

Report Third Quarter 2003

Consolidated Closing (US GAAP) for the Third-Quarter and First Nine Months of Fiscal 2003 as of 09/30/03 (unaudited)



1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

Dear Ladies and Gentlemen:

SINGULUS TECHNOLOGIES AG has recorded sustained growth for the first nine months of 2003. The company's order intake and revenues exceeded those of both the previous year's 3rd quarter and cumulative nine-month period ending in September. This is also the case for the order backlog as of 09/30/03.

HIGHLIGHTS:

- + 21.7 % revenue growth over 2002 for the first nine months of 2003.
- + 29.3 % growth in order intake over 2002 for the first nine months of 2003.
- + 14.1 % growth in EBIT over 2002 for the first nine months of 2003.
- + 10.1 % growth in net earnings over 2002 for the first nine months of 2003.
- 12.1 % net earnings margin during the first nine months of 2003.
- Excellent gains in all product segments. Above-average growth for CD/DVD 5 and noteworthy positioning in the recordable segment for CD-R and DVD-R.



REVENUES

Cumulative revenues for the first 9 months of the current fiscal year totalled 255.0 million Euro compared to 209.5 million Euro a year ago. At 115.8 million Euro, net sales for QIII/2003 surpassed those of QII/2003 (82.2 million Euro) as well as sales for the QIII/2002 (99.2 million Euro).



Front Page and Page 2:
DVD R Production Lines at Sky Media

Revenues by Product Category:

Product	9 Months 2003	9 Months 2002
SKYLINE CD/DVD 5	51.7 Mio. Euro = 20.3 %	38.3 Mio. Euro = 18.3 %
STREAMLINE CD-R	19.7 Mio. Euro = 7.7 %	7.5 Mio. Euro = 3.6 %
STREAMLINE DVD-R	17.6 Mio. Euro = 6.9 %	2.6 Mio. Euro = 1.2 %
SPACELINE DVD 9	128.5 Mio. Euro = 50.4 %	123.5 Mio. Euro = 59.0 %
OMP-Mastering	9.8 Mio. Euro = 3.8 %	10.1 Mio. Euro = 4.8 %
Service and Spare Parts	23.4 Mio. Euro = 9.2 %	20.3 Mio. Euro = 9.7 %
Other	4.3 Mio. Euro = 1.7 %	7.2 Mio. Euro = 3.4 %

The regional distribution of revenues for the first nine months of 2003 is reflected in the following figures: Europe 39.7 % (37.7 % last year), North and South America 24.1 % (31.4 % last year), Asia 34.1 % (30.5 % last year) and Africa 2.1 % (0.4 % last year).

The revenue percentage denominated in US-Dollars for the first nine months of 2003 totalled approximately 16 %. The rate of exchange for our forward contracts averaged 1.07 US \$ / Euro.

BOOKINGS AND ORDER BACKLOG

At 87.4 million Euro, the order intake for QIII/2003 clearly surpassed that of QIII/2002 (72.6 million Euro).

The 313.1 million Euro order intake for the first nine months of 2003 is 29.3 % higher than the total order intake for the prior year's 9 months period (242.2 million Euro). The CD/DVD 5 formats join the recordable CD-R and DVD-R this year as drivers of this growth, the former largely due to a market increase in order intake from China and Hongkong. DVD 9 continues to significantly contribute to the development of this year's revenues.

The order backlog amounted to 116.6 million Euro by the 09/30/03 closing date (last year: 88.4 million Euro).

EARNINGS

The gross margin for the period in report declined from last year's 36.3 % to 33.5 % of net profits. Contributing factors include a decline in margin in the CD/DVD 5 sector as well as a change in the product mix. The gross margin for the first 9 months of the year is calculated at 33.0 % (prior year 36.1 %).

SUNLINE Installation in Taiwan



Earnings before Income Tax (EBIT) for the 3rd quarter totalled 25.4 million Euro, up 15.6 % over last year (21.9 million Euro). An improvement in the EBIT was recorded for the nine-month period, up from 41.0 million Euro in 2002 to 46.8 million Euro in 2003 (+ 14.1 %). Period net earnings of 29.9 million Euro for the first nine months exceeded last year's 27.2 million Euro by 10.1 %. Period net earnings of 15.9 million Euro were generated for QIII/2003. The net earnings margin for the first nine months totalled 12.1 % (prior year: 13.6 %).

STAFF

SINGULUS TECHNOLOGIES corporate workforce totalled 582 employees by 09/30/03 (09/30/02: 472 employees). The company has continued to expand its capacity in order to accommodate growth and the development of new systems. New hires during the first and second quarters were employed primarily for assembly and commissioning in order to manage the increase in production. Furthermore we hired 9 people for our newly established Taiwan subsidiary. As of 30 September 2003 the SINGULUS group added to its permanent workforce 151 temporary employees, 96 of whom were employed at SINGULUS TECHNOLOGIES in Kahl and 55 at SINGULUS EMOULD.

