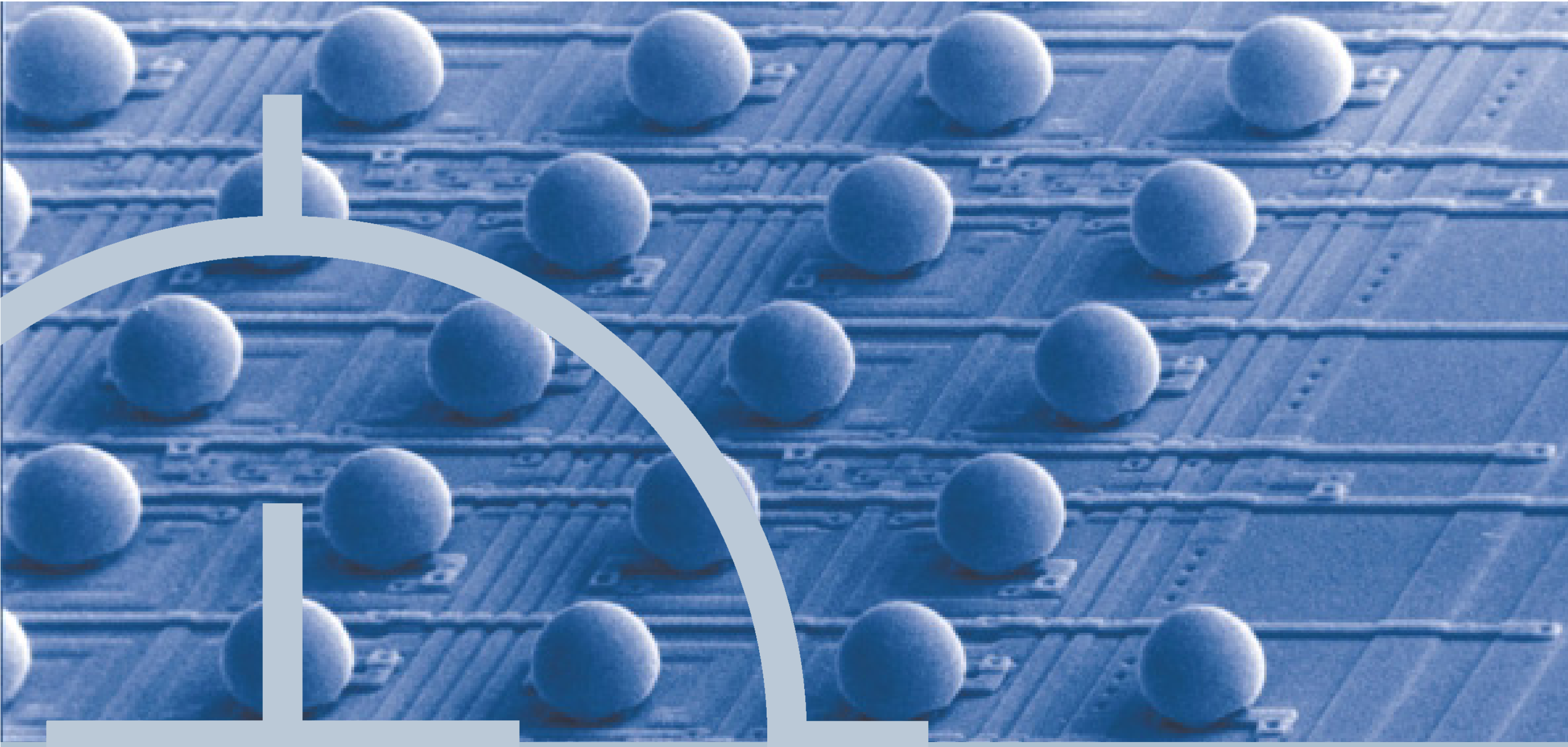


ANNUAL REPORT 2001

SÜSS MicroTec

TWO YEAR RATIO COMPARISON

DEM/Euro in millions	2001		2000	
	DEM	***Euro***	**DEM**	***Euro***
Net Sales	420.1	*214.8*	317.5	*162.3*
EBITDA[2]	98.6	*50.4*	73.1	*37.4*
EBITDA Margin in %	23.5	*23.5*	23.0	*23.0*
Depreciation	10.2	*5.2*	9.9	*3.1*
Amortization on Goodwill	8.5	*4.3*	5.5	*2.8*
EBIT	79.9	*40.9*	61.5	*31.4*
EBIT Margin in %	19.0	*19.0*	19.4	*19.4*
Earnings before tax (EBT)	76.2	*39.0*	56.9	*29.1*
Net Income	41.2	*21.1*	23.4	*12.0*
Total Equity	186.5	*95.4*	122.2	*62.5*
Balance sheet total	372.6	*190.5*	334.1	*170.8*
Equity ratio in %	50.1	*50.1*	36.6	*36.6*
Earnings per share (diluted)	2.99	*1.53*	1.77	*0.90*
Average number of employees	955	*955*	686	*686*

[1] reported Net Sales, no pro forma-calculation
[2] based on ordinary depreciation

CONTENTS

LETTER TO THE SHAREHOLDERS

Dear Shareholders and Business Associates of SÜSS MicroTec AG,

In the fiscal year 2001 we continued with our successes of the previous year – and even exceeded them: 2001 was SÜSS MicroTec's most successful fiscal year so far in a corporate history that stretches back more than half a century. In 2001, following on from sales growth of 85% in 2000, we increased our net sales – in an environment that everyone knows was critical – by more than 32.3% to DEM 420.1 million. We are proud to have once again exceeded our ambitious goals during the year under review. This successful corporate trend was honored in a special way by the capital market: since September 2001 the SÜSS MicroTec stock has been listed on the NEMAX 50, the segment containing the 50 most solvent stocks on the high-tech Neuer Markt. The admission to this select index has certainly been one of the highlights of the SÜSS MicroTec stock since the IPO. The good performance of the stock reflects the interest and trust of those who invest in the company.

Dealing with this corporate success without sacrificing quality was again a great challenge for the entire SÜSS MicroTec group. Bearing this in mind, our thanks must go first of all to our employees all over the world, who, through their flexibility, enthusiasm, commitment and – last but not least – team spirit and loyalty, made the success of SÜSS MicroTec possible.

In 2001 we continued with our development as a supplier of systems solutions. New products such as the Lithopack 300 are now enabling customers to obtain entire process lines from SÜSS MicroTec. The advantages for customers are far-reaching – and are bringing about a sustained improvement in our position vis-à-vis our international competitors. Even in the critical second half of 2001, we managed to increase our market share. It has become evident that the niche markets served by SÜSS MicroTec are being strongly driven by a technology transfer. The launch of the “Advanced Packaging” and the “300mm technology” has provided chip manufacturers and packaging foundries with new, cost-effective production methods enabling them to stay competitive in the future. SÜSS MicroTec's new technologies are being integrated into the existing manufacturing processes to improve the quality of the products and reduce production costs.

Last year we were able to carry on implementing our expansion plans:

- the market launch of the 300mm lithography cluster “LithoPack300”, the only fully-integrated lithography solution in the world, secured us access to the important “300mm technology” market of the future,
- the acquisition of Image Technology, Inc., a manufacturer of photomasks, was an important supplement to our main product Mask Aligner,
- the opening of new branches in China and Taiwan strengthened our position in the key Asian markets and
- the expansion of the manufacturing plants in France and Munich facilitated additional sales growth.

Dr. Franz Richter *Claus Lichtenberg*

In fiscal 2002 we want to maintain our targeted and successful expansion strategy. With this purpose in mind, we secured further liquidity – as a supplement to the financial resources already at our disposal.

In January 2002, SÜSS MicroTec executed a capital increase from authorized capital that had been generated before the IPO. Despite the adverse stock market conditions, we placed 1,130,000 no-par stocks within just a few hours within the framework of a private placement (accelerated bookbuilding) for institutional investors. The capital increase was carried out with the exclusion of subscription rights. The goal was to bring sufficient liquidity into the company so that liquid funds would be available for smaller, commercially attractive acquisitions without the company having to rely on further loans. Our acquisition plans are focused on companies that, with innovative products and technologies, fit in with the market orientation and product portfolio of SÜSS MicroTec. Our goal continues to be organic growth, rather than the acquisition of sales volume. We have already taken a first step in this direction by acquiring the assets of BLE Laboratory Equipment GmbH, Singen. Of the BLE products, the manual spin coaters complement our product portfolio especially well.

The current fiscal year 2002 will confront us with some new tasks. The global recessionary trend leads us to expect a general consolidation. At present we are working on the assumption of stagnating or slightly declining sales for 2002 as a whole, followed by a substantial increase in 2003. The challenges will nevertheless remain: to improve our market position still further and to keep our profit margins, adjusted to take account of extraordinary effects, in the range of EBIT > 15% – even in the event of a slight decline in sales. A corresponding far-reaching cost savings program has already been implemented.

Dear shareholders, business associates and customers of SÜSS MicroTec, we would like to thank you for the trust that you have shown our company. In the fiscal year 2002 we will again do everything in our power to achieve or even exceed our goals, despite the global recession and the resultant consolidation. We are certain that during the current year, thanks to our technology and market leadership, we will again be able to take full advantage of opportunities that arise.

