

Interim Report
January 1 -
March 31, 2000

 **technotrans**

technology and services

technotrans Group

Key Data

| | | 1998 | 1999 | 1.1.-31.3. 1999 | 1.1.-31.3. 2000 |
|---------------------------|---------|--------|--------|--------------------|--------------------|
| Result | | | | | |
| Turnover | € '000 | 63,208 | 73,373 | 17,751 | 22,360 |
| Profit from operations | € '000 | 8,876 | 8,560 | 2,557 | 3,099 |
| Net profit for the period | € '000 | 3,312 | 4,246 | 1,289 | 1,529 |
| as % of turnover | % | 5.2 | 5.8 | 7.3 | 6.8 |
| Balance Sheet | | | | | |
| Issued capital | € '000 | 5,113 | 6,000 | 5,113 | 6,000 |
| Equity | € '000 | 25,810 | 29,059 | 27,330 | 30,712 |
| Equity ratio | % | 74.8 | 72.5 | 74.1 | 69.1 |
| Return on equity | % | 12.8 | 14.6 | 4.7 | 5.0 |
| Balance sheet total | € '000 | 34,493 | 40,073 | 36,862 | 44,414 |
| Employees | | | | | |
| Number of employees | | | | | |
| yearly average | Persons | 350 | 411 | 368 | 427 |
| Personnel expenditure | € '000 | 14,346 | 17,147 | 3,970 | 5,038 |
| as % of turnover | % | 22.7 | 23.4 | 22.4 | 22.5 |
| Turnover per employee | € '000 | 181 | 179 | 48 | 52 |

We are living in the Information Age. In whatever form information is being supplied, technotrans products are involved - worldwide. technotrans is active in three areas of business: Print, CD/DVD and Services. As a system supplier, we fully equip leading makes of printing press ex works, and our market share worldwide for technologically advanced plant is well in excess of 40 percent. technotrans production facilities are used worldwide for the manufacture of CDs and DVDs. Services to complement our range of core skills provide an opportunity to tap fresh potential and open up exceptional prospects for growth.

Dear shareholders,

This report informs you of business progress in the first three months of the 2000 financial year.

The technotrans Group boosted sales in the first three months by 26 percent compared with the prior-year quarter, to EUR 22.4 million; the profit for the divisions rose by 21.2 percent to EUR 3.1 million. This dynamic progress has easily outstripped our plans, and the Board of Management already raises significantly its forecast for the year as a whole.

The takeover of the American company Ryco Graphics Manufacturing, of Chicago, with effect from April 5, 2000 will provide a further boost to sales. Ryco has around 60 employees, who generated sales of USD 15 million in 1999. The DRUPA, the world's largest trade exhibition for our sector, is moreover taking place this May. technotrans developed products with a sales potential of EUR 75 million; these products are now about to arrive on the market, and should provide a further considerable boost by 2001 at the latest.

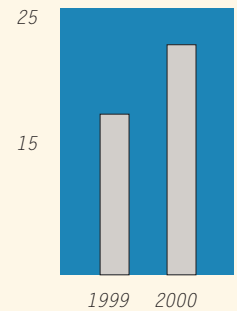
technotrans strategy is aimed at significantly expanding its rapidly growing, profitable CD/DVD and Services segments. This is already bearing fruit: sales for these segments rose by 90 and 37 percent respectively, and profits by 409 and 81 percent.

As a technology and service company, technotrans enjoys an above-average level of growth and profitability. The prospects for the current financial year and for the longer term are excellent. We expect to be able to develop successfully and highly dynamically under our own momentum in all three business areas, and will seize suitable opportunities which present themselves to consolidate the company's position. We invite you to accompany us down this path of progress.

Development of turnover

1.1.-31.3.

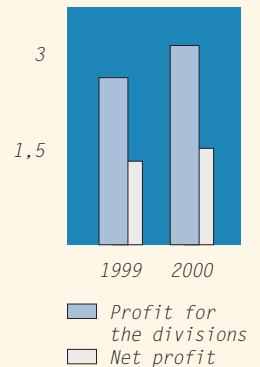
in million €



Profit

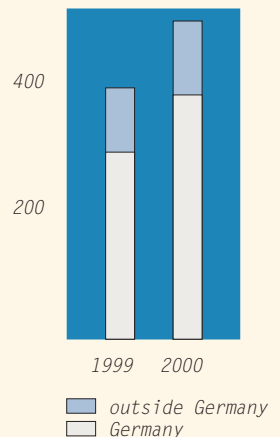
1.1.-31.3.

in million €



Development of employees

1.1.-31.3.