RESEARCH AND DEVELOPMENT

SINGULUS TECHNOLOGIES intensified its Research & Development activities during the first 9 months of the year, investing 12.4 million Euro (last year: 9.3 million Euro), or 5.0 % of net sales. This includes substantial amounts to prepare the introduction of our new business activities MRAM and ophthalmic lens coating (3.1 million Euro).

Advances have been made in the development of the optimization of the STREAMLINE DVDR/SP-A, reducing its cycle time below 4.5 seconds. This line also qualified for the 4 x production of DVD-R and DVD+R. Development work on the next DVD-R generation, 8 x DVD-R, has begun.

The cycle time of the new SKYLINE II CD/DVD 5 replication line was reduced from its original 8.5 seconds to under 6 seconds, principally to benefit DVD 5 production. The SKYLINE II will be, as its predecessor generation, worldwide market leader in its business segment.



*SPACELINE Replication System
(Special Version for Production
of DVD^{plus}®)*

MRAM activities were further intensified. Discussions on our TIMARIS TMR thin film coating system as well as possible joint development activities are currently being conducted with numerous large semiconductor manufacturers. During the period under review, our TMR activities were presented at the Semicon in Taiwan. Preparations are underway for the next exhibition at the most important Asian semiconductor show to be held in Japan in December of this year.

Development and manufacture of the first ophthalmic lens coating system will be completed as planned during the 4th quarter 2003. In the interim, joint testing with a key customer has begun. The applicability of this system is not restricted to coating eyeglass lenses as it offers the possibility of general optical lens coating and, by means of innovative process technology, a massive reduction in previous coating costs.

CAPITAL EXPENDITURES

The new 3000 sq. meter extension to the production hall in Kahl has largely been completed with work on the infrastructure scheduled for completion in November. The investment will total 3.4 million Euro.

FORECAST

SINGULUS TECHNOLOGIES' production is currently operating at full capacity.

The new business arenas for MRAM and ophthalmic systems will contribute to the continued success of our company by generating their initial revenues in 2004.

Based on the nine-month net earning figures and including the order backlog at September 30th, 2003, the executive board of SINGULUS TECHNOLOGIES still expects a revenue growth of at least 20 % in 2003. However, the increase in net earnings will be weaker than SINGULUS expected and announced so far, due to the fact that a substantial part of our revenue increase versus 2002 refers to the lower margin segments of CD/DVD 5 and CD-R recordable.

Sincerely,

SINGULUS TECHNOLOGIES AG
The Managing Board

Production in the new Hall will
start in October / November



**CONSOLIDATED BALANCE SHEETS AS AT SEPTEMBER 30, 2003 AND DECEMBER 31, 2002
(US GAAP, UNAUDITED)**

	Sept. 30, 2003	Dec. 31, 2002
	KEUR	KEUR
Cash and cash equivalents	46,993	53,915
Trade accounts receivable, short-term	85,409	52,995
Raw & Packing Materials	32,781	24,696
Work in Process, Finished Goods	88,556	62,481
Pre-Payments to Suppliers	1,934	1,672
Other current assets	7,918	12,169
Total Current Assets	263,591	207,928
Trade accounts receivable, long-term	17,723	18,248
Property, plant & equipment	14,853	10,416
Intangible assets	327	495
Goodwill	16,539	16,539
Other long-term assets	1,572	4,161
Deferred tax assets	5,562	5,562
Total Assets	320,166	263,349
Trade accounts payable	42,111	25,521
Advance payments received	21,692	11,984
Other provisions, accrued expenses	10,942	11,645
Tax accruals	12,216	10,291
Other current liabilities	18,695	18,367
Total Current Liabilities	105,657	77,808
Convertible bonds	1,058	1,147
Pension accruals	2,908	2,763
Total Long-Term Liabilities	3,966	3,910
Total Liabilities	109,623	81,718
Share capital	37,007	36,947
Additional paid-in capital	27,305	26,950
Retained earnings	119,257	119,257
Profit current year	29,894	0
Currency translation adjustment (CTA)	-2,919	-1,523
Total Shareholders Equity	210,544	181,631
Total Liabilities & Equity	320,166	263,349

CONSOLIDATED STATEMENT OF INCOME AS AT SEPTEMBER 30, 2003
(US GAAP, UNAUDITED)

