

Notification in accordance with §15 WpHG

BÖWE SYSTEC AG
Werner-von-Siemens-Str.1
D-86159 Augsburg

contact: Alfred Just
phone.: +49(0)8 21/57 02-365
fax: +49(0)8 21/57 02-214

Date: 31/07/2003

Page: 1/2

Just.controlling@boewe-systec.de

BÖWE SYSTEC in 2nd quarter of 2003 with initial success following integration of BÖWE Bell + Howell, USA

- **Group turnover in 2nd quarter of 2003: +61 %**
- **Group EBITDA in 2nd quarter of 2003: +47 %**
- **Group net result in 2nd quarter of 2003: +32 %**

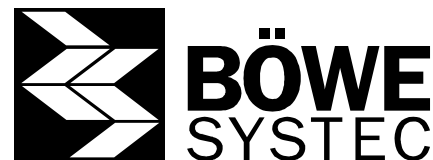
Augsburg, 31 July 2003.

Once again BÖWE SYSTEC AG (ISIN DE0005239701) enjoyed significant growth in turnover, order intake and profits in the second quarter of the 2003 financial year. This was due to the 50% holding in BÖWE Bell + Howell, USA being proportionately included in the consolidated accounts this year for the first time. However, at the same time there was also a slight upswing in some of the traditional BÖWE SYSTEC branch operations in Europe.

From April to June 2003 BÖWE SYSTEC posted a Group turnover of EUR 81.6m that was up 61% on the figure of EUR 50.7m for the previous year. In the same period order intake totalled EUR 69.0m, an increase of 58% over the same quarter of the previous year. Earnings before interest, taxes and depreciation (EBITDA) rose 47% over the same period last year, totalling EUR 8.7m compared to EUR 5.9m in the second quarter of 2002. In the same period the net result grew 32% from EUR 1.9m to EUR 2.5m.

Business development was equally satisfactory in the first half of 2003. Group turnover amounted to EUR 159.1m compared to EUR 95.1 from January to June of the previous year, representing growth of 67%. Order intake showed an increase of 72% to reach a new high of EUR 148.8m. Earnings before interest,

Notification in accordance with §15 WpHG



Date: 31/07/2003

Page: 2/2

taxes and depreciation (EBITDA) were up 24% on the half-yearly figure for 2002, totalling EUR 14.7m compared to EUR 11.9m. The integration and financing costs for BÖWE Bell + Howell, which were particularly heavy during the first quarter, caused after-tax earnings to fall from EUR 3.7m to EUR 1.1m.

A further sharp increase in turnover and operating profit is also anticipated in the second half of the year. As before, the Board's forecast is for Group turnover to rise to between EUR 320 and 340m and Group net profit for the year to some EUR 18m for the full 2003 financial year.

	2nd quarter		1st half year	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Business year				
Order intake (million EUR)	69.0	43.8	148.8	86.7
Turnover (million EUR)	81.6	50.7	159.1	95.1
EBITDA (million EUR)	8.7	5.9	14.7	11.9
EBIT (million EUR)	5.4	3.7	8.0	7.7
EBT (million EUR)	3.0	3.2	3.2	6.5
Net result (million EUR)	2.5	1.9	1.1	3.7
EPS (EUR)	0.41	0.31	0.18	0.61
Personnel	-	-	2,739	1,876

The full interim report is available in the internet <http://www.boewe-systec.de> or can be ordered by phone (phone no. +49(0)821.5702.365).

BÖWE SYSTEC AG

The Board of Directors

- Initial success in second quarter following integration of BÖWE Bell + Howell, USA
- Quarterly turnover +61 %
- Quarterly EBITDA +47 %
- Quarterly net result +32 %
- 50% holding in BÖWE Bell + Howell, USA included since January 2003

Dear Shareholders,

Once again the BÖWE SYSTEC Group has enjoyed significant growth in turnover, order intake and the order backlog in the second quarter of the 2003 financial year. This was mainly due to the 50% holding in BÖWE Bell + Howell, USA being proportionately included in the consolidated accounts this year for the first time. As a result the figures for this financial year are only comparable to last year's figures to a limited extent. However, at the same time there was also a slight upswing in some of the traditional BÖWE SYSTEC branch operations in Europe.

From April to June 2003 BÖWE SYSTEC posted a Group turnover of EUR 81.6m compared to EUR 50.7m in the previous year. This represents an increase of 61%. Earnings before interest, taxes and depreciation (EBITDA) were up 47% on the same period last year, totalling EUR 8.7m compared to EUR 5.9m in the second quarter of 2002. In the same period the net result grew 32% from EUR 1.9m to EUR 2.5m.

Business development was equally satisfactory in the first half of 2003. Group turnover amounted to EUR 159.1m compared to EUR 95.1 from January to June of the previous year, representing growth of 67%. Earnings before interest, taxes and depreciation (EBITDA) were up 24% on the half-yearly figure for 2002, totalling EUR 14.7m compared to EUR 11.9m. The integration and financing costs for BÖWE Bell + Howell, which were particularly heavy during the first quarter, caused after-tax earnings to fall from EUR 3.7m to EUR 1.1m.

