

- **Continuous growth trend**
- **Sales and result with new high**

Dear shareholders,

BÖWE SYSTEC AG has recorded another marked growth in sales and results in the first half of 2001. Whilst the first six months' consolidated sales of the European market leader in high performance inserting systems, at DM 200.7 million (€ 102.6 million), were 11% higher than the corresponding figure of DM 181.2 million (€ 92.6 million) in the previous year, the Group achieved a disproportionately high growth in the half year result after tax of 20% to DM 7.8 million (€ 4.0 million) compared with DM 6.5 million (€ 3.3 million).

BÖWE SYSTEC - like the systems construction sector as a whole - recorded a slight fall in new orders during the first half of the year, compared with the previous year.

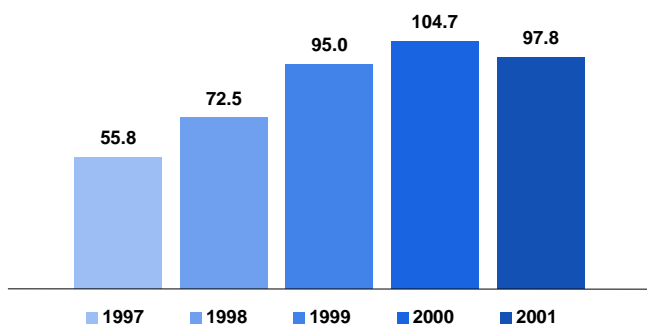
Nevertheless, the expectations for the 2001 full year remained positive: BÖWE SYSTEC anticipates a further increase in sales with a significant growth in the result.

Order intake and order backlog

The disappointing investment goods sector was reflected to a certain extent in the order intake. The BÖWE SYSTEC Group received during the first half of 2000 new orders of DM 191.3 million (€ 97.8 million) which is 7% lower compared with an order intake of DM 204.7 million (€ 104.7 million) in the first half of the 2000 business year.

Some of the European subsidiaries recorded significant increases in their order intake. However, their increase was insufficient to offset the fall in value terms reported by the German and American subsidiaries.

**BÖWE SYSTEC Group first half
Order intake [Mio. EURO]**



As a result of the drop in order intake and the simultaneous increase in sales, order backlog of the BÖWE SYSTEC Group as at the end of the first half of 2001 fell to DM 57.5

million (€ 29.4 million). As at 30. June of the previous year order backlog totaled DM 77.8 million (€ 39.8 million). This development led to a sharp reduction in the delivery times of the systems.

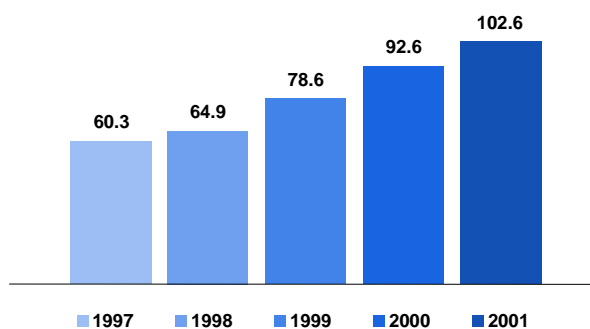
Outstanding orders still include solely product-based orders. The numerous service agreements which had already accounted for around 40% of the total sales of the BÖWE SYSTEC Group in the 2000 business year, were not included in this figure.

Sales increased by 11%

The net sales of the BÖWE SYSTEC Group during the first six months of the current business year totaled DM 200.7 million (€ 102.6 million). Sales were consequently 11% or DM 19.5 million (€ 10.0 million) higher than the figures achieved for the first half of 2000. The continuing increase in the sales by the US American subsidiary made a particularly important contribution to this increase. On the European market significant improvements were posted in particular by the subsidiaries in the Netherlands, Italy, Spain and Austria.

The foreign share of consolidate sales generated 85% (previous year: 82%) of the total sales.

**BÖWE SYSTEC Group first half
Sales [Mio. EURO]**



Employees

The continuing process of expansion, particularly by the American service organization, led to an increase in the number of Group employees as at 30. June 2001 to 1,851. As at the end of the first half year, the BÖWE SYSTEC Group therefore employed 58 personnel more than at the middle of the previous business year. As at the report date 928 employees were engaged in BÖWE SYSTEC AG and in the domestic sales and service subsidiaries (previous year 931). The number of personnel employed abroad rose to 923 (previous year 862).

Investments and depreciation

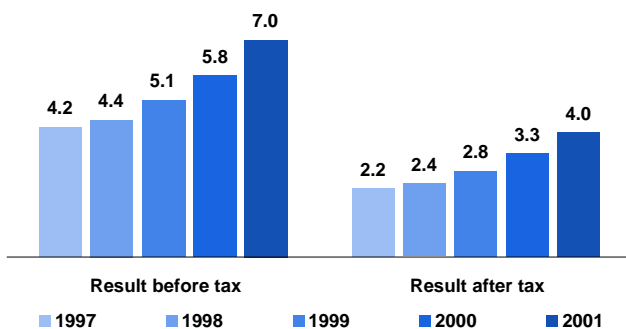
Investments in property, plant and equipment and intangible assets during the first half of 2001, at DM 5.9 million (€ 3.0 million), were below the figure for the previous year of DM 6.4 million (€ 3.3 million). Investments were made primarily for the procurement of factory and office equipment and the creation of a training center in Madrid (Spain). Investments were financed by depreciation in the sum of DM 5.9 million (€ 3.0 million).