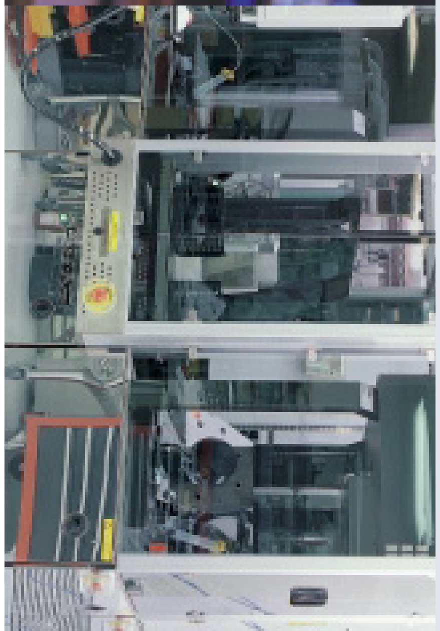
Garching, March 2002

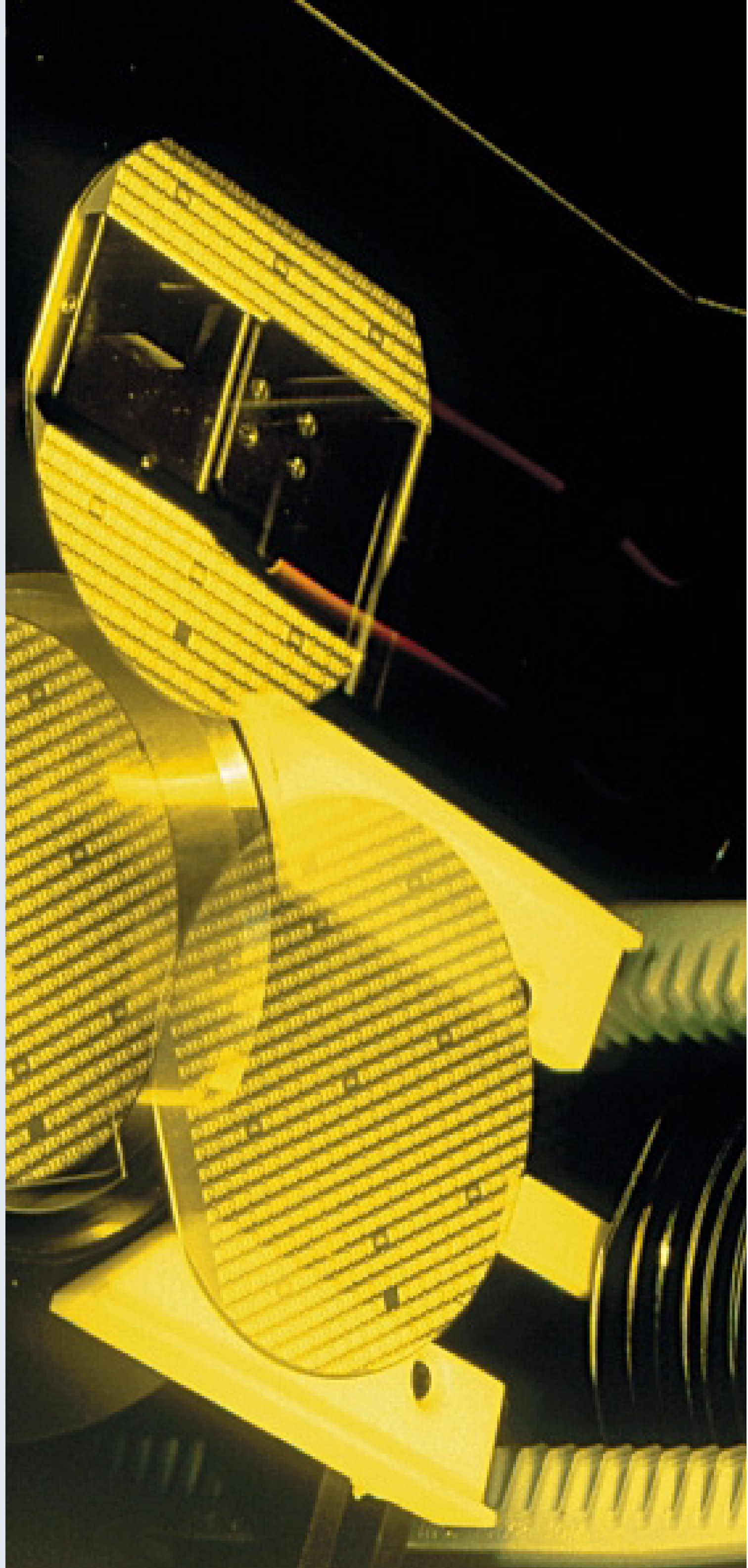
F. Richter

Dr. Franz Richter
Chairman of the Executive Board

C. Lichtenberg

Claus Lichtenberg
Executive Board





REPORT OF THE SUPERVISORY BOARD

During fiscal year 2001, the Supervisory Board has regularly been informed about the course of business by the Executive Board through continuous written reports and in four regular meetings and one extraordinary meeting and has discussed relevant questions concerning the management of the business with the Executive Board. The Personnel Committee of the Supervisory Board met a total of four times during fiscal year 2001, each of these meeting was held as consequence of the regular meetings of the Supervisory Board.

The annual financial statements prepared in accordance with the provisions of the German Commercial Code (HGB), the Company's consolidated financial statements per 31 December 2001 prepared in accordance with US Generally Accepted Accounting Principles (US-GAAP), the management report and Group management report of the Executive Board for fiscal year 2001 were audited and certified with an unqualified auditor's report by PriceWaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, an accounting firm that had been selected by the Shareholders' General Meeting and engaged by the Supervisory Board.

The Supervisory Board has examined the annual financial statements prepared by the Executive Board. These have been prepared in accordance with the provisions of the German Commercial Code and the consolidated annual financial statements of the Company per 31 December 2001, prepared in accordance with § 292a of the German Commercial Code and the accounting regulations as they apply in the United States of America and designated US-GAAP, the Management Report and the Group Management Report for fiscal year 2001. On 20 March 2002, the financial statement auditor's two certified public accountants who were in charge of the audit took part in the hearing of the Supervisory Board on the aforementioned documents. They reported verbally on the material results of their audit. The Supervisory Board discussed the aforementioned documents and the statements of the auditor with the auditor's representatives and the Executive Board, and approved the documents. The Supervisory Board hereby declares that, after the final result of its examination, there are no objections to be raised against the documents examined by it. Nor are the audit reports of the financial statements auditor objectionable in the Supervisory Board's view. The annual financial statements of the Company for 31 December 2001 are thereby approved. The Supervisory Board consents to the Management Report for fiscal year 2001.

The Supervisory Board expresses its gratitude to the Executive Board as well as to the employees for their successful commitment in 2001.

Garching, March 2002

The Supervisory Board

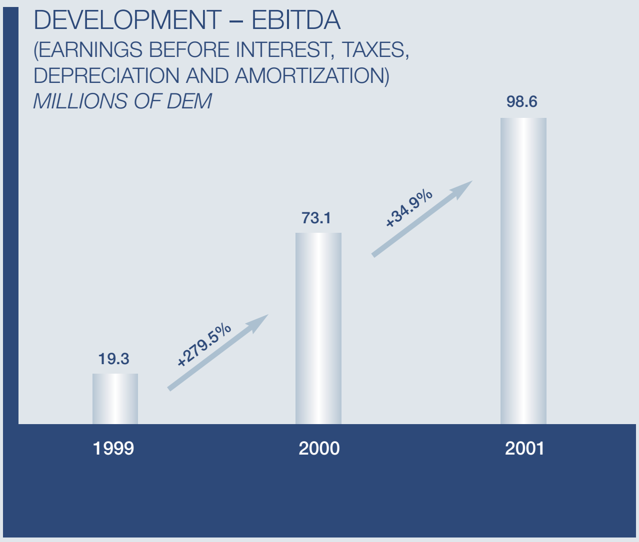
Dr. Winfried Süss
Chairman

HIGHLIGHTS 2001

Outstanding Sales and Earnings in 2001

In 2001 SÜSS MicroTec achieved substantial growth in sales – and was therefore one of the few companies in the semiconductor sector on an expansion course. In fiscal 2001 SÜSS MicroTec continued its remarkable growth in sales from the previous year. Sales increased from DEM 317.5 million by 32.3% to DEM 420.1 million. Growth in earnings is also remarkable. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) rose from DEM 73.1 million by 34.9% to DEM 98.6 million, corresponding to an EBITDA margin of 23.5%. Earnings after tax increased by an impressive 76.1%, from DEM 23.4 million in the previous year to DEM 41.2 million. Last but not least this growth resulted from the unwavering commitment of the SÜSS MicroTec workforce. As of 31 December 2001 a total of 956 staff were employed throughout the world, 156 more than on the same period a year before.

The trend in new orders reflects the international economic situation in the year 2001. In the first and second quarters of fiscal 2001 SÜSS MicroTec recorded a high level of new orders; in the third quarter of 2001 there was a significant decrease in the figures – particularly due to the tragic events in the USA. The fourth quarter then displayed the anticipated consolidation. For the whole of 2001 the level of new orders fell from DEM 450.4 million in the previous year to DEM 305.2 million, corresponding to a change of 32.2%. The order backlog as per the reporting date of 31 December 2001 amounted to DEM 112.6 million compared with DEM 231.0 million in the previous year.



LithoPack300

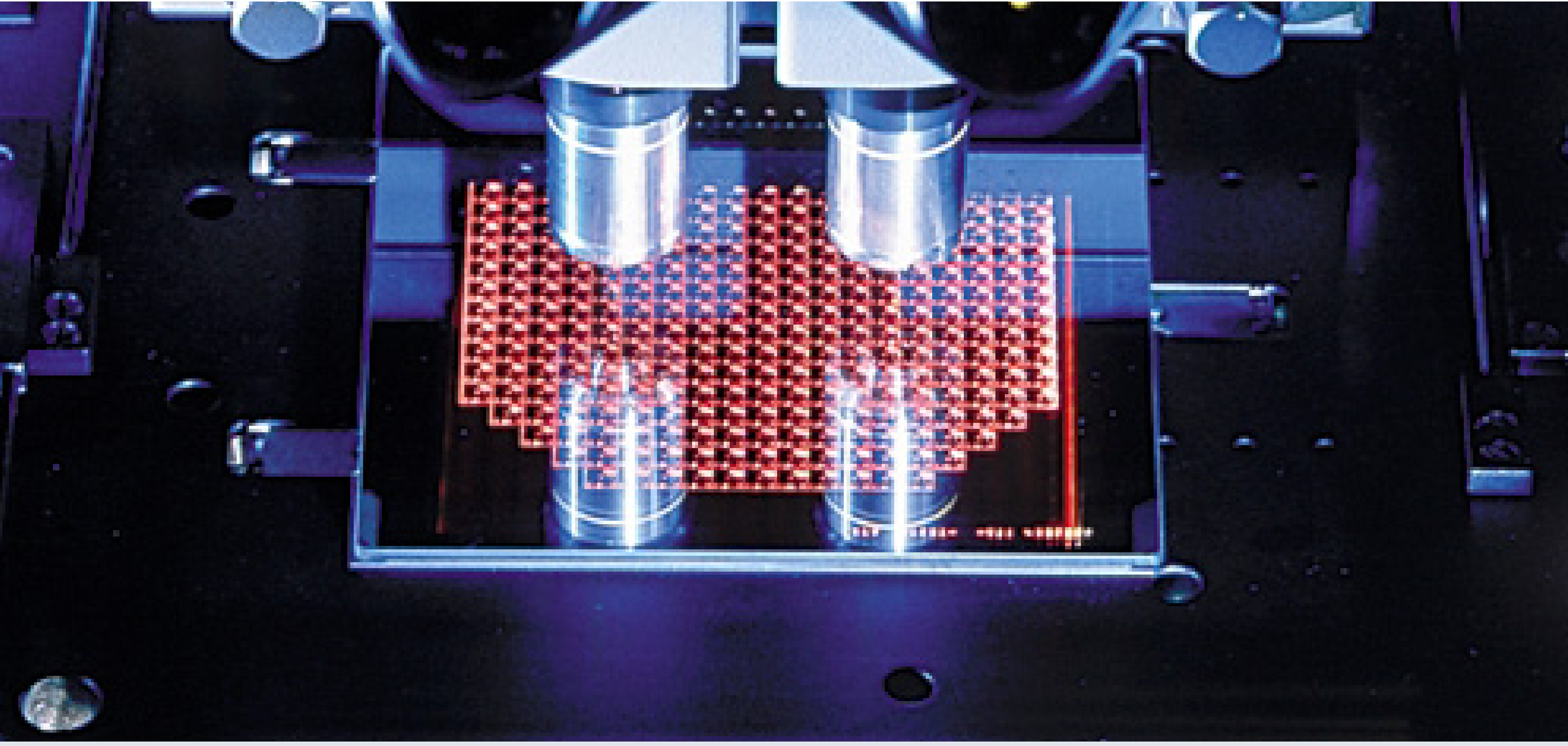
"LithoPack300" – a New Standard in 300mm Technology

2001 saw the advent of new pioneering technology in the semiconductor industry: 300mm technology set new standards within the sector. The conversion from 200mm wafers (wafer = silicon slice) to 300mm wafers enables chip production to be carried out considerably more efficiently and cost-effectively. SÜSS MicroTec completed this technological leap in the 300mm sector with its Lithopack300 (LP300) system, a solution that is unique to the market and that has been part of the SÜSS MicroTec portfolio since April 2001. The LP300 comprises the MA300 Mask Aligner and the ACS300 Spin-Coating System.

Due to the higher efficiency and cost-effectiveness of 300mm technology, Advanced Packaging is now of interest for less complex chips as well – for example the D-RAM. Until now Advanced Packaging has only been used for bonding a very small percentage (one to two percent) of and above all highly complex chips to the chip housing and ultimately to the printed circuit board. Since 2001 producers of simpler memory chips (D-RAM) have also been investigating this new Advanced Packaging technology in order to secure cost benefits in their production. It is expected that in the coming years up to 15% of all chips will be processed by means of the Advanced Packaging method – a very high growth potential also for SÜSS MicroTec.

Rounding off the Product Portfolio through the Acquisition of Image Technology, Inc.

