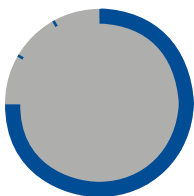


INTERIM REPORT



3rd Quarter and Nine Months

January 1 – September 30, 2005

ISIN: DE0007449001



technotrans

technology and services

Our core skill is liquid technology. Within this niche segment, we concentrate on applications for the printing industry and the micro technologies sector. With over 650 employees worldwide, we generated revenue of € 117 million in the past financial year.

As a systems supplier, technotrans equipment is fitted ex works to the printing presses of many major manufacturers worldwide.

"More technotrans per printing press" is the basic principle behind its successful growth strategy. The product range of the Print segment has consequently been steadily expanded over the years, always with the objective of securing a share in excess of 50% of the world market for each product. It has proved possible to make better progress than the market in general, even in difficult times.

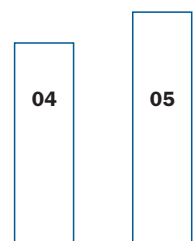
The Micro Technologies segment focusses on two markets. In the field of manufacturing CDs and DVDs, too, technotrans electroforming systems are the world market leaders by some distance. Our aim is to achieve the same position for equipment used in the manufacture of microstructures – a market with promising prospects.

Services that complement the two technology segments complete our portfolio and create new potential.

REVENUE

1. 1. – 30. 9.
(in €'000)

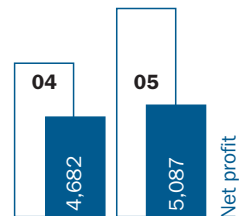
84,901 94,502



OPERATING RESULT

1. 1. – 30. 9.
(€'000)

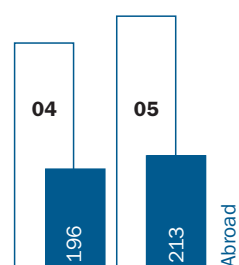
7,995 8,710



EMPLOYEES

(at 30. 9.)

639 688



technotrans Group

Key data acc. to IFRS

Earnings

Revenue	€'000	94,502	84,901	117,259	106,737
Print	€'000	67,479	59,074	81,418	70,631
MicroTech	€'000	5,050	5,943	8,127	10,774
Services	€'000	21,973	19,884	27,714	25,332
Gross profit	€'000	32,961	29,467	39,694	35,906
EBITDA ³	€'000	12,211	10,725	14,799	12,638
EBITA ²	€'000	8,834	8,371	11,662	9,037
Operating profit	€'000	8,711	7,995	11,108	7,475
Earnings before interest and tax (EBIT) ¹	€'000	8,834	7,926	11,071	7,330
Net profit for the period	€'000	5,087	4,682	6,670	-10,989
as % of revenue	%	5.4	5.5	5.7	-10.3
Net profit per share (IFRS)	€'000	0.77	0.71	1.01	-1.66

Balance sheet

Issued capital	€'000	6,684	6,600	6,600	6,600
Equity	€'000	44,571	39,387	40,674	36,288
Equity ratio	%	52.6	49.5	53.5	50.1
Return on equity	%	15.9	12.4	17.3	-25.0
Balance sheet total	€'000	84,709	79,580	76,086	72,391
Working capital	€'000	28,322	26,616	26,861	24,318

Employees

Number of employees (average)		680	609	628	593
Personnel expenses	€'000	26,166	23,418	32,344	29,322
as % of revenue	%	27.7	27.6	27.6	27.5
Revenue per employee	€'000	139	139	187	180

Cash flow

Cash flow ⁴	€'000	8,725	7,810	11,595	6,491
Free cash flow ⁵	€'000	599	6,617	9,364	5,394

Share

Number of shares at end of period		6,683,601	6,600,000	6,600,000	6,600,000
Share price (max)	€	17.99	15.22	14.69	12.64
Share price (min)	€	13.21	9.90	9.90	3.81

Dear shareholders,

the positive development of the first half of the year continued throughout the third quarter of 2005. technotrans was for example able to boost its revenue to a total of € 94.5 million, an increase of 11.3 percent. Earnings performed similarly well, with the net profit reaching almost € 5.1 million. This, in conjunction with the cautiously improving mood within the industry, provides a sound basis for achieving our targets for the year as a whole.