	Third Quarter		First 9 Months	
	2003	2002	2003	2002
	KEUR	KEUR	KEUR	KEUR
Gross Revenues	115,820	99,181	254,970	209,471
Sales Deductions & Direct Distribution Costs	3,898	3,286	8,518	9,586
Net Revenues	111,922	95,895	246,452	199,885
Cost of Goods Sold	74,447	61,134	165,239	127,678
Gross Profit	37,475	34,761	81,214	72,208
Research and Development	4,666	3,666	12,392	9,345
Sales and Customer Service	4,288	4,156	13,100	11,813
General Management and Administration	2,494	2,350	7,068	6,328
Other Operating Expenses	667	2,658	1,867	3,700
Total Operating Expenses	12,115	12,830	34,427	31,186
Operating Income (EBIT)	25,360	21,931	46,786	41,022
Interest Income and expenditure	240	517	791	1,293
Profit Before Tax	25,600	22,449	47,577	42,314
Income Taxes	9,686	7,910	17,679	15,141
Minority Interest	-5	3	4	13
Net Income	15,919	14,535	29,894	27,160
Net Income per share (basic), EUR	0.43	0.39	0.81	0.74
Net Income per share (diluted), EUR	0.41	0.37	0.77	0.70
Weighted average shares outstanding (basic)	37,006,734	36,873,096	36,973,674	36,735,818
Weighted average shares outstanding (diluted)	38,946,981	38,961,883	38,791,366	38,713,304

CONSOLIDATED CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2003
(US GAAP, UNAUDITED)

	First 9 Months	
	Sept. 30, 2003	Sept. 30, 2002
	KEUR	KEUR
Net Income	29,894	27,160
Depreciation	2,236	1,936
Change in Pension Accruals	145	189
Change in Working Capital	-34,736	-32,545
Net Cash Flows from Operating Activities	-2,461	-3,260
Cash Flow from investing activities	-3,390	-14,194
Movt. in long term depts	-89	667
Capital increase	415	11,812
Currency Translation	-1,396	-1,047
Net Change in Cash & Liquid Funds	-6,922	-6,022
Cash & Cash equivalents at beginning of period	53,915	47,431
Cash & Cash equivalents at end of period	46,993	41,409

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AS AT SEPTEMBER 30, 2003
(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, 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

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

Balance at December 31, 2001	36,436	15,197	82,668	1,105	135,405
Capital increase	437	11,375			11,812
Currency translation adjustments				-1,047	-1,047
Profit current year			27,160		27,160
Balance at September 30, 2002	36,873	26,572	109,828	58	173,331

Company Calendar 2003 / 2004

04.11.2003	Quarterly Report 03/2003
03.-05.12.2003	Semicon Japan
03.-05.12.2003	Replication Expo, Shanghai
30.03.2004	Annual Press Conference and DVFA-Meeting, Frankfurt/Main
13.05.2004	Annual Shareholders Meeting

Shareholdings and Stock Options, as of 09/30/03: Shares à 1 Euro

VVG Roland Lacher GbR	105.300 pieces
William Slee	29.520 pieces
Thomas Geitner	1.500 pieces

Subscription Rights à 1 Euro Granted through Convertible Loans:

VVG Roland Lacher GbR	36.450 pieces
Stefan Baustert	80.000 pieces
Dr. Reinhard Wollermann-Windgasse	50.000 pieces
Employees	1.535.264 pieces

Additional Notations:

Annotations 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 the accounting and valuation methods. The quarterly report follows US GAAP regulations.

Development of Expenses and Pricing

Prices and expenses developed as planned.

Capital Expenditures

Capital expenditures for the first 9 months totalled 3.4 million Euro (2002: 3.5 million Euro), primarily for standard expansion and replacement expenditures for office equipment, expenses for expansion of office and assembly areas, as well as for measuring and control technology.

Division of Earnings

The company realized revenues of approx. 90.8 % through the manufacture and sale of systems for the production of optical discs. The revenue share for spare parts, upgrades and service totalled 9.2 %. The new business sectors for MRAM and ophthalmic systems have not yet generated revenues.

Changes in Executive Management and Supervisory Bodies

None.

Significant Events Potentially Affecting the Outcome of Business Operations

No events of note.

Interim Dividends

No interim dividends were disbursed.

Amount Disbursed or Recommended for Disbursement

Dividends were neither disbursed nor recommended for disbursement.

Shareholder Equity Variance Account

See Chart entitled „Development of Corporate Shareholder Equity“

	Nine months cumulative, as of 30/09/ 2001/2002/2003 (unaudited)		
	9M 2001	9M 2002	9M 2003
	KEUR	KEUR	KEUR
Gross Revenues	175.796	209.471	254.970
Profit before Tax	36.963	42.314	47.577
Net Income	22.740	27.160	29.894
Total Shareholders Equity	129.952	173.331	210.544
Balance sheet total	207.241	268.247	320.166
Operation Cash Flow	17.634	-3.260	-2.461
Staff*	328	472	582
R&D Expenditures	4.405	9.345	12.392
Earnings per Share in EURO	0,63	0,74	0,81**

All figures in K EUR, except:

* (actual number) ** based on 37,006,734 issue shares à 1 EURO

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