In March 2001 SÜSS MicroTec acquired the company Image Technology, Inc., Palo Alto, California and thus took a further important step towards becoming a systems supplier. Image Technology manufactures photo masks for optical lithography in semiconductor production. Photo masks are key elements in every semiconductor production process because they are very precise glass plates on which the microscopic image of an electronic circuit is defined. In the production of microchips with lithography, photo masks are employed as so-called master plates to transfer this image optically onto the silicon wafer. Image Technology specializes in manufacturing large-area photo masks for use in Mask Aligners – the chief product of SÜSS MicroTec – and is equipped with highly developed laser writers for the production of the 14-inch photo mask employed in 300-mm technology. Customers benefit from the better level of integration and coordination in lithography solutions and so can achieve considerable reductions in their cost of ownership.



Two New Branches in Asia Secure Top Position in Key Markets

Asia is among the strongest growth markets in the semiconductor industry. That is why SÜSS MicroTec has positioned itself with new branches in the strategically important markets of China and Taiwan at this early stage.

SHANGHAI/CHINA:

The Chinese market is predicted to have the greatest growth potential in Asia, and for this reason SÜSS MicroTec is selectively expanding into this market. In 2001 SÜSS MicroTec opened a new branch in Shanghai and will therefore be able to establish the group as a market leader in China early on. Due to the high growth anticipated for the Chinese market and in keeping with the increasing investment volume of firms based there, the SÜSS MicroTec sales markets of optoelectronics, micro-optoelectronic mechanical systems (MOEMS) and compound semiconductors are gaining importance within China.

HSINCHU/TAIWAN:

Another strategically important market in Asia is Taiwan. In 2001 SÜSS MicroTec expanded its sales and after-sales support with a new branch in Hsinchu. In the future too, Taiwan will remain the main sales market for SÜSS MicroTec in the field of Advanced Packaging, because local companies are rapidly implementing their aggressive growth plans. In addition to Advanced Packaging, the optoelectronics and compound semiconductors markets also have enormous growth potential in Taiwan.

Optimization of the Locations in France and America

ST. JEOIRE/FRANKREICH:

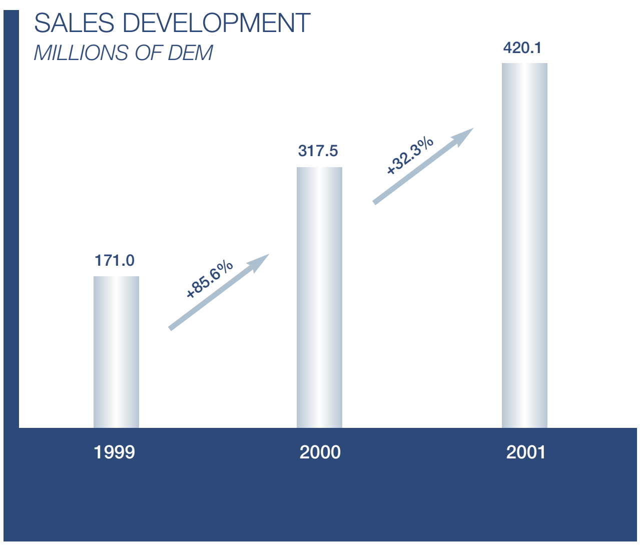
In St. Jeoire, France, the wholly owned SÜSS MicroTec subsidiary, SUSS MicroTec S.A., develops and produces Device Bonders. These are used for the assembly of optical and electronic components in the growth markets of optoelectronics and MEMS (Micro Electro Mechanical Systems). The production site in France was fitted out with the latest technology at the end of September 2001 and has a clean room with an area of 700 m². This investment will also provide future security for technology leadership in the Device Bonders product division.

TEMPE/USA:

During fiscal 2001 SÜSS MicroTec created additional capacity in the USA. SÜSS MicroTec fitted out new premises in Tempe, Arizona. With an additional showroom and two large training rooms in the so-called "Office West" it is now possible to concentrate on and optimize sales, sales support and service for customers. Office West is responsible for the 14 western US federal states, the 4 western provinces in Canada and for Mexico. This customer base can attend presentations of the SÜSS MicroTec product range at the Tempe location and can also attend the training sessions run on site. This provides optimum conditions for conveying the high-quality and innovative SÜSS MicroTec solutions and enables customers' requirements profiles to be determined exactly. As a result, SÜSS MicroTec is also able to assure its customers in the western US, Canada and Mexico of comprehensive and timely customer service at cost effective prices on demand.

Standardized Name Orientation of the SÜSS MicroTec Group

In November 2001, at the Produktronika trade fair in Munich, the Group appeared under the umbrella name of SÜSS MicroTec for the very first time. Since then the domestic and overseas subsidiaries, which had previously been run under the founder's name of Karl Süss, are also operating under the name SUSS MicroTec. The uniform name for the Group now reflects the growing international significance of SÜSS MicroTec within the dynamic semiconductor market and will facilitate further global positioning. A new corporate design is to round off this move towards homogeneity.



THE SHARE / INVESTOR RELATIONS

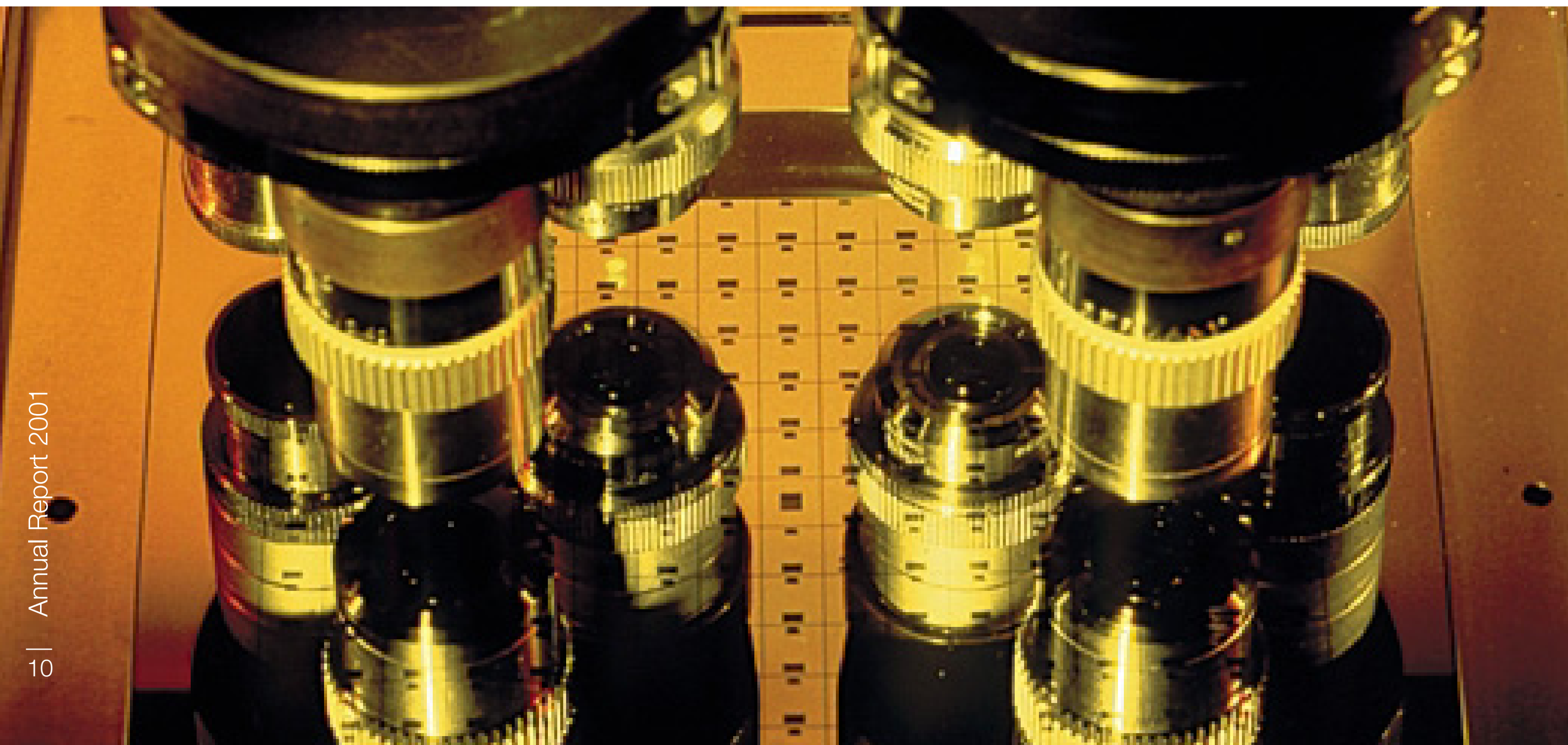
SÜSS MicroTec Stock Performs Well in Fiscal Year 2001

In the fiscal year 2001, SÜSS MicroTec continued with its intensive communication with the capital market. It issued many ad hoc statements and press releases to inform the shareholders about the latest developments within the company. All of the investor relations activities were geared towards achieving a lasting increase in the value of the company and a long-term appreciation in the value of the SÜSS MicroTec stock.

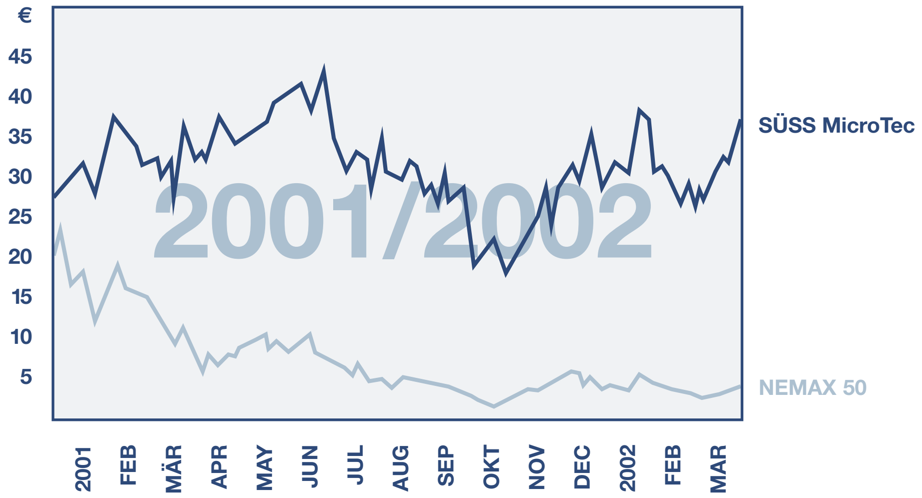
The trend in the SÜSS MicroTec stock in 2001 reflects the trust placed in the company by its investors. The SÜSS MicroTec stock was, of course, not always able to completely avoid short-term and often extreme price fluctuations on the capital market. In 2001, large numbers of profit warnings, poor economic data and the terrorist attacks in the USA resulted in an extremely stressed stock market environment – particularly for companies on the high-tech Neuer Markt. The SÜSS MicroTec stock, however, held its own very impressively in this environment.

Intensive Investor Relations Work – Strong Coverage from Analysts

Thorough investor relations work enjoys high priority at SÜSS MicroTec. The Management Board, for example, presented 18 roadshows in Europe and the USA, staged 8 international investors' conferences and, in more than 200 one-to-one discussions with potential and existing investors, analysts and press representatives, cultivated close contact with the capital market. During the course of 2001, a further 11 renowned domestic and international banks and investment companies began to include SÜSS MicroTec in its market coverage. By the end of fiscal 2001, large numbers of detailed studies from a total of 15 investment companies had already been published.



SÜSS MICROTEC VS. NEMAX 50



Admission to NEMAX 50

An important milestone of SÜSS MicroTec as a listed company was its admission into the NEMAX 50, the high-quality index of the 50 most solvent stocks on the Neuer Markt. SÜSS MicroTec has been listed in this important index since 24 September 2001; the decision was made by Deutsche Börse (the German stock exchange) on 07 August 2001. The main criteria for admission to the NEMAX 50 were stock exchange turnover (XETRA and the Frankfurt trading floor) during the preceding twelve months and market capitalization on the cut-off date 31 July 2001. The outstanding performance and above-average stock price return of the SÜSS MicroTec stock on the Neuer Markt was also confirmed by its admission to the BayX30, a newly developed index operated by Bayerische Landesbank (the Bavarian State Bank), which reflects the price trends of the 30 largest (free float and market cap) Bavarian joint stock companies from the DAX, MDAX, SDAX and NEMAX 50.

