

- Growth achieved despite sluggish economy
- Sales and result up on previous year

Dear Shareholders,

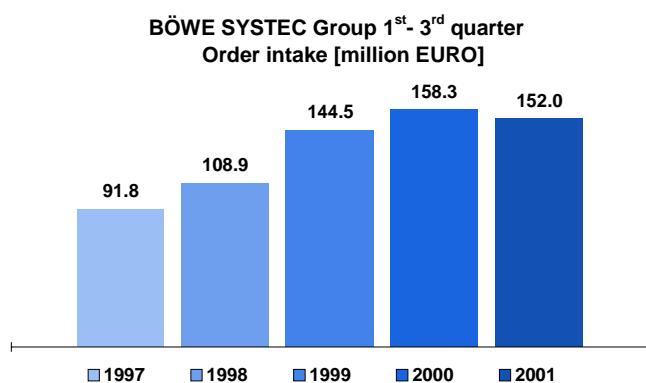
Against the background of difficult economic conditions BÖWE SYSTEC AG has succeeded in continuing its numerous years of uninterrupted growth. Sales and result in the first nine months of the 2001 business year were once again up on the corresponding figures for the previous year. Consolidated sales to the end of the third quarter rose to € 148.2 million (DM 289.8 million) compared with € 145.1 million (DM 283.9 million) in the same period in the previous year. BÖWE SYSTEC, as Europe's leading supplier of high performance inserting systems, posted an increase in result after tax of around 7% to € 7.3 million (DM 14.3 million). The BÖWE SYSTEC Group therefore also reported an increase in the result disproportionately higher than compared with the growth in sales as at the end of the third quarter.

Order intake up to the end of September 2001 totalled € 152.0 million (DM 297.2 million).

The forecasts for the full 2001 business year remain positive: BÖWE SYSTEC expects a further increase in sales and result compared with last year, previously the best year in the company's history.

Order intake and order backlog

Order intake recorded in the first nine months of the current business year was slightly lower at € 152.0 million (DM 297.2 million). This is 4% below the order intake received in the year 2000 which totalled € 158.3 million (DM 309.6 million). The BÖWE SYSTEC Group succeeded to a considerable extent in escaping the effects of the weak economy during the third quarter. Order intake in the third quarter at € 54.1 million (DM 105.9 million) was 1% above the order volume for the third quarter 2000 (€ 53.6 million or DM 104.9 million).



In the first nine months of 2001 it was primarily the companies in the Asia-Pacific region as well as individual Euro-

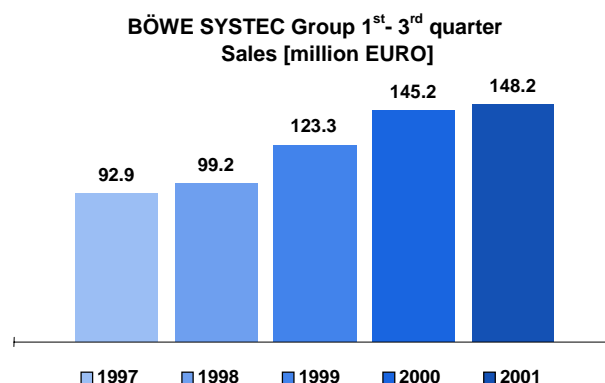
pean subsidiaries who succeeded in posting a significant increase in their order intake. The highest overall increase was recorded by BÖWE SYSTEC Benelux which increased its order volume by € 3.9 million (DM 7.6 million) to € 15.1 million (DM 29.5 million).

Since the slight fall in order intake during the first nine months was accompanied by increasing sales, order backlog of the BÖWE SYSTEC Group as at 30th September 2001 was lower at € 38.0 million (DM 74.3 million). At the end of the third quarter in the 2000 business year order levels totalled € 40.9 million (DM 80.0 million). As a result of the high order intake in the third quarter 2001 order backlog noted a further increase of € 8.6 million (DM 16.8 million) to € 38.0 million (DM 74.3 million), whilst order backlog as at 30th June 2001 was at € 29.4 million (DM 57.5 million).

Recorded order backlog once again do not include the long term service agreements concluded. In the 2000 business year 40% of the consolidated sales were derived from after-sales services.

Sales once again exceed the previous year's figures

The net sales of the BÖWE SYSTEC Group in the first three quarters of the 2001 business year, at € 148.2 million (DM 289.8 million), were once again up on the sales figures for the corresponding period in the previous year. The subsidiaries in Europe and North America contributed to an equal extent to the growth of € 3.0 million (DM 5.9 million) or 2% of the 2000 9-month sales. Whilst the US American subsidiary succeeded in increasing its revenues by around 2% to €



32.7 million (DM 64.0 million) and was consequently able to compensate in full for the major order delivered to an international telephone company in the previous year, the sales generated by the European subsidiaries in the sum of € 87.8 million (DM 171.7 million) in 2000 rose by around 3% to € 90.4 million (DM 176.9 million).

Exports accounted for 84% (previous year: 83%) of total consolidated sales.

Employees

As at 30th September 2001 the BÖWE SYSTEC Group employed a total of 1,839 personnel. The number of employees has therefore risen by 15 since September 2000. 930 personnel (previous year 929) were employed in BÖWE SYSTEC AG and the domestic subsidiaries, with the foreign sales and service subsidiaries employing 909 personnel (previous year 895).