In order to create the capacity for above-average growth in the future, we have erected a new plant near Augsburg. After only 8 months under construction, our workforce was able to occupy the new facility according to timetable in mid-October. The new plant trebles capacity at our location in South Germany. As well as being the base of the Ink Systems product area, we will be manufacturing the new Cleaning Systems products there in future. The preparations for this new product area are progressing according to schedule, and the results of the first tests were actually slightly better than expected. We will now be able to start volume production as soon as orders are received.

Until we have those orders on our books, the analysts and investors are exercising caution as to their expectations of the company's continuing fortunes. technotrans' strategy of steadily extending its product range ("more technotrans per printing press") has proved demonstrably successful in the past and we are convinced that our venture into the new product areas will prove equally successful. The current price level of our shares does not yet reflect this extra potential. We therefore keenly await the next developments and would be delighted to see you remain one of our supporters.

¹ EBIT = Operating profit + foreign currency gains/losses
² EBITA = EBIT + amortisation of goodwill
³ EBITDA = EBIT + amortisation of goodwill + depreciation of property, plant and equipment and intangible assets
⁴ Cash flow = Net cash from operating activities acc. to Cash flow Statement
⁵ Free Cash flow = Net cash from operating activities + net cash used for investments acc. to Cash flow Statement

The third quarter and the first nine months of 2005

Note: the consolidated financial statements of technotrans AG at September 30, 2005 are prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date. The rule on the reporting of share based payment transactions (IFRS 2) was also taken into account. This IFRS specifies the recognition of the issuing of options to employees as an expense. technotrans AG consequently reported personnel expenditure in the period under review as a result of the issuing of options in 2003, 2004 and 2005. In agreement with IFRS 2.55, the information for previous periods provided for purposes of comparison was restated in this interim report.

Revenue growth at upper end of target range

Revenue after nine months reached € 94.5 million, equivalent to growth of 11.3 percent or almost € 10 million (previous year: € 84.9 million). Considered within the context of our growth target of up to 10 percent for the current year, this is at the upper end of the target range. Both compared with an unquestionably very successful third quarter in the previous year and in the light of the considerable dynamism of the first half of this year, this development fittingly substantiates the assumptions we made. The Print segment remained the driving force behind this year's developments, growing by 14.2 percent overall.

Earnings rise proportionally

Earnings rose in the same measure as revenue (+ 11.3 percent). Gross profit was up 11.9 percent at the nine-month mark, at € 33 million (previous year € 29.5 million). The gross margin reached 37.3 percent in the third quarter, compared with 35.6 percent in the previous year. The operating result was up by almost 9 percent to € 8.7 million (previous year € 8.0 million); this already included the necessary adjustments, now amounting to € 1 million in total, to the carrying value of the land to be sold in Stadtbergen (see also Interim Report at June 30). The rise in research and development spending by almost

one-quarter furthermore diminished the result. On the other hand, the abolition of goodwill amortisation reduced the costs. The operating margin was consequently back up at 10.8 percent in the third quarter, and compared with the previous year it was 9.2 percent for the nine-month period (previous year 9.4 percent).

After the first three quarters of the year, the net profit totalled € 5.1 million, a rise of 8.6 percent (previous year € 4.7 million). In the third quarter alone, a profit of more than € 1.9 million was realised in spite of the one-off charges. This corresponds to overall earnings per share of € 0.77 (previous year € 0.71).

Print: growing according to schedule

At € 21.8 million, revenue for the Print segment in the third quarter was slightly down on the dynamic first two quarters of 2005 (€ 22.3 and 23.3 million). The total revenue of € 67.5 million represents a year-on-year increase of 14.2 percent (€ 59.1 million) and is consequently in line with the original target. The Print segment remains the focal area of our technology company, accounting for almost three-quarters of revenue.

The result for the segment showed an 18.1 percent year-on-year improvement to € 5.4 million (€ 4.6 million). The margin returned to a satisfactory level of 9.5 percent in the third quarter – this despite the depreciation of the carrying value of the land in Stadtbergen, increased expenditure on R&D activities and the investments into the new product area.

