



CONSOLIDATED HALF-YEAR CLOSING AND SECOND QUARTERLY REPORT 1999 AS OF 06/30/99 (UNAUDITED)

Dear Shareholders:

SINGULUS TECHNOLOGIES experienced a clear increase in growth during the second quarter and for the remainder of the year also expects a continued increase in the volume of business and earnings over last year.

REVENUES

Revenues reached 120.8 million DM, surpassing 1998 midyear figures by 31.7%.

Sales units of our CD replication lines SKYLINE more than doubled compared to last year. There was strong demand for our new products, the SKYLINE-Duplex for CD and DVD 5 and the STREAMLINE, which manufactures recordable CD-Rs. The first systems have been accepted into in-line production.

Sales by region for the second quarter were more proportional (52% in Asia) than during the first three months of this year (81% in Asia). The distribution for the first half of the year was as follows: Europe 22.9%; North and South America 10.9% and Asia 66.2%.

BOOKINGS AND ORDER BACKLOG

New orders demonstrated strong growth. Orders valued at 196 million DM were received in the second quarter alone.

Thus the order backlog rose to 216 million DM by June 30, 1999, more than quadrupling last year's figure at the end of the same period. The current order backlog is the highest in the company's history.

EARNINGS

Following a 20% increase in first quarter profits over the same period in 1998, the increase for the second quarter was 33.1%.

In keeping with our conservative accounting practices, replication line sales and costs are not submitted for earnings calculations until final acceptance by customers.

Net earnings at the close of 6/30/99 were 13 million DM (10.3 million DM on 6/30/98).

CAPITAL EXPENDITURES

The extremely high demand for our machines and systems necessitated yet another short-term expansion of our existing production capacity leading to the lease of additional manufacturing floor space in Alzenau.

Construction of a new facility and the formation of two additional sales and customer support subsidiaries were announced in the previous shareholders' letter.

STAFF

During the past six months the addition of 11 new employees increased our staff to 168. Additional personnel will be hired in order to manage the high order backlog.

FORECAST

Enormous growth in demand is evident for CD, CD-R and DVD manufacturing systems as well as for the OEM metallizer business.

Contrary to some predictions, demand for the conventional CD/CD-ROM has not subsided due to its worldwide acceptance as a very economic storage medium and its use as a universal conveyor of information.

Our strongest short- and mid-term growth is expected for DVD and CD-R. Orders received for our DVD line SPACELINE in the first half of this

year were higher than for all of 1998. The intense demand for CD-R lines has exceeded even our own expectations.

The life span for DVD and CD-R storage media is still in its early stages and will, therefore, proceed with high rates of growth.

SINGULUS TECHNOLOGIES' product palette encompasses nearly all forms of CD and DVD replication equipment, finding acceptance in the markets and continuing its successful advance.

Furthermore, our company's technological leadership position ensures that we are well prepared to enter new sectors of the market with additional products.

Best regards

SINGULUS TECHNOLOGIES AG
The Managing Board

At a Glance

SINGULUS TECHNOLOGIES Consolidated

Six months cumulative, as of June 30 1997, 1998, 1999 (unaudited)

	6M 1997 K DM	6M 1998 K DM	6M 1999 K DM
Revenues	65,883	91,671	120,761
Operating Income (EBIT)	17,379	22,899	25,623
Earnings Before Taxes	16,615	23,399	25,952
Net Income	7,601	10,279	13,024
Earnings per Share in DM**	1.29	1.71	2.17
Cash Flow	8,159	11,058	13,904
Staff*	106	145	168
R&D Expenditures	1,988	2,689	3,492

All figures in K DM, except for:

* (actual number)

** based on 6 million issue shares

Investor-Relations

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Consolidated Statement of Income (unaudited)

as at June 30 DEM'000	First Half	
	1998	1999
Gross Revenues	91 671	120 761
Sales Deductions & Direct Distribution Costs	5 696	7 592
Net Revenues	85 975	113 169
Cost of Goods Sold	51 625	74 392
Gross Profit	34 350	38 777
Developm., Design, Quality Control	2 217	2 737
Sales & Customer Services	4 660	5 288
General Managem. & Administration	2 835	3 331
Projects & Reserves	1 738	1 797
Total Operating Expenses	11 450	13 153
<i>thereof R&D</i>	2 689	3 492
Operating Income (E.B.I.T.)	22 899	25 623
Non-Periodic, Extraordinary Exp.		
Interest Expenses (-Income)	- 500	- 328
Profit Before Tax	23 399	25 952
Income Taxes	13 120	12 923
Minority Interest		5
Net Income	10 279	13 024
DVFA/SG Net Income	10 279	13 024
EPS (DVFA/SG) in DEM	1,71	2,17

Consolidated Cash Flow Statement (unaudited)

as at June 30 DEM'000	First Half	
	1998	1999
Net Income	10 279	13 024
Depreciation	595	719
Movt. In Long Term Provisions	184	161
Cash Flow	11 058	13 904
Change In Working Capital	-29 208	- 384
Net cash flows from operating activities	-18 150	13 520
Capital Expenditures In Fixed Assets	- 680	- 738
Movt. In Long Term Depts		
Change In CTA	310	42
Net Change in Cash & Liquid Funds	-18 520	12 824