

Dear shareholders,

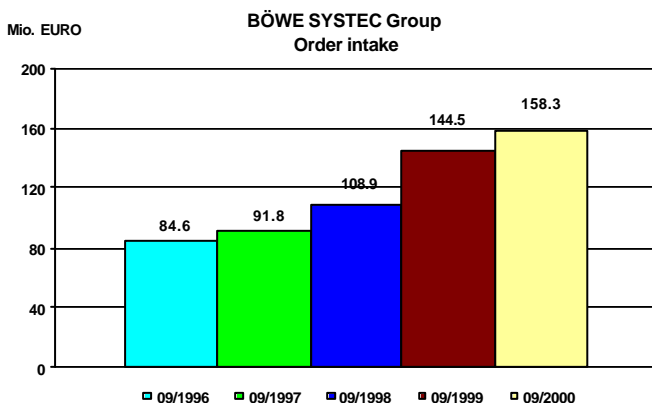
In the third quarter of this business year the BÖWE SYSTEC Group continued its ongoing trend towards increased order intake and sales. The previous year's values, compared to the quarter in question and also to the whole 9-month period, were clearly exceeded. The growth was way above the average for the sector in general. The BÖWE SYSTEC Group is thus expanding its position in the market for high-performance inserting systems, in which it is the European market leader. The expectations for the whole of the business year 2000 are similarly positive.

**Order intake and orders on hand**

In the third quarter 2000 the BÖWE SYSTEC Group achieved an order intake amounting to Euro 53.6 million. By 30th September orders amounting to a total of Euro 158.3 million were processed, representing a growth of around ten percent compared with the previous year (Euro 144.5 million).

Substantial contributions to this growth were made by the subsidiaries in Spain and Japan. The Spanish subsidiary, which is also responsible for sales and services in Portugal, more than doubled its order intake compared with 1999 to Euro 15.7 million. But in Japan, too, BÖWE SYSTEC achieved growth in order intake of almost 70% for the first three quarters of 2000.

The branch in the USA also increased its order volume compared with the previous year. The major order won in spring 1999 representing a volume of around Euro 13 million was thus fully matched by the growth of the broader business.



At the relevant date of 30th September 2000 the orders on hand amounted to Euro 40.9 million. By 30th September of the previous year orders amounting to Euro 45.8 million were on hand with the group, a considerable proportion of which related to the subsequent year. The number of orders for delivery in the current year as at the 30th September

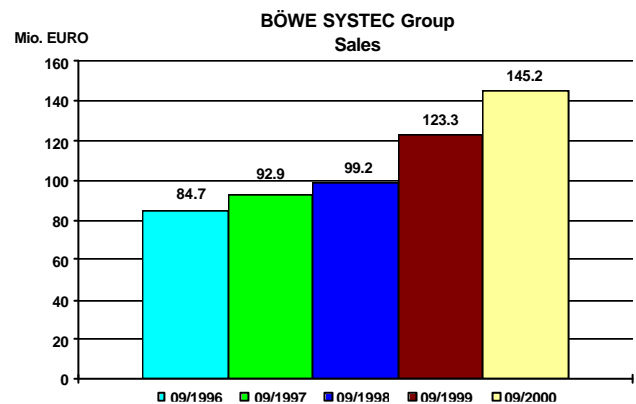
2000 equates to the previous year's level. The orders on hand excluding product orders remains unchanged whilst the proportion of services in the overall sales is continually growing. For the year 2000 the BÖWE SYSTEC Group is working on a service proportion of 40 percent.

**Sales reach a new maximum**

The sales achieved by the third quarter, at a figure of Euro 145.2 million, once again clearly exceed the corresponding values of the past. Compared with the previous year an increase of around Euro 21.9 million or 18% was achieved.

This increase resulted above all from the sales development in the USA. The sales of the American subsidiary were around Euro 13 million above the previous year's value. The new record mark of Euro 32.1 million once again demonstrates the positive effects of the growth strategy in the US market.

Another particularly positive development are the sales of the branches in Spain and Austria. The subsidiary for the Iberian market increased its sales by Euro 7.1 million in 1999 to Euro 12.8 million in the first three quarters of 2000. The newly-acquired subsidiary in Austria saw its sales triple in comparison with the previous year.



Once again the proportion of sales generated abroad increased slightly. Whilst the sales at home were at a similar level to the previous year, the foreign sales grew to a new maximum value of Euro 120.5 million. This corresponds to a growth of 23% compared with the previous year (Euro 98.0 million). Thus 83% of the overall group sales achieved were generated abroad.

**Number of employees**

The number of people employed in the group grew in line with the continuing expansion of the worldwide sales and service network. The number of employees increased both at home and in the subsidiaries outside Germany. With a total of 1,824 employees the BÖWE SYSTEC Group workforce was around seven percent larger than the previ-

ous year (1,711). Of these, at 30th September 2000, 929 people were employed in Germany (previous year 885) and 895 in the marketing and servicing enterprises abroad (previous year 826).

More than 100 employees were in the Research and Development Department as at 30th September 2000. Great importance is attached to this by BÖWE SYSTEC, as technology is a key factor in maintaining the leading position in the market when competing for further market shares.

