

consolidated biannual closing and second quarter report as of june 30, 2000 (unaudited)

Dear Shareholders:

The corporation has set new records for both revenues and earnings in the most successful quarter since its inception, far exceeding comparative prior year results.

REVENUES

Second quarter gross revenues totaling 202.6 million DM are more than triple revenues for the same period in the preceding year (Q2 1999 = 60.8 million DM).

Cumulative gross revenues for the first six months of this year rose to 309.6 million DM (1st half 1999 = 120.8 million DM).

Individual market segments displayed quite distinct developments: The high level of revenues for CD-ROM and CD audio replication lines increased by an additional 68 %. Revenues for DVD replication lines reflect a nearly eight-fold increase and this young market now accounts for 25 % of total income. However, due to overcapacities in the marketplace worldwide there was no significant demand for CD-R replication lines.

The regional distribution of revenues for the first half of the year was as follows: Europe, 22.2 %; North and South America, 14.2 %; and Asia 63.6 % (midyear 1999: 22.9 / 10.9 / 66.2 %).

BOOKINGS AND ORDER BACKLOG

New orders received in the second quarter totaled 220 million DM and reflect the vigorous worldwide demand for DVD and CD/CD-ROM replication lines.

The order backlog rose to 506.8 million DM by June 30, 2000 (6/30/99 = 216 million DM).

EARNINGS

Net income totaled 28.4 million DM for the quarter, quadruple the second quarter earnings of the prior year (Q2/1999 = 7 million DM).

By June 30, midyear earnings reached 42.8 million DM (midyear 1999 = 13 million DM). This corresponds to an increase of 228,6 % over the previous year. By midyear, 92 % of total 1999 earnings (46.5 million DM) had been achieved.

EXPANSION OF CAPACITY AND STAFF

The recent relocation to our new facility in Kahl/Main proceeded smoothly and was successfully concluded by the end of June without notable interruptions in production or equipment deliveries.

Another 66 employees were hired since the beginning of the year, increasing our worldwide workforce to 278.

A decision was made for the July 1 establishment of a new subsidiary in France, an important market for our industry in Europe.

RESEARCH AND DEVELOPMENT

Research and development activities have been concentrated on the completion of the new MODULUS system for coating rewritable discs, i.e. CD-RW, DVD-RW and DVD-RAM, with the public introduction of the prototype scheduled for July.

Expenditures in the first half of the year totaled 4.8 million DM for this and other projects (1st half of 1999 = 3.5 million DM).

FORECAST

The progress of our business to date has far exceeded our own expectations. Substantial market share has been gained in the classic CD markets and our dominant position in the new DVD markets has been further established.

Our new system MODULUS for the manufacture of CD-RW, DVD-RW for home video applications and DVD-RAM for PC applications will allow us to participate in these very promising future markets and thus secure the long-term success of our company.

As a result of this unrestrained demand, our revenue projections for the current fiscal year have been now raised to 660 million DM. This corresponds to 90 % growth over last year and we continue to expect disproportionately strong earnings growth.

Best regards,

SINGULUS TECHNOLOGIES AG
The Managing Board

At a Glance

SINGULUS TECHNOLOGIES Consolidated

Six months cumulative, as of 06/30/1998 /1999/2000 (unaudited)

	6M 1998 TDM	6M 1999 TDM	6M 2000 TDM
Revenues	91,671	120,761	309,560
Operating Income (EBIT)	22,899	25,623	82,987
Earnings Before Taxes	23,399	25,952	83,798
Net Income	10,279	13,024	42,793
Earnings per Share in EURO **	0.15	0.19	0.60
Cash Flow	11,058	13,904	44,038
Staff *	145	168	278
R&D Expenditures	2,889	3,492	4,818

All figures in K DM, except:

* (actual number)

** Euro

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Consolidated Statement of Income (unaudited)

as at June 30 DEM'000	First 6 Months	
	1999	2000
Gross Revenues	120 761	309 560
Sales Deductions & Direct Distribution Costs	7 592	27 867
Net Revenues	113 169	281 693
Cost of Goods Sold	74 392	175 913
Gross Profit	38 777	105 780
Developm., Design, Quality Control	2 737	3 634
Sales & Customer Services	5 288	7 793
General Managem. & Administration	3 331	5 005
Projects & Reserves	1 797	6 360
Total Operating Expences	13 153	22 793
<i>thereof R&D</i>	3 492	4 818
Operating Income (E.B.I.T.)	25 623	82 987
Non-Periodic, Extraordinary Exp.		123
Interest Expences (-Income)	- 328	- 934
Profit Before Tax	25 952	83 798
Income Taxes	12 923	40 997
Minority Interest	5	8
Net Income	13 024	42 793
DVFA/SG Net Income	13 024	42 854
EPS (DVFA/SG) in DEM	0,36	1,18

Consolidated Cash Flow Statement (unaudited)

as at June 30 DEM'000	First 6 Months	
	1999	2000
Net Income	13 024	42 793
Depreciation	719	1 065
Movt. In Long Term Provisions	161	180
Cash Flow	13 904	44 038
Change In Working Capital	- 384	4 949
Net cash flows from operating activities	13 520	48 987
Capital Expenditures In Fixed Assets	- 738	-4 926
Movt. In Long Term Depts		- 50
Change In CTA, Minority Interest, others	42	- 178
Change in Capital Stock & Retained Earnings		841
Net Change in Cash & Liquid Funds	12 824	44 673