

Report Third Quarter 2004

Consolidated Closing (US GAAP) for the Third-Quarter and First Nine Months of Fiscal 2004 as of 09/30/04 (unaudited)



SINGULUS TECHNOLOGIES notably improves 3rd quarter earnings!

HIGHLIGHTS:

- Revenue for first nine months of 2004 grows 17.6 % over 2003
- Third quarter revenue growth between 2003 and 2004 of 20.4 %
- Nine-month order intake for 2004 grows 20.5 % over 2003
- Q3/2004 earnings (EBIT) increase 18.6 % over equivalent prior-year quarter
- Above average bookings for prerecorded DVD lines
- Successful market launch of new SPACELINE II for prerecorded DVD

Dear Ladies and Gentlemen,

During the first nine months of 2004, SINGULUS TECHNOLOGIES AG demonstrated significant growth over the same prior-year period.

Third quarter revenue comparisons as well as those for the entire period under review exceeded figures recorded in previous years. On 09/30/04, the order backlog had surpassed prior year figures by 33.9 %. Third quarter EBIT figures showed strong growth.

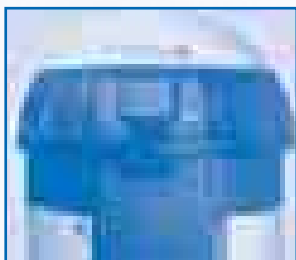
REVENUES

At 140 million Euro, Q3/2004 revenues were much higher than those recorded for the strongest quarter to date, Q3/2003 with 116 million Euro. Cumulative revenues for the first nine months of the current fiscal year total nearly 300 million Euro compared to 255 million Euro for the same period last year, an increase of over 17 %. As expected, the SPACELINE II DVD-9 lines were the predominant drivers of this revenue growth.



DEVELOPMENT OF REVENUES WORLDWIDE

The regional distribution of revenues for the first nine months of 2004 is as follows: Europe 38.4 % (prior year 39.7 %), North and South America 22.1 % (24.1 % last year); Asia 37.4% (34.1% a year ago) and Africa 2.1 % (last year 2.1 %).



*DMS-Evolution from SINGULUS MASTERING,
Eindhoven, NL*

ORDER INTAKE AND ORDER BACKLOG

At 79.7 million Euro, the order intake for Q3/2004 fell just short of Q3/2003 (87.4 million Euro). This variance is primarily attributable to a decline in the lower-margin CD-R business as compared to Q3/2003.

At 377.3 million Euro, the total order intake for the first nine months of 2004 grew by 20.5 % over last year's 313.1 million Euro total, driven primarily by the prerecorded DVD formats. Bookings for 244 DVD-9 lines clearly exceeded projections.

The order backlog as of the 09/30/04 closing date totaled 156.1 million Euro (116.6 million Euro last year).

EARNINGS

The gross margin improved for Q3/2004 to 34.4 %. The overall margin for the first nine months of 2004 thus went up to 31.2 % (first half-year 2004: 28.4 %).

Earnings before interest and depreciation (EBIT) for the 3rd quarter totaled 30.1 million Euro, an increase of 18.6 % over last year (25.4 million Euro). The 43.9 million Euro cumulative EBIT for the first nine months of the year fell just below the prior-year 46.8 million Euro figure (- 6.2 %). Revenues still to be realized for machines already delivered and to be delivered during the last quarter of this year will lead to the EBIT growth projected for 2004.

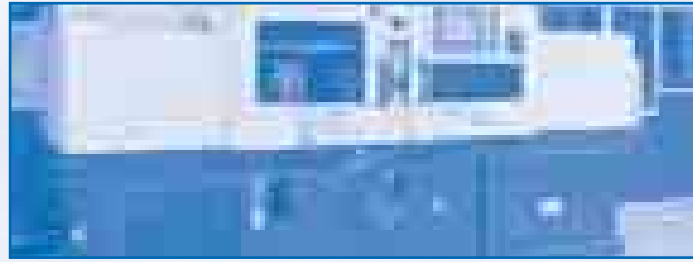
Earnings for the period of 19.9 million Euro were achieved for Q3/2004 (Q3/2003: 15.9 million Euro). Earnings of 29.4 million Euro for the nine-month period also fell just short of the 29.9 million Euro reported for 2003.

