

Report First Half Year 2003

Consolidated Closing (US-GAAP) for the 2. Quarter and First Half Year 2003,
as of 30.06.2003 (unaudited)



1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

Dear Ladies and Gentlemen:

SINGULUS TECHNOLOGIES' growth continued to progress favorably during the first half of 2003. The company's order intake and revenues for the entire first half of 2003 as well as the 2nd quarter were markedly higher than those posted in comparable preceding periods. There was also an increase in the order backlog.

HIGHLIGHTS:

- +26.2 % revenue growth over 2002.
- +33.0 % growth in order intake over 2002.
- +10.7 % gain in net earnings over 2002.
- Good progress was made in all segments of the business. Constant high level with DVD 9 and strong growth is being generated by the CD-R and DVD-R business sectors.
- SINGULUS was the largest exhibitor at the MediaTech Expo in Las Vegas, USA, recording strong attendance.
- Sample coating of wafers for prospective customers commenced on the TIMARIS MRAM system.
- Founding of another subsidiary, SINGULUS TECHNOLOGIES Taiwan.

REVENUES

During the first half of 2003, gross revenues of 139.2 million Euro clearly exceeded the 110.3 million Euro recorded for the first half of the prior year. At 82.2 million Euro, revenues for Q2/2003 were notably higher than those posted for Q2/2002 (56.8 million Euro).



The continued strong demand for DVD 9 SPACELINE replication lines resulted in 72.1 million Euro in revenues by the middle of 2003 (prior year 50 million Euro), corresponding to the current 51.8 % share of total revenues (45.3 % last year).

The boom expected for once-recordable DVD-R is manifested in revenues of the STREAMLINE DVDR/SP-A with 8.4 million Euro = 6.0 % (last year 1.2 million Euro). Gratifyingly high was the sale of the STREAMLINE Duplex CD-R lines for the first half of 2003. The 16 machines sold accounted 11.6 million Euro in revenues = 8.3 % (mid year 2002 = 4.3 million Euro in revenues).



Member of the Management Board
Dr. Reinhard Wollermann-Windgasse

Revenues for CD/DVD 5 replication lines closed below prior year with 24.6 million Euro and a share of 17.7 % (prior year share 25.7 % and 28.3 million Euro in revenues).

OMP mastering system revenues totalled 5.8 million Euro for accounting reasons (prior year 7.8 million Euro) while those generated by service and spare parts increased to 15.0 million Euro (13.2 million Euro a year ago).

The regional distribution of revenues for the first half of 2003 is reflected in the following figures: Europe, 35.1 % (prior year 31.8 %); North and South America, 26.8 % (27.0 % last year) and Asia, 38.1 % (41.2 % a year ago).

Revenue share apportioned to US Dollar was 19 % for the first half of 2003. The average exchange rate of our exchange hedging was 1.05 US \$/Euro.

BOOKINGS

The 97.0 million Euro order intake in Q2/2003 was gratifyingly high compared to the preceding Q2/2002 (92.1 million Euro). The "Book to Bill" ratio is 1.18.

Total bookings of 225.6 million Euro demonstrate a 33 % growth over last year's total of 169.6 million Euro. Besides bookings for CD/DVD 5 especially the once-recordable DVD and CD formats were growth drivers.

ORDER BACKLOG

By the 06/30/03 period closing, the order backlog reached 144.9 million Euro (115.0 million Euro in 2002), an increase of 11.4 % to the prior quarter and is arrayed as follows: 118 (26 last year) CD machines, 74 (101) DVD machines; 28 (8) CD-R and 18 (2) DVD-R machines, 1 (2) DVD±RW machine and 10 (1) OMP mastering machines.

EARNINGS

At 32.5 % of net earnings, the gross margin for the first half of 2003 showed a billing-based decline from last year (36 %). Several CD/DVD 5 and CD-R lines were booked with lower margins compared to the prior year. Margins at DVD 9, DVD-R and Mastering held the constant high level of the last year. Earnings before income tax (EBIT) totalled 21.4 million Euro, up 12 % over last year (19.1 million Euro). Earnings of 14 million Euro for the period exceeded the 12.6 million Euro figure posted last year by 10.7 %.

*New SKYLINE II replication line
for CD and DVD 5*



STAFF

On 06/30/03 SINGULUS TECHNOLOGIES employed 527 people worldwide (6/30/02: 456 employees). The company further expanded its capacity in order to accommodate both its growth and the development of new systems.