Sales and result

The technotrans Group boosted sales in the first three months of the new financial year not only by 10 percent as planned but by 26 percent compared with the prior-year quarter, to EUR 22.4 million; the profit for the divisions rose by 21.2 percent to EUR 3.1 million. The net profit for the period not only remained steady but increased by 19 percent and reached EUR 1.529 million. This corresponds to a result per share of EUR 0.76 (previous year: EUR 0.64).

The introduction of new product series still showed an impact with a slightly overproportionate growth of product costs. Gross profit rose only by 22,1 percent to EUR 8,2 million. Despite higher sales costs (+ 51 percent) in the run-up to the DRUPA, the operating profit for the divisions rose by 21.2 percent to EUR 3.1 million. The slight drop in research and development costs (- 8.4 percent) indicates a return to normal levels now that the DRUPA is about to start. All segments showed a positive development. The profit-sales ratio in the Print segment is just under 10 percent as a result of the DRUPA, whereas the profitability of the CD/DVD and Services segments is above-average.

In the period directly preceding the DRUPA, when business is traditionally quiet, the **Print segment** enjoyed dynamic growth. The 19.3 percent rise in sales to EUR 16.9 million easily exceeded our expectations. In line with the trend of the final months of 1999, the result for the first quarter fell as scheduled by 15 percent in the first quarter; this reflects higher sales costs and costs for new products. This segment's share of overall sales fell to 75 percent as a result of the disproportionately high growth of the other two business areas. The acquisition of the American company Ryco will shift the balance back in favour of the Print segment as the financial year continues.

The most dynamic growth rates are again shown by the **CD/DVD segment**. With sales soaring by 90 percent to EUR 2 million and a leap in the result of over 400 percent to EUR 651,000, the CD/DVD segment continues the success of the past financial year. With a rate of return for the segment of excellent 33 percent, this is technotrans' most profitable area of business. Orders on hand already account for the entire scheduled sales volume for the year and indicate that the ambitious targets for this financial year will easily be exceeded.

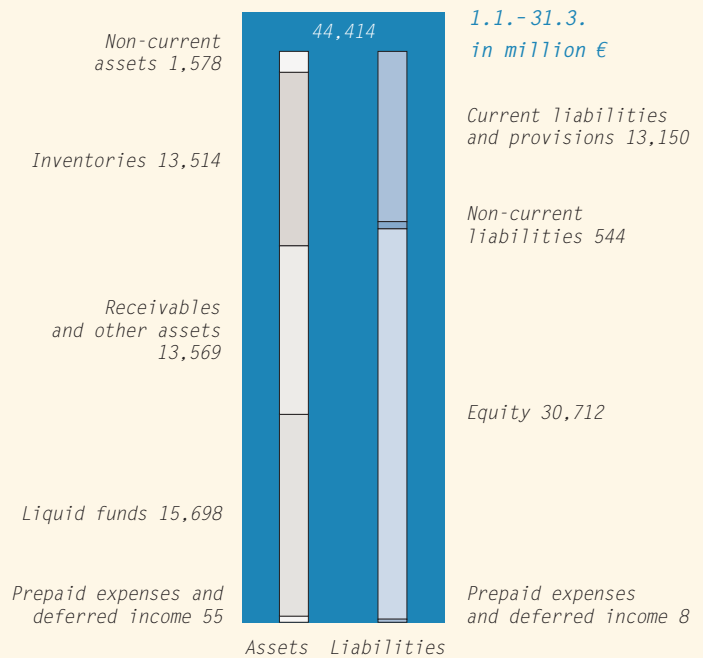
Sales in the **Services segment**, which brackets our product support activities, the Internet company Globalprint and Technical Documentation, rose by 37.4 percent to EUR 3.5 million in the first three months of 2000. The result was meanwhile boosted by over 80 percent to EUR 701,000, with profitability for this segment reaching an outstanding 20 percent. Following high investments in this sector which we proceed to secure Globalprint's position as the leading internet portal for the graphic arts industry, these figures currently disclose only little of the potential of this business area.

