

REPORT FIRST QUARTER 2001

CONSOLIDATED CLOSING FIRST QUARTER 2001,
(US GAAP), AS OF 31.03.2001 (UNAUDITED)

Dear Ladies and Gentleman,

In the 1st quarter of 2001, SINGULUS TECHNOLOGIES' order intake surpassed that of the 4th quarter of last year. First quarter revenues also returned to expected levels. The company was thus able to benefit from a discernible positive turn in the market.

REVENUES

Consolidated revenues totaled 51.4 million Euro, just short of the 54.7 million Euro reached last year.

Revenues for CD machinery declined slightly from 29.1 million Euro in the 1st quarter last year to 28.4 million Euro in the 1st quarter of 2001. However, the CD sector continues to be a major source of revenue, accounting for a 55.2 % share of revenues (previous year 53.2 %). DVD line revenues rose from 14.9 million Euro in the 1st quarter the year before to 16.0 million Euro this quarter. The revenue share for the DVD sector consequently grew from 27.4 % to 31.0 % for the period. In view of our expanded installed base of machines, 1st quarter service and spare parts revenues rose from 4.1 million Euro last year to 4.7 million Euro in 2001. Conversely, revenues in the CD-R sector declined from 5.9 million Euro last year to 1.8 million Euro in the first quarter of 2001.

The following represents the regional distribution of revenues for the first quarter of 2001: Europe, 20.7 % (preceding year 22.7 %), North and South America 25.5 % (preceding year 10.9 %), and Asia 53.8 % (preceding year 66.4 %).

BOOKINGS AND ORDER BACKLOG

At 48.8 million Euro, order intake rose markedly over the low fourth quarter 2000 (38.4 million Euro). The order intake product mix reflects a shift from a concentration in CD machines in the first quarter 2000 to a more uniform distribution among CD and DVD machines in the first quarter 2001. While 64 CD lines and 7 DVD lines were booked as orders in the same prior year quarter, orders were received in the first quarter of 2001 for 46 CD lines and 30 DVD lines.



Orders valued at 44.2 million Euro were concurrently removed from our order backlog as some contract partners were unable to make down payments or issue letters of credit and the reliable fulfilment of customers' contractual obligations could no longer be expected. The affected orders originated in our Asian markets, particularly from customers in Hong Kong and Taiwan.

As a result of these activities, the adjusted order backlog at the end of March 2001 totaled 111.2 million Euro (previous year 250.2 million Euro). The composition of the order backlog has clearly shifted in favor of DVD lines. This reaffirms our successful strategic concentration on the DVD sector.

EARNINGS

The corporation's profitability remains at a high level. Net earnings declined from 7.4 million Euro in the 1st quarter of 2000 to 5.9 million Euro in the first quarter of 2001. This development can be attributed to the current intense price competition as well as to an increase in the shipment of systems including injection molding machines that provide smaller margins.

As a result of this development, the gross profit margin decreased from 38.0 % in the first quarter last year to 33.8 % in the current quarter. In light of the company's favorable financial structure, a strong return was still achieved. At 12.4 % (14.2 % during the same quarter the year before), the net rate of return remains in the double digits.

STAFF

Due to the strong growth in business, hiring was accelerated in the year 2000 to accommodate market conditions, following the terms of technological advances, new product development and the increasing demand for sales consultations and service performed on our installed base of machines. By the end of March 2001, the company employed 320 people.

RESEARCH AND DEVELOPMENT

Continuous investments have been made in Research and Development. Expenditures rose from 1.1 million Euro in the first quarter of 2000 to 1.6 million Euro in the first quarter of 2001. SINGULUS TECHNOLOGIES thereby continued its pursuit of a strategy to reinforce and expand its technological position of leadership.

Research and Development activities have been concentrated in a several major areas. The most noteworthy new development is the development of a new complete SUNLINE replication system for the manufacture of rewritable discs. Along with the MODULUS metallizer, it is our goal to provide our customers with turnkey solutions for CD-RW and DV±RW/RAM production.

A new SINGULUS V metallizer is another new development in the final testing stages. Its design and fully integrated control system will ensure its effortless incorporation into lines other than our own.

FORECAST

When considering that our business is not uniformly distributed throughout the year and traditionally proceeds slower in the first quarter than in subsequent periods, bookings and revenues for fiscal 2001 have thus far fully met our expectations.

Observation of markets and competitors has confirmed our leading market position for CD and DVD machines. We are pleased to announce that SINGULUS TECHNOLOGIES has been awarded new orders for a total of 26 CD-R replication lines. The total value will be 20 Mio. Euro.

We also expect leading Asian manufacturers in the new business sector for rewritable CD and DVD machinery to place key orders for the MODULUS and SUNLINE systems.