During the first two quarters of 2003, new hires were employed primarily for the assembly and commissioning departments in order to manage the increase in production.

RESEARCH AND DEVELOPMENT

Investment in R&D is an investment in the future for a technology company like SINGULUS TECHNOLOGIES and is the most reliable method of ensuring the generation of new growth! R&D expenditures for the first half of 2003 totalled 7.7 million Euro (prior year = 5.7 million Euro) which corresponds to the level of the prior year in relation to revenues.

An investment has been made in the development, i.e., optimization of the STREAMLINE DVDR/SP-A for DVD-R. Increased process reliability and the resultant improved productivity have led to a higher demand for this line.

Clear progress has also been made on our multi-cathode MODULUS metallizer and the integrated SUNLINE replication line for rewritable DVD formats and will reflect in the receipt of new orders during the second half of the year.

As of the first quarter of 2003, sample coatings for prospective customers have been produced on the TIMARIS TMR thin film sputtering system. All test results to date have surpassed our customers' expectations. Announcements made in the global semiconductor industry have clarified signals from the MRAM technology market and have confirmed our earlier projections.

MRAM sales activities were launched with the debut of the TIMARIS at the Semicon Europe in Munich this April and are being supported by an attendant advertising campaign. SINGULUS also presented its TMR technology at the world's largest semiconductor show Semicon West in San Francisco, USA, in July.

The manufacture of a new vacuum thin film sputtering system for anti-reflective coating of eyeglass lenses commenced as planned. Production testing of the new system will begin during the 4th quarter of this year.



*Fourth wing:
A new production hall*

CAPITAL EXPENDITURES

Following the completion of its first annex for R&D and Engineering last year, SINGULUS TECHNOLOGIES will further expand its capacity by adding another 3.000 m² to its Kahl facility, increasing its total operating area to 18.000 m². With an investment of 3 million Euro in a fourth wing, the company has created premises for continuous growth in the optical disc sector and enables extension for the new MRAM and ophthalmic divisions at the same time. Occupancy of the new wing is scheduled for November 2003.

FORECAST

As the worldwide technology among manufacturers of optical data storage replication systems, SINGULUS TECHNOLOGIES continues to benefit from the strong economy in this industry. Project activity in all optical disc sectors was gratifyingly robust. We will be able to gain considerable market share in 2003 and 2004, particularly for the once-recordable DVD.

The 2nd quarter introduction of SKYLINE II will improve the margins in the CD business during the second half of 2003. Comparable projects for manufacturing cost reductions are being implemented both for DVD 9 systems as well as in the recordable sector.

As in preceding fiscal years, a seasonal increase in revenues during the second half of the year is expected for 2003. In light of our favorable business prospects, the Managing Board is reasserting the 2003 projections it announced at the start of the year which call for 20 % and higher growth in revenues and earnings over last year.

Earnings for the new MRAM and ophthalmic business sectors will begin to contribute to our continued business success in 2004.

Sincerely,
SINGULUS TECHNOLOGIES AG
The Managing Board

The world's largest semiconductor show:
Semicon West in San Francisco, USA



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

	June 30, 2003	Dec. 31, 2002
	KEUR	KEUR
Cash and cash equivalents	48,986	53,915
Trade accounts receivable, short-term	60,242	52,995
Raw & Packing Materials	29,557	24,696
Work in Process, Finished Goods	83,424	62,481
Pre-Payments to Suppliers	2,779	1,672
Other current assets	10,130	12,169
Total Current Assets	235,118	207,928
Trade accounts receivable, long-term	17,380	18,248
Property, plant & equipment	12,234	10,416
Intangible assets	379	495
Goodwill	16,539	16,539
Other long-term assets	1,572	4,161
Deferred tax assets	5,562	5,562
Total Assets	288,784	263,349
Trade accounts payable	38,859	25,521
Advance payments received	17,792	11,984
Other provisions, accrued expences	10,474	11,645
Tax accruals	10,594	10,291
Other current liabilities	12,830	18,367
Total current liabilities	90,549	77,808
Convertible bonds	1,051	1,147
Pension accruals	2,860	2,763
Total long-term liabilities	3,911	3,910
Total Liabilities	94,460	81,718
Share capital	37,007	36,947
Additional paid-in capital	27,304	26,950
Retained earnings	119,257	119,257
Profit current year	13,975	0
Currency translation adjustment (CTA)	-3,219	-1,523
Total Shareholders Equity	194,324	181,631
Total Liabilities & Equity	288,784	263,349