Personnel

The number of employees within the Group rose by 16 percent compared with the prior-year quarter, from 368 to 427. Following the latest acquisition, which is not yet included in these figures, the total workforce will pass the 500 mark for the first time. Over one-third of employees will then be based outside Germany. Personnel expenditure rose by 27 percent as a result of our higher level of spending on the recruitment of new employees with excellent qualifications and an international outlook; at the same time, sales per employee rose by over 9 percent, to EUR 52,000.

Balance sheet structure

In the first three months of the current financial year, the balance sheet total rose by 10.8 percent to EUR 44.4. The rate of increase in receivables has fallen from + 56 percent to + 41.8 percent, whereas liabilities rose by + 28 percent as a result of business expansion. The equity share of 69 percent has established a sound basis for this expansion, for example in the form of acquisitions, and will be reduced according to schedule in the course of the year with the respective key figures improving considerably.



Research and development

The innovation campaign launched last year caused research and development spending to rise by a disproportionately high rate. This spending came back down by 8.4 percent in the first quarter of 2000. Certain new-product projects which have been completed in time for the DRUPA are now being handed on to Sales. This ensures that the products will continue to benefit from the expertise acquired in the development process and from a market focus throughout their launch phase.

technotrans will be exhibiting products at the forthcoming DRUPA, which offer sales potential worth EUR 75 million. By cooperating closely with printing press manufacturers, it ensures that its products are considered standard features right from their market launch. technotrans is to some extent tapping entirely new markets, and in other cases system solutions are being presented for the very first time. The overriding objective is always to boost the technotrans share per printing press.

Shares

The price of a technotrans share has approximately doubled since starting the year at EUR 38.80. Our shares have proven satisfyingly robust of late, and have not been affected by the recent sharp downward correction in share prices on the Neuer Markt. The reorganisation of our investor relations activities has contributed significantly towards this. A clearer focus has now been adopted, and activities are handled largely independently of banks. In recent months we have sought to concentrate specifically on those investors who are looking to establish an investment base in the Neuer Markt. Many such investors have been convinced that technotrans offers clearly above-average prospects for growth and profit, and that it represents a healthy blend of imagination, success and substance. Seven studies have been published in recent weeks, with six of the analysts classifying our share as “buy”.

Outlook

The dynamism with which the technotrans Group has started the new financial year has easily exceeded our own expectations. The prospects for the year as a whole will become even brighter following the acquisition of Ryco and the anticipated surge in demand following the DRUPA. The Board of Management has revised its plans for 2000 on the basis of these factors. As matters stand, technotrans is set to break through the sales barrier of EUR 100 million for the first time in 2000; this would represent a year-on-year increase of 36 percent. Despite the costs of the latest acquisition and the higher spending necessitated by the DRUPA, the net profit for the year is expected to rise by around 25 percent to between EUR 5.0 and 5.3 million.

The focus of activities in the current financial year is naturally on the Print segment. The entire sector is eagerly awaiting the DRUPA, the world's largest specialist trade exhibition, which is held only once every five years. As a leading systems supplier to printing press manufacturers, technotrans will be presenting a wide range of new products, including a complete range of solutions for ink supply systems for sheet-fed offset printing presses, a varnish supply and processing system, temperature control systems for digital printing presses and a product range for the recovery and reconditioning of washing agents from the printing press. Together with a complete set of new releases for established products, the technologies being presented will mean that from 2001 on, new products will account for around 90 percent of sales.

technotrans' leading position as a systems supplier will be further underpinned by the acquisition of the American company Ryco. This move not only means that technotrans now is the market leader for spray dampening systems; it is now also in an outstanding position to exploit the potential of the American market to good effect. America represents 28 percent of the global market, while accounting only for 4 percent of technotrans' sales.

In all, technotrans has ample potential in this segment to corner an above-average share of a potential surge in demand in the wake of the DRUPA. The company will in addition exploit all suitable opportunities to strengthen its own position as a systems supplier, and actively participate in the process of consolidation among suppliers to printing press manufacturers.

It will meanwhile adhere to its strategy of expanding its high-growth, profitable business in the CD/DVD and Services sectors. The latest figures suitably endorse the success of this strategy.

