

Interim Report
January 1 -
September 30, 2000

 **technotrans**

technology and services

technotrans Group Key Data

Dear Shareholders,

Since publishing the first-half report, we have paved the way for a further acquisition in the USA and are thus concentratedly strengthening our presence in the Print and CD/DVD sectors in this important market. Last week, at the Optical Media Conference in New York, we were able to announce our intention to take over Toolex International's Electroforming Division. This move will give technotrans a market share in excess of 50 percent, thus elevating us to the status of market leader. And today, we are pleased to present you with the report on the first nine months of the current financial year - the excellent figures in it confirm that we are reaching our sales and earnings targets with the dependability to which you will be accustomed.

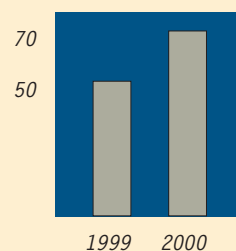
With sales having risen by more than 37 percent to EUR 76.2 million, we have already surpassed the result for the whole of last year, and technotrans has succeeded in improving significantly on the first two excellent quarters. The result was in excess of EUR 3.4 million; this means that the one-off effects of the DRUPA have already been ironed out almost entirely within the space of three months. After a quiet summer, the busy start to the autumn makes us confident of achieving our ambitious targets for the year as a whole in the remaining months of the year.

The groundwork that has been done in recent weeks will enable technotrans to enter a new dimension. Our current plans for the coming financial year envisage sales of EUR 135 million and net income of EUR 8.0 to 8.5 million. We will thus remain faithful to our principle that growth should apply both to sales and to earnings.

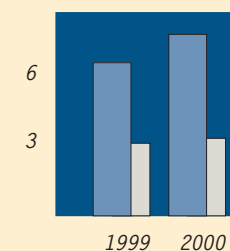
In the light of the recent turbulence on the stock markets, quality is once again becoming more important. We cordially invite you to read about the successes of the current financial year in this report and to discover more about the exciting future prospects of technotrans; we are sure you will agree that they make interesting reading.

		1998	1999	1.1.-30.9. 1999	1.1.-30.9. 2000
Result					
Turnover	€'000	63,208	73,373	55,558	76,185
Profit from operations	€'000	8,876	8,560	6,314	8,067
Net profit for the period	€'000	3,312	4,246	3,200	3,445
as % of turnover	%	5.2	5.8	5.8	4.5
Balance sheet					
Issued capital	€'000	5,113	6,000	6,000	6,180
Equity	€'000	25,810	29,059	27,213	34,664
Equity ratio	%	74.8	72.5	67.8	45.9
Return on equity	%	12.8	14.6	11.8	9.9
Balance sheet total	€'000	34,493	40,073	40,120	75,503
Employees					
Number of employees					
average	Persons	350	411	393	505
Personnel expenses	€'000	14,346	17,147	12,709	17,168
as % of turnover	%	22.7	23.4	22.9	22.5
Turnover per employee	€'000	181	179	141	151

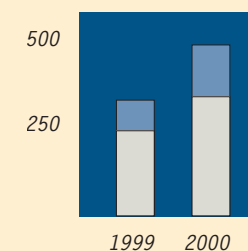
Development of turnover
1.1.-30.9. in million €



Profit
1.1.-30.9. in million €



Development of employees
1.1.-30.9.



■ Result
for the segments
■ Net profit
for the period

■ Outside Germany
■ Germany

Sales and Result

Sales for the first nine months of the year rose to EUR 76.2 million, an increase of 37.1 percent on the corresponding prior-year figure. With the net profit for the period in excess of EUR 3.4 million (+ 7.7 percent), the one-off factors affecting the second quarter such as the costs of participating in the industry's largest trade exhibition in the world, the DRUPA, were already compensated for almost in entirety. The earnings per share, after adjustment for to eliminate the effects of the capital increase in the second quarter, rose from EUR 1.57 for 1999 to EUR 1.69 for the first nine months of 2000.

