

- **Earnings at same level as previous year**
- **Subdued sales development**
- **Positive outlook for the year as a whole**

Dear Shareholders,

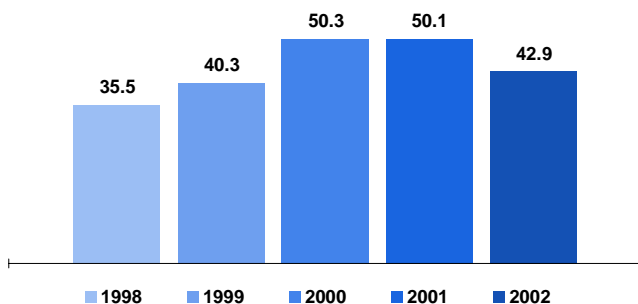
In the first three months of the current financial year the BÖWE SYSTEC Group has maintained its position as the market leader in Europe. Yet our industry was also impacted by developments in the global economy. The sales achieved during the first three months of this financial year amounted to EUR 44.4 million, compared with EUR 48.1 million in the first quarter of last year. Earnings remained unchanged over the previous year at EUR 3.3 million.

As BÖWE SYSTEC ranks among the most innovative companies from the paper management sector on the global market for high-performance inserting systems, the Board of Directors expects the company to benefit directly from a recovery in the global economy with an upturn in sales.

**Order intake and order backlog**

In the period from January to March 2002 order intake amounted to EUR 42.9 million. While this meant a downturn of EUR 7.2 million or 14% for the BÖWE SYSTEC Group compared to the previous year, individual subsidiaries displayed growth in order intake in the course of the first quarter. In particular, the sales and service branches in Germany and France displayed strong growth over the previous year, while developments in the subsidiaries BÖWE SYSTEC Iberia and BÖWE SYSTEC Italy remained clearly behind that of the corresponding quarter of the previous year.

**BÖWE SYSTEC Group first quarter Order intake [EUR m]**



The order backlog for the BÖWE SYSTEC Group at the quarter end amounted to EUR 32.1 million (previous year: EUR 36.3 million). The subsidiary in the USA showed a good order backlog position of EUR 14.3 million (previous year: EUR 8.5 million). This reflects the fact that some American customers postponed their orders from the fourth

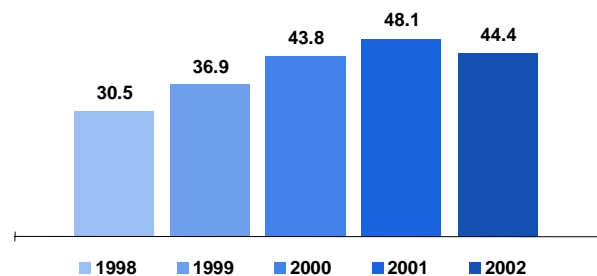
quarter of 2001 until the new financial year. In particular, the subsidiaries in continental Europe displayed lower orders on hand than in the previous year.

As before, the order backlog does not include long-term service contracts, which represented around 43% of group sales in the 2001 financial year.

**Growth in sales stopped by a sluggish economic climate**

Sales between January and March 2002 amounted to EUR 44.4 million. Despite the weak economic climate, this is the second-highest figure for the first quarter of a year in the company's history.

**BÖWE SYSTEC Group first quarter Sales [EUR m]**



A particularly severe effect was felt from a noticeable reluctance to invest by American customers in the foregoing quarter. Sales fell to EUR 6.1 million, from EUR 12.1 million last year.

In contrast, the branches in Great Britain and Japan posted strong growth in revenues. Sales at the British company were EUR 3.9 million (previous year: EUR 2.1 million). At EUR 10.3 million, BÖWE SYSTEC Japan more than doubled its revenues in the first quarter through an increase in service business.

The proportion of group sales generated abroad amounted to 82% of the total sales.

**Employees**

The number of employees in the BÖWE SYSTEC Group increased as of 31 March 2002 in comparison with the previous year by 51 to 1,883. Of these, 945 were employed in the German companies (previous year: 934). The increase resulted from the first-ever inclusion of the employees of Protechno Card GmbH. The sales and service companies abroad employed 938 staff world-wide at the quarter end (previous year: 898). The rise primarily came about at the American service organisation, which was expanded as scheduled.

## Investments and depreciation

In the months from January to March 2002 the companies of the BÖWE SYSTEC Group made investments in fixed assets and intangible assets amounting to a total of EUR 6.7 million, compared to EUR 1.2 million in the first quarter of 2001. The majority of the investment expenditure represents the acquisition of a 60% stake in Protechno Card GmbH at the beginning of the year. Through this strategic acquisition the group has set course for a sustained consolidation of the commercial area of card systems.

BÖWE SYSTEC AG expects that by the second half of the year the company Protechno Card GmbH will be making a substantial contribution to the group's earnings and its sales.

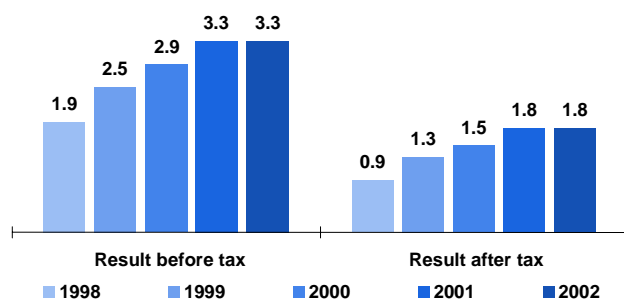
The investments contrast with depreciation amounting to EUR 2.0 million (previous year: EUR 1.3 million).