The CD/DVD segment continues to boom, and has significantly strengthened its market position. Following a market share of 10 percent in 1998 and 25 percent in 1999, we presume that we will possibly reach a leading position in this market earlier than anticipated. According to the latest information, in the first quarter of the year technotrans supplied twice as many turnkey installations as its largest competitor. This would mean that technotrans' market share is currently over 50 percent.

The Services segment has made very healthy progress. On the one hand our product-flanking services are benefiting from the rising number of technotrans products installed, and on the other hand Globalprint is demonstrating particular imagination in its e-commerce activities. Through its partnership with the leading trade publication Deutscher Drucker, Globalprint is strengthening its position in German-speaking countries. Its legal form of a stock corporation provides a basis for entering into further strategic partnerships. Our technical documentation activities are being extended according to schedule. We are currently performing work on behalf of a number of external clients, and the prospects for the longer term are likewise excellent.

With its three business areas, technotrans is in an outstanding position to continue enjoying above-average growth in both sales and profits. The outlook for the medium and long term is excellent. We will in addition take any suitable opportunities which present themselves to strengthen our company's strategic position.

Consolidated Balance Sheet

| | 31.03.2000 | 31.03.1999 |
|--|---------------|---------------|
| Assets | €'000 | €'000 |
| Current assets | | |
| Cheques, cash on hand, postal giro balances, cash in banks | 1,578 | 1,475 |
| Inventories | 13,514 | 13,102 |
| Receivable and other assets | 13,569 | 9,571 |
| | 28,661 | 24,148 |
| Non-current assets | | |
| Property, plant and equipment | 11,675 | 11,678 |
| Longterm investments | 0 | 0 |
| Intangible assets | 2,727 | 2,854 |
| | 14,402 | 14,532 |
| Deferred taxes | 1,296 | 1,361 |
| | 15,698 | 15,893 |
| Prepaid expenses | 55 | 32 |
| | 44,414 | 40,073 |
| Equity and liabilities | | |
| Current liabilities | 13,150 | 10,272 |
| Non-current liabilities | 544 | 733 |
| Equity | | |
| Issued capital | 6,000 | 6,000 |
| Capital and revenue reserves | 20,486 | 20,362 |
| Accumulated profit | 4,226 | 2,697 |
| | 30,712 | 29,059 |
| Prepaid expenses | 8 | 9 |
| | 44,414 | 40,073 |

Consolidated Income Statement

| | 1.1. - 31.3. 2000 | 1.1. - 31.3. 1999 |
|--|----------------------|----------------------|
| | € '000 | € '000 |
| Revenue | 22,360 | 17,751 |
| Cost of conversion | - 14,153 | - 11,029 |
| Gross profit | 8,207 | 6,722 |
| Distribution costs | - 2,337 | - 1,543 |
| Administrative expenses | - 1,986 | - 1,564 |
| Research and development expenses | - 860 | - 939 |
| Other operating expenses and income | 75 | - 119 |
| Profit of the Divisions | 3,099 | 2,557 |
| General expenses and income | - 58 | - 156 |
| Profit from operations | 3,041 | 2,401 |
| Finance result | - 59 | - 31 |
| Profit before tax | 2,982 | 2,370 |
| Income tax expense | - 1,569 | - 1,097 |
| Deferred taxes | 116 | 16 |
| Profit before extraordinary expense | 1,529 | 1,289 |
| Extraordinary expense | 0 | 0 |
| Net profit for the period | 1,529 | 1,289 |
| Net profit per share for the period (€) | 0.76 | 0.64 |

