

REPORT FIRST HALF YEAR 2001

CONSOLIDATED CLOSING FIRST HALF YEAR AND
2. QUARTER 2001, (US GAAP),
AS OF 30.06.2001 (UNAUDITED)

Dear Ladies and Gentlemen,

SINGULUS TECHNOLOGIES increased its order intake over the preceding quarters I/2001 and IV/2000. Revenues for the completed 2nd quarter were also in accordance with expectations. Thus SINGULUS has again demonstrated its exceptional performance over all other competitors and remains among the strongest earning companies traded on the Neuer Markt stock exchange.

REVENUES

Earnings of 53.1 million Euro in QII/2001 exceeded those of the same prior year quarter (51.4 million Euro), although the extraordinary revenues achieved in QII/2000 (103.7 million Euro) could not be matched. Cumulative revenue for the first six months of the current fiscal year reached 104.5 million Euro compared to 158.3 million Euro for the same prior year period.

At the six-month mark, the CD sector is still the primary revenue generator, accounting for 53.9% of revenues (previous year 49.4%) despite an earnings decline in this segment from 78.3 million Euro to 56.3 million Euro. DVD line revenues totaled 31.6 million Euro (39.3 million Euro last year). As a result, the revenue share for the DVD sector grew to 30.3% (prior year 24.8%). The worldwide slump evident in the CD-R machine market since the middle of 2000 caused revenues for this product segment to decline from 27.2 million Euro last year to 4.3 million Euro within the first six months of this year. Service and spare parts revenues rose from 8.4 million Euro last year to 9.4 million Euro in the first half of 2001.

A revenue slowdown has become evident in all regions compared to last year, attributable primarily to CD and CD-R systems. The regional distribution of revenues for the first half year is as follows: Europe 29.0% (prior year period 22.2%), North and South America 20.8% (14.2%), and Asia 50.2% (63.6%).

BOOKINGS AND ORDER BACKLOG

At 64.4 million Euro, the order intake was increased over the previous quarter I/2001 (48.8 million Euro). The shift in the product mix for new orders from CD to DVD machines continued in QII/2001. In QII/2001, new orders were booked for 31 CD machines, 23 DVD machines and 27 CD-R machines.



SINGULUS TECHNOLOGIES gained two significant global players with the addition of CINRAM (Canada) and RITEK (Taiwan) as new DVD customers. New major orders were additionally placed for CD-R machines.

The order backlog on 6/30/01 totaled 118 million Euro (6/30/00: 259 million Euro). The composition of the order backlog is influenced by a concentration of new orders in the DVD sector and has clearly shifted from CD machines to the DVD segment. SINGULUS' steadfast expansion of its current market leadership position in the DVD machine sector so strategically significant for the future, is tied to this development

EARNINGS

The corporation continues to demonstrate a high degree of profitability despite a decline in net earnings from 21.9 million Euro in the first half year of 2000 to 12.2 million Euro in the first half of 2001. At 12.5% (prior year 15.2%), the net return on sales percentage remained in the double digits while numerous well-known competitors recorded major losses.

The gross profit margin declined to 33.8% in the first six months of the current fiscal year (37.6% for the same period last year). Intense competitive pricing, particularly in the CD and CD-R machinery sectors, coupled with a greater number of systems sold with outsourced injection molding machines that have reduced margins, are the principal reasons for this development. The high gross profit margins compared to competitors as well as favorable cost structuring with low fixed costs, ensure the corporation's high level of profitability.

STAFF

SINGULUS TECHNOLOGIES employed 322 people on 6/30/01 (6/30/00: 278). While capacity was adjusted in the second half of the year 2000 due to the tremendous growth in business (primarily with the help of temporary employees), the number of employees in 2001 remained essentially unchanged. Accordingly, staffing for Sales increased by 5 employees over the previous quarter while that of Administration and Production declined by 3.5 employees.

RESEARCH AND DEVELOPMENT

SINGULUS TECHNOLOGIES increased its R&D expenditures from 2.5 million Euro in the first half of 2000 to 2.7 million Euro in the first half of 2001. The following key topics are noteworthy for the second quarter 2001:

The new SINGULUS V metallizer family (see photo on front page), introduced to the market at the Replitech trade show in Geneva in June 2001, completed a successful beta-site production test at a key customer facility and is now ready to be marketed. SINGULUS TECHNOLOGIES received the first firm orders for these machines during the Replitech show.

The process development for once-rewritable DVD-R has been successfully concluded. SINGULUS has already been awarded an initial customer order for multiple systems inclusive of process technology.

An important R&D milestone was achieved in the rewritable optical disc portfolio. In cooperation with Pioneer the first DVD-RW within specification made outside of Japan was fabricated (see team picture on front page). The DVD-RW format is available since about one year on the Japanese consumer electronic market and recently gathers worldwide attention. It has best chances to replace the outdated VHS cassette. The rival format DVD+RW, which will be launched during upcoming IFA Berlin, is said to be applying similar manufacturing technology. SINGULUS at present is the only equipment supplier capable of delivering a turn key production package (hardware+process) to manufacturers. This is an important fact particularly for the European market, where there are practically no experiences with rewritable optical disc media.

SINGULUS is the only systems supplier able to supply a CD/DVD manufacturer with a turnkey production system (metallizer + hardware + process) for all rewritable optical data discs. This is particularly important for the European market where there is real project demand but where customers lack the practical experience of manufacturing rewritable media.

FORECAST

The past has shown that our business is not evenly distributed throughout the calendar year. The second half of the year has traditionally progressed stronger than the first. Given this background, our order intake and sales have fully met our expectations.

