

The BÖWE SYSTEC Group reaches new highs
Profits increased by 9.5%, sales +1.5%
Dividends increased by 40% to EUR 1.40

Augsburg, 08 April 2002

At today's press conference on annual results 2001 by the European market leader in professional Paper Management Systems, the Board of Directors reported the eighth set of record results in succession. The BÖWE SYSTEC Group has also recorded growth in the 2001 financial year and raised sales, profits, and dividends to new highs. These are clear signs of the continued success of this specialist company in its internationalisation offensive, and a further strengthening of its market position.

Growth in sales in a weakened world economy

BÖWE SYSTEC is Europe's leading supplier of high-performance systems for the professional dispatch of written information between companies and private customers. High-performance inserting systems enable large companies, who often have customers numbering several hundreds of thousands, to achieve fast, up-to-date and well-documented communication with existing and future customers. The trends show that, on cost grounds, medium-sized companies are increasingly opting to contract out their document and postal processing requirements. The increase in the numbers of professional service providers who undertake these tasks ensures further growth in the market served by BÖWE SYSTEC.

While the worldwide market for inserting systems did not show any further growth in the year 2001, the BÖWE SYSTEC Group was able to increase its consolidated sales, even in difficult market conditions. The sales of the BÖWE SYSTEC Group grew by 1.5 % to a new high of EUR 220.2 million, compared with EUR 216.9 million in the year 2000. More than half of the group sales were generated in Europe – with a figure of EUR 131.4 million, the European companies contributed around 60 % of the group sales in the year 2001. A further EUR 50.4 million, or 23 % of the total BÖWE SYSTEC Group sales, were generated in the North American market. Total sales of EUR 38.4 million were achieved in Asia and the rest of the world. The BÖWE SYSTEC Group's growth in sales was curtailed in the previous financial year by the effects of currency exchange rates. Above all, it was the exchange rates of the Japanese Yen which prevented a stronger increase in the Group's sales. In total, the exchange rate effects amounted to EUR 2.1 million.

The sales in the service sector showed clear growth of 10 % in comparison with the financial year 2000 and at EUR 94.6 million accounted for around 43 % of the Group's sales. However, the BÖWE SYSTEC Group sector with the largest sales, system sales, also improved on its previous year's figures, reaching a total of EUR 105.5 million. With a growth of EUR 2.9 million this sector's share of the total

business was increased to 48 %. The stronger growth in the service-related sales by comparison with the growth in inserting systems reflects the decisions by companies, as was increasingly seen in the second six months of the year, to refrain from making capital investments and, instead of acquiring new systems, to call in special service contracts for their existing systems.

A 9.5 % increase in results represents the eighth increase in profits in succession

The Group's surplus for the year rose by 9.5 % to a new high of EUR 15.3 million in the year 2001, compared with EUR 14.0 million in the previous year. The growth in profits again clearly exceeded the growth in sales, which means an increase in the net return on sales after tax from 6.5 % to 7.0 %.

The results from normal business activities increased by 10.3 % to a new high of EUR 23.1 million. The earnings before interest and tax (EBIT) figure was similarly pleasing. Following a figure of EUR 24.9 million in the financial year 2000, the EBIT for the year 2001 reached EUR 26.6 million. The EBIT margin increased to 12.1 %. The operational earnings before interest, tax, depreciation and amortization amounted to EUR 34.1 million, with the EBITDA margin increasing from 14.7 % to 15.5 %. In the financial year just passed this increase in profits was founded above all on the further growth in the profitable service business, which contributed to a further improvement in the results, in particular outside Europe.

Earnings excluding exceptionals, according to the DVFA/SG criteria, also showed a positive development, growing to EUR 13.7 million from EUR 12.8 million in 2000. This gives a DVFA/SG earnings per share of EUR 2.28 in 2001, compared with EUR 2.14 in the year 2000.

Dividend increase to EUR 1.20 plus EUR 0.20 bonus

On the basis of the renewed increase in the BÖWE SYSTEC Group profits, at the Annual General Meeting to be held on 17 May 2002, the Board of Directors will propose a dividend increase of EUR 0.20 to EUR 1.20, and, on the tenth anniversary of BÖWE SYSTEC becoming a listed company, an additional bonus of EUR 0.20 per share. This corresponds to a total payout of EUR 1.40 compared with EUR 1.00 in the previous year.

Equity ratio increased – net indebtedness substantially reduced

The equity capital increased in 2001 by just under 11 % to EUR 85.3 million compared with EUR 77.2 million in the previous year. The equity ratio, already at a very solid level in previous years, increased by a further 4.4 % to 37.9 %. The net third-party indebtedness of the BÖWE SYSTEC Group was reduced in 2001 by EUR 18.7 million to EUR 57.7 million.

Investments in the financial year 2001

In the year 2001 investments in the BÖWE SYSTEC Group totalled EUR 9.4 million. Of these, EUR 7.6 million was in fixed assets, EUR 0.8 million in intangible assets and EUR 1.0 million in financial investments. The investment in fixed assets was predominantly in respect of the completion of a training centre in Spain. In addition, investments were made in the expansion of production capacities and the modernisation and improvement of the production and logistics facilities at the Augsburg site. All investments were financed fully out of the cash flow, which was improved by around 12 % to EUR 23.1 million (Cash Flow in accordance with DFVA/SG criteria) compared with EUR 20.7 million in the year 2000.