CONSOLIDATED STATEMENT OF INCOME (US GAAP, UNAUDITED)

	June 30, 2003	June 30, 2002
	KEUR	KEUR
Gross Revenues	139,150	110,290
Sales Deductions & Direct Distribution Costs	4,620	6,299
Net Revenues	134,531	103,990
Cost of Goods Sold	90,792	66,543
Gross Profit	43,738	37,447
Research and Development	7,726	5,679
Sales and Customer Service	8,812	7,656
General Management and Administration	4,574	3,979
Other Operating Expenses	1,200	1,042
Total Operating Expenses	22,312	18,356
Operating Income (EBIT)	21,426	19,091
Interest Income and expenditure	551	775
Profit Before Tax	21,977	19,866
Income Taxes	7,993	7,231
Minority Interest	9	10
Net Income	13,975	12,624
Net Income per share (basic), EUR	0.38	0.34
Net Income per share (diluted), EUR	0.36	0.32
Weighted average shares outstanding (basic)	36,957,144	36,635,581
Weighted average shares outstanding (diluted)	38,901,891	38,891,505

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	June 30, 2003	June 30, 2002
	KEUR	KEUR
Net Income	13,975	12,624
Depreciation	1,443	1,281
Change in Pension Accruals	97	127
Change in Working Capital	-19,378	-25,363
Net cash flows from operating activities	-3,863	-11,330
Cash Flow from investing activities	312	-13,040
Cash Flow from financing activities	-96	-40
Capital increase	414	11,812
Currency Translation	-1,696	-528
Net Change in Cash & Liquid Funds	-4,929	-13,126
Cash & Cash equivalents at beginning of period	53,915	47,431
Cash & Cash equivalents at end of period	48,986	34,305

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AS AT JUNE 30, 2003

	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	354			414
Currency translation adjustments				-1,696	-1,696
Profit current year			13,975		13,975
Balance at June 30, 2003	37,007	27,304	133,232	-3,219	194,324

Company Calendar 2003

19.-23.04.2004	Semicon Europe, Munich
14.-16.07.2003	Semicon West, San Francisco
04.08.2003	Quarterly Report 02/2003
15.-17.09.2003	Semicon Taiwan
21.-22.10.2003	MediaTech Showcase & Conference, Frankfurt
04.11.2003	Quarterly Report 03/2003
03.-05.12.2003	Semicon Japan
03.-05.12.2003	Replication Expo, Shanghai

Shareholdings and Stock Options, As of 06/30/03: 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
Employees	1.454.264 pieces

Additional Notations: Annotation in Accordance with Neuer Markt/Prime Standard Regulations

No changes were made to accounting and valuation methods.

Development of Expenses and Prices

Pricing and expenses developed as planned.

Expenditures

Capital expenditures for the 1st half-year totalled 3.3 million Euro (1st half-year/2002: 1.3 million Euro). These figures reflect expansion and replacement expenditures for office- and assembling area as well as measuring and control technology.

Division of Earnings

The manufacture and sale of systems for the production of optical discs accounted for approx. 89,2 % of the company's total revenues. The revenue share for spare parts, upgrades and service totalled 10,8 %. No earnings have yet been generated by the new MRAM and ophthalmic business sectors.

Changes in Executive Management and Regulatory Bodies

Mr. Stefan A. Baustert was appointed to the Managing Board on January 15, 2003, as was Dr. Reinhard Wollermann-Windgasse, effective July 1, 2003.

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

No dividends were disbursed and no recommendations were made to do so.

Shareholder Equity Variance Account

See Table "Development of Corporate Shareholder Equity"

Six months cumulative, as of 30/06/2001/2002/2003 (unaudited)			
	2001	2002	2003
	KEUR	KEUR	KEUR
Gross Revenues	104,509	110,290	139,150
Profit before Tax	19,859	19,866	21,977
Net Income	12,220	12,624	13,975
Total Shareholders Equity	135,406	159,314	194,324
Balance sheet total	187,662	262,782	288,784
Operation Cash Flow	23,205	-11,330	-3,863
Staff*	322	456	527
R&D Expenditures	2,672	5,679	7,726
Earnings per Share in EURO	0.34	0.34	0.38**

All figures in K EUR, except:

* (actual number)

** based on 37,006,734 issue shares à 1 EURO

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