data storage medium for digital information (data, software, games, etc.); the digital information can be read but not altered.

DVD-Video Digital Versatile Disc-Video; second generation optical storage medium for movies with multiple supplemental features including language options.

DVD-R Digital Versatile Disc-Recordable; second generation optical data storage medium for personal archiving (burning) of digital information; the DVD-R can be recorded only once, and thereafter can only be read like a normal DVD. This format has a 4.7 Gigabyte storage capacity.

DVD – 5 Digital Versatile Disc – 4.7 Gigabyte storage capacity

DVD – 9 Digital Versatile Disc – 8.5 Gigabyte storage capacity

DVD – 10 Digital Versatile Disc – 9.4 Gigabyte storage capacity

DVD–RW Digital Versatile Disc – Rewritable; second generation optical data storage medium for repeated digital recording, used for PC and video applications. (Format used by Pioneer and others).

DVD+RW Digital Versatile Disc – Rewritable; second generation optical data storage medium for repeated digital recording, used for PC and video applications. (Format used by Phillips and others).

DVD-RAM Digital Versatile Disc – Read Access Memory; second generation optical data storage medium for repeated digital recording, used for PC and video applications. (Format used by Hitachi and others).

Dye Special dye on CD-R and DVD-R discs onto which information is recorded in a CD or DVD burner.

Finishing Refining the mechanical and optical properties of eyeglass lenses through the application of multiple functional thin coatings.

Forming Adaptation of eyeglass lens geometry to correct vision impairment.

Hard Coating (Scratch-Resistance Coating) First layer applied to synthetic eyeglass lenses during the finishing process. Lens wear- and scratch-resistance are enhanced, thereby improving the durability of the lenses.

HDTV Digital Television High definition digital television with a 1920 x 1080 pixel image resolution.

Immersion Lacquering Process by which the surface of an object is coated by immersing it into a liquid.

Injection Molding Machine Used to create a disc blank by molding thermoplastic material. Melted polycarbonate is injected into a mold cavity where it is pressed into shape, impregnated with digital content, and cooled. (See molding).

Lacquering process for application of Hard Coat: Coating by means of an immersion or spin coating process.

Mastering The mastering process converts digital music, data or video information into pits. The disc master created during this process is the foundation for the replication process.

Metallizing Application of a thin layer of metal (aluminum, gold, silver) or silicon onto a CD or DVD disc; this reflective layer serves to reflect the laser beam; the cathode technology employed is known as sputtering.

MODULUS Multiple-cathode metallizer for coating rewritable CD-RW, DVD-RW, DVD+RW and DVD-RAM media.

MRAM (Magnetic Random Access Memory) Contrary to conventional technology, this non-volatile storage medium does not lose memory in the absence of power, uses less energy, and exceeds the read/write speeds and data density of other forms of storage.

Molding Injection molding process used to manufacture and shape disc blanks.

MoldPro Injection molding machine - the patents for this technology were acquired effective January 1, 2004.

OPTICUS System on which eyeglass lenses are coated in an inline process.

Organic Glass A vitriform, entirely synthetic material characterized by its low specific weight and impact resistance.

PECVD Plasma Enhanced Chemical Vapor Deposition – process used to apply Hard Coat and Top Coat to eyeglass lenses. Plasma is used in this process to deconstruct complex gas molecules. The product of this reaction precipitates onto the surface of a substrate forming a thin, hard layer.

Phase-Change Technology Process during which the composition of a material is alternately converted between an amorphous and crystalline state.

Polycarbonate CD and DVD substrate material.

SACD (Super Audio CD) Optical data storage medium and advancement of the Audio CD combining the advantages of analog and digital formats.

Semiconductor Industry Field engaged in research and the manufacture of microelectronic integrated circuits or transistors commonly known as microchips used in electronic devices.

Semiconductor Materials (i.e., silicon) are good insulators at low temperatures and good conductors of electricity at high temperatures.

SKYLINE Fully automated replication line for CD, CD-ROM and CD cards.

SKYLINE II New, fully automated replication line for CD introduced in April 2003.

SKYLINE II Duplex Fully automated replication line for CD and DVD 5.

Smart Cathode® Patented sputter cathode for coating CD and DVD discs with highly uniform reflective layers.

SPACELINE Fully automated replication line for DVD 5, DVD 10 and DVD 9.

SPACELINE II New, Fully automated replication line for DVD introduced in April 2003.