STAFF

SINGULUS TECHNOLOGIES' corporate workforce totaled 730 employees by 09/30/04 (09/30/03: 582 employees). The 148-employee staffing increase arose from the 88-person ODME consolidation and a 33-employee expansion of our Asian operations. Staffing allocations at SINGULUS in Kahl were made primarily to increase personnel in the Commissioning and R&D departments.

RESEARCH AND DEVELOPMENT

During the first nine months of 2004, R&D expenditures totaled 14.6 million Euro, corresponding to a 18.0 % increase over 2003. R&D expenditures in the core business Optical Disc were allocated primarily for the SPACELINE II and STREAMLINE II as well as the advancement of injection molding technology and mastering. The new SPACELINE II and STREAMLINE II have been successfully introduced to the market.



*Injection molding machine from
SINGULUS EMOULD, Würselen*

Advancements were also made to the SINGULUS EMOULD injection molding machines. New servo motors and temperature control units further improved cycle times in order to accommodate the increased capacity demands for DVD-R manufacturing. Coupled with our new STREAMLINE II, DVD-R production can now achieve cycle times of around 3 seconds. June marked the delivery of our 1000th EMOULD injection molding machine, a number that will exceed 1200 by year-end.

Work on a Dual Layer DVD+R system with 8.5 Gbyte storage capacity modeled on the STREAMLINE II DVD-R was intensified during the 3rd quarter. Initial Dual Layer DVD+R samples have already been successfully produced. Market introduction is expected for Q1/2005.

R&D activities have also concentrated on the continued development of the DMS Evolution mastering system. Recording speeds (rates at which a master is produced) were increased from 2R to 4R for DVD and from 6x to 10x for CD. A DMS Evolution system will now be able to manufacture 140 DVD masters per day (formerly 84) and 140 CD masters per day (130 to date).

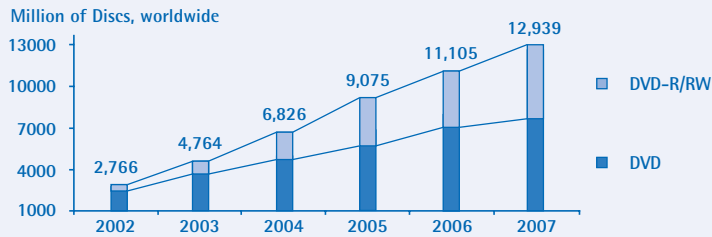
Product development for the new business segments MRAM and Optical Coating of eyeglass lenses continued with great intensity.

OTHER

SINGULUS TECHNOLOGIES begins Share Buy-Back

Based on the authorization granted at this year's Annual Shareholders' Meeting, the SINGULUS TECHNOLOGIES AG Managing Board decided to acquire 10 % of the company's shares on the stock exchange. The share buy-back commenced on the stock exchange on October 6, 2004.

Favorable third quarter business developments as well the positive outlook for the entire year 2004 prompted the company to initiate this buy-back in the interest of the shareholders. Plans have been made to redeem the acquired shares. The resulting improvement in earnings per share is expected to have a positive influence on the share price.



*Development of the worldwide
DVD market (2002-2007)*

Source: Understanding & Solutions

FORECAST

The growth in demand that began in the prerecorded DVD market a year ago has continued throughout 2004. Research conducted by Understanding & Solutions indicates that the DVD market will grow significantly through at least 2007. This includes prerecorded and recordable DVDs.

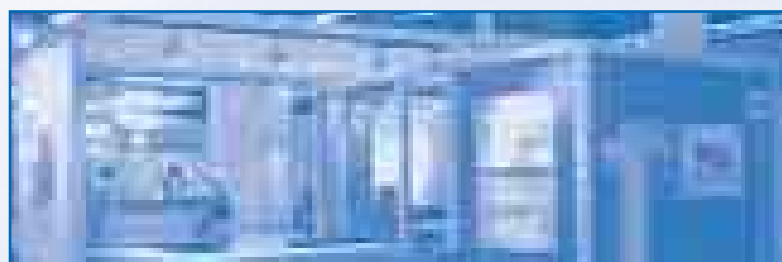
Additionally, the new formats for the emerging third generation – as successions to CD and DVD – are also expected to create growth in the years ahead. Two formats are now battling for DVD succession: HD-DVD (High Density DVD) and Blu-ray Disc. Whether HD-DVD and/or Blu-ray are at the forefront of the next format generation is immaterial – SINGULUS will manufacture machines for both standards.