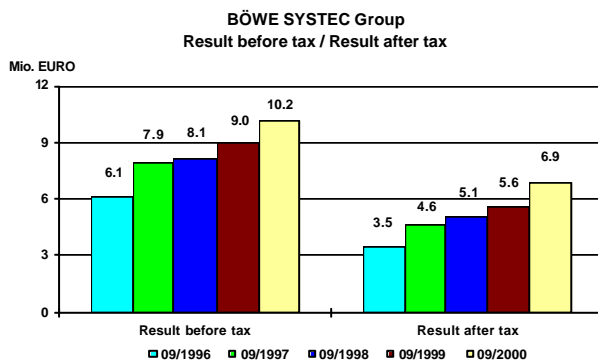
### Investments and depreciation

The BÖWE SYSTEC Group made investments in the first three quarters of 2000 in tangible and intangible assets in the sum of Euro 5.3 million, compared with Euro 5.9 million in 1999.

The investments relate to targeted projects for the improvement of production procedures and the expansion of production capacities in BÖWE SYSTEC AG. New training centres have been established in the foreign enterprises in the Netherlands and Spain. The investments compare with write-offs amounting to Euro 3.7 million (previous year Euro 3.4 million).

### Results

In the case of the result before tax, the BÖWE SYSTEC Group achieved a similarly strong growth as in the case of sales. At Euro 10.2 million the pre-tax results grew by 14% compared to the figure of Euro 9.0 million achieved in 1999.



At Euro 3.0 million, the taxes on income and proceeds for the third quarter of 2000 remained at exactly the same level as the previous year. Other taxes were due, amounting to Euro 0.3 million (previous year Euro 0.4 million). Accordingly, the BÖWE SYSTEC Group achieved profits after tax amounting to Euro 6.9 million. Compared with Euro 5.6 million in the equivalent period of the previous year this represents a growth in earnings of 23% disproportionate to the sales.

### Investor Relations

Active investor relations are still a priority with BÖWE SYSTEC AG. In the year 2000 the company carried out a

further analysis of the shareholder structure. The evaluation relating to the effective date of 30th June 2000 showed the proportion of foreign investors to be practically unchanged (28.7%).

Participation in investor relations events forms an important part of the calendar of BÖWE SYSTEC as a SDAX-company.

### Outlook

In the battle for market share BÖWE SYSTEC sees itself on the winning side. Good foundations have been laid for a sustainable competitive advantage, through measures such as the development of cutting-edge technology and the establishment of a worldwide service network using the company's own technicians.

BÖWE SYSTEC intends to derive maximum benefit from this potential. Assuming that economic conditions remain the same, the BÖWE SYSTEC Group expects to see continuation of its growth during the remainder of the business year 2000 and beyond. Considering the development of order intake to date and taking account of the current sales and orders on hand, a group sales of substantially more than Euro 205 million (approx. DM 400 million) is expected by the end of the year. Having regard to the development in results, BÖWE SYSTEC also foresees a continuation in its growth.

Augsburg, October 2000

BÖWE SYSTEC Aktiengesellschaft

– The Board –

Reuters Symbol: BSYG  
Bloomberg Symbol: BSY  
Wertpapiernummer: 523 970

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Enclosure

<b>BÖWE SYSTEC</b>	01 - 09 / 00	01 - 09 / 99
<b>Group income statement</b>	Mio. EURO	Mio. EURO
Sales	145.2	123.3
Increase in inventories of work of finished goods and work in process	2.3	5.1
Own work capitalized	0.1	0.2
Other operating income	3.6	1.5
Cost of materials	-34.4	-29.9
Personnel expenses	-70.8	-60.4
Depreciation on intangible and tangible assets	-3.7	-3.4
Other operating expenses	-29.7	-25.7
Investment result	0.4	0.1
Net interest	-2.8	-1.8
<b>Results from ordinary activities</b>	<b>10.2</b>	<b>9.0</b>
Taxes on income	-3.0	-3.0
Other taxes	-0.3	-0.4
<b>Group net income for the year</b>	<b>6.9</b>	<b>5.6</b>
Earnings per share (6.000.000 shares without par value) in DM	1.14	0.93

<b>BÖWE SYSTEC</b>	01 - 09 / 00	01 - 09 / 99
<b>Group Cash Flow Statement</b>	Mio. EURO	Mio. EURO
Net income	6.9	5.6
Depreciation on fixed assets	3.7	3.4
Increase/decrease in longterm accruals	0.4	0.2
<b>DVFA/SG Cash Flow</b>	<b>11.0</b>	<b>9.2</b>
Increase/decrease in inventories	-9.1	-13.8
receivables and other assets	18.9	11.2
prepaid expenses	-2.2	-1.2
other accruals	-2.6	-5.5
trade liabilities	-14.2	-1.4
other liabilities	-3.7	-3.6
deferred income	6.7	6.2
<b>Sources of funds from operating activities</b>	<b>-6.2</b>	<b>-8.1</b>
Increase/decrease in financial assets	-0.5	-1.7
Investments of intangible and tangible assets	-2.4	-5.9
<b>Net expenditures in investment area</b>	<b>-2.9</b>	<b>-7.6</b>
Increase/decrease in liabilities to banks	12.7	13.4
Distribution of Dividends	-5.4	-4.9
Currency translation difference / Netting with reserves	1.4	1.3
<b>Net revenue from financing</b>	<b>8.7</b>	<b>9.8</b>
<b>Increase/decrease in cash equivalents</b>	<b>10.6</b>	<b>3.3</b>