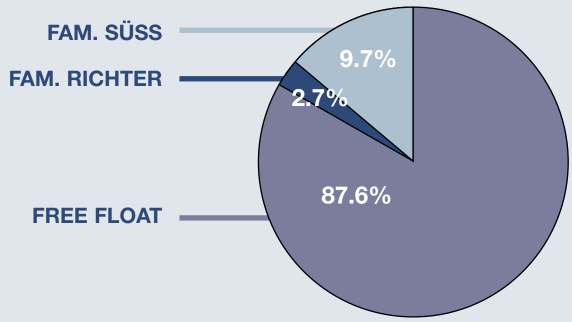
Trend in Shareholder Structure 2001

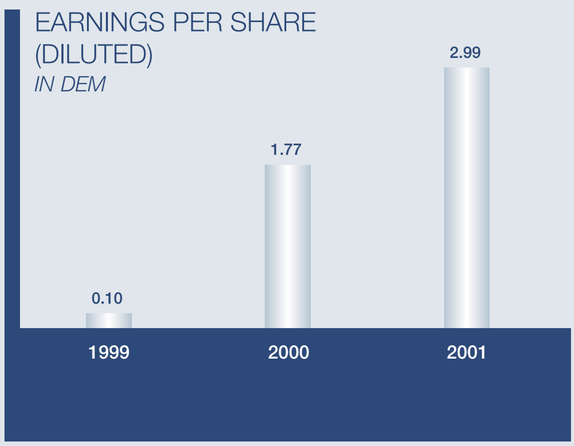
On 01 June 2001, the financial investor Alpha, which had held a stake in the company since 1997 within the framework of a pre-IPO financing arrangement, parted company with its investment in SÜSS MicroTec AG as scheduled, reducing its stock portfolio in the company from its last figure of 8.5% to zero.

The free float as per 31 December 2001 amounted to 84.8%; following the capital increase in January 2002 the free float amounted to 87.6%.

FREE FLOAT

SHAREHOLDERSHIP AS OF JANUARY 2002





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PRODUCTS AND MARKETS

Customized Growth: SÜSS MicroTec – Developing and Producing Products for Future Markets

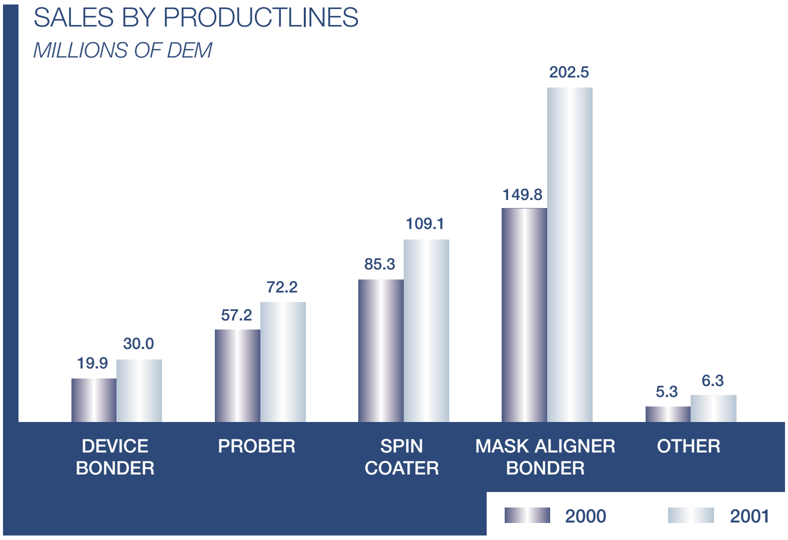
SÜSS MicroTec is one of the world's leading manufacturers of production and process technology for the microelectronics industry. Examples of microelectronic components that customers produce on SÜSS MicroTec equipment include IC housings, MEMS (Micro Electro Mechanical Systems) and wafers. In fiscal 2001 some 6,000 SÜSS MicroTec systems were installed on customers' premises – and the semiconductor industry's requirements for intelligent SÜSS MicroTec production and process technology keep on growing. In particular demand for flexible technology solutions that can be easily installed in individual production environments. SÜSS MicroTec process lines match the high requirements set by customers.

In fiscal 2001, therefore, the Garching-based company further extended its range of process lines, which consist of several individual machines that can be linked to form a process chain. Customers of such process lines receive added value through improved process control for all individual machines, which means better process results and therefore ultimately lower production costs. The great interest of customers in SÜSS MicroTec products is reflected in the unusually high – for the semiconductor industry at least – growth in sales of 32.3% for the year 2001.

THE PRODUCTS

SÜSS MicroTec develops, produces and sells five product lines:

- SPIN COATER AND DEVELOPER
- MASK ALIGNER
- BOND ALIGNER
- DEVICE BONDER
- PROBER



SPIN COATER

A liquid photosensitive material is applied to the center of a wafer and then distributed throughout the wafer by rapid rotation. The GYRSET process patented by SÜSS MicroTec enables a particularly thick (> 50µm) layer to be applied very evenly to the wafer in a cost-saving process. Compared with competitive procedures, SÜSS MicroTec Spin Coaters enable customers to improve process results while reducing costs.

DEVELOPER

Chemicals are used to dissolve away the image of the mask previously created by the Mask Aligner from the photosensitive layer on the wafer. Depending on the thickness of the layer of photosensitive coating, a three-dimensional mask image is thus created as a textured surface on the wafer.

MASK ALIGNER

A glass mask (master) on which the microscopic image of one circuit level of the chip has been saved is exactly aligned with the wafer on the submicron scale. Exposing the image of the mask to ultraviolet light then transfers its pattern photolithographically to the wafer coated with photosensitive varnish in a 1:1 ratio. The ultraviolet light leads to a change in the molecular structure within the coating so that the areas exposed to the UV light are then dissolved away in a subsequent developing stage. The structures transferred in this way are between 5 and 50 microns thick (in comparison a human hair is about 50 microns thick).

BOND ALIGNER

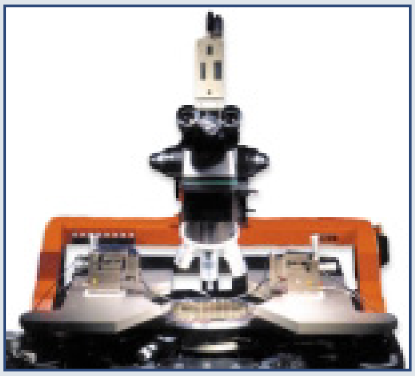
Several wafers precisely aligned with one another are linked together in a physico-chemical process. Various procedures have become established on the market, which demand widely differing process conditions according to the wafer material. SÜSS MicroTec Bond Aligners support all the conventional bonding procedures on the market and stand out because of their high precision and process reliability.

DEVICE BONDER

(Also known as “Flip Chip Bonders”) Device Bonders are used for the assembly of optical and electronic components. The unequalled positioning accuracy of SÜSS MicroTec Device Bonders (better than 1 micron) is needed particularly when bonding laser diodes to glass fibers. Today this connecting element, which is so important for signal transfer in optical data communication, is manufactured almost exclusively using SÜSS MicroTec Device Bonders.

PROBER

Using measuring tips, a Prober determines electrical signals from microscopically small structures within a microelectronic integrated circuit. SÜSS MicroTec Probers are employed exclusively for analytical purposes as manual and semi-automatic instruments in chip development and manufacturing.



THE GROWTH MARKETS OF MICROTECHNOLOGY

Advanced Packaging – Chip Bonding

Packaging is concerned quite generally with the housing technology of microchips. One particular challenge in this area is presented by the electrical bonding of the individual connection points on the chips to the base of the housing. The methods historically employed (e.g. wire bonding) have now run up against their limits, for high performance applications particularly in the increasingly more complex modern microchips of the latest generation. New methods, such as flip chip bonding, take account of the increased requirements placed on the interconnect technology. Packaging technology is now incorporating process steps such as "spin coating" and "lithography", which were previously only common in chip production. The term "Advanced Packaging" has been introduced to describe these refined processes.

Compound Semiconductors – GaAs, MMICs

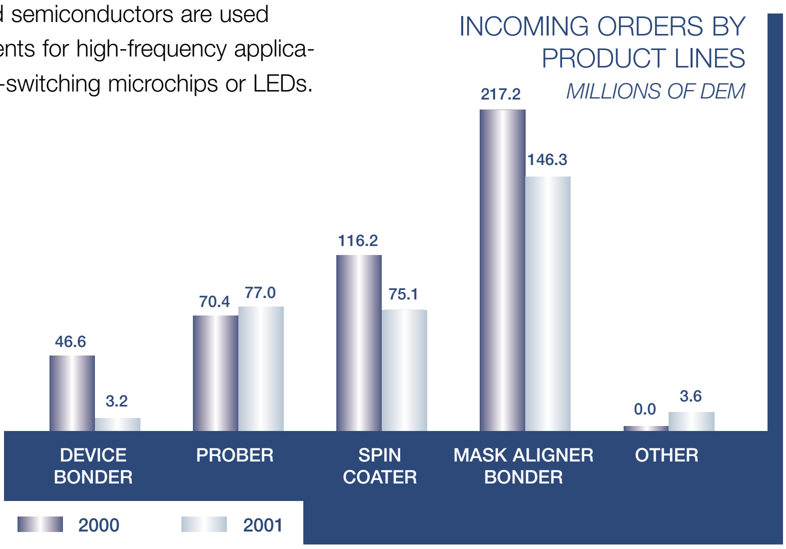
The term compound semiconductors covers the class of semiconductor materials that consist of several elements. As they generally involve elements of the third and fifth row of the periodic table of the elements, the name III/IV semiconductors is also used. In the most well-known compound semiconductor, gallium arsenide, arsenic atoms are incorporated into the gallium atomic lattice, which substantially changes the physical and chemical properties of the lattice structure. Selecting different elements enables the properties of the compound semiconductor material to be designed and predetermined. Compound semiconductors are used above all in components for high-frequency applications and in very fast-switching microchips or LEDs.

Microsystems Technology / Optoelectronics – sensors, actuators, micro-optical components

Today microsystems technology largely deals with the manufacturing of sensors and actuators for many different fields of applications. Foremost amongst these is still automobile engineering, with its ever-increasing demand for miniaturized intelligent sensor elements. In additions to this, in recent years microsystems technology has become very important for micro-optical components, particularly for the fast switching of optical signals. Other fields such as environmental technology or medical engineering are set to become more important in the future.

Test Systems – IC-Development, Quality Assurance

The field of testing has become very important in semiconductor development and production. The trend towards increasingly complex, more highly integrated microchips calls for ever-greater functional reliability during the separate steps, both in manufacture and development. Only if each separate step has been safely mastered will it be possible for the entire system to function at the end. Testing and verification of partial results is therefore a requirement for successful development or production.



The Most Important Growth Market – Advanced Packaging

Advanced Packaging is an innovative process for bonding the microchip electrically with the printed circuit board. Until now it has only been used to a very small extent in current chip production – only a few percent of all chips are processed in this new way. However, as chips become increasingly more complex, this procedure enables considerable improvements and cost savings to be achieved in chip production. This is why more and more manufacturers are now turning to Advanced Packaging to remain competitive in the future. The rising demand for SÜSS MicroTec products is therefore driven strongly by the technology transfer taking place. Advanced Packaging takes place at the end of the production process for microchips – at what is known as the back-end. By the time a silicon wafer passes through SÜSS MicroTec machinery, it has already countless process steps behind it – and therefore is very valuable. In Advanced Packaging, technology, maximum precision and reliability are demanded from the machines because any damage to the wafer at this stage would be extremely costly for the producer.