Result up by 20%

The result from ordinary activities rose by 20% compared with the half year result for the previous business year, to DM 13.7 million (€ 7.0 million). Thanks to a consistent tax quota, this pleasing increase, disproportionately high compared with sales, is also reflected in the result after tax which also rose 20% from DM 6.5 million (€ 3.3 million) to DM 7.8 million (€ 4.0 million). The main reason for the improvement in result was the significant increase achieved by the result of the US subsidiary.

Taxes on income and sales totaled DM 5.5 million (€ 2.8 million) compared with DM 4.5 million (€ 2.3 million) in 2000. Other taxes totaled the same as in the previous year at DM 0.4 million (€ 0.2 million).

BÖWE SYSTEC Group first half
Result before tax / Result after tax [Mio. EURO]



Investor Relations

The second quarter 2001 began for BÖWE SYSTEC with the "Market Place 2001" event staged by the Deutsche Börse AG on 3. April in Frankfurt am Main. BÖWE SYSTEC AG was one of the few SDAX companies to take part in this event as an exhibitor and the response it received was pleasing.

The Annual General Meeting was held in Augsburg on 22. May 2001, with the Management of BÖWE SYSTEC AG receiving overwhelming support from the shareholders for all items on the agenda. This meeting agreed, amongst

other things, to renew the authority to effect a share buy-back.

The Investor Relations calendar of BÖWE SYSTEC includes a series of events for the second half of the year. One of these was the Stock Exchange Congress held on 4. July in Munich, with the company once again attending as an exhibitor.

Development of the "card processing" product area

At the beginning of July 2001 BÖWE SYSTEC announced that with effect from the 2. January 2002 the company will be taking a 60% shareholding in the firm of Protechno Card GmbH. This move will enable BÖWE SYSTEC to strengthen its activities in the area of the production of systems for the card manufacturing industry. Whereas up to now BÖWE SYSTEC has been manufacturing exclusively card dispatch systems in this area, Protechno Card has developed into a leading hardware and software technology provider for card personalization. Personalization is the upstream production stage for the BÖWE SYSTEC card dispatch system. The acquisition of Protechno Card therefore represents a perfect addition to the existing product range and will lead to a significant strengthening of the Group in a market segment offering extremely dynamic growth prospects. In the year 2000 Protechno Card recorded sales in the low double digit millions and a very good result.

Outlook

The BÖWE SYSTEC Group remains committed to the targets for the current business year of continuing the pleasing growth achieved in previous years both in sales as well as in the result.

Augsburg, July 2001

BÖWE SYSTEC AG

– The Board –

Reuters code: BSYG
Bloomberg code: BSY
Security number: 523 970

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Enclosure

BÖWE SYSTEC	01 - 06 / 01	01 - 06 / 00
Group income statement	Mio. EURO	Mio. EURO
Sales	102.6	92.6
Increase in inventories of work of finished goods and work in process	2.9	3.0
Own work capitalized	0.0	0.0
Other operating income	3.1	2.4
Cost of materials	-24.3	-21.3
Personnel expenses	-51.1	-47.2
Depreciation on intangible and tangible assets	-3.0	-2.5
Other operating expenses	-21.3	-19.6
Investment result	-0.1	0.3
Net interest	-1.8	-1.9
Results from ordinary activities	7.0	5.8
Taxes on income	-2.8	-2.3
Other taxes	-0.2	-0.2
Group net income for the year	4.0	3.3
Earnings per share (6.000.000 shares without par value) in DM	0.7	0.55

BÖWE SYSTEC	01 - 06 / 01	01 - 06 / 00
Group Cash Flow Statement	Mio. EURO	Mio. EURO
Net income	4.0	3.3
Depreciation on fixed assets	3.0	2.5
Increase/decrease in longterm accruals	0.1	0.2
DVFA/SG Cash Flow	7.1	6.0
Increase/decrease in		
inventories	-6.0	-9.0
receivables and other assets	8.4	16.9
prepaid expenses	-3.1	-2.6
other accruals	-0.6	-3.7
trade liabilities	-2.9	-12.3
other liabilities	-1.1	-1.7
deferred income	3.0	8.9
Sources of funds from operating activities	-2.3	-3.5
Increase/decrease in financial assets	0.2	-0.2
Investments of intangible and tangible assets	-1.7	-1.2
Net expenditures in investment area	-1.5	-1.4
Increase/decrease in		
liabilities to banks	-0.3	11.1
Distribution of Dividends	-6.0	-5.4
Currency translation difference / Netting with reserves	1.2	0.5
Net revenue from financing	-5.1	6.2
Increase/decrease in cash equivalents	-1.8	7.3