The new products that were exhibited at this year's DRUPA and have now reached the market prompted a slightly above-average increase in production costs (+ 40.1 percent). Gross profit rose by 31.6 percent to EUR 25.7 million. The significantly higher sales now put the costs situation suitably into perspective; the rise in distribution costs (+ 61.3 percent) is attributable in the main to the costs of the DRUPA. The operating profit for the segments rose by 19.2 percent to EUR 8.1 million. Depreciation of goodwill on recent acquisitions amounts to EUR 0.7 million.

In the **Print segment**, the rate of growth once again accelerated, with sales rising by 24.1 percent to more than EUR 55 million. Its proportion of total sales has deliberately been reduced, now accounting for slightly more than 72 percent. The result for the segment totalled EUR 3.7 million; the decrease of 28.3 percent still clearly reflects the costs of participating in the recent trade exhibition and initially lower margins for the almost completely new product range; an improvement is nevertheless in sight.

DRUPA 2000 was a resounding success for technotrans. The market response to our new products was very positive, and the fact that the order books of printing press manufacturers are full leads us to anticipate dynamic future progress. The second leading trade fair this year, the GraphExpo in Chicago, provided further momentum for the important North American market. There was plenty of positive feedback on technotrans' decision to step up its involvement in this region.

The **CD/DVD segment** is making outstandingly dynamic progress. Sales rose by 165 percent to EUR 9.4 million, with the result up by almost 430 percent to EUR 2.1 million. This segment has thus already almost achieved the targets that were announced three months ago for the financial year as a whole. The rate of return for the segment is a satisfactory 22.2 percent.

Sales by the CD/DVD segment already account for around 12.4 percent of total sales. The planned acquisition of a division of Toolex will further bolster the importance of this highly profitable business area. With market share in excess of 50 percent, technotrans is thus set to enjoy the full benefit of the market's dynamic progress.





With sales and earnings growing by rates of more than 50 percent, the **Services segment** is likewise progressing very well. Sales reached EUR 11.7 million (+ 54 percent), with the result for the segment actually improving by 58.3 percent to EUR 1.8 million. The share of total sales remained virtually constant at just over 15 percent.

We look forward to continued dynamic performance in this segment, which includes Technical Documentation and Internet as well as our Product Support Service. The importance of Technical Documentation in particular is on the increase; here, technotrans is enjoying considerable market success in demonstrating its expertise as a service company.

Personnel

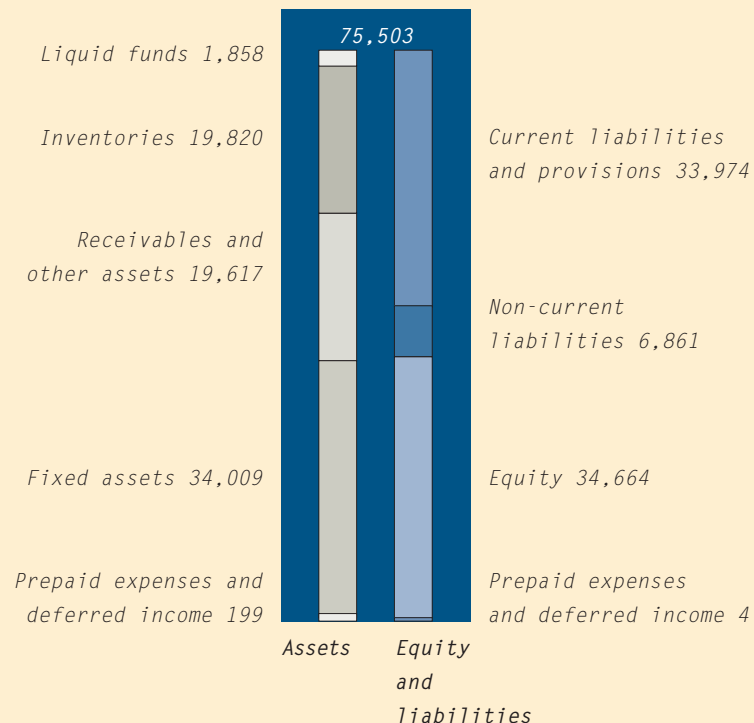
The total number of technotrans employees rose to 579, compared with 393 one year earlier. This increase of 47 percent approximately reflects the growth of the company. Particularly at Sassenberg, personnel capacity is already being created for the opening of the new production facility according to schedule next year. The number of foreign-based employees rose from 84 in 1999 to 194. The acquisition of the US company Ryco is substantially responsible for this change. Despite the sharp rise in personnel costs, this item as a proportion of sales remained almost constant, with sales per employee actually rising to EUR 151,000 (previous year: 141,000).