Segment reporting

		Q1 2005	Q2 2005	Q3 2005	Q4 2004
		€'000	€'000	€'000	€'000
Print	Revenue	22,325	23,316	21,838	22,344
	Earnings	1,813	1,551	2,078	1,810
MicroTech	Revenue	1,239	1,928	1,883	2,184
	Earnings	-255	-59	162	-359
Services	Revenue	7,194	7,430	7,349	7,830
	Earnings	1,156	1,010	1,087	1,769
Other	Earnings	59	80	28	-71
Revenue per Quarter		30,758	32,674	31,070	32,358
Earnings per Quarter		2,773	2,582	3,355	3,149

**Micro Technologies:
significance gradually dwindling**

With first-half revenue for the Micro Technologies segment remaining virtually unchanged from the previous year, the third quarter brought yet another downturn compared with the prior-year quarter.

technotrans' smallest segment generated revenue in the first nine months of only € 5.0 million, compared with € 5.9 million in 2004, and has consequently slipped back to the magnitude of other product areas that are of only minor significance for technotrans' success.

It is pleasing to note that even with this reduced level of revenue, the third quarter nevertheless showed a positive result. It was consequently possible to reduce the loss that had built up in the first half of the year to € 152,000. Thanks to the structural measures implemented in recent quarters, we are on course for achieving our goal of breaking even on an operating level for the year as a whole.

Services: revenue growth and expansion of structures

Revenue for the Services segment at the nine-month mark showed an overall rise of 10.5 percent to € 22.0 million (previous year: € 19.9 million). Revenue for the third quarter was roughly on a par with previous quarters, at € 7.3 million.

As was already the case at the half-way point in 2005, the expansion of our service structures, particularly in Asia, is temporarily diminishing margins. The result for the segment of € 3.3 million was 12.5 percent down on the prior-year figure (€ 3.7 million), and the rate of return for the segment remains 14.8 percent. As structural expansion usually generates additional revenue with a time lapse of 6–9 months, we remain confident that we will soon be able to return to the customary levels.

Financial position

Compared with the previous year, net cash flow rose by 11.7 percent or more than € 900,000 to € 8.7 million. Alongside the improved result, this positive development was attributable to the reduced working capital.

In view of this welcome situation, we are able to report a positive free cash flow, less capital expenditure, of € 0.6 million after only nine months. Capital expenditure totalling € 8.1 million comprises substantially our new building in South Germany, with the above figure including almost its entire total cost of around € 6.5 million.

As it was possible to finance the new building on attractive terms, existing amounts owed to banks totalling € 6.4 million were repaid both on and ahead of schedule. At the end of the period, technotrans nevertheless reports cash of € 10.9 million, just 4.2 percent down on the previous year's level.

The balance sheet total rose to € 84.7 million at September 30 (December 31, 2004: € 76.1 million), an increase of 11.3 percent. On the assets side, this increase was prompted in the first instance by an increase in inventories as well as the new plant in Augsburg, with property, plant and equipment alone up € 5 million. The latter largely also dictates changes on the equity and liabilities side through the financing arrangements for the new building. The rise in issued capital results from a capital increase in the context of this year's exercising of stock options.

Research and Development

In taking the decision to add new areas to our product portfolio, we are restating our intention to generate future growth in the Print segment largely independently of the development of markets in general. In order to accelerate the process of tapping this fresh sales potential, we significantly stepped up research and development spending this year. Compared with the previous year, R&D spending during the first nine months alone rose by almost 26 percent to € 3.4 million (previous year: € 2.7 million). This represents an R&D cost ratio of 3.6 percent. In some cases R&D spending was capitalised according to the criteria of IAS 38.

Personnel

The technotrans Group employed an average total of 680 people over the first nine months of 2005 (previous year: 609), comprising 468 (421) in Germany and 212 (188) outside Germany.

In direct proportion to the revenue growth and the rise in the number of employees, personnel expenditure rose by 11.7 percent in the first nine months of the year, to € 26.2 million (previous year: € 23.4 million). The personnel expenditure ratio (in relation to revenue) remained unchanged from the previous year at 27.7 percent.