Orders for TMR thin film and optical coating technologies expected to be received within the next few months could also contribute to the company's continued success.

Sincerely,

SINGULUS TECHNOLOGIES AG
The Managing Board

SINGULUS booth at the
Silmo 2004 in Paris



**CONSOLIDATED BALANCE SHEETS AS AT SEPTEMBER 30, 2004 AND DECEMBER 31, 2003
(US GAAP, UNAUDITED)**

	2004	2003
	KEUR	KEUR
Cash and cash equivalents	34,542	66,425
Trade accounts receivable, short-term	109,566	79,275
Raw & Packing Materials	37,235	27,208
Work in Process, Finished Goods	122,075	73,612
Pre-Payments to Suppliers	3,744	1,503
Deferred tax assets (current)	3,272	3,272
Accruals and other current assets	12,389	8,848
Total current assets	322,824	260,143
Trade accounts receivable, long-term	11,251	17,209
Property, plant & equipment	15,181	15,842
Intangible assets	9,450	695
Goodwill	34,080	16,539
Deferred tax assets (non-current)	1,409	1,409
Total non-current assets	71,371	51,694
Total assets	394,195	311,837
Trade accounts payable	42,036	28,957
Advance payments received	50,567	19,116
Other provisions, accrued expences	9,782	9,382
Tax accruals	13,403	11,334
Other current liabilities	20,574	19,304
Total current liabilities	136,362	88,093
Pension accruals	4,032	3,558
Other long-term liabilities	4,086	719
Total long-term liabilities	8,118	4,277
Total liabilities	144,481	92,370
Share capital	37,122	37,064
Additional paid-in capital	27,994	27,650
Retained earnings	159,514	159,514
Profit current year	29,442	0
Currency translation adjustment (CTA)	-4,356	-4,761
Total shareholders' equity	249,715	219,467
Total liabilities & equity	394,195	311,837

CONSOLIDATED STATEMENT OF INCOME AS AT SEPTEMBER 30, 2004
(US GAAP, UNAUDITED)

	Third Quarter		First 9 Months	
	2004	2003	2004	2003
	KEUR	KEUR	KEUR	KEUR
Gross Revenues	139,452	115,820	299,817	254,970
Sales Deductions & Direct Distribution Costs	4,046	3,898	10,195	8,518
Net Revenues	135,406	111,922	289,622	246,452
Cost of Goods Sold	88,808	74,447	199,239	165,239
Gross Profit	46,598	37,475	90,382	81,214
Research and Development	5,165	4,666	14,619	12,392
Sales and Customer Service	5,475	4,288	16,041	13,100
General Management and Administration	4,003	2,494	10,854	7,068
Other Operating Expenses	1,891	667	4,990	1,867
Total Operating Expenses	16,533	12,115	46,503	34,427
Operating Income (EBIT)	30,065	25,360	43,879	46,786
Interest Income and expenditure	360	240	1,195	791
Profit Before Tax	30,425	25,600	45,074	47,577
Income Taxes	10,547	9,686	15,632	17,679
Minority Interest	-	-5	-	4
Net Income	19,878	15,919	29,442	29,894
Net Income per share (basic), EUR	0.53	0.43	0.79	0.81
Net Income per share (diluted), EUR	0.51	0.41	0.76	0.77
Weighted average shares outstanding (basic)	37,121,862	37,006,734	37,089,892	36,973,674
Weighted average shares outstanding (diluted)	38,719,415	38,946,981	38,629,637	38,791,366

**CONSOLIDATED CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2004
(US GAAP, UNAUDITED)**

	Sept. 30, 2004	Sept. 30, 2003
	KEUR	KEUR
Net Income	29,442	29,894
Depreciation	2,801	2,236
Change in Pension and Tax Accruals	474	145
Change in Working Capital*	-40,338	-34,736
Net cash flows from operating activities	-7,621	-2,461
Change in Property, Plant & Equipment	-2,140	-3,433
Change in other intangible assets	-8,755	43
Change in goodwill	-17,541	-
Change in long-term liabilities	3,367	-89
Capital increase	402	415
Currency Translation	405	-1,396
Net Change in Cash & Liquid Funds	-31,883	-6,922
Cash & Cash equivalents at beginning of period	66,425	53,915
Cash & Cash equivalents at end of period	34,542	46,993

