

Dear shareholders,

Once again, the BÖWE SYSTEC Group achieved a very pleasing start to the new business year. For the sixth time in succession, the sales and results for the first quarter exceeded those of the previous year. In addition, the result was increased disproportionately to the sales.

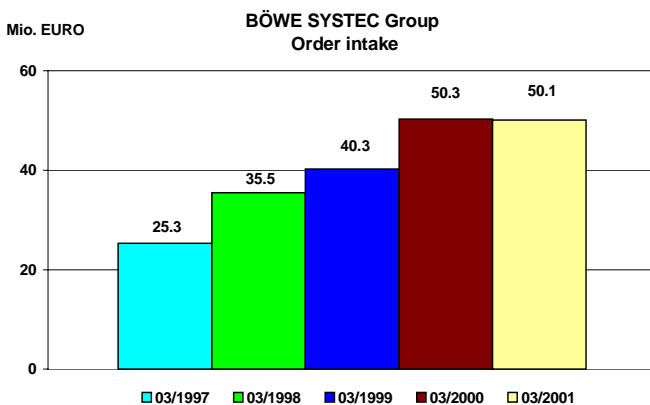
The order intake for the first quarter of 2001 remains high. Despite the clear cooling-off of worldwide economic trends, in the BÖWE SYSTEC Group the volume of orders achieved was about the same as in the first three months of the previous year.

Examination of the current orders in hand, combined with the sales achieved to date, gives a positive forecast for the whole of the year 2001.

Order intake defies the general economic development

The **order intake** of the BÖWE SYSTEC Group amounted to DM 98.0 million (€ 50.1 million) in the first quarter of 2001. This compares with orders amounting to DM 98.4 million (€ 50.3 million) in the corresponding period of the year 2000.

Whilst the temporary slackening-off in order intake in the German machine manufacturing arm had its impact on the domestic order intake, the subsidiaries in France and Italy showed strong growth. At the end of the first quarter, the order intake of the French subsidiary was 41% above the values for the previous year, and the subsidiary responsible for the Italian market more than doubled the number of orders received. A considerable growth in order intake was also shown by a relatively new company in the BÖWE SYSTEC Group. By the end of March this year, BÖWE SYSTEC Austria GmbH, based in Vienna, showed a 66% increase in orders on the first quarter of 2000.



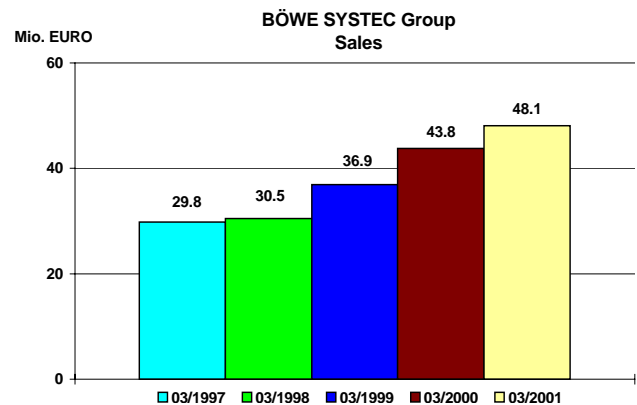
At the end of the first quarter of this business year, the BÖWE SYSTEC Group had orders in hand to the value of DM 71.0 million (€ 36.3 million). The equivalent point in time

of the previous year saw an order backlog to the value of DM 72.4 million (€ 37.0 million). Increased production capacities and improved procedures led to a reduction in delivery times, which in turn was reflected in a reduction of the order backlog.

The order backlog figures shown relate, as before, solely to product orders, which in the previous business year constituted 60% of the total sales of the BÖWE SYSTEC Group.

10% growth in sales

The sales achieved in the first quarter of 2001 reached DM 94.0 million (€ 48.1 million), compared with DM 85.7 million (€ 43.8 million) in the previous year. This meant the BÖWE SYSTEC Group achieved a growth in sales of 10%. In Europe, the companies in France and Spain made a particular contribution to this increase in sales. Whilst the subsidiary based in France exceeded the quarterly sales achieved in 2000 by more than 30%, the Iberian BÖWE SYSTEC subsidiary increased its profits two-and-a-half times. The company operating in the American market, a particularly important area for BÖWE SYSTEC, increased its sales in comparison with the first quarter of 2000 by 33%. The proportion of sales achieved abroad increased further, currently standing at 81% of the total group sales.



Number of employees

Both in Germany and in the foreign subsidiaries, the number of employees in the BÖWE SYSTEC Group was up in comparison with the first quarter of the previous year. On the one hand, this reflects the increase in staff resulting from the expansion of the production site, and on the other, the continued growth of the sales and service centres in many areas of the world. The total number of BÖWE SYSTEC employees grew from 1,767 at the end of the first quarter 2000 to 1,832 at 31st March 2001. The number of employees in Germany was 934 (previous year 907), whilst 898 (previous year 860) were employed in the foreign subsidiaries.