Shares

technotrans shares once again soared in the third quarter of 2005, reaching a price level that they had not enjoyed since August 2001, before the major collapse in the markets. The share price briefly peaked at more than 18 euros, subsequently stabilising above the 17 euro mark. Hand in hand with this welcome development in the share price, analysts and investors showed an exceptionally high level of interest in our shares. A new international bank, HSBC Trinkaus & Burkhard, commenced coverage of technotrans in September, coinciding with various roadshows to market the study.

Overall, technotrans shares have risen in price by one-third since the start of the year. From our discussions with investors and analysts, we know that the company's prospects in light of the new product areas into which we are currently venturing are not yet fully reflected in this performance. We are therefore confident that our shares will continue to make good progress.

Directors' holdings	Shares	Options
	2005/09/30	2005/09/30
Heinz Harling	62,754	4,200
Burkard Rausch	0	0
John. A. Stacey	14,600	4,200
Joachim Simmroß	10,000	0
Joachim Voss	0	0
Konrad Ellegast	700	0
Dr. Bertold Gaede	1,791	0
Andreas Harig	62,304	2,400
Hubert Oberscheidt	62,304	2,400

Outlook – The 2005 financial year

Revenue and earnings

The healthy development in revenue means that we are at the upper end of our target range after nine months and that we are sure to achieve or slightly exceed our target for the year of € 120 to 125 million. The operating result for the nine-month period is more than satisfactory. We therefore expect that, despite the exceptional charges (depreciation of € 1 million on our old real estate and our increased R&D expenditure), we will still reach our target for the full year of a net profit of € 7 to 7.5 million.

Together with our continuing progress in tapping our new product areas, the improving situation in the printing industry in general will be the decisive factor for technotrans over the coming months. Recent publications by printing press manufacturers reflect a rising level of incoming orders. This has been confirmed by the more favourable mood at recent trade fairs, whether in the USA or in Asia. Market surveys of the German printing industry in September reveal a new, significantly more optimistic view of future prospects.

Experience has taught us that technotrans is able to benefit from a recovery more swiftly and to a greater extent than other market players. Our task will be to ensure that this growth is reflected overproportionally in the result, by means of strict cost monitoring, intelligent management of the working capital and, last but not least, a highly motivated team. Our new remuneration model, which establishes a link between EBIT and pay increases, provides us with a sound basis for achieving this, both in good times and in leaner times.

The divisions

Print segment

The Print segment performed slightly better than originally expected during the first nine months of 2005. The more sympathetic climate in the industry should ensure that this welcome development is sustained until the end of the year. This gives us cause for believing that our revenue target as a whole is within our grasp, even if a slight revenue deficit in the Micro Technologies segment is again on the cards.

Earnings were diminished by exceptional effects during the first nine months (depreciation, new building), but the higher volume has made it possible to compensate for this additional burden. This makes us optimistic that we will achieve these targets, too.

Along with the relocation to our new plant in Gersthofen, near Augsburg, we have created the necessary capacity for starting up volume production in our new Cleaning Systems product area on an ideal footing. We are confident of clinching sufficient orders for these products in the foreseeable future. This new area of activity gives us a foothold in a new market with a volume of € 120 to 150 million.

Micro Technologies segment

The Micro Technologies segment continues to fall short of our expectations. Although the long-term prospects remain promising, as matters stand it constitutes a product area that plays no significant role in the short-term development of the group as a whole. We will need to examine whether its size merits its continued reporting as a separate segment.

The prevailing situation in this segment is attributable to restraint in investing in production technology for CDs and DVDs. In its October 2005 newsletter, the VDMA remarked laconically: "Business for optical data carriers has experienced almost total collapse." Meanwhile, the micro- and nanotechnology area is developing too tentatively to compensate for the downturn in what was originally the core business area.

Our structural measures at least ensure that we are not burning cash to no avail through our involvement in this area of technology. Given this state of affairs, we can afford to assess the future prospects at our leisure and therefore do not believe there is any pressing need for action in the short term.

Services segment

The Services segment is progressing according to schedule. Investment in the expansion of our international structure has given us access to fresh potential, particularly in burgeoning Asian markets. Customers appreciate our proactive expansion, as it establishes a sound basis for our products to be well received in the marketplace. The slimmer margins resulting from this expansion should be only temporary in nature; we expect to see a recovery as soon as the expanded structures start to generate revenue.

