

BÖWE SYSTEC Group achieves new record figures
Profits up by 14.2%
Dividend increases by 12% to 1.00 Euro
Sales rise by 13.6%, order intake by 13.5%

Augsburg, 9 April 2001

At today's Annual Accounts Press Conference held by Europe's leading manufacturer of professional paper management systems, the Board reported the seventh consecutive set of record annual accounts. The BÖWE SYSTEC Group continued to grow strongly in the 2000 business year and recorded its highest ever figures for order intake, sales, result and dividend. This is a clear indication of the success of the specialist's campaign to step up its international presence and expand its market position. Given the increase of more than 13% in order intake in 2000 and the development of business in 2001 to date, the Board is expecting the pleasing sales and result trend to continue in the current business year.

13.6% sales increase above market average

Communication, the exchange of information, mobility and speed all play a key role in modern world economic growth. As a supplier of high-performance systems for the professional processing of written correspondence between companies and private end customers, BÖWE SYSTEC is well placed to participate in this growth. High-performance inserting systems enable major institutional organisations with hundreds of thousands of customers to communicate effectively with existing and future clients and to keep records of the mail they dispatch.

While the world inserting systems market grew by around 3-5% in 2000, the increase in the BÖWE SYSTEC Group's consolidated sales was higher than expected. Sales revenues in the BÖWE SYSTEC Group rose by 13.6% to a new high of DM424.2 million (216.9 million Euros) as compared with DM373.3 (190.9 million Euros) in 1999. DM67.5 million (34.5 million Euros) of this was attributable to domestic sales. The sales and services company in the USA made the biggest contribution to foreign sales. Achieving sales of DM105.1 million (53.7 million Euros), the American subsidiary increased its revenue by 54% against the previous year.

There was a marked shift in the breakdown of sales by region. At 24.8%, the percentage of total sales accounted for by revenues in North America in the year 2000 increased distinctly against the previous year's figure of 18.3%. Domestic sales accounted for 15.9% and revenues in the rest of Europe for 44.7% of total sales.

In the year 2000, as in previous periods, Group sales were for the most part generated through the sale of customer-specific inserting systems. Sales revenues in this product segment increased by 17.4% against the previous year to DM200.6 million (102.6 million Euros) and accounted for 47.3% of total sales as compared with 45.8% in 1999. The services business recorded another significant sales increase. In the past business year, revenue from service activities rose by 18.6% to DM168.2 million (86.0 million Euros) and accounted for 39.7% of consolidated sales as compared with 38.0% in the previous year. This reflects the increasing significance of the services business within the BÖWE SYSTEC Group.

Seventh consecutive profit increase thanks to 14.2% improvement in result

The net consolidated income for the year rose by 14.2% to an all-time high of DM27.4 million (14.0 million Euros) in the year 2000 as compared with DM24.0 million (12.3 million Euros) in the previous year. The BÖWE SYSTEC Group's DVFA/SG result increased by 18.4% from DM21.2 million (10.8 million Euros) in the previous year to DM25.1 million (12.8 million Euros). This equates to a net profit to sales ratio of 5.9% as compared with 5.7% in the previous year and results in a DVFA/SG profit of DM4.18 (2.14 Euros) per share in 2000 as compared with DM3.53 (1.81 Euros) in 1999. The Board will therefore propose to the Annual General Meeting on 22 May 2001 that the dividend be increased to 1.00 Euro. In the previous year the dividend amounted to DM1.75 (0.89 Euros). Including tax credit this equates to a gross dividend of DM2.79 (1.43 Euros) per BÖWE SYSTEC share.

The result from ordinary activities reached a record DM40.9 million (20.9 million Euros). The operating result was therefore 30.3% higher than the previous year's result of DM31.4 million (16.1 million Euros). The increase in result was thus considerably higher than the growth in sales, even though the expansion of the service organisation in the USA continued as planned in the 2000 business year. Consequently, the operating result before interest and depreciation (EBITDA) also improved appreciably by 27.6% from DM49.0 million (25.1 million Euros) to DM62.5 million (32.0 million Euros), with the EBITDA margin increasing from 13.1% to 14.7%.

Marked reduction in net borrowings

The BÖWE SYSTEC Group's net debts decreased considerably in 2000. With equity capital at DM150.9 million (77.2 million Euros) and net debts at DM149.4 million (76.4 million Euros), net debts amounted to 99.0% of equity capital as compared with 129.5% in 1999.