Further increase in the number of employees

On average, in the year 2001 the workforce increased by 2.7 % from 1,773 to 1,821. By the end of 2001 the number of employees in the BÖWE SYSTEC Group had grown by 24 to 1,838 compared with the previous year's situation. Of these, 926 were employed in Germany (previous year 921) and 912 in the subsidiary companies abroad (previous year 893). The staff increases were due mainly to the further expansion of the service capacities.

New orders stabilised at a high level

With regard to new orders, BÖWE SYSTEC was able to at least partly resist the general downward trend in the machine construction industry. The group was unable to exceed the high achieved in the year 2000 but at EUR 219.5 million new orders in 2001 almost equalled the previous year's figure of EUR 223,3 million. The effects of changes in exchange rates over the previous year had an adverse effect of EUR 2.2 million. Orders in hand in the BÖWE SYSTEC Group as at the effective date of 31 December 2001 totalled EUR 33.5 million, almost equalling the exceptionally high level of orders outstanding as at the end of the previous year in the total value of EUR 34.3 million. While general economic conditions meant that orders in hand for the European subsidiaries had reduced by comparison with the previous year to EUR 11.2 million, the American subsidiary showed a slight growth in orders in hand for the North American market, a market of strategic importance to BÖWE SYSTEC. The figure of EUR 12.4 million was achieved despite noticeable reluctance on the part of certain individual customers to make investment decisions in the last quarter of 2001.

Research & Development strengthened

A central feature of the BÖWE SYSTEC company strategy is the ongoing investment in research and development. Over 100 highly qualified employees were employed in this sector in the previous financial year. The emphasis has been on the development of new systems and the continued improvement of existing products, based on innovative concepts. A modular concept aimed at the inserting systems market enables customers to achieve high levels of productivity, flexibility in production and high security of investment.

The expenditure in the area of R & D increased from EUR 7.0 million in 2000 to EUR 7.8 million in the year 2001. At over 8 % of the production company's sales, this expenditure continues to represent a higher than average level by comparison with other companies in the industry.

Further growth in the year 2002

In the current economic climate, dominated by a reticence on the part of industry to invest, the 2002 financial year promises to be a challenging period for BÖWE SYSTEC. Whilst the new financial year got off to a rather hesitant start, the Board of Directors expects to see a recovery in the second half of the year and a further increase in the figures for new orders and sales.

In the medium term, BÖWE SYSTEC will continue to benefit from the growth of personalized advertising and the outsourcing of dispatch services to so-called Service Bureaus. Significant growth in the next few years is also forecast in the card mailing systems segment. The plastic card industry expects the market to double by the year 2005 as a result of the new fields of application for Smart Cards like driver's licenses, bank cards or tickets and the introduction of higher security standards. BÖWE SYSTEC may be able to participate in this growth in two respects. On the one hand,

due to increased dispatches of the new plastic cards and thus a higher demand for card dispatch systems and on the other due to the higher demand for card personalization systems like those produced by the new subsidiary Protechno Card GmbH.

Effective January 2, 2002, BÖWE SYSTEC AG acquired a 60 % majority of the shares of Protechno Card GmbH. The company based in Paderborn specializes in the personalization of plastic cards and dispatch systems in the mid-performance range. The products of Protechno Card thus ideally complement the product range of BÖWE SYSTEC. For the future, this promises to give further impetus to group sales. Moreover, the existing synergy potential in worldwide sales and service will have a positive effect on future earnings.

On aggregate, the planning for the fiscal year 2002 projects a further increase in sales and earnings. With its technological leadership its product range and the worldwide service organization, BÖWE SYSTEC has the necessary prerequisites for further growth. The achievement of sales targets thus depends materially on the actual occurrence of the generally expected economic recovery.

BÖWE SYSTEC Group figures:

Figures in EUR million	2001	2000	Δ in %
Sales	220.2	216.9	+1.5
thereof abroad in %	85.2	84.1	-
thereof service in %	43.0	39.7	-
Order intake	219.5	223.3	-1.7
Investments	9.4	12.3	-23.6
Depreciation	7.2	7.1	+1.4
EBITDA	34.1	32.0	+6.6
EBIT	26.6	24.9	+6.8
Result from ordinary activities	23.1	20.9	+10.3
Net income	15.3	14.0	+9.5
DVFA/SG–Cash Flow	23.1	20.7	+11.6
Equity	85.3	77.2	+10.5
DVFA/SG-earnings per share (EUR)	2.28	2.14	+6.5
Dividend per share (EUR)	1.20+0.20	1.00	+40.0
Employees (number, annual average)	1,821	1,773	+2.7

Financial Calendar 2002:

Apr 9	Analysts' conference, Frankfurt am Main
Apr 10	Analysts' conference, London
May 7	Interim report as of March 31, 2002
May 15	Analysts' conference, Paris
May 17	Annual Shareholders' Meeting, Augsburg
May 21	Dividend payment
June 25	Analysts' conference, Edinburgh
July 30	Interim report as of June 30, 2002
Oct 29	Interim report as of September 30, 2002
Nov 14	Analysts' conference, Paris
Dec 3 - 5	GMCC, Frankfurt am Main

BÖWE SYSTEC AG

The Board of Directors