The technological strength of our products for prerecorded and recordable formats, our organization's focus on customer requirements, and our streamlined business model and excellent financial position provide an solid foundation for the strengthening and expansion of SINGULUS TECHNOLOGIES' market position during the remainder of the year.

Best regards,
SINGULUS TECHNOLOGIES
The Managing Board

CONSOLIDATED BALANCE SHEETS

Euro '000	Year End 2000 March 31, 2001	
Cash and cash equivalents	41 430	53 366
Trade accounts receivable	57 747	58 296
Other receivables sundry	3 995	2 093
Total accounts receivables, net	61 743	60 389
Total inventories, net	83 100	69 728
Total Current Assets	186 273	183 483
Property, plant & equipment	8 827	8 428
Intangible assets	379	380
Deferred tax assets	3 854	3 854
Total Assets	199 333	196 144
Bank overdrafts & borrowings	41	0
Trade accounts payable	24 888	15 950
Other current liabilities	12 602	12 299
Progress payments	14 535	15 419
Tax accruals	29 855	29 507
Other provisions	8 646	8 950
Total current liabilities	90 568	82 125
Convertible bonds	569	569
Pension acccruals	1 711	1 767
Total long-term liabilities	2 280	2 336
Total Liabilities	92 848	84 461
Minority Interest	- 18	- 18
Share capital	36 321	36 321
Additional paid-in capital	14 684	14 684
Currency translation adjustment (CTA)	746	60
Retained earnings	54 751	54 751
Profit current year	0	5 885
Total Shareholders Equity	106 503	111 702
Total Liabilities & Equity	199 333	196 144

CONSOLIDATED STATEMENT OF INCOME

Euro '000	First 3 Months	
	2000	2001
Gross Revenues	54 683	51 435
Sales Deductions & Direct Distribution Costs	3 078	3 839
Net Revenues	51 605	47 596
Cost of Goods Sold	31 991	31 521
Gross Profit	19 614	16 076
Developm., Design, Quality Control	872	1 211
Sales & Customer Services	1 983	3 161
General Managem. & Administration	1 160	1 456
Projects & Reserves	1 112	1 100
Total Operating Expences	5 127	6 928
<i>thereof R&D</i>	1 109	1 627
Operating Income (EBIT)	14 487	9 148
Non-Periodic, Extraordinary Exp.	5	
Interest Expences (-Income)	- 163	- 431
Profit Before Tax	14 645	9 579
Income Taxes	7 291	3 694
Minority Interest	1	
Net Income	7 353	5 885
DVFA/SG Net Income	7 356	5 885
EPS (DVFA/SG) in DEM	0,20	0,16

CONSOLIDATED CASH FLOW STATEMENT

Euro '000	First 3 Months	
	2000	2001
Net Income	7 353	5 885
Depreciation	268	546
Movt. In Long Term Provisions	38	52
Cash Flow	7 660	6 483
Change In Working Capital	-1 598	6 283
Net cash flows from operating activities	6 062	12 766
Capital Expenditures In Fixed Assets	-2 414	- 147
Change In CTA, Minority Interest, others	- 717	- 683
Net Change in Cash & Liquid Funds	2 931	11 937

CORPORATE BODIES OF THE COMPANY, Status 31.03.2001

Shares á 1 EURO:		Stock subscription rights provided in the form of convertible bonds á 1 EURO:	
Alexander v. Engelhardt	2,500 pieces	Roland Lacher	24,305 pieces
William Slee	19,520 pieces	Reiner Seiler	97,200 pieces
Thomas Geitner	500 pieces	Dr. Christian Holtmann	162,000 pieces

At a Glance

SINGULUS TECHNOLOGIES Consolidated

3 months cumulative, as of 03.31 / 1998/ 1999 / 2000 / 2001

	3M 1998 T EURO	3M 1999 T EURO	3M 2000 T EURO	3M 2001 T EURO
Gross Revenues	24,162	30,676	54,683	51,453
Earnings Before Taxes	5,992	6,032	14,487	9,148
Net Income	6,053	6,092	14,645	9,579
Total Shareholders Equity	2,559	3,072	7,353	5,885
DVFA Cash-Flow	2,706	3,306	7,660	6,483
Staff*	135	160	251	320
R&D Expenditures	798	777	1,109	1,627
Earning per Share (DVFA/SG) **	0.08	0.09	0.20	0.16

All figures in T EURO except:

* (actual number)

** in Euro based on 36,321,312 issued shares á 1 EURO

SINGULUS TECHNOLOGIES AG:

Hanauer Landstrasse 103, D-63796 Kahl/Main

Tel.: +49 (0) 61 88 - 440 - 159

Fax: +49 (0) 61 88 - 440 - 110

E-mail: investor-relations@singulus.de

Internet: <http://www.singulus.de>