Balance Sheet Structure

In the first nine months of the financial year, the balance sheet total rose from 40 to more than EUR 75 million. Alongside the expansion in business operations, this rise is principally attributable to the acquisition of Ryco in April. Since the publication of the first-half report, receivables have risen sharply; this is due in the main to the high sales by the CD/DVD segment. As previously announced, the bulk of the current liabilities shown in this report were converted into non-current liabilities after the reporting date. The equity share is 46 percent.

Balance Sheet Structure

1.1.-30.9. (€'000)



Research and Development

The DRUPA, which takes place every five years, is always an important landmark in the product development cycle. It is normal for research and development spending to fall after the exhibition; this item totalled EUR 2.7 million (down 17 percent on the previous year). R&D spending currently represents 3.5 percent of sales, and has therefore been almost halved since the end of last year.

In addition to new products which will help to steadily boost the technotrans share per printing press, our current activities focus on optimising processes. One important field of activity, for instance, is the development of applications for microstructure technology. By exploiting its resources of expertise in CD/DVD technology, technotrans is developing a new growth market here.

In turbulent times, technotrans shares have proven almost immune to market fluctuations; market players refer to this as a "safe haven". The rise of the share price over the past six months means outperformance of the Neuer Markt Index by 200 percent. Alongside comprehensive coverage by leading banks, this is probably attributable to the fact that the proportion of institutional investors has increased around five-fold over the past twelve months. We held roadshows outside Germany in recent weeks as a means of spreading our international shareholder base. We in addition expect that an improvement in the mood on stock markets should provide a further boost to the performance of technotrans shares.

Shares

Outlook

The figures in this report suitably reflect the healthy progress of the first nine months of the financial year. We consider that the company is on course for attaining the targets it has set itself.

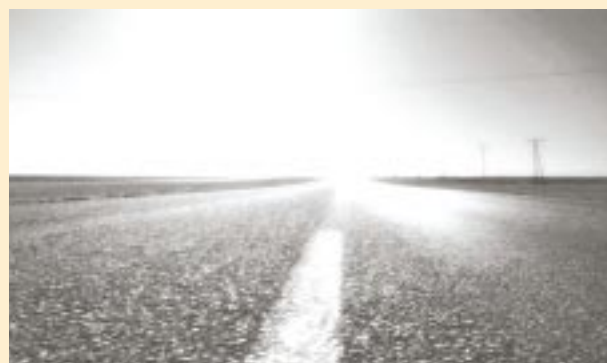
The company's core business, the Print segment, is making very satisfactory progress in the year of the DRUPA, and this year's acquisitions in America will moreover ensure that further potential is specifically tapped. We expect to conclude the acquisition of Farwest Graphic Technologies and of The Steve Barberi Company during November; following on from the takeover of Ryco in April, this will give us an ideal strategic position in the USA. By accruing expertise in dryer technology, we are moreover opening up a new product area that affords excellent long-term prospects for future growth. Infrared and ultra-violet drying represent a market volume in the order of EUR 100 million. In our capacity as system supplier to the printing industry, we will thus be able to make a vital extension to our range of peripheral equipment for printing presses.