Spin-Coating A coating process during which liquids such as dyes or lacquers are spun onto the surface of an object.

Sputtering The process by which a thin layer of metal or silicon is deposited onto a polycarbonate disc. Material bombarded by electrically-charged particles (ions) in a vacuum is knocked loose and precipitates onto the surface of a substrate forming a thin coating.

Sputter-Cathode Sputtering device in a metallizer.

STREAMLINE Fully automated replication line for CD-R.

STREAMLINE DVDR/SPA Fully automated replication line for DVD±R.

STREAMLINE II New, fully automated replication line for DVD±R and CD-R.

SUNLINE Fully automated replication line for rewritable CD-RW, DVD-RW, DVD+RW and DVD-RAM discs.

Target Metal plate which is the source of the selected disc layer material (i.e., aluminium, silver); ionic bombardment of its surface releases the material which subsequently coats the disc.

Tempering Heating of eyeglass lenses in preparation for additional manufacturing steps.

TIMARIS Vacuum coating system which operates in accordance with TMR principles, designed for use in the semiconductor industry. Manufactures either MRAM wafers or future read-write heads for magnetic hard disc drives.

TMR (Tunnel Magnetic Resistance) Effect Electrical resistance can be altered depending on the external magnetic field applied. The application of this external magnetic field can alter the magnetic alignment in one of the ferromagnetic portions of a three-tiered sandwich (two ferromagnetic layers and a middle, non-magnetic isolating layer). The magnetization of the second layer remains unchanged. These two alignment options, parallel or anti-parallel, can now be used to store bits of information.

Top Coat (Easy Care Coating) Hydrophobic (water-repellent) coating which inhibits dust and other contaminants from adhering onto surfaces. A Top Coat application reduces the cleaning frequency needed in everyday lens care.

Uniformity Consistency in the thickness of a layer applied to the surface of an object.

UV-curing Drying or curing of adhesives or lacquers using ultraviolet rays.

Vaporization Vacuum coating process for applications such as anti-reflective coatings on eyeglass lenses in which a material is melted and evaporated in a vacuum.

Wafer Extremely thin slice of silicon up to 300 mm in diameter. Serves as the substrate material for integrated circuits (also known as chips).

SINGULUS TECHNOLOGIES AG – Declaration in Accordance with § 161 AktG

The company complied with the German Code of Corporate Governance recommendations issued by the German Federal Ministry of Justice on May 21, 2003 (“Code”) during fiscal 2003 and will continue to do so during the current fiscal year. Exceptions are as follows:

1. In lieu of a deductible for its directors’ and officers’ liability insurance (“D&O insurance”), the company and the members of its governing bodies agreed that members’ respective insurance premiums for D&O insurance will be borne by the individuals involved (Code Fig. 3.8, Par. 2).
2. In lieu of a statutory provision, the company’s Supervisory Board bylaws stipulate that the retirement age for Management Board members will be considered during succession planning (Code, Fig. 5.1.2, Par. 2).
3. Caucuses have not been, and will not be, formed as long as the Supervisory Board consists of just three members (Code, Fig. 5.3.1 and 5.3.2).
4. In lieu of a statutory provision, the Supervisory Board bylaws stipulate that the retirement age for Supervisory Board members will be considered when exercising nominating rights for new elections (Code, Fig. 5.4.1).

Kahl am Main, February 2004
SINGULUS TECHNOLOGIES AG

Alexander von Engelhardt

William Slee

Thomas Geitner

Roland Lacher

Stefan A. Baustert

Klaus Hammen

Dr. Reinhard Wollermann-Windgasse

Annual Shareholders Meeting 2004

You can find detailed information on the SINGULUS TECHNOLOGIES AG homepage
http://www.singulus.de/english/2_investor/index_investor.htm

1.
 - Your way to the Hermann-Josef-Abs Saal
 - Frankfurt city map
 - Routing
 - Your way by the German Railway
 - Agenda Shareholders Meeting (available from 30.03.2004)
 - Invitation as PDF file (available from 30.03.2004)
2.
 - All counter motions
3.
 - Important questions as HTML-document
4. About the Annual Shareholders Meeting:
 - Speech from Roland Lacher as Text-document
 - Presentation as PDF file
 - Video of the speech from Roland Lacher, AVI file (temporarily delayed)
 - Audio recording of the speech from Roland Lacher (temporarily delayed)

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