There were no events of particular significance in the third quarter, including after the end of the quarter. Nor have there been any major changes to the future risks since the start of the financial year.

Consolidated Balance Sheet

	30. 09. 2005	31. 12. 2004
	€'000	€'000
		<i>restated</i>
ASSETS		
Current assets		
Cash	10,931	12,613
Trade receivables	14,453	15,554
Inventories	26,504	21,690
Income tax rebates	45	88
Prepaid expenses and other current receivables	2,916	1,585
	54,849	51,530
Non-current assets		
Property, plant and equipment	21,660	16,609
Intangible assets	2,547	2,366
Goodwill	3,981	3,722
Deferred tax	1,212	1,096
Other non-current assets	460	763
	29,860	24,556
	84,709	76,086
EQUITY AND LIABILITIES		
Current liabilities		
Current financial liabilities and current portion of non-current financial liabilities	3,104	5,540
Trade payables	5,201	2,703
Advances received	3,983	2,424
Provisions	10,823	10,559
Income tax payable	1,045	1,583
Other current liabilities	2,371	1,860
	26,527	24,669
Non-current liabilities		
Non-current financial liabilities	11,839	9,022
Deferred tax	1,322	1,174
Provisions for pensions	178	173
Other non-current liabilities	272	374
	13,611	10,743
Equity		
Issued capital	6,684	6,600
Capital reserve	36,883	36,397
Other reserves	2,659	-851
Exchange differences	-5,246	-7,493
Accumulated profit	3,591	6,021
	44,571	40,674
	84,709	76,086

Consolidated Income Statement

	01.07. – 30.09.2005	01.07. – 30.09.2004	01.01. – 30.09.2005	01.01. – 30.09.2004
	€'000	€'000 <i>restated</i>	€'000	€'000 <i>restated</i>
Revenues	31,070	30,114	94,502	84,901
Print	21,837	20,469	67,479	59,074
MicroTech	1,883	2,605	5,050	5,943
Services	7,350	7,040	21,973	19,884
Cost of sales	-19,489	-19,384	-61,541	-55,434
Gross profit	11,581	10,730	32,961	29,467
Distribution costs	-3,884	-3,439	-11,496	-10,216
Administrative costs	-3,460	-2,916	-9,658	-8,371
Research and development costs	-1,007	-920	-3,400	-2,701
Other operating income and expenses	125	34	303	261
Amortisation of goodwill	0	-141	0	-445
Operating profit	3,355	3,348	8,710	7,995
Interest income/expense	-193	-346	-590	-779
Foreign currency gains/losses	63	65	124	-68
Accounting profit	3,225	3,067	8,244	7,148
Income tax expense	-1,291	-1,188	-3,363	-2,711
Deferred tax	13	49	206	245
Net profit	1,947	1,928	5,087	4,682
Net profit per share (basic)	0.29	0.29	0.77	0.71
Net profit per share (diluted)	0.29	0.29	0.76	0.71
Weighted average shares outstanding (basic)	6,683,601	6,600,000	6,630,963	6,600,000
Weighted average shares outstanding (diluted)	6,685,187	6,611,450	6,702,643	6,634,351

Cash flow Statement

	30. 09. 2005	30. 09. 2004
	€'000	€'000
Cash flows from operating activities		<i>restated</i>
Net profit	5,087	4,682
Adjustments for :		
Depreciation and amortisation	3,378	2,799
Share based payment transactions	176	106
Deferred tax income / expense	-206	-245
Losses / gains on the disposal of fixed assets	-39	-17
Foreign exchange gains / losses	-124	69
Cash flows from operating activities before working capital changes	8,272	7,394
Change in receivables	-131	-765
Change in inventories	-4,357	-4,960
Change in other long term assets	318	-456
Change in liabilities	4,519	5,502
Change in provisions	104	1,095
Net cash from operating activities	8,725	7,810
Cash flows from investing activities		
Acquisition of intangible assets and of property, plant and equipment	-8,430	-1,240
Proceeds from sale of equipment	304	47
Net cash used for investing activities	-8,126	-1,193
Cash flows from financing activities		
Proceeds from equity deposits	487	0
Proceeds from short or long-term borrowings	6,500	0
Cash repayments of amounts borrowed	-6,429	-2,086
Distribution to shareholders	-2,970	-1,980
Net cash used in financing activities	-2,412	-4,066
Net effect of currency translation in cash and cash equivalents	131	94
Net increase in cash and cash equivalents	-1,682	2,645
Cash and cash equivalents at beginning of period	12,613	8,769
Cash and cash equivalents at end of period	10,931	11,414