Construction work on an additional production facility commenced in September, and is making rapid progress. We are confident that the new facility, which will double our capacity at Sassenberg, will be completed during the course of the first quarter of 2001.

The CD/DVD segment is making quite excellent progress in the current year. technotrans also benefited to an exceptional degree from the traditionally high level of business in the third quarter. Experience has shown that orders for plant that are too late for pre-Christmas business tend to be delayed until after New Year. We therefore expect business to quieten down towards the end of the year, with sales reaching a total of some EUR 11 million (scheduled: EUR 10 million).

The CD/DVD segment will enter an entirely new dimension with the planned takeover of the Toolex division, its largest competitor. The agreements envisages that Toolex will offer its own customers technotrans electroforming equipment as part of a package solution for the production of CDs and DVDs, following a short transitional period. technotrans is in addition acquiring a base of 300 to 400 electroforming cells that are already installed, and will take charge of providing service for these in future. We expect sales for this segment to reach EUR 20 million in the course of next year. With its technologically leading facilities, technotrans should in the long term enjoy an above-average share of a market that is expanding at a rate of around 60 percent and is substantially driven by the DVD sector.

The Services segment has made very good progress in recent months, with everything pointing towards a continuation in this development. technotrans' global presence and the increasing market penetration of its products provide a long-term assurance of growth for its Product Support Service.



Technical Documentation is systematically building up its market presence, with huge success. We are in the process of creating a substantial service business which will bring in considerable sales and earnings. Our Internet portal globalprint, a kind of "yellow pages for the printing industry", is developing according to schedule and enjoys an outstanding reputation in the trade for the range of information it carries. Both areas are being developed according to a strategy, and are still at a phase where their full potential can be exploited by means of targeted investments.

On the basis of very successful business progress this year and the scheduled acquisitions, which should be completed before the end of the year, we are planning sales of EUR 135 million (+ 35 percent) for the coming financial year. Once negotiations on the two forthcoming acquisitions have been brought to a conclusion, we will be able to provide definite details of the extent of the anticipated depreciation of goodwill. As technotrans does not pay strategic prices and moreover intends once again to pay a large portion of the purchase price in the form of shares, the impact of the takeovers will be modest. The net profit for the coming year should reach between EUR 8.0 and 8.5 million (+ 60 percent). It has ultimately always been our strategy to maintain a healthy balance between the growth and profitability of technotrans.

Consolidated Balance Sheet

	30.09.2000	31.12.1999
Assets	€'000	€'000
Current assets		
Cheques, cash on hand, cash in banks	1,858	1,475
Inventories	19,820	13,102
Receivable and other assets	19,617	9,571
	41,295	24,148
Non-current assets		
Property, plant and equipment	14,106	11,678
Longterm investments	0	0
Intangible assets	18,079	2,854
	32,185	14,532
Deferred taxes	1,824	1,361
	34,009	15,893
Prepaid expenses	199	32
	75,503	40,073
Equity and liabilities		
Current liabilities	33,974	10,272
Non-current liabilities	6,861	733
Equity		
Issued capital	6,180	6,000
Capital and revenue reserves	25,419	20,362
Accumulated profit	3,065	2,697
	34,664	29,059
Prepaid expenses	4	9
	75,503	40,073

Consolidated Income Statement

	1.1.-30.9.2000	1.1.-30.9.1999
	€'000	€'000
Revenue	76,185	55,558
Cost of conversation	- 50,517	- 36,052
Gross profit	25,668	19,506
Distribution costs	- 8,440	- 5,234
Administrative expenses	- 7,003	- 4,815
Research and development expenses	- 2,667	- 3,211
Other operating expenses and income	509	519
Profit of the divisions	8,067	6,765
General expenses and income	- 759	- 451
Profit from operations	7,308	6,314
Finance result	- 592	- 139
Profit before tax	6,716	6,175
Income tax expense	- 3,242	- 3,041
Deferred taxes	- 29	66
Profit before extraordinary expense	3,445	3,200
Extraordinary expense	0	0
Net profit for the period	3,445	3,200
Net profit per share for the period (€)*	1.69	1.57