Consolidated Cash Flow Statement

| | 1.1. - 31.3. 2000 | 1.1. - 31.3. 1999 |
|---|----------------------|----------------------|
| | € '000 | € '000 |
| Operating activities | | |
| Net profit before taxation | 2,982 | 2,370 |
| Adjustments for: | | |
| Depreciation | 570 | 523 |
| Unrealised foreign exchange profit/loss (net) | 72 | 49 |
| Interest income | - 9 | - 4 |
| Interest expense | 68 | 35 |
| Operating profit before working capital changes | 3,683 | 2,974 |
| Increase (-)/decrease in receivables and other current assets | - 4,021 | - 2,277 |
| Increase in inventories | - 412 | - 1,287 |
| Increase in trade payables and other current provisions and liabilities | 4,339 | 1,430 |
| Cash generated from operations | 3,589 | 840 |
| Interest paid | - 68 | - 35 |
| Income taxes paid | - 1,569 | - 1,097 |
| Cash flow from operating activities | 1,952 | - 292 |
| Investing activities | | |
| Acquisition of subsidiaries | 0 | 0 |
| Acquisition of non-current assets | - 404 | - 1,003 |
| Proceeds from the sale of non-current assets | 41 | 20 |
| Interest received | 9 | 4 |
| Cash flow from investing activities | - 354 | - 979 |
| Financing activities | | |
| Proceeds from/payments of (-) long-term borrowings | 0 | 0 |
| Proceeds from/payment of (-) short-term borrowings | - 1,470 | - 545 |
| Dividends paid to equity holders | 0 | 0 |
| Payments into the issued capital | 0 | 0 |
| Proceeds from/payments into (-) the capital reserves | 0 | 0 |
| Proceeds from the initial public offering | 0 | 0 |
| Cash flow from financing activities | - 1,470 | - 545 |
| Effect of exchange rate changes on cash and cash equivalents | - 25 | 28 |
| Change of liquid funds | 103 | - 1,788 |
| Increase in liquid funds resulting from changes in reporting entity | 0 | 110 |
| Liquid funds at beginning of period | 1,475 | 3,497 |
| Liquid funds at end of period | 1,578 | 1,819 |

Appropriation of Net income

| | Issued Capital | Reserves | Accumulated profit | Total |
|---------------------------|-------------------|----------|-----------------------|--------|
| | € '000 | € '000 | € '000 | € '000 |
| January 1, 1999 | 5,113 | 18,358 | 2,339 | 25,810 |
| Exchange rate changes | 0 | 227 | 0 | 227 |
| Net profit for the period | 0 | 0 | 1,289 | 1,289 |
| Other | 0 | 0 | 4 | 4 |
| March 31, 1999 | 5,113 | 18,585 | 3,632 | 27,330 |
| January 1, 2000 | 6,000 | 20,362 | 2,697 | 29,059 |
| Exchange rate changes | 0 | 124 | 0 | 124 |
| Net profit for the period | 0 | 0 | 1,529 | 1,529 |
| March 31, 2000 | 6,000 | 20,486 | 4,226 | 30,712 |

Segmental reporting

| | | Print | CD/DVD | Services | Other | Total |
|-------------------|------------|--------|--------|----------|--------|--------|
| | | € '000 | € '000 | € '000 | € '000 | € '000 |
| External turnover | 01-03/2000 | 16,865 | 1,997 | 3,498 | 0 | 22,360 |
| | 01-03/1999 | 14,132 | 1,050 | 2,546 | 23 | 17,751 |
| Segment result | 01-03/2000 | 1,629 | 651 | 701 | 118 | 3,099 |
| | 01-03/1999 | 1,913 | 128 | 388 | 128 | 2,557 |

technotrans Corporate Calendar

Publications and dates

General Shareholders
Meeting and Presentation
of Interim Report
1.1. - 31.3.2000 5.5.2000

Interim Report
1.4. - 31.6.2000 11.8.2000

Interim Report
1.7. - 30.9.2000 10.11.2000

2001

Annual Press Conference
und Analyst Meeting 2.3.2001

General Shareholders
Meeting 2001 and Presentation
of Interim Report
1.1. - 31.3.2001 4.5.2001

You will find a current version of this calendar
and the respective reports on the Internet at
<http://www.technotrans.de>

Imprint

Editor

technotrans AG, Sassenberg

Concept and Design

Kuhn, Kammann & Kuhn GmbH, Cologne

Realisation

A.Dreiplus GmbH, Gütersloh

Print

Schäfer Druck, Werther

on MOV PH

with dampening solution preparation

by technotrans

technotrans AG
Robert-Linnemann-Straße 17
48336 Sassenberg
Germany

Phone + 49 (0) 25 83/301-0
Fax + 49 (0) 25 83/301-30
e-mail info@technotrans.de
internet <http://www.technotrans.de>

Hotline + 49 (0) 25 83/301-890