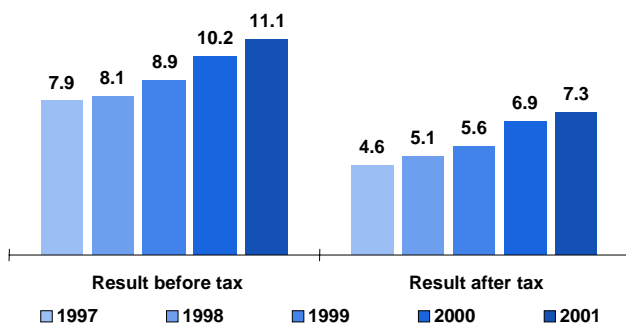
Investments and depreciation

In the first nine months of the 2001 business year the BÖWE SYSTEC Group invested € 3,9 million (DM 7.6 million) in property, plant and equipment and intangible assets. Investments in the corresponding period for the previous year totalled € 5.3 million (DM 10.4 million). In addition to the purchase of business and office equipment, this year's investments primarily covered the completion of a training centre in Madrid (Spain). Investments were offset by depreciation in the sum of € 4.9 million (DM 9.6 million).

Disproportionately high growth in result compared with the increase in sales

The BÖWE SYSTEC Group posted a disproportionately high growth in result from normal business activity compared with the increase in sales. The Group recorded a 9% increase over the 9-month figure for the previous business year, to € 11.1 million (DM 21.7 million).

BÖWE SYSTEC Group 1st - 3rd quarter
Result before tax / Result after tax [million EURO]



Taxes on income and earnings rose to € 3.5 million (DM 6.8 million) as against € 3.0 million (DM 5.9 million) in 2000, whilst there was no change in the level of other taxes at € 0.3 million (DM 0.6 million) compared with the previous year.

The result after taxes consequently rose from € 6.9 million (DM 13.4 million) by 7% to € 7.3 million (DM 14.3 million) and as such reached a record new level for the first nine months of a business year. Earnings per share increased by € 0.08 to € 1.22 compared with the end of the third quarter 2000.

Investor Relations

In the third quarter 2001 BÖWE SYSTEC once again took part in various IR events. Beginning in July with the Stock Exchange Congress in Munich at which BÖWE SYSTEC AG was represented as an exhibitor, followed by the Euro-land Equity Forum in Edinburgh (also in July) as well as various one-to-one meetings in Augsburg.

In the fourth quarter the Group will attend the following analysts' conferences:

- 10. October 2001 German Equity Forum in London
- 13. November 2001 German Equity Forum in Paris
- 06. December 2001 German Mid Cap Conference, Frankfurt

On 12th October 2001 Cazenove & Co. Ltd., London, issued a buy recommendation for the BÖWE SYSTEC share. Following an update of the analyses of BÖWE SYSTEC AG the share was upgraded from „hold“ to „buy“.

Outlook

Expectations of the BÖWE SYSTEC Group with regard to total sales and result as at the year end continue to remain positive. The target is to achieve sales growth of more than € 220 million (DM 430 million) and to surpass the result of the previous year.

Augsburg, October 2001

BÖWE SYSTEC AG

– The Board –

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

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Enclosure

BÖWE SYSTEC	01 - 09 / 01	01 - 09 / 00
Group income statement	Mio. EURO	Mio. EURO
Sales	148.2	145.2
Increase in inventories of work of finished goods and work in process	7.4	2.3
Own work capitalized	0.1	0.1
Other operating income	4.0	3.6
Cost of materials	-34.8	-34.4
Personnel expenses	-75.3	-70.8
Depreciation on intangible and tangible assets	-4.9	-3.7
Other operating expenses	-30.9	-29.7
Investment result	-0.2	0.4
Net interest	-2.5	-2.8
Results from ordinary activities	11.1	10.2
Taxes on income	-3.5	-3.0
Other taxes	-0.3	-0.3
Group net income for the year	7.3	6.9
Earnings per share (6.000.000 shares without par value) in EUR	1.22	1.14

BÖWE SYSTEC	01 - 09 / 01	01 - 09 / 00
Group Cash Flow Statement	Mio. EURO	Mio. EURO
Net income	7.3	6.9
Depreciation on fixed assets	4.9	3.7
Increase/decrease in longterm accruals	0.4	0.4
DVFA/SG Cash Flow	12.6	11.0
Increase/decrease in inventories	-9.4	-9.2
receivables and other assets	17.7	18.9
prepaid expenses	-2.2	-2.2
other accruals	0.1	-2.6
trade liabilities	-2.9	-14.2
other liabilities	-3.3	-3.7
deferred income	1.2	6.7
Sources of funds from operating activities	1.2	-6.2
Increase/decrease in financial assets	0.5	-0.5
Investments of intangible and tangible assets	-3.1	-2.4
Net expenditures in investment area	-2.6	-2.9
Increase/decrease in liabilities to banks	-4.7	12.7
Distribution of Dividends	-6.0	-5.4
Currency translation difference / Netting with reserves	-1.0	1.4
Increase/decrease from purchase of own shares	-2.7	0.0
Net revenue from financing	-14.4	8.7
Increase/decrease in cash equivalents	-3.2	10.6