

Report First Quarter 2003

Consolidated Closing (US-GAAP) for the Fiscal Year 2003,
as of 31.03.2003 (unaudited)



1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

Dear Ladies and Gentlemen,

During the first quarter of 2003, SINGULUS TECHNOLOGIES increased its order intake to 128.6 million Euro, up 65.9% over the same prior-year period (77.5 million Euro). Bookings showed significant growth over the previous quarter as well (Q4/2002 = 51.1 million Euro). The order backlog grew from 58.5 million Euro on 12/31/02 to 130.1 million Euro by the close of the period on 3/31/03. At 56.9 million Euro, revenues rose slightly over the same period a year ago; earnings of 5.8 million Euro fell just short of those achieved in the same prior-year period (6.1 million Euro).

- The prerecorded DVD and CD sectors provided the most significant growth factors.
- SINGULUS achieved a breakthrough in the DVD-R market with its STREAMLINE DVDR/SP replication line.
- On 3/28/03, SINGULUS TECHNOLOGIES announced its entry into a new business sector: systems for coating eyeglasses.
- The Supervisory Board appointed Dr. Reinhard Wollermann-Windgasse (53) as new Chief Operations Officer (COO) and member of the Managing Board effective July 1, 2003.



REVENUES, BOOKINGS AND ORDER BACKLOG

Net earnings of 56.9 million Euro in Q1/2003 slightly surpassed those achieved during the same period a year ago (Q1/2002 = 53.5 million Euro). The order intake of 128.6 million Euro in Q1/2003 surpassed not only the two preceding periods (Q4/2002 = 51.1 million Euro, Q3/2002 = 72.6 million Euro) but also the 77.5 million Euro realized in the equivalent prior-year period. Order intake rose to 130.1 million Euro, a significant increase over the period ending 12/31/02 (58.5 million Euro) as well as the comparable prior-year quarter 2002 (79.7 million Euro).



*Front page and left picture:
new SKYLINE II Replication Line
for CD / DVD 5*

The CD sector remains an important segment of the business, accounting for 10.2 million Euro in revenues (prior-year period, 20.1 million Euro). Revenues for DVD lines totaled 30.7 million Euro (prior year, 15.6 million Euro), contributing significantly to the growth in sales. In the segments CD-R/DVD-R with 5.6 million Euro in revenues (prior-year period, 3.5 million Euro) and in the service with 7.6 million Euro in revenues (prior-year period, 5.9 million Euro) we had also an increase. Adjustments were a factor in the revenues achieved for OMP mastering systems which totaled just 2.8 million Euro (prior year 5.3 million Euro). The regional division of revenues for the first 3 months of the year is as follows: Europe, 40.4% (prior year 28.6%); North and South America, 21.2% (prior year 12.3%) and Asia, 38.4% (59.1% last year).

Bookings for the 1st quarter 2003 were comprised of 98 CD lines (previous year 26), 85 DVD lines (prior year 57), and 20 CD/DVD-R lines (none last year). The book-to-bill ratio was 2.3.

The order backlog was made up of 102 CD lines (prior year 15), 82 DVD lines (59 last year) and 28 CD-/DVD-R lines (8 a year ago) and also included 7 mastering systems as well as 1 DVD-RW Production line (2 last year).

EARNINGS

At 35.2% of net earnings, the overall gross margin for the first quarter of 2003 remained unchanged from last year. Earnings before income tax (EBIT) totaled 8.7 million Euro, somewhat below last year (9.2 million Euro) as a result of increased R&D expenditures. Earnings of 5.8 million Euro for the period fell just short of last year's figures (6.1 million Euro).

STAFF

SINGULUS TECHNOLOGIES employed 508 people as of March 31, 2003 (3/31/02: 427 employees). The company expanded its R&D and Engineering capacity during the past 12 months in order to accommodate growth and system advancements. Staffing for the assembly and commissioning departments was increased during the first quarter of 2003 in order to satisfy the growth in production.

*TIMARIS – TMR Sputtering System
for MRAM Wafer*



RESEARCH AND DEVELOPMENT

A high-tech company's investment in R & D is an investment in the future! SINGULUS TECHNOLOGIES continues to allocate substantial resources to its Research and Development division, which in Q1/2003 totaled 4.2 million Euro (prior year = 2.5 million Euro).