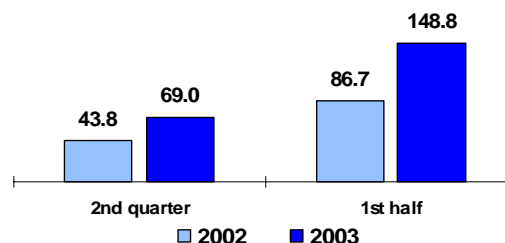
A further sharp increase in turnover and operating profit is also anticipated in the second half of the year. As before, the Board's forecast is for Group turnover to rise to between EUR 320 and 340m and Group net profit for the year to some EUR 18m for the full 2003 financial year.

Order intake

In the second quarter of the current financial year order intake received by BÖWE SYSTEC Group totalled EUR 69.0m. This is up 58% on the second quarter of the previous year, a situation that is mainly due to the merger of the old US branch operation with former competitor Bell + Howell on the North American continent. Of the companies

already in existence last year it was primarily the branch operations based in France and Austria that contributed to the increase in the order volume.

BÖWE SYSTEC Group
Order intake [million EUR]



The first half of 2003 overall shows growth of 72% compared to the previous year. Order intake received in the first six months of the year totalled EUR 148.8m, so representing a new high in the company history.

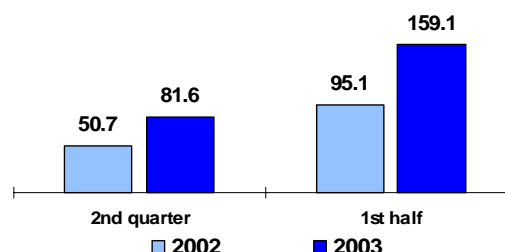
On 30 June 2003 orders in hand stood at EUR 52.2m, i.e. the order backlog was more than double that at the end of June 2002 (EUR 25.1m).

As in the past periods under review, the order backlog does not include any long-term service contracts. In the past six months services generated over 50% of Group turnover.

Turnover

In the second quarter of 2003 turnover amounting to EUR 81.6m was generated by the Group. This is up EUR 30.9m or 61% on last year's figure. Once again the increase in turnover was mainly due to the additional sales achieved by the new North American organisation. In the European market it was primarily the companies in Germany and in France that enjoyed a marked improvement in sales compared to the previous year.

BÖWE SYSTEC Group
Sales [million EUR]



For the six months of 2003 overall Group turnover was EUR 159.1m and is thus up EUR 64.0m on the half-yearly turnover for 2002. Besides the growth seen in North America, the subsidiary responsible for sales and service on the Iberian Peninsula, in particular, has reported a marked increase in cumulative turnover.

Employees

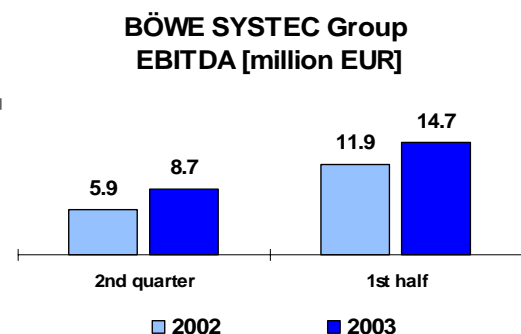
With the inclusion of 50% of the workforce at BÖWE Bell + Howell the number of staff employed by the BÖWE SYSTEC Group rose from 1,876 to 2,739 within the last twelve months. 928 of these worked for companies at home (941 a year ago). At the end of the first six months 1,811 staff were employed by the companies abroad (935 a year ago). At 30 June 2003 a total of 2,358 employees belonged to the workforce of the American organisation resulting from the merger between Böwe Systec, USA and Bell + Howell, USA, 50% of which is included here.

Investment and depreciation

Investments made in the first half of 2003 came to EUR 2.6m in total compared to EUR 8.8m in the corresponding period of the previous year. Investment was offset by depreciation amounting to EUR 6.7m (previous year EUR 4.2m).

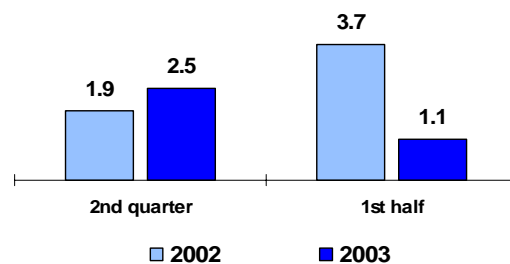
Earnings

The integration measures initiated at BÖWE Bell + Howell at the beginning of the year formed the basis for making swift and full use of the potential resulting from the merger. Initial success was already seen in the last three months. While the operating profit was still burdened by integration and financing costs in the first quarter, there was once again a satisfactory improvement in the second quarter compared to the previous year's quarter. At EUR 8.7m earnings before interest, taxes and depreciation (EBITDA) for April to June were up 47% on the previous year's figure of EUR 5.9m. Earnings after tax rose 32% to EUR 2.5m against EUR 1.9m in the second quarter of 2002.