Despite a difficult economic climate marked by extremely aggressive price competition, we foresee continued positive growth for optical disc replication systems in the DVD, CD-RW and DVD+RW/RAM product sectors. The growing acceptance and market penetration particularly of DVD for video and DVD-ROM for game console

applications, will result in the generation of a worldwide increase in demand for replication systems. SINGULUS TECHNOLOGIES was able to increase its market share in this sector in the first half of 2001.

Unlike its main competitors, SINGULUS' roots and strengths lie in prerecorded CD and DVD systems, a segment in which SINGULUS has assumed a global leadership position. Growth in this market is determined by the availability of the requisite prerecorded content and is less affected by overcapacity than is the market for blank discs.

Consequently, SINGULUS' core strategy is to retain and expand its market position in this sector.

In the difficult rewritable CD-R business, SINGULUS will concentrate solely on orders for which strong returns are likely. Conversely, we consider the new business sector for rewritable CD-RW and DVD±RW/RAM formats to be a very important strategic arena in the future; not only will it steadily replace VHS technology, it also presents considerable technological entry barriers. In addition to key orders from leading Asian manufacturers, we also expect to receive orders from Europe in the near future. The technological strength of our products, our organization's focus on service and customer support, our streamlined cost structure and low fixed costs as well as our financial strength will remain guarantors that secure for SINGULUS TECHNOLOGIES a strong market position and high net returns in the future.

Best regards

CONSOLIDATED BALANCE SHEETS

SINGULUS TECHNOLOGIES

The Managing Board

Euro '000	Year End 2000	June 30, 2001
Cash and cash equivalents	41 430	64.102
Trade accounts receivable	57 747	62.513
Other receivables sundry	3 995	4.553
Total accounts receivables, net	61 743	67.066
Total inventories, net	83 100	64.642
Total Current Assets	186 273	195.810
Property, plant & equipment	8 827	8.368
Intangible assets	379	380
Deferred tax assets	3 854	3.854
Total Assets	199 333	208.411
Bank overdrafts & borrowings	41	
Trade accounts payable	24 888	18.368
Other current liabilities	12 602	12.490
Progress payments	14 535	19.306
Tax accruals	29 855	29.681
Other provisions	8 646	7.394
Total current liabilities	90 568	87.239
Convertible bonds	569	730
Pension acccruals	1 711	1.814
Total long-term liabilities	2 280	2.544
Total Liabilities	92 848	89.783
Minority Interest	- 18	-20
Share capital	36 321	36.379
Additional paid-in capital	14 684	14.853
Currency translation adjustment (CTA)	746	446
Retained earnings	54 751	54.751
Profit current year	0	12.220
Total Shareholders Equity	106 503	118.649
Total Liabilities & Equity	199 333	208.411

CONSOLIDATED STATEMENT OF INCOME

as at June 30 Euro'000	First 6 Months	
	2000	2001
Gross Revenues	158 276	104 509
Sales Deductions & Direct Distribution Costs	14 248	6 576
Net Revenues	144 027	97 932
Cost of Goods Sold	89 943	64 873
Gross Profit	54 084	33 060
Developm., Design, Quality Control	1 858	2 369
Sales & Customer Services	3 984	5 989
General Managem. & Administration	2 559	3 237
Projects & Reserves	3 252	2 450
Total Operating Expenses	11 653	14 045
thereof R&D	2 463	2 672
Operating Income (EBIT)	42 431	19 015
Non-Periodic, Extraordinary Exp.	63	
Interest Expenses (-Income)	- 478	- 845
Profit Before Tax	42 846	19 859
Income Taxes	20 961	7 633
Minority Interest	4	7
Net Income	21 880	12 220
DVFA/SG Net Income	21 911	12 220
EPS (DVFA/SG) in DEM	0,60	0,34

CONSOLIDATED CASH FLOW STATEMENT

as at June 30 Euro'000	First 6 Months	
	2000	2001
Net Income	21 880	12 220
Depreciation	545	1 076
Movt. In Long Term Provisions	92	103
Cash Flow	22 517	13 398
Change In Working Capital	2 530	9 848
Net cash flows from operating activities	25 047	23 246
Capital Expenditures In Fixed Assets	-2 519	- 618
Movt. In Long Term Depts	- 26	161
Change In CTA, Minority Interest, others	- 91	- 300
Change in Capital Stock & Retained Earnings	430	225
Net Change in Cash & Liquid Funds	22 841	22 713

CORPORATE BODIES OF THE COMPANY

Status 30.06.2001

Shares à 1 EURO:	
Reiner Seiler	12,150 pieces
William Slee	19,520 pieces
Thomas Geitner	1,500 pieces
Stock subscription rights provided in the form of convertible bonds à 1 EURO:	
Roland Lacher	21,267 pieces
Reiner Seiler	85,050 pieces
Dr. Christian Holtmann	243,000 pieces

At a Glance

SINGULUS TECHNOLOGIES Consolidated

6 months cumulative, as of 30.06.1998/ 1999 / 2000 / 2001

	6M 1998 T EURO	6M 1999 T EURO	6M 2000 T EURO	6M 2001 T EURO
Gross Revenues	46,871	61,744	158,276	104,509
Operating Income (EBIT)	11,708	13,101	42,431	19,015
Profit Before Tax	11,964	13,269	42,845	19,859
Net Income	5,256	6,659	21,880	12,220
DVFA Cash-Flow	5,654	7,109	22,516	13,398
Staff*	145	168	278	322
R&D Expenditures	1,477	1,785	2,463	2,672
Earning per Share (DVFA/SG) **	0.15	0.19	0.60	0.34

All figures in T EURO except:

* (actual number)

** in Euro based on 36,378.858 issued shares à 1 EURO
(status 30.06.2001)

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>