In the optical disc sector, the development of the SKYLINE II replication line was completed. The SINGULUS V metallizer developed in 2001 is the most important component integrated into the SKYLINE II, significantly increasing the reliability of the entire system. The Duplex version of the new SKYLINE II also provides DVD 5 production. CD cards can be manufactured on the SKYLINE II as well.

Technical developments for recordable DVD formats are ongoing. More stable processes and shorter cycle times are prerequisites for the next generation of systems. We are currently working on technologies to increase writing speed and implement new writing strategies.

A year ago the company announced its entry into a new line of business: TMR thin film sputtering systems for MRAM semiconductor wafers, i.e. read-write heads for magnetic hard disc drives. All projected milestones have since been achieved. A prototype system has been manufactured and is currently undergoing testing. As of the first quarter 2003, it has been employed to apply sample coatings to silicon wafers which have subsequently been provided to potential customers, thus marking the start of active sales efforts in this new business sector.

SINGULUS TECHNOLOGIES, in close cooperation with a major customer, has also recently developed an innovative sputtering system employing refinement technology (scratch resistant/anti-reflection coating) for eyeglass lenses. This established the prerequisites for the foundation of a third field of business. The development and expansion of a vacuum sputtering system for treating eyeglass lenses will take on particular importance during the upcoming months.



Left: New Target

Right: Target after approx. 200,000 Discs

FORECAST

The project activity for CD, i.e., combined CD/DVD 5 systems, has gratifyingly demonstrated a renewed upward trend. A number of units were sold prior to the official release of our new SKYLINE II, with which we intend to stabilize, i.e., expand our market share in this sector.

Project activities for the various DVD formats progressed uninterrupted from last year into the first quarter of 2003. Repeat orders for our successful SPACELINE placed by well-established customers confirm our favorable view of the DVD market, which will continue to grow this year. Based on a value-added supply chain unique to our industry in that it encompasses the manufacture of all optical disc formats, we will continue to access additional markets for once-recordable and rewritable DVD and expand our market share in 2003.

Our management capacity has been enhanced: the Supervisory Board appointed Dr. Reinhard Wollermann-Windgasse (53) Chief Operations Officer (COO) and member of the Managing Board effective July 1, 2003. The Managing Board will thus be effectively represented in terms of company expansion, particularly in light of our implemented diversification.

Best regards

SINGULUS TECHNOLOGIES AKTIENGESELLSCHAFT

The Managing Board

CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2003 AND DECEMBER 31, 2002

	March 31, 2003	Dec. 31, 2002
	KEUR	KEUR
Cash and cash equivalents	42,561	53,915
Trade accounts receivable, short-term	66,786	52,995
Inventories	94,692	88,849
Other current assets	13,731	12,169
Total Current Assets	217,769	207,928
Trade accounts receivable, long-term	18,329	18,248
Property, plant & equipment	10,155	10,416
Intangible assets	491	495
Goodwill	16,539	16,539
Other long-term assets	4,163	4,161
Deferred tax assets	5,562	5,562
Total Assets	273,007	263,349
Trade accounts payable	29,072	25,521
Advance payments received	19,833	11,984
Other provisions, accrued expences	10,352	11,645
Tax accruals	10,170	10,291
Other current liabilities	13,462	18,367
Total current liabilities	82,889	77,808
Convertible bonds	1,006	1,147
Pension accruals	2,811	2,763
Total long-term liabilities	3,817	3,910
Total Liabilities	86,706	81,718
Share capital	36,947	36,947
Additional paid-in capital	26,950	26,950
Retained earnings	119,257	119,257
Profit current year	5,770	0
Currency translation adjustment (CTA)	- 2,623	- 1,523
Total Shareholders Equity	186,301	181,631
Total Liabilities & Equity	273,007	263,349



SPACELINE DVD Replication Line

CONSOLIDATED STATEMENT OF INCOME (US GAAP, UNAUDITED)