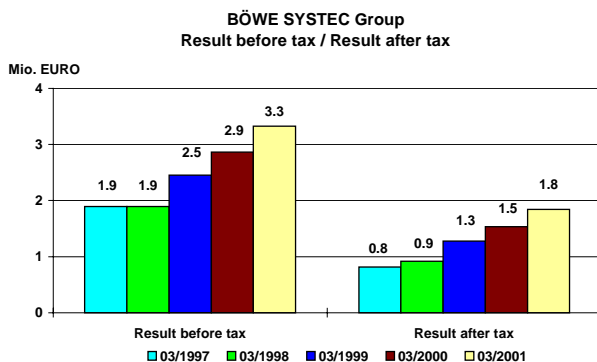
The area of research and development is of particular importance to BÖWE SYSTEC. Its role as an innovative company and its reputation as a technological pioneer in the market for high-performance inserting systems is largely thanks to the more than 100 employees working in this area as at 31st March.

Investments and depreciation

The investment in tangible and intangible assets in the first quarter of 2001 amounted to DM 2.3 million (€ 1.2 million) compared with DM 2.4 million (€ 1.2 million) in the previous year. The investments primarily related to the acquisition of industrial and commercial equipment. As in the previous year, the investments were financed by depreciations, unchanged at DM 2.6 million (€ 1.3 million).

20% increase in results

The results from the usual business activities and the results after tax increased disproportionately to the sales. The pre-tax profits rose in comparison to the first quarter of 2000 by 16% to DM 6.5 million (€ 3.3 million, previous year DM 5.6 million or € 2.9 million). The clear improvement in profits of the US subsidiary had a particular effect here.



The taxes on income and proceeds amounted to DM 2.8 million (€ 1.4 million), compared with DM 2.4 million (€ 1.3 million) in 2000. Other taxes, amounting to DM 0.1 million (€ 0.1 million), were slightly below the previous year's value of DM 0.2 million (€ 0.1 million). This therefore gives a pleasing growth in post-tax results by 20% to DM 3.6 million (€ 1.8 million), compared to DM 3.0 million (€ 1.5 million) in the previous year.

Investor Relations

Investor relations remain as important to BÖWE SYSTEC AG as they were in the previous year. The first event in the calendar was the balance sheet press conference on the 9th April, to release the final figures from the company accounts for the year 2000. On this date, a DVFA Analysts' meeting was also held, to publicise the positive developments of the BÖWE SYSTEC Group to the financial community.

The next important date in the BÖWE SYSTEC AG financial calendar is the Ordinary General Meeting to be held in

Augsburg on 22nd May 2001. The agenda includes a decision on the proposed increase in dividend to € 1.00 per share. On the assumption that the General Meeting agrees to the proposal, this will represent an increase in dividends of 12% compared to the previous year. Other important items on the agenda include the entitlement to repurchase shares held, and the conversion of the share capital to Euros.

Outlook: further growth

Despite various institutions forecasting reduced growth for the overall national economy, the BÖWE SYSTEC Group expects to continue the pattern of growth established over previous years.

The expansion of the production site introduced in the year 2000 has enabled BÖWE SYSTEC AG to take on more orders in the current business year, even at short notice, without experiencing supply bottlenecks.

The total sales achieved in the first three months of the current business year and current level of order backlog is once again in excess of the equivalent previous year's value, and leads to expectations of a further increase in sales for the whole of the business year 2000.

On the basis of these positive forecasts and assuming that the economic framework conditions remain similar, the Board of Directors is assuming a sales of around DM 450 million (€ 320 million) to year end. Furthermore, a proportional increase in costs and renewed growth in results is also expected.

Augsburg, May 2001

BÖWE SYSTEC AG

– The Board –

Reuters code:	BSYG
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Enclosure

BÖWE SYSTEC	01 - 03 / 01	01 - 03 / 00
Group income statement	Mio. EURO	Mio. EURO
Sales	48.1	43.8
Increase in inventories of work of finished goods and work in process	1.4	1.7
Own work capitalized	0.0	0.1
Other operating income	1.5	1.3
Cost of materials	-10.3	-9.5
Personnel expenses	-25.2	-23.4
Depreciation on intangible and tangible assets	-1.3	-1.3
Other operating expenses	-9.8	-8.9
Investment result	0.0	0.0
Net interest	-1.1	-0.9
Results from ordinary activities	3.3	2.9
Taxes on income	-1.4	-1.3
Other taxes	-0.1	-0.1
Group net income for the year	1.8	1.5
Earnings per share (6.000.000 shares without par value) in DM	0.31	0.25

BÖWE SYSTEC	01 - 03 / 01	01 - 03 / 00
Group Cash Flow Statement	Mio. EURO	Mio. EURO
Net income	1.8	1.5
Depreciation on fixed assets	1.3	1.3
Increase/decrease in longterm accruals	0.0	0.2
DVFA/SG Cash Flow	3.1	3.0
Increase/decrease in inventories	-6.8	-6.0
receivables and other assets	4.9	10.4
prepaid expenses	-1.4	-0.8
other accruals	-1.1	-2.3
trade liabilities	-1.0	-11.1
other liabilities	-1.8	-5.2
deferred income	8.9	7.8
Sources of funds from operating activities	1.7	-7.2
Increase/decrease in financial assets	0.0	-0.1
Investments of intangible and tangible assets	-0.5	-0.2
Net expenditures in investment area	-0.5	-0.3
Increase/decrease in liabilities to banks	0.7	6.8
Distribution of Dividends	0.0	0.0
Currency translation difference / Netting with reserves	0.6	0.6
Net revenue from financing	1.3	7.4
Increase/decrease in cash equivalents	5.6	2.9