SÜSS MicroTec equipment meets the high requirements set by customers. One measure of the economic efficiency of a production machine used in chip manufacture is the so-called "Cost of Ownership" (CoO). This essentially describes the sum added to the manufacturing costs of a microchip by the production machinery. In addition to the procurement costs, the CoO also includes such factors as consumption values, a proportion of the costs for the clean room area as well as a figure for the production yield. SÜSS MicroTec Advanced Packaging products stand out from the competition on account of their unique low CoO.

THE DRIVING FORCES IN THE MARKET FOR ADVANCED PACKAGING ARE THE FOLLOWING INDUSTRY BRANCHES, TOGETHER WITH THEIR PRODUCTS:

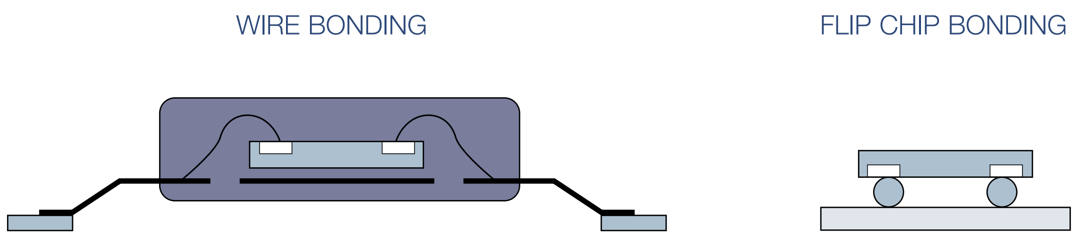
IT INDUSTRY: notebooks, palm tops, organizers, modems and optical data transmission systems

TELECOMMUNICATIONS: mobile phones, pagers, satellites

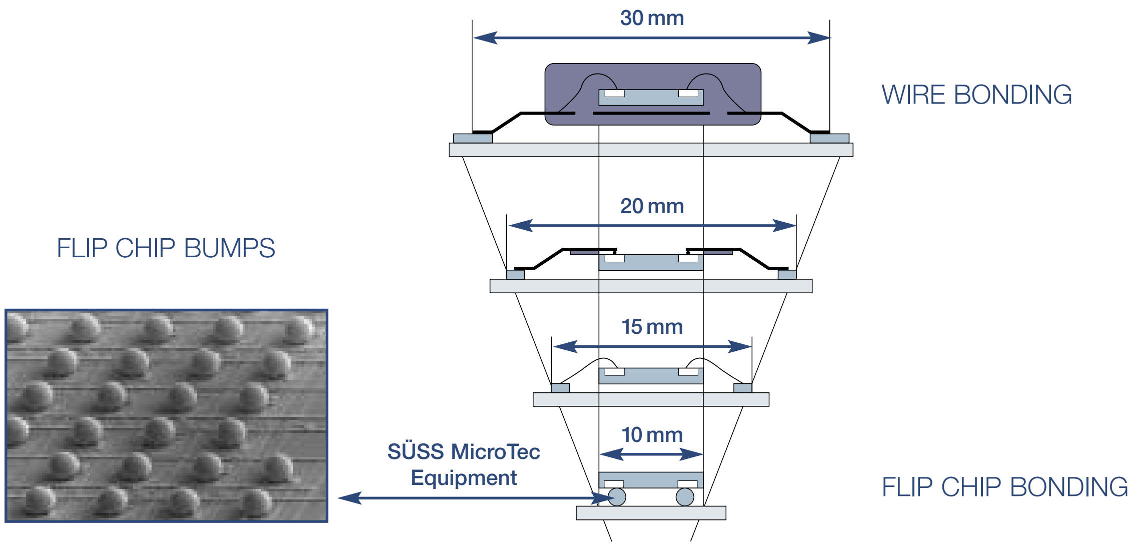
AUTOMOBILES: sensors, control devices

CONSUMER PRODUCTS: camcorders, digital cameras, watches, games

MEDICAL TECHNOLOGY: diagnostics, heart catheters



In Advanced Packaging Flip Chip Bonding replaces Wire Bonding



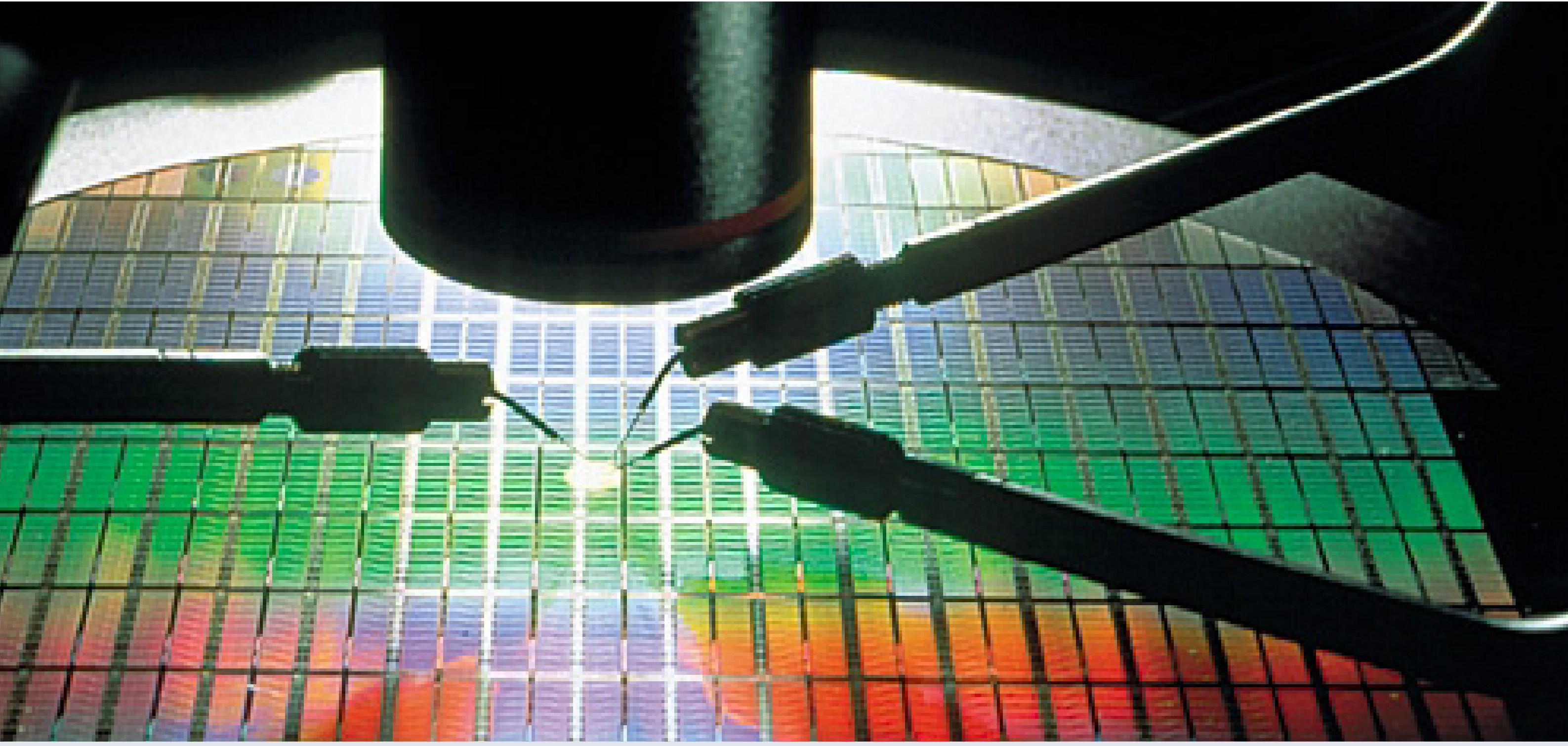
Downscaling by Flip Chip Bonding

Fundamental Trend in Driving Forces for the Packaging Market

The requirements placed on microchips are rising – electronic products (from the electric toothbrush up to the notebook) have to become smaller and smaller while offering even-greater efficiency. For the semiconductor industry this means that the chip housing and the bonding of the chip with the printed circuit board have to be made smaller and smaller. In addition to this, there is increasing pressure on prices from the side of the consumer markets.

To fullfill these requirements, the semiconductor industry has to continually invest in new technologies and intensify their use. Against this background, the recent past has already seen an emerging trend towards Advanced Packaging Technology. The Advanced Packaging process can reduce the area required for bonding the chip to the substrate by about tenfold compared with classical wire bonding. This is achieved by contacting the chips using so called “bumps”.

Simply put, bumps are microscopically small beads of solder that are used to join the electrical contacts of a microchip with those on the housing. If approximately 500 microchips are arranged on a 200-mm wafer and each microchip has approximately 500 contact points, then the whole wafer will have approximately 250,000 contact points. A bead of solder or bump has to be affixed to each of these contact points. Because of the large numbers involved, only parallel fabrication processes can be considered in which all of the beads are generated simultaneously. Today the standard production methods of the semiconductor industry have emerged as low-cost procedures and these included spin coating and lithography. In particular the lithographic process supported by SÜSS MicroTec using Mask Aligners has proven to be particularly advantageous for processing the high resist layer thicknesses required.



Complete Process Lines Offer Customers Added Value

Installing a complete, new production line for microchip manufacturing is a significant investment for the semiconductor manufacturer. That is why such companies are very interested in commissioning their new production lines as quickly as possible so that they can start producing and amortizing their investment. This gives rise to the trend seen around the world today in which manufacturers reduce the number of suppliers and integrate several stages of the process into one machine. The smaller the number of coordination processes that have to take place between different machines and above all between different suppliers, the faster the production line can be put into service. Therefore the highest priority for SÜSS MicroTec's Product Division in the 2001 reporting year was allocated to the further integration of stand alone processes into integrated process lines for a more comprehensive solution.

In addition, customers expect SÜSS MicroTec to offer efficient system solutions that have been optimized and refined in terms of their engineering. In addition to reducing the number of suppliers, the process line consisting of several individual machines (e.g. spin coater, cluster, mask aligner, developer cluster) also offers substantial technical benefits in the production process. Integration of the separate machines enables the otherwise customary cassettes for transfer between machines to be eliminated. The wafers (the goods to be processed) can be fed through the entire line individually so that every wafer is subject to the same time conditions during processing, thus eliminating varying waiting times in the cassettes. This is a major advantage in view of the very critical temperature and drying processes and can often have a decisive effect on the processing result.

One example of a fully integrated process line is the LithoPack300, which was launched on the market in 2001. This line is the first and the only fully integrated lithography line in the world that is used for the Advanced Packaging of 300-mm wafers.