### Result: Further increase in return on sales

Despite the fall in consolidated sales, the BÖWE SYSTEC Group has equalled the satisfactory results seen in the comparable quarter of 2001. As was the case at the end of the first quarter of 2001, result before taxes amounted to EUR 3.3 million.

Particularly profitable service contracts and increased cost awareness led to an increase in the return on sales.

**BÖWE SYSTEC Group first quarter**  
Result before tax / Result after tax [EUR m]



Due to the unchanged overall tax burden, result after taxes was at the same level as the previous year, at EUR 1.8 million. This corresponds to earnings per share of EUR 0.30 for the first quarter of 2002.

## Investor Relations

In order to increase the profile of the BÖWE SYSTEC share, the company regularly makes presentations in the most important European financial centres. In January of this year BÖWE SYSTEC participated at an analysts' conference in Milan and enjoyed an enthusiastic response. On 8 April 2002 the BÖWE SYSTEC AG balance sheet press conference was held in Munich. During the two days which followed, detailed information on the achievements of the 2001 financial year was presented to interested parties and

investors at the DVFA Analysts' Conference in Frankfurt am Main and at a roadshow in London.

The following dates are planned for the first half of 2002:

- 15 May 2002 – German Equity Forum in Paris
- 17 May 2002 – Annual General Meeting in Augsburg
- 25 June 2002 – German Equity Forum in Edinburgh

The agenda for the company's Ordinary General Meeting on 17 May 2002 includes a resolution on a dividend of EUR 1.20 for the 2001 financial year and a bonus of EUR 0.20 on the occasion of the 10-year quotation of the shares.

### Purchase recommendations for the BÖWE SYSTEC share

In February Deutsche Bank reiterated its "BUY" rating. Immediately after the publication of the figures for the 2001 financial year, two further analysts endorsed this recommendation. Berenberg Bank confirmed its recommendation, first given in the previous year, to accumulate the company's shares, and Cazenove & Co. repeated its recommendation to buy with a new upside target of EUR 31.

### Outlook

The BÖWE SYSTEC Group's expectations for total sales and earnings for the year 2002 as a whole remain positive. The indications of a recovery in the European and US economies promise an improved climate; accordingly, the company anticipates growth in the second half of the year and a further increase in the new orders and sales. If such a recovery does take place, sales and earnings for the whole of 2002 should once again increase compared to 2001.

Augsburg, May 2002

BÖWE SYSTEC AG

– The Board –

Reuters code: BSYG  
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**Enclosure**

<b>BÖWE SYSTEC</b>	01 - 03 / 02	01 - 03 / 01
<b>Group income statement</b>	Mio. EURO	Mio. EURO
Sales	44.4	48.1
Increase in inventories of work of finished goods and work in process	7.0	1.4
Own work capitalized	0.0	0.0
Other operating income	1.1	1.5
Cost of materials	-11.3	-10.3
Personnel expenses	-26.1	-25.2
Depreciation on intangible and tangible assets	-2.0	-1.3
Other operating expenses	-9.1	-9.8
Investment result	0.0	0.0
Net interest	-0.7	-1.1
<b>Results from ordinary activities</b>	<b>3.3</b>	<b>3.3</b>
Taxes on income	-1.5	-1.4
Other taxes	0.0	-0.1
<b>Group net income for the year</b>	<b>1.8</b>	<b>1.8</b>
Earnings per share (6.000.000 shares without par value) in EUR	0.30	0.30

<b>BÖWE SYSTEC</b>	01 - 03 / 02	01 - 03 / 01
<b>Group Cash Flow Statement</b>	Mio. EURO	Mio. EURO
Net income	1.8	1.8
Depreciation on fixed assets	2.0	1.3
Increase/decrease in longterm accruals	-0.3	0.0
<b>DVFA/SG Cash Flow</b>	<b>3.5</b>	<b>3.1</b>
Increase/decrease in inventories	-8.8	-6.8
receivables and other assets	6.4	4.9
prepaid expenses	-0.8	-1.4
other accruals	-0.2	-1.1
trade liabilities	-1.1	-1.0
other liabilities	-3.2	-1.8
deferred income	4.0	8.9
<b>Sources of funds from operating activities</b>	<b>-3.7</b>	<b>1.7</b>
Increase/decrease in financial assets	-0.1	0.0
Investments of intangible and tangible assets	-6.7	-0.5
<b>Net expenditures in investment area</b>	<b>-6.8</b>	<b>-0.5</b>
Increase/decrease in liabilities to banks	0.0	0.7
Distribution of Dividends	0.0	0.0
Currency translation difference / Netting with reserves	0.2	0.6
Minority interest	0.3	0.0
Increase/decrease from purchase of own shares	-0.1	0.0
<b>Net revenue from financing</b>	<b>0.4</b>	<b>1.3</b>
<b>Increase/decrease in cash equivalents</b>	<b>-6.6</b>	<b>5.6</b>