Investment in the 2000 business year

In the 2000 business year, investment in the BÖWE SYSTEC Group totalled DM24.1 million (12.3 million Euros). Investment in tangible assets amounted to DM17.6 million (9.0 million Euros) as compared with DM13.8 million (7.1 million Euros) in 1999. The increase is mainly attributable to the purchase of land and the erection of a training centre in the Netherlands and to the purchase of land adjoining the production facility in Augsburg. Investment in intangible assets decreased significantly to DM2.5 million (1.3 million Euros) as compared with DM16.9 million (8.6 million Euros) in 1999.

The sale of land and buildings in connection with the relocation of the branch in the USA freed up funds in the amount of DM4.2 million (2.1 million Euros) in the year 2000.

All investments were financed from cash flow, which improved by around 14% to DM40.4 million (20.7 million Euros) (cash flow as per DVFA/SG) as compared with DM35.3 million (18.0 million Euros) in 1999.

Further increase in workforce

The number of employees rose by an average of 7.2% from 1,654 to 1,773 in the year 2000. At year-end 2000 the number of employees in the BÖWE SYSTEC Group increased by 5.7% to 1,814 compared with 1,716 at the end of the previous year. Of these, 921 were employed in Germany (previous year: 885) and 893 at the foreign subsidiaries (previous year: 831). The sharp increase is due to the considerable expansion of the sales and services business in the USA, which progressed as planned, and the expansion of capacity at BÖWE SYSTEC AG, the Group's production company.

Order intake also reaches all-time high (+13.5%)

The pleasing business trend of the year 2000 was also reflected in the BÖWE SYSTEC Group's order intake, which rose by 13.5% to DM436.8 million (223.3 million Euros). As a result of the growth strategy pursued in North America, orders received there increased by around 40% to DM112.2 million (57.4 million Euros). The major contract received in the previous year from one of the biggest telecommunications companies in the USA - an excellent reference project for BÖWE SYSTEC on the fiercely competitive US market - resulted in significant follow-up orders being awarded. This growth also had a considerable impact on orders on hand, which were up by 12% to DM67.0 million (34.3 million Euros) at the balance sheet date.

Research and development stepped up

Continual investment in research and development is a key aspect of BÖWE SYSTEC's business strategy. In the past business year 104 highly qualified employees worked in this area. The focus is on the development of new systems and the continual improvement of existing products on the basis of innovative concepts. A modular system designed for the inserting systems market offers customers high productivity, flexible production and investment security.

Services provided in connection with research and development rose from DM12.5 million (6.4 million Euros) in 1999 to DM13.7 million (7.0 million Euros) in the year 2000. As a result, R&D expenditure increased proportionately to BÖWE SYSTEC AG's sales. Accounting for around 8% of the production company's sales revenue, this expenditure has remained higher than the average in the industry as a whole.

Further growth in 2001

BÖWE SYSTEC started 2001 with orders on hand worth DM67 million (34.3 million Euros). The production capacities that were extended over the course of the 2000 business year are now available for the rest of the year and thus offer potential for another increase in production volume in 2001. The Group hopes to achieve further growth in its product business as a result. Provided the world economy develops steadily, the Board expects sales and result to increase further in 2001.

Key figures BÖWE SYSTEC Group

Key figures in Mio of DM	2000	1999	Δ %
Order intake	436.8	384.9	+13.5
Sales	424.2	373.3	+13.6
Sales abroad %	84.1	81.3	+3.4
EBITDA	62.5	49.0	+27.6
EBIT	48.7	37.0	+31.6
Results from ordinary activities	40.9	31.4	+30.3
Net income for the year	27.4	24.0	+14.2
DVFA/SG-Cash Flow	40.4	35.3	+14.4
Equity	150.9	135.4	+11.5
DVFA/SG result per share (EUR)	2.14	1.81	+18.2
Share price as end of March (EUR)	22.00	26.10	-15.7
Employees (total, annual average)	1.773	1.654	+7.2

Financial calendar of BÖWE SYSTEC AG

April 9, 4 p.m.,	2001	Analysts` conference in Frankfurt am Main
Mai 8,	2001	Interim report as of March 31, 2001
Mai 22,	2001	Annual Shareholders` Meeting in Augsburg
Mai 23,	2001	Dividend payment
July 31	2001	Interim report as of June 30, 2001
October 30,	2001	Interim report as of September 30, 2001
November 13/14,	2001	Analysts` conference in Paris
November	2001	Analysts` conference in Frankfurt am Main (GMCC)

BÖWE SYSTEC AG

The Board