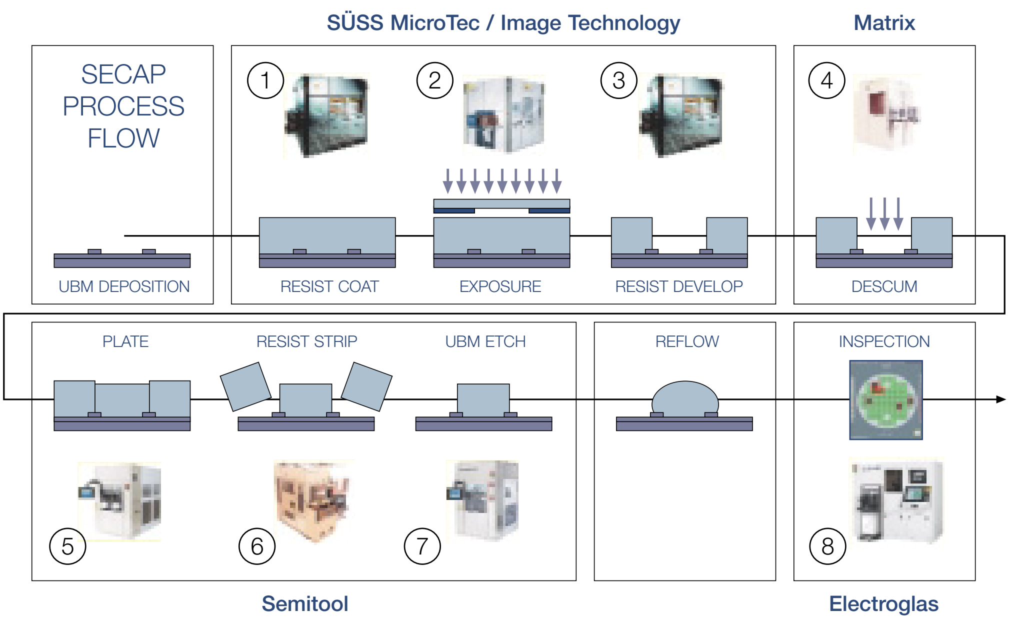
SECAP – Description and Process

SÜSS MicroTec supports its customers at the highest possible level. Wherever it has been able to do so through its own efforts, the company has attempted to exploit all the available options with direct investment. In order to offer its customers an even greater range of support and advice in the wide range of processes, SÜSS MicroTec initiated the foundation of the Semiconductor Equipment Consortium for Advanced Packaging (SECAP). Partner companies in this consortium are SÜSS MicroTec, Semitool, Electroglas, Matrix, Image Technology and the Fraunhofer IZM (Institute for Reliability and Microintegration). The consortium's declared aim is to advise industry on the introduction of Advanced Packaging technology. SECAP is actively involved in the following areas:

- drive equipment and technology roadmaps
- developing standards for process equipment and precision photo masks
- process support
- tutorials on the latest developments in Advanced Packaging processing

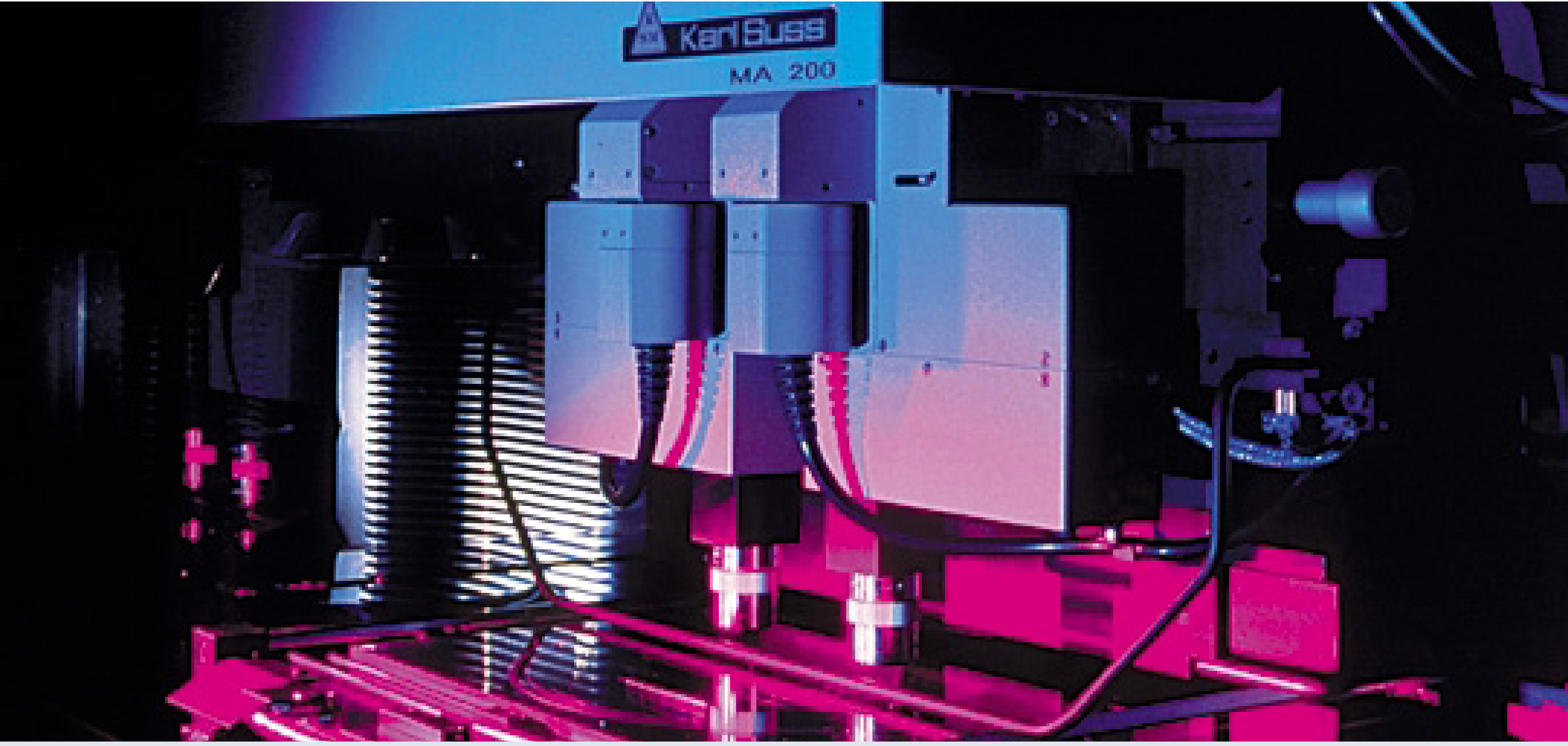
SECAP is pursuing a philosophy of providing support during development for all customers but also for suppliers and licensors of Advanced Packaging processes. As an independent consultant, the Fraunhofer Institute guides the dialog and acts a technical link between the SECAP partners. Even as far back as fall 2000, but above all in 2001, SECAP has managed to become the leading authority on Advanced Packaging. In conjunction with the semiconductor equipment trade association, SEMI, SECAP has organized international conferences in Europe and North America. Around the world more than 1,500 participants have attended many of the seminars and tutorials which offer instruction on modern packaging methods.

In the Advanced Packaging process the SECAP members' machines are arranged in the following sequence for seamless process integration:



1 ACS300 Plus
2 MA300
3 ACS300 Plus
4 Jaguar 300
5 Linear Tool Bi-Metal ECD
6 Spray Solvent SPECTRUM
7 Spray Acid MILLENIUM
8 Quicksilver

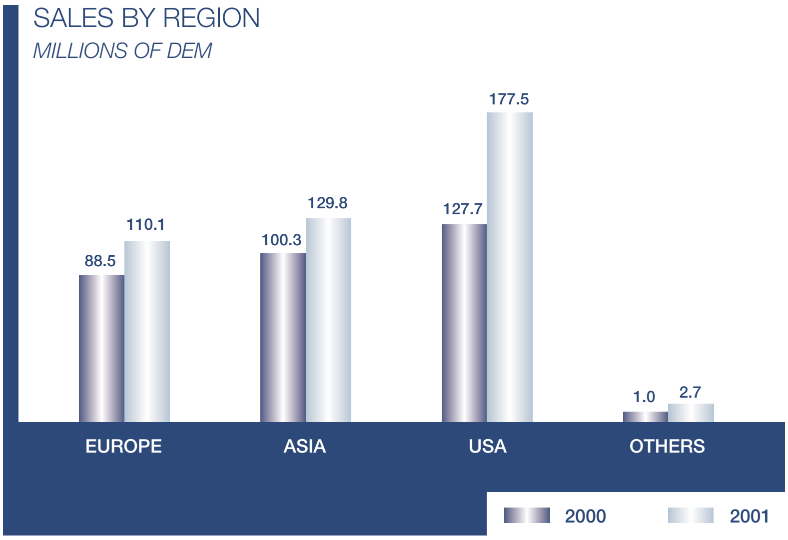
1 + 2 + 3 also available as LithoPack300



Global Presence of SÜSS MicroTec – Geographical Distribution of Sales

Targeted global presence – that is the maxim of SÜSS MicroTec. The company operates and opens manufacturing plants and branch offices only in strategically significant locations. In other words, all of its branches are located in rapidly-growing technology markets or important geographical centers from where they can guarantee swift support for the SÜSS MicroTec customers. In 2001, SÜSS MicroTec operated 13 branch offices and more than 30 distribution and service centers worldwide. The manufacturing plants are located in Munich, Vaihingen, Aßlar and Dresden in Germany, St. Jeoire in France and Waterbury, VT in the USA.

All of the SÜSS MicroTec branches are firmly established in their respective markets and assert themselves successfully, even against local competitors. Several of the branches are already making history: for example, the SÜSS MicroTec branch in the United States of America, located in Waterbury, Vermont, has been in existence for 21 years, the branch in Bangkok for 18 years and the SÜSS MicroTec office in Yokohama (Japan) for 13 years. Last year the company opened new branches in Shanghai (China) and Hsinchu (Taiwan).



This global presence gives SÜSS MicroTec direct access to top international customers, including the largest and most important companies in the semiconductor industry. There is no dependence on individual customers, however – no customer accounts for more than 6% of total sales and the five largest combined make up just 20–25% of sales.

Total sales of the Suss Group grew in 2001 by an impressive 32.3 %. This increase was achieved very evenly in all product lines as well as in all regions, although a significant down turn during the 4th quarter, especially in North America was recognized.

The geographical distribution of the order intake reflects the political as well as the economical expectations of our customers in their respective region. The total order intake on a world wide base decreased from 2000 to 2001 by 32.2%.

Especially in North America the tragic events of September 11 had a negative influence on the order placement activity of our customers. During the second half of the fiscal year 2001, the volume of new orders from North America was matched by the volume of order cancellations from this region, dragging the net order contribution down to almost zero.

In Europe and Asia, the influence from September 11 was not as significant as in North America, but the global political and economical uncertainties also slowed down the market and order placement activity. Nevertheless in Asia outside Japan the net order intake did grow in 2001 compared to the previous year.

In the future, the role played by the Asian markets – particularly Taiwan and China – will become more and more important. Important packaging firms, which as so-called foundries focus specifically on packaging as a service for the chip manufacturers, have their headquarters in Taiwan. Increasing investment in China, not only by these foundries but also by many other customers in Asia, the USA and Europe, are already indicating how important China's role will be over the next few years.

Group Management Report and Management Report per 31 December 2001

The Enterprise Group

The SÜSS Group develops manufactures and sells production equipment and test systems for the microelectronics and micro-systems industry. As a supplier of systems solutions for the semi-conductor technology, the Group has gradually become a powerful partner of this industry. High growth market niches form the main areas of business activity and encourage the innovative development of technology, offering long-term profit potential for tomorrow's markets. The focus is primarily on microchip architecture and connection technology for telecommunications applications and optical data transmissions. The company continues to offer larger process lines consisting of several individual devices, which are developed and manufactured by various enterprises within the Group.

Consolidated Group

The management report deals with both the consolidated and the individual financial statements of SÜSS MicroTec AG (SMT AG). To the extent it becomes necessary, any special features in the SMT AG's individual financial statements will be specifically addressed.

In addition to SÜSS MicroTec AG, the Group also includes SUSS MicroTec Lithography GmbH, which was formed as a result of the company's reorganization.

Pursuant to a capital contribution agreement dated 12 April 2001 and with retroactive effect as of 31 August 2000, SÜSS MicroTec AG's shares in Aug III (Aug III/9916 Vermögensverwaltungs GmbH) were transferred to Karl Süss Munich in return for the granting of shareholder rights. Pursuant to a merger agreement dated 19 April 2001 and effective as of midnight (0.00hrs), 31 August 2001, Aug III, by way of a merger through acquisition, transferred its entire assets to Karl Süss Vaihingen.

The former Karl Süss KG Präzisionsgeräte für Wissenschaft und Industrie GmbH & Co. (Karl Süss KG GmbH & Co) previously held 100% of the shares in Karl Süss Vaihingen GmbH, Vaihingen Enz. Pursuant to an agreement dated 13 November 2001 and effective as of 01 October 2001, Karl Süss Vaihingen GmbH merged with Karl Süss KG GmbH & Co. Pursuant to a shareholders' resolution adopted on 17 December 2001, the former Karl Süss KG GmbH & Co was reorganized into – and its name changed to – SUSS MicroTec Lithography GmbH. Under the terms of another merger agreement dated 17 December 2001 and effective as of 01 December 2001 (effective date of merger), K&W Gesellschaft für Halbleitergeräteservice, Applikations- und Automatisierungstechnik mbH (K&W), by way of a merger, transferred its entire assets to SUSS MicroTec Lithography GmbH, in return for the granting of shareholder rights in SÜSS MicroTec AG.