	March 31, 2003	March 31, 2002
	KEUR	KEUR
Gross Revenues	56,942	53,492
Sales Deductions & Direct Distribution Costs	1,939	3,065
Net Revenues	55,003	50,427
Cost of Goods Sold	35,636	32,697
Gross Profit	19,367	17,730
Research and Development	4,219	2,456
Sales and Customer Service	4,104	3,797
General Management and Administration	2,277	1,969
Other Operating Expenses	30	357
Total Operating Expenses	10,629	8,579
Operating Income (EBIT)	8,737	9,151
Interest Income and expenditure	338	257
Profit Before Tax	9,075	9,408
Income Taxes	3,296	3,265
Minority Interest	9	7
Net Income	5,770	6,136
Net Income per share (basic), EUR	0.16	0.17
Net Income per share (diluted), EUR	0.15	0.16
Weighted average shares outstanding (basic)	36,947,226	36,625,990
Weighted average shares outstanding (diluted)	38,474,063	38,670,709

STREAMLINE DVDR/SP-A
DVD Replication Line for the
Production of DVD-R



CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	March 31, 2003	March 31, 2002
	KEUR	KEUR
Net Income	5,770	6,136
Depreciation	713	611
Change in Working Capital	- 16,115	- 8,938
Change in Pension and Tax Accruals	48	63
Net cash flows from operating activities	- 9,583	- 2,128
Cash Flow from investing activities	- 530	- 12,905
Cash Flow from financing activities	- 141	
Capital increase		11,345
Currency Translation	- 1,100	- 142
Net Change in Cash & Liquid Funds	- 11,354	- 3,830
Cash & Cash equivalents at beginning of period	53,915	47,431
Cash & Cash equivalents at end of period	42,561	43,601

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AS AT MARCH 31, 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					0
Currency translation adjustments				- 1,100	- 1,100
Profit current year			5,770		5,770
Balance at March 31, 2003	36,947	26,950	125,027	- 2,623	186,301

Company Calendar 2003

28.03.03	Quarterly Report 04/2002 and Annual Closing 2002 Annual Press Conference in Frankfurt/Main
05.05.03	Quarterly Report 01/2003
15.05.03	Analyst and Investor Meeting, Las Vegas, USA
26.05.03	Annual shareholders Meeting in Frankfurt/Main
04.08.03	Quarterly Report 02/2003
04.11.03	Quarterly Report 03/2003

Shares of Managing Board and subscription rights, 31.12.2002:

Shares à 1 Euro	
VVG Roland Lacher GbR	93,150 pieces
William Slee	29,520 pieces
Thomas Geitner	1,500 pieces
Stock subscription rights provided in form of convertible bonds à 1 Euro:	
VVG Roland Lacher GbR	48,600 pieces
Personal	1,579,818 pieces

Additional Annotations in Accordance with Neuer Markt/Prime Standard Regulations

There were no changes made to accounting and valuation methods.

Development of Costs and Prices

Prices and costs developed according to plan.

Capital Expenditures

Fixed assets purchased in first quarter totaled 0,5 million Euro (Q1/2002: 0.5 million Euro). This figure is made up of the customary expansion and replacement expenditures for furnish and equipment.

Division of Earnings

SINGULUS operates exclusively in a single business sector. The production and sales of systems for the manufacture of optical discs accounted for a 87 % share of total revenue. Revenue share for spare parts, upgrades and service accounted for 13 %.

Changes to Administrative and Supervisory Bodies

On January 15, Mr. Stefan A. Baustert was appointed to the Managing Board of SINGULUS TECHNOLOGIES AG as Chief Financial Officer.

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

No exceptional events.

Interim Dividends

No interim dividends were disbursed.

Disbursement or Recommended Disbursement Amount

No dividends were disbursed or recommended for disbursement

Equity Capital Variance Computation

Information can be find in the table "Consolidated statement of shareholders' equity."

Three months cumulative, as at March, 31, 2000 / 2001 / 2002 / 2003 (unaudited)				
	2000	2001	2002	2003
	KEUR	KEUR	KEUR	KEUR
Gross Revenues	54,683	51,453	53,492	56,942
Profit before Tax	14,645	9,579	9,408	9,075
Net Income	7,353	5,885	6,136	5,770
Share capital	63,182	111,702	152,745	186,301
Balance sheet total	177,255	196,144	213,225	273,007
Operation Cash-Flow	6,062	12,766	-2,128	-9,583
Staff*	251	320	427	508
R&D Expenditures	1,109	1,627	2,456	4,219
Earnings per Share in EURO**	0.20	0.16	0.17	0.16**

All figures in TEUR, except: * (actual number)

** based on issued shares at March, 31, 2003 = 36,947,226 shares à 1 Euro

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