As regards the cumulative figures for the first six months there was a marked dip in growth due to the integration costs in the first quarter. The half-yearly EBITDA rose 24% or EUR 2.8m to EUR 14.7m. After-tax earnings, which were also affected by the financing costs, fell from EUR 3.7m to EUR 1.1m against the first six months of the 2002 financial year.

BÖWE SYSTEC Group Net result [million EUR]



After allowing for the major expenditure from the merger included in the profits for the first half of 2003, BÖWE SYSTEC is now in a strong position to achieve the targets set for the full financial year.

Investor Relations

The highlight of the Investor Relations events held in the second quarter of the current year was once again the Shareholders' Meeting in Augsburg on 23 May. An increase in dividends to EUR 1.25 per share was agreed by a large majority of shareholders. In the previous year EUR 1.20 was paid out plus an anniversary bonus.

The French capital Paris was the venue for an analysts' conference held on 15 May. Here BÖWE SYSTEC once again had the opportunity of introducing itself to a large circle of new interested delegates and of renewing many of its existing contacts.

Back in April of this year the presentation of the annual accounts was used as an opportunity to inform investors and analysts at the financial centres of London and Frankfurt about the latest developments at the BÖWE SYSTEC Group.

Attendance at other analysts' conferences to be held in Madrid, London, Paris and Geneva is scheduled for the second half of the year. BÖWE SYSTEC will also once again be present at the German Mid Cap Conference taking place at Frankfurt in November.

Outlook

The 50% acquisition of Bell + Howell presented BÖWE SYSTEC with a unique opportunity. It has considerably improved the Company's position on the US market, which is of particular importance as the world's largest single market. At the same time the amalgamation of BÖWE SYSTEC's leading-edge product technology with Bell + Howell's extensive North American service network proved the ideal way to combine the strengths of both companies. Together with the considerably expanded customer base this represents a significant competitive advantage for the BÖWE SYSTEC Group in the future.

During the current financial year special attention is being paid to integration, especially to integrating production and the sales and service network into the BÖWE SYSTEC Group organisation. The Board expects integration of the sales and service organisations to be complete by the end of the third quarter of 2003. By the fourth quarter the numerous benefits involved should already offset the costs incurred.

As before, Group turnover of between EUR 320m and 340m is anticipated for the full 2003 financial year. The target is a Group net profit of EUR 18m for the year (against EUR 14m in 2002) after allowing for integration costs.

The future profits of the new BÖWE Bell + Howell company will more than make up for the financial cost of acquiring the holding. The successful amalgamation of new and existing company operations will form the foundation for further growth in turnover and profit in the years to come.

Augsburg, July 2003

BÖWE SYSTEC Aktiengesellschaft

– The Managing Board –

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

BÖWE SYSTEC AG
Investor Relations
Werner-von-Siemens-Str. 1
86159 Augsburg

Phone:	+49(0)821/5702-365
Fax:	+49(0)821/5702-214
E-Mail:	just.controlling@boewe-systec.de
Internet:	http://www.boewe-systec.de

Enclosure

BÖWE SYSTEC	2nd quarter 2003	2nd quarter 2002
Group income statement	Mio. EURO	Mio. EURO
Sales	81.6	50.7
Increase in inventories of work of finished goods and work in process	3.7	-2.5
Own work capitalized	0.0	0.1
Other operating income	2.2	1.5
Cost of materials	-26.8	-6.9
Personnel expenses	-38.8	-26.7
Depreciation on intangible and tangible assets	-3.4	-2.2
Other operating expenses	-13.4	-10.3
Investment result	0.4	0.0
Net interest	-2.8	-0.5
Results from ordinary activities	2.8	3.2
Taxes on income	-0.4	-1.1
Other taxes	0.1	-0.2
Group net income for the year	2.5	1.9
Earnings per share (6,042,000 shares without par value) in EUR	0.41	0.31

BÖWE SYSTEC	1st half year 2003	1st half year 2002
Group income statement (according to german GAP [HGB])	Mio. EURO	Mio. EURO
Sales	159.1	95.1
Increase in inventories of work of finished goods and work in process	8.6	4.5
Own work capitalized	0.0	0.1
Other operating income	3.8	2.6
Cost of materials	-51.9	-18.2
Personnel expenses	-77.7	-52.8
Depreciation on intangible and tangible assets	-6.7	-4.2
Other operating expenses	-27.2	-19.4
Investment result	1.0	0.0
Net interest	-5.8	-1.2
Results from ordinary activities	3.2	6.5
Taxes on income	-2.0	-2.6
Other taxes	-0.1	-0.2
Group net income for the year	1.1	3.7
Earnings per share (6,042,000 shares without par value) in EUR	0.18	0.61