On 15 May 2001 a capital increase from authorized capital was effected in the sum of DEM 671,350 and entered in the Commercial Register on 12 September 2001. The shares were issued in return for the acquisition of the entire shareholding in Image Technology Inc., Palo Alto (ITI) (capital increase against contribution in kind). With the acquisition of the shares, ITI now also belongs to the consolidated Group.

The consolidated Group furthermore includes SUSS MicroTec Testsystems GmbH Dresden, SUSS MicroTec Great Britain Ltd., Wokingham, SUSS MicroTec Japan K.K., Yokohama, SUSS MicroTec

America Inc., Waterbury, SUSS MicroTec France S.A., St. Jeoire, as well as MFI Inc. Vancouver, which was acquired during the fiscal year. In order to ensure a uniform appearance of the Group's companies worldwide, the elements added to the names of the individual companies were changed from the former Karl Süss to SUSS MicroTec.

The Holding Company

SÜSS MicroTec AG is a management holding company with two executive board members and sixteen staff members (previous year 9 staff members) which has its registered office in Garching near Munich.

The holding company's responsibility is to direct and manage the SÜSS Enterprise Group. The duties it has assumed include management of the strategic direction, e.g. expansion of the product portfolio, acquisitions and financing issues of the entire Group. The holding company is likewise responsible for the corporate identity in the areas of investor relations and marketing.

As reflected in the AG's individual financial statements prepared in accordance with the relevant provisions of the German Commercial Code, the holding company was able to achieve a net profit for the year of DEM 7,185K.This figure is calculated based on the income from the company's equity holdings in the sum of DEM 9,789K, the financial earnings of DEM 3,713K, a non-operating loss of DEM 4,749K and income taxes of DEM 4,041K as well as the operating results of DEM 2,473K.

The Executive Board has proposed the balance sheet profit of DEM 4,891,851.28 be carried forward to new account. As it has been projected that the subsidiaries will make a positive contribution to results and based on the holding company's financing activities, the Executive Board continues to expect a positive result.

Events Following the Balance Sheet Date

The SÜSS Enterprise Group plans to continue making useful acquisitions and to thus further solidify its market position. In the past, companies or assets of companies were purchased for this purpose that usually did not exceed a volume of EUR 10 million. Effecting acquisitions of this size by using authorized capital issued against in-kind contributions is quite difficult and therefore it makes more sense to settle these in cash. On the other hand, long-term investments of this type should not be a drain on short-term credit lines, since such credit lines are intended to finance the day-to-day business.

On 16 January 2002 a capital increase (from authorized capital) against cash contribution was implemented in the sum of EUR 1,130,000 and entered into the Commercial Register on 18 January 2002. The newly issued shares carry dividend rights with retroactive effect as from 01 January 2001. The Supervisory Board consented to these capital increases.

On 16 January 2002, Karl Süss GmbH purchased a substantial portion of the insolvent BLE GmbH Singen's assets in the sum of DEM 7,164K. Karl Süss GmbH, with its registered office in Garching, is the former corporate general partner of Karl Süss KG GmbH & Co. At the same time, Karl Süss GmbH hired 44 staff members from the former BLE GmbH by entering into new employment contracts.

Market Position

In continuation of the successes it had experienced in recent years, the SÜSS Group was able to consolidate and further expand its position as manufacturer of machines and test systems for the chip industry. The markets served by the SÜSS Group, i.e. Advanced Packaging, telecommunication applications and micro systems technology, are developing more favourably than the market as the whole, even in the light of difficult market conditions.

Advanced Packaging is a new technology which is being used for electrical contacts of microchips on the circuit board or for chip-to-chip contacts. SÜSS MicroTec supplies production devices for this new technology, which devices cover a substantial part of the production processes.

In the offering of the new Cluster System Lithopack 300, in particular, SÜSS MicroTec implemented its objective to offer several process modules without process specific interfaces. In this case, Coaters, Developers, Mask Aligners and handling systems were integrated into one tool. By choosing from the different products offered by SÜSS MicroTec, the customer is now able to compile the number of process modules in line with its own specific requirements. At present, SÜSS MicroTec is the only supplier of such system concepts, which provide the customer with greater process security as well as cost advantages.

During the reporting year, SÜSS MicroTec was able to maintain its market position in the telecommunications technology industry given the good solutions from Mask Aligner, Spin Coater and Developer for the manufacture of special microchips, so-called III/V semi-conductors. However, in this respect, the future trend is also towards linked and networked process lines (Cluster Systems).Together with reputable partners in the semi-conductor industry, SÜSS MicroTec is developing new standard systems.

Micro systems are now increasingly being used in every day life. The smallest possible sensors (Measuring Systems) and motion detectors are now found in motor vehicles, medical equipment, or computer networks. Ultra small compact components measuring only a few thousandths of a millimetre are being produced for a number of different applications. SÜSS MicroTec supplies high-precision equipment for the manufacture and assembly of these components. In addition to the products used for lithography processes, SÜSS MicroTec also offers and successfully employs micro-assembly lines (Device Bonders). Besides involving themselves with tasks arising from micro systems technology, SÜSS MicroTec engineers are also solving applications in the field of opto-electronics and optical data transmission.

Orders Position

At the beginning of the year 2001 the SÜSS Group had a sizeable backlog of orders. This positive developmental trend in orders also continued in the first quarter of 2001, but did, however, decline by approximately 40% compared to the previous year in the 2nd and 3rd quarter. The 3rd quarter, in particular, was overshadowed by the events in the US and the stagnant market in the chips business.

While the volume of orders received in Asia improved significantly, from DEM 115 million in 2000 to DEM 139 million in 2001, almost no orders could be booked in the US during the 3rd and 4th quarter. Many American companies attempted to avoid over-capacities by canceling their orders. Incoming orders in Europe decreased by 8% as compared to the previous year, i.e. from DEM 121 million in 2000 to DEM 110 million in 2001. Triggered by the most marked downswing in the semi-conductor industry over the last 20 years, the order focus has now shifted from production machines in the direction of laboratory and development devices.

The Group's net sales for fiscal year 2001 rose to the encouraging figure of DEM 420 million which corresponds to an increase of DEM 102.5 million over the previous year. Thus, within the Group, the development of sales was better than in the semi-conductor industry, which had to deal with a 33% decline in sales during the year while SÜSS Micro-Tec was able to achieve a gross growth rate of 32.3%. Following North America with a share of 42.2% of sales (previous year 40.2%), Asia, as in the previous year, was the second largest regional market for the SUSS Group at 30.9% (previous year 31.6%).

Europe, which represented the third largest market, generated 26.2% of sales (previous year 27.9%). In order to specifically support additional business growth in Asia, the SÜSS Group, as in the previous year, has continued to strengthen its service organi-zation and has expanded its branch in Hsinchu (Taiwan) and has opened up a further branch in Shanghai (China).

The order book at the end of the year reflects a figure of DEM 112.6 million. This is compared to the previous year (DEM 231 million) a decrease by approximately 50%.

Financial and Earnings Position

As in previous years, the Group's earnings position has improved significantly during the past year. The good market positioning of the SÜSS MicroTec products in a still favourable economic climate has led to a stable price situation.

In comparison to the previous year, earnings before taxes, interest, depreciation/amortization (EBITDA) rose by 35%, from DEM 73,054K in 2000 to DEM 98,585K. This yields earnings before taxes and interest of DEM 79,904K (previous year DEM 61,468K + 30%) and earnings before taxes (EBT) of DEM 76,197K. Annual net income for 2001 was DEM 41,226K and led to earnings per share of DEM 3.00.

The essential balance sheet ratios as of 31 December 2001 are illustrated below (TDM = DEM thousands):

	SÜSS MicroTec AG	SÜSS Group
	TDM	TDM
Total assets	207,047	372,324
Equity capital	127,545	186,231
Equity capital to total assets (%)	61.6%	50.1%
Fixed assets	144,799	115,067
Fixed assets to total assets (%)	69.9%	30.9%
Current assets	61,897	252,913
Current assets to total assets (%)	29.9%	67.9%

The encouraging earnings situation has only had a minor impact on the Group's financial resources. These essentially reflect the changed market conditions. The drop in incoming orders has been directly responsible for a DEM 30,810K reduction in customer down-payments, whereas cancellations and postponements of orders have resulted in a DEM 33,241K increase in inventories. During the reporting year, the Group's finan-cial resources decreased by DEM 23,227K (previous year: an increase of DEM 11,237K).

Product Lines

SÜSS MicroTec develops, produces and sells five product lines: Mask/Bond Aligners, Spin Coaters and Developers, Device Bonders, Substrate Bonders and Probers. The Mask Aligners, Spin Coaters and Developers continue to represent the largest share of business volume. Both product lines account for approximately 74% of sales. As part of the semi-conductor manufacturing process, Mask Aligners are used for structuring with a photolithographic procedure. Spin Coaters and Developers carry out the process steps directly before and directly after photolithography.

SÜSS MicroTec offers a combination of three or more production systems as a package, which provides customers with the benefit of having a complete solution under one roof. At the same time SÜSS MicroTec receives significantly higher order volumes.

In 2001, the so-called Lithography Cluster Systems were added to the existing product portfolio in order to meet the requirements of manufacturing customers. These Cluster Systems are integrated, highly automated process lines consisting of Mask Aligners, Coaters and Developers.

These Cluster Systems enable customers to further increase their efficiency, thereby reducing their manufacturing costs. In the course of this cluster development a new modern platform was simultaneously created for the future product range of 200mm production systems as well as in the segment of the new 300mm technology growth market.

The first Atomic Micron Force Probe Head was sold in the test systems sector. This is a new product that, as a result of its technology, is able to make contact and measure ultra small structures on a chip’s surface in the thousandth of a millimetre range. Once the miniature needle has reached its target object, contact is established and measurement of the electrical signals takes place. No other product world wide provides a similar performance in terms of technical functionality and cost economy.

Expenses for Research and Development

In 2001, the expenses for research and development (R&D) totaled DEM 33.639 million (8% of sales). This figure includes expenses for new and updated products as well as expenses for the launching of new products.

The development of the new 300 millimetre wafer formats continues to be a key project. For the first time, Cluster Systems consisting of a combination of Coaters, Developers and Mask Aligners are ready to be launched on the market.

Relating to the acquisition of MFI, an amount of DEM 0.915 million are shown in the income statement under the item “amortization of in-process research and development as part of purchase price allocations (IPR&D)”. This item relates to MFI, which was acquired in 2000. In accordance with US-Generally Accepted Accounting Principles, as clarified by FIN 4, this amount must be expensed currently.

Staff Increases in the Group

The SÜSS MicroTec Group employed an average of 955 staff members during the year. This is an increase of 269 staff members over the corresponding period in the previous year. In August, the number of employees reached an all-time high of 1,009 employees. This rise in the number of staff members can primarily be attributed to the expansion of the business operations. In line with the market development, the number of employees fell in the second half of the year. At the end of the fiscal year the Group employed 956 staff members.

Risks for Continued Business Development

At the beginning of 2000, measures were taken for establishing a risk recognition system.

In 2000, a risk inventory formed a material part of this risk recognition system whereas in 2001, regular risk reporting was further implemented in part. In view of the restructuring processes within the Group, initially only the most important organizational units have been included in the risk reporting system.

Being active worldwide in a fast growing high technology market sector means that the company is exposed to the following risks:

RISKS FROM CYCLICAL MARKET FLUCTUATIONS AND MARKET DEVELOPMENTS

In the current fiscal year, one of the most serious risks facing the Company stems from the present crisis in the semi-conductor market and the difficulty in assessing the short-term market developments. Although the Company did recognize the early signs and implemented initial measures, the uncertainty surrounding the dimensions and the end of the crisis still remains.