Statement of Movements in Equity

(In €'000)	Issued capital	Capital reserve	Other reserves	Exchange differences	Accumulated profit	Group equity
January 1, 2004	6,600	36,412	-918	-5,808	2	36,288
Restatement for the first time adoption of IFRS 2	0	0	29	0	-29	0
January 1, 2004 (restated)	6,600	36,412	-889	-5,808	-27	36,288
Share based payment transaction	0	0	66	0	0	66
Financial instruments: valuation gain nettted directly within equity	0	0	81	0	0	81
Financing of investment: exchange rate losses netted directly within equity	0	0	41	0	0	41
Exchange rate differences	0	0	0	258	-53	205
Net expense from items netted directly within equity	0	0	188	258	-53	393
Net profit for the year	0	0	0	0	4,682	4,682
Overall result for the financial year	0	0	188	258	4,629	5,075
Distribution of profit	0	0	0	0	-1,980	-1,980
Other	0	4	0	0	0	4
September 30, 2004	6,600	36,416	-701	-5,550	2,622	39,387
January 1, 2005	6,600	36,397	-968	-7,493	6,138	40,674
Restatement for the first time adoption of IFRS 2	0	0	117	0	-117	0
January 1, 2005 (restated)	6,600	36,397	-851	-7,493	6,021	40,674
Share based payment transaction	0	0	107	0	0	107
Financial instruments: valuation gain nettted directly within equity	0	0	84	0	0	84
Financing of investment: exchange rate losses netted directly within equity	0	0	299	0	0	299
Exchange rate differences	0	0	0	2,247	-1,527	720
Net expense from items netted directly within equity	0	0	490	2,247	-1,527	1,210
Net profit for the year	0	0	0	0	5,087	5,087
Overall result for the financial year	0	0	490	2,247	3,560	6,297
Distribution of profit	0	0	0	0	-2,970	-2,970
Payment into other revenue reserves	0	0	3,020	0	-3,020	0
Capital increase from authorised capital	84	467	0	0	0	551
Other	0	19	0	0	0	19
September 30, 2005	6,684	36,883	2,659	-5,246	3,591	44,571

Explanation:

This interim report has been produced in accordance with the International Financial Reporting Standards (IFRS), in particular IAS 34 for interim reporting, and the Annex to the rules and regulations of the Frankfurt Stock Exchange, Section 63, Paragraph 6. In a departure from the classification recommendations of Deutsche Börse but in accordance with IAS 12.70, deferred tax is allocated exclusively to non-current items.

The designations of certain items have been brought in line with IFRS. Items with a total of zero are not shown where no figures are expected in the longer term on the basis of technotrans' business purpose.

This quarterly report has not been subjected to any auditing or audit examination.

Note: Any forward-looking statements contained in this report represent our best judgment as to what will occur in the future. The Company's actual results could differ materially from those forecasted, depending on a number of competitive and economic factors, some of which are and will be outside the control of the Company.

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Editor technotrans AG, Sassenberg

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technotrans financial calendar

Publications and dates

2005 Annual Report	2006/03/08
Interim Report 1-3/2006	2006/05/03
Annual Shareholders' Meeting	2006/05/05
Interim Report 1-6/2006	2006/08/08
Interim Report 1-9/2006	2006/11/07

For the latest version of this financial calendar and the individual reports, visit us on the Internet on www.technotrans.com

technotrans AG

Robert-Linnemann-Str. 17
48336 Sassenberg
Germany

Phone +49(0) 25 83/301-0
Fax +49(0) 25 83/301-30
e-Mail info@technotrans.com
Internet www.technotrans.com

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