* incl. Trade Receivables, long term

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AS AT SEPTEMBER 30, 2004
(US GAAP, UNAUDITED)**

	Share capital	Additional paid-in- capital	Retained earnings & current profit	Currency translation adjustment	Total shareholders' equity
	KEUR	KEUR	KEUR	KEUR	KEUR
Balance at December 31, 2003	37,064	27,650	159,514	-4,761	219,467
Capital increase	58	344			402
Currency translation adjustments				405	405
Profit current year			29,442		29,442
Balance at September 30, 2004	37,122	27,994	188,956	-4,356	249,715

for comparison the figures of the same periode the year before:

Balance at December 31, 2002	36,947	26,950	119,257	- 1,523	181,631
Capital increase	60	355			415
Currency translation adjustments				- 1,396	- 1,396
Profit current year			29,894		29,894
Balance at September 30, 2003	37,007	27,305	149,151	- 2,919	210,544

Company Calendar 2004 / 2005

04.11.2004	Quarterly Report 3-2004
01.-03.12.2004	Semicon Japan, Tokio
24.03.2005	Annual Press Conference and DVFA-Meeting, Frankfurt/Main
04.05.2005	Quarterly Report 1-2004
02.08.2005	Quarterly Report 2-2004

Shares and Subscription Rights, 09/30/2004: Shares á 1 Euro

VWG Roland Lacher GbR	129,600 pieces
William Slee	29,520 pieces
Thomas Geitner	1,500 pieces

Stock Subscription Rights provided in form of convertible bonds á 1 Euro:

VWG Roland Lacher GbR	12,150 pieces
Stefan Baustert	160,000 pieces
Employees	1,161,294 pieces

Additional Notations:

Annotation in Accordance with § 63 BörsO of the Frankfurt Securities Exchange (§ 63 paragraph 3 figure 5 exchange regulations)

Accounting and Valuation Methods

No changes were made to accounting and valuation methods. The report follows US GAAP regulations.

Development of Expenses and Prices

Pricing and expenses developed as planned.

Expenditures

Capital expenditures for the first 9 months totaled 3.4 million Euro (09/30/03: 3.4 million Euro). These figures reflect expansion and replacement expenditures for office and assembly areas as well as measuring and control technology.

Division of Earnings

SINGULUS operates exclusively in a single business sector. The manufacture and sale of systems for the production of optical discs accounted for approximately 90.4 % (2003: 90.8 %) of the company's total revenues. The revenue share for spare parts, upgrades and service totaled 9.6 % (2003: 9.2 %). No earnings have yet been generated by the new MRAM and ophthalmic business sectors.

Changes in Executive Management and Regulatory Bodies

Dr. Reinhard Wollermann-Windgasse has resigned from the company effective July 1, 2004.

Events of Exceptional Significance with the Potential to Affect the Outcome of Business Operations

No events of note.

Interim Dividends

No interim dividends were disbursed.

Amount Disbursed or Recommended for Disbursement

No dividends were disbursed or recommended for disbursement.

Shareholder Equity Variance Account

See "Development of Corporate Shareholder Equity" Table.

	Nine months cumulative, as of 09/30/ 2002/2003/2004 (unaudited)		
	9M 2002 KEUR	9M 2003 KEUR	9M 2004 KEUR
Gross Revenues	209,471	254,970	299,817
EBIT	41,022	46,786	43,879
Profit before Tax	42,314	47,577	45,074
Net Income	27,160	29,894	29,442
Total Shareholders Equity	173,331	210,544	249,715
Balance sheet total	268,247	320,166	394,195
Operation Cash Flow	-3,260	-2,461	-7,621
Staff*	472	582	730
R&D Expenditures	9,345	12,392	14,619
Earnings per Share in EURO	0.74	0.81	0.79**

All figures in K EUR, except:

* (actual number) ** based on 37,121,862 issue shares á 1 EURO

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