The main question is, particularly in times when the semi-conductor industry is experiencing a crisis, which new technologies or products will trigger the next upswing. The launching of suitable technologies and products in line with market requirements or the further development of products represents a major challenge to the equipment industry. In order to face this technological risk, the Company has compiled so-called “Technology Road Maps” and has had continuous discussions with key customers in this regard.

RISKS FROM DELAYED ADJUSTMENT OF CAPACITIES

On the one hand, the Company is using the crisis as an opportunity for consolidating and restructuring its organization, which has grown at a fast pace, as well as for adjusting its capacity locally. Besides closely watching the market at all times, the Company also focuses on creating greater flexibility with respect to working hours and working models so that once the market enters its next up-swing phase it will be able to react quickly and resolutely in the interests of its customers.

CURRENCY IMPACTS AND LIQUIDITY

While in the past year the fluctuations and impacts of exchange rates still presented the largest risk factor, this risk has been considerably reduced through the hedging of the transactions and the relatively stable development of the Dollar and Yen.

As a result of the developments in the US after 11 September, the Company was hit in the last quarter by cancellations and postponements of orders particularly in the US. Together with reduced customer down payments as a result of a drop in incoming orders, the issue surrounding the liquidity of the Company and the timely adjustments of its expenses has become more important. Savings measures have since been initiated to address this risk. The capital increase implemented in January of 2002 reduces the liquidity risk even further.

INVENTORIES

The development and launch of new more complex products (Cluster Systems) has lead to a noticeable increase in inventories.

At the same time, orders cancelled and postponed primarily in the second half of the year led to an increase in inventories. However, since these machines represent the state-of-the-art, these increased inventories will be reduced again in the future.

The Company has stipulated more extensive rules and regulations regarding the handling of such orders. It will, in particular, continue to focus on the development of the inventory and a reduction of its costs in line with the declining order volumes.

RISK FROM RAPI GROWTH, STRUCTURE AND ORGANIZATION

The rapid growth over the past few years has also been responsible for marked changes in the Company's structure. The integration of new staff members and new companies into the Group involves a considerable risk potential.

RISKS IN INTEGRATING EQUITY HOLDINGS

The Group's acquisition of further equity holdings, i.e. its takeover of ITI as well as its recent acquisition of the assets of BLE GmbH, has strengthened its competitive position. Our future success partly depends on whether we will be able to integrate staff members and new products into the Group in future as well.

The entire sales organization in Europe is combined under one roof in the European Sales Centre in Garching. Mixed production, which has taken place at various production sites due to acquisitions, sometimes lead to direct competition within the Group as well as with the customer. This problem was solved by the clear allocation of the responsibility to one production site in each case. Finally, the merger of formerly legally independent companies, job rotation and further reorganization of the group represent additional risks. Another significant risk exists owing to the merger of formerly legally independent companies, changes in problem definition and the restructuring of the Group.

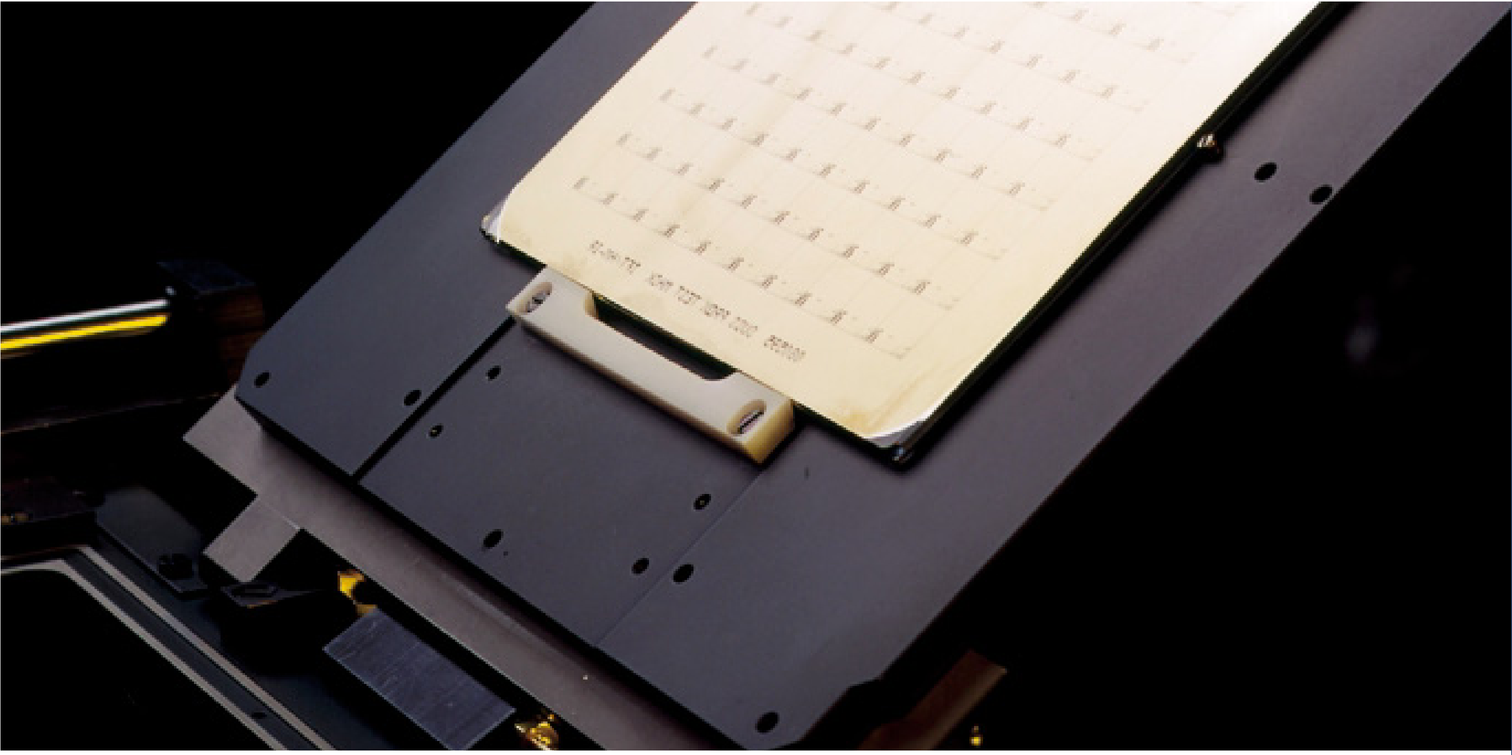
Outlook

The Company currently operates in a difficult market environment. The crisis which is being experienced in the semi-conductor industry has now also spread to the adjoining technology markets of telecommunications or micro-systems technology. The general expectation at the beginning of fiscal year 2002 is that these markets will recover in the 2nd or 3rd quarter. This in turn, should lead to an increase in incoming orders. In this respect, the individual markets served by SÜSS MicroTec will certainly not develop along uniform lines.

Today mostly so-called "technology purchases" are being made in the Advanced Packaging market. This means that new customers will install the first process line so that the new technology can be introduced into their manufacturing process.

Manufacturing capacity will not be increased and no additional machines will be ordered until there is an upswing in economic activity. In recent months, the Company proceeded to equip its major customers with their first machines and has thus in all probability not lost any market share. Once the economic climate improves, the Management expects a significant increase in incoming orders in this area, given its excellent market position.

With the launch of new products, such as the Lift-Off Tool, and the purchase of new technology (Wafer Mounting) the Company has significantly expanded its product range in the Compound Semiconductor sector. In this market segment in particular, the development from a machines supplier to a systems supplier is as significant as it is promising.



Growth in this market segment is being spurred through the further development of optical data communication and, in principal, is not being questioned. In 2000 and 2001, however, manufacturers of optical components also significantly over invested in production devices. These overcapacities will be reduced in the course of 2002 with the result that, in this area also, the Company expects an increase in incoming orders as soon as the economic climate improves.

The business sectors involving micro-technology and test systems are certainly less influenced to cyclical fluctuations than the business fields mentioned above. With respect to microsystems technology, the number of applications involving large numbers of production units is very small. Most of the customers consist of small companies that generally still use a large part of their manufacturing facilities for research and development work.

With regard to test systems, the Company only offers analytical test systems which are employed in development and testing laboratories and are not intended for mass production. Experience has shown that laboratory applications are far less subject to cyclical fluctuations than production applications. As a result, the proportionate share of order attributable to the test systems product line in relation to the Company's total order entry increased from approximately 17% to approximately 25%. It is expected that in the new fiscal year it will once again make a significant contribution to total sales.

The outlook for the expected sales figures is extremely difficult and subject to enormous risk as the customer's order period has now become very short. Any significant effects on annual sales will largely hinge on when the economy will start its recovery. With respect to the development of sales, it is expected that the Company will experience a seasonal development similar to what had been typical for the Company prior to the exceptional year 2001, which started off with an exceptionally high inventory of orders. In light of the current orders situation, sales at the beginning of the first two quarters will be subdued. If the second, and particularly the third quarter sees an increase in incoming orders, many of these additional orders may very well still be realized as sales. At this point in time, the Executive Board expects that sales figures will be flat or slightly down during all of 2002 but will increase significantly in 2003.

As regards the regional allocation of sales, the Management expects that North America and Asia will be the strongest growth areas. The Management expects, furthermore, that the earnings situation, as adjusted for special effects, will continue to be stable even if sales will fall slightly in 2002.

Garching, 07 March 2002

The Executive Board

F. Richter C. Lichtenberg

Dr. Franz Richter Claus Lichtenberg

CONSOLIDATED STATEMENT OF INCOME (US-GAAP)

Figures in TDM	Notes	01 Jan 2001 – 31 Dec 2001	01 Jan 2000 – 31 Dec 2000
Revenues		435,604	330,847
Freight and Commisions		–15,553	–13,376
Net sales		**420,051**	**317,471**
Cost of goods sold		180,594	139,954
Gross profit		**239,457**	**177,517**
Administration and selling costs		–122,777	–91,884
Research and development		–32,724	–20,277
In process R&D expenses		–915	0
Amortization of goodwill		–8,496	–5,452
Other operative income	3.18	3,799	1,452
Net income from operations		**78,344**	**61,356**
Interest expenses		–4,029	–5,023
Interest income		322	461
Foreign currency exchange gains and losses		–467	3,021
Other income and expenses	3.18	2,027	–2,909
Earnings before tax		**76,197**	**56,906**
Income tax	3.10	–34,971	–28,843
Earnings after tax and before cumulative effect of a change in accounting principle		**41,226**	**28,063**
Cumulative effect of a change in accounting principle		0	–4,650
Net income		**41,226**	**23,413**
Earnings before Interest and Taxes (EBIT) [1]		79,904	61,468
Earnings before Interest and Taxes, Depreciation and Amortiziation (EBITDA) [1]		98,585	73,054
PER SHARE	3.14		
Basic earnings per share			
Earnings after tax and before cumulative effect of a change in accounting principle		3.00	2.13
Cumulative effect of a change in accounting principle		0.00	–0.35
Net income		**3.00**	**1.78**
Diluted earnings per share			
Earnings after tax and before cumulative effect of a change in accounting principle		2.99	2.12
Cumulative effect of a change in accounting principle		0.00	–0.35
Net income		**2.99**	**1.77**
Pro-forma amounts under the assumption, that the change in the revenue recognition policy would have been applied retroactively			
Earnings after tax and before cumulative effect of a change in accounting principle		0	28,063
Basic earnings per share		3.00	2.13
Diluted earnings per share		2.99	2.12
Net income		41,226	23,413
Other comprehensive income (net on tax)			
Differences in foreign currency translation		–483	–493
Aditional minimum liability		–1	–6
Comprehensive Income		**40,742**	**22,914**

[1] Untestiert

ASSETS

Figures in TDM	Notes	31 Dec 2001	