

technotrans 2005 with further increase of revenue and earnings

Revenue growth of 16 percent and operating profit of 15 percent in the first half year 2005 / net profit for the period of € 3.1 million / earnings per share of 0.48 € / targets for the financial year confirmed

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For technotrans, leading systems supplier of equipment for the printing industry and the manufacture of micro technology, the first half of 2005 proved to be highly satisfactory: With revenue boosted by over 16 percent to € 32.6 million (previous year: € 28.1 million), the company posted a dynamic increase both on the prior-year quarter and compared with the first quarter of the current year (€ 30.8 million). Revenue half-way through the year totalled € 63.4 million, again representing an increase of some 16 percent. The Print segment performed particularly well, with growth of 20.5 percent in the second quarter. As expected, the marked rises in revenue have also had a positive impact on profitability. Gross profit rose more sharply than revenue in the second quarter, by 24.7 percent to € 11.6 million (previous year: € 9.3 million). This reflects primarily the improved levels of capacity utilisation in conjunction with higher revenue volumes.

Operating profit rose by 15.2 percent in the first half of the year, to € 5.4 million (previous year: € 4.6 million). With the exception of research and development spending, which was driven up in particular by the new cleaning systems product line, the rates of increase in the other areas (distribution, administration etc.) were much more modest than the rise in revenue. The operating margin reached 8.4 percent in all and is therefore roughly on a par with the already good level of the previous year (8.5 percent). The net profit in the second quarter rose to € 1.7 million (previous year € 1.4 million), with the result that it climbed to € 3.1 million overall at the year's half-way mark. This corresponds to earnings per share of € 0.48 (previous year € 0.42).

The technotrans Group employed an average total of 680 people over the first six months of 2005 (previous year: 601), comprising 468 (415) in Germany and 212 (186) outside Germany. The rise in the employee total since the start of the year (up 22, equivalent to 3.3 percent) is back to a normal level after the sharp increase in capacity especially in the second half of the last year.

Outlook

„Both revenue and earnings are at a highly satisfactory level mid-way through the year. As matters stand, we therefore expect to achieve this year's overall targets of € 120 to 125 million revenue and a net profit of € 7 to 7.5 million”, said Heinz Harling, Chairman of the Board of Management.

The segments

technotrans is active in three areas of business: Print, Micro Technologies and Services.

In the first half of 2005, revenue in the largest **segment Print** rose to € 45.6 million, representing an increase of 18.2 percent (previous year: € 38.6 million). Following an extremely dynamic start to this year, it was possible to achieve a further rise in the second quarter (first quarter: € 22.3 million, second quarter € 23.3 million). This development is largely in line with the overall targets. In terms of both revenue (72 percent) and earnings (62.8 percent), the Print segment remains the focal area of business.

Earnings for that segment reached almost € 3.4 million at June 30, an increase of 25.2 percent on the previous year (€ 2.7 million). The second quarter figure was diminished by the temporarily higher research and development spending for the new product area of cleaning systems and the structural changes resulting from the redeployment of capacity away from the Micro Technologies segment. The rate of return for the segment reached 7.4 percent mid-way through the year.

Revenue for the **Micro Technologies segment** in the second quarter of € 1.9 million was up on the first quarter (€ 1.2 million), yet this level – which is on a par with the previous year six months into the year – is still well short of medium-term expectations. As a result, management has integrated the entire area into the technology structures of the company and is now running it as a separate product area.

Improvement of the segment result was significant compared to the first quarter 2005 (€ -255,000; Q2 € -59,000) as well as half way through the year (2004: € -576,000; 2005: € -314,000). Slack demand in the CD/DVD area remains a cause for concern. The target is to break even in this segment by the end of the year. Micro Technologies is now generating only 5 percent of revenue.

Revenue for the **Services segment** in the first half of the year showed an overall rise of 13.9 percent to € 14.6 million (previous year: € 12.8 million). Progress in the second quarter proved to be slightly more dynamic, with revenue rising by 20.9 percent to € 7.4 million (previous year: € 6.1 million).