* (adjusted for capital increase)

Consolidated Cash Flow Statement

	1.1.-30.9.2000	1.1.-30.9.1999
	€'000	€'000
Operating activities		
Net profit before taxation	6,716	6,175
Adjustments for:		
Depreciation	2,415	1,670
Unrealised foreign exchange profit/loss (net)	242	- 40
Interest income	- 46	- 17
Interest expense	638	156
Operating profit before working capital changes	9,965	7,944
Increase in receivables and other current assets	- 10,213	- 4,237
Increase in inventories	- 6,718	- 1,769
Increase in trade payables and other current provisions and liabilities	9,107	2,441
Cash generated from operations	2,141	4,379
Interest paid	- 638	- 156
Income taxes paid	- 3,242	- 3,041
Cash flow from operating activities	- 1,739	1,182
Investing activities		
Acquisition of non-current assets	- 20,050	- 3,034
Proceeds from the sale of non-current assets	82	262
Interest received	46	17
Cash flow from investing activities	- 19,922	- 2,755
Financing activities		
Proceeds from/payments of (-) long-term borrowings	5,000	0
Proceeds from/payments of (-) short-term borrowings	14,531	1,858
Dividends paid to equity holders	- 2,305	- 2,045
Payments into the issued capital	180	0
Proceeds from/payments into (-) the capital reserves	4,583	0
Cash flow from financing activities	21,989	- 187
Effect of exchange rate changes on cash and cash equivalents	44	30
Change of liquid funds	372	- 1,730
Increase in liquid funds resulting from changes in reporting entity	11	0
Liquid funds at beginning of period	1,475	3,497
Liquid funds at end of period	1,858	1,767

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	246	0	246
Capital increase				
from company funds	887	- 887	0	0
Net profit for the period	0	0	3,200	3,200
Distribution of profit	0	0	- 2,045	- 2,045
Other	0	0	2	2
September 30, 1999	6,000	17,717	3,496	27,213
January 1, 2000	6,000	20,362	2,697	29,059
Exchange rate changes	0	397	0	397
Deferred taxes from previous years	0	0	- 695	- 695
Capital increase				
from authorized capital	180	4,583	0	4,763
Transfer into the capital reserve	0	77	- 77	0
Net profit for the period	0	0	3,445	3,445
Distribution of profit	0	0	- 2,305	- 2,305
September 30, 2000	6,180	25,419	3,065	34,664

Segmental Reporting

		Print	CD/DVD	Services	Other	Total
		€'000	€'000	€'000	€'000	€'000
External turnover	01-09/2000	55,015	9,449	11,721	0	76,185
	01-09/1999	44,324	3,563	7,614	57	55,558
Segment result	01-09/2000	3,721	2,102	1,839	405	8,067
	01-09/1999	5,190	397	1,162	16	6,765

Imprint

Editor

technotrans AG, Sassenberg
Concept, Design and Realisation
A.Dreiplus GmbH, Gütersloh

Print

Schäfer Druck, Werther
on MOV PH
with dampening solution preparation
by technotrans

technotrans - Financial Calendar

Veröffentlichungen und Termine

Annual Press Conference	1.3.2001
Analyst Meeting on the 2000 Financial Year	2.3.2001
Annual Shareholders' Meeting and Presentation of Interim Report 1 - 3/2001	4.5.2001
Interim Report 1 - 6/01	9.8.2001
Interim Report 1 - 9/01	8.11.2001

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

technotrans AG
Robert-Linnemann-Straße 17
48336 Sassenberg
Germany

Phone +49 (0) 25 83/30 1-0
Fax +49 (0) 25 83/30 1-30
e-mail info@technotrans.de
internet <http://www.technotrans.de>

Hotline +49 (0) 25 83/30 1-8 90