Earnings for the segment were unable to keep pace with this growth. The result for the segment of € 2.2 million at June 30 consequently remained broadly unchanged from the previous year (€ 2.3 million). The rate of return for the segment dipped temporarily to just 14.8 percent mid-way through the year.

Heinz Harling explained the reasons: "Particularly in Asia's emerging markets, we are currently expanding our structures in a focused manner in order to prepare ourselves early on for further sharp growth in the total number of our installed devices in the future. This investment in our international structure will give us access to considerable fresh potential. In this instance, we have decided to tolerate the temporarily poorer margins in view of the future prospects."

Chief Financial Officer Burkard Rausch adds: „All in all, this situation and mood in the industry is in line with our expectations for the current financial year, with technotrans 2nd quarter and first half year 2005

the result that at present we are confident of achieving our overall targets for 2005.”

Note : Any forward-looking statements contained in this report represent our best judgement 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.

Download: The full Interim Report 1-6/2005 is available for downloading from the internet at www.technotrans.de

Dates: The results for the third quarter and the first nine month 2005 will be published on November 8, 2005.

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technotrans Group
Key figures acc. to IFRS

		qoq	1.1.-30.6.05	1.1.-30.6.04 restated	2004 restated	2003 restated
Earnings						
Revenue	'000 €	15.8%	63,432	54,787	117,259	106,737
Print	'000 €	18.2%	45,642	38,605	81,418	70,631
MicroTech	'000 €	-5.1%	3,167	3,338	8,127	10,774
Services	'000 €	13.9%	14,623	12,844	27,714	25,332
Gross profit	'000 €	14.1%	21,380	18,737	39,694	35,906
EBITDA (3)	'000 €	16.5%	7,458	6,402	14,799	12,638
EBITA (2)	'000 €	12.4%	5,416	4,818	11,662	9,037
Operating profit	'000 €	15.2%	5,355	4,647	11,108	7,475
Earnings before interest and tax (EBIT) (1)	'000 €	20.0%	5,416	4,514	11,071	7,330
Net profit for the period	'000 €	14.0%	3,140	2,754	6,670	-10,989
as % of revenue	%	-1.5%	5.0	5.0	5.7	-10.3
Net profit per share (IFRS)	€	13.2%	0.48	0.42	1.01	-1.66
Balance sheet						
Issued capital	'000 €	1.3%	6,684	6,600	6,600	6,600
Equity	'000 €	12.1%	42,586	37,985	40,674	36,288
Equity ratio	%		49.5	47.9	53.5	50.1
Return on equity	%		15.1	14.8	17.3	-25.0
Balance sheet total	'000 €	8.7%	86,092	79,235	76,086	72,391
Working capital	'000 €	19.5%	29,644	24,804	26,861	24,318
Employees						
Number of employees (average)		13.1%	680	601	628	593
Personnel expenses	'000 €	13.6%	17,402	15,316	32,344	29,322
as % of revenue	%		27.4	28.0	27.6	27.5
Revenue per employee	'000 €	2.5%	93	91	187	180
Cash flow						
Cash flow (4)	'000 €	-54.0%	3,578	7,775	11,595	6,491
Free cash flow (5)	'000 €	-127.4%	-1,921	7,017	9,364	5,394
Share						
Number of shares at end of period		1.3%	6,683,601	6,600,000	6,600,000	6,600,000
Share price (max)	€	12.7%	17.15	15.22	14.69	12.64
Share price (min)	€	22.0%	13.21	10.83	9.90	3.81

- 1 EBIT = Operating profit + foreign currency exchange gains/losses
2 EBITA = EBIT + amortisation of goodwill
3 EBITDA = EBITA + depreciation on intangible and tangible assets
4 Cash flow = cash from operating activities acc. to cash flow statement
5 Free Cash flow = cash from operating activities + cash used for investments acc. to cash flow statement

Note: the consolidated financial statements of technotrans AG at June 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 for the first time. 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 and 2004. In agreement with IFRS 2.55, the information for previous periods provided for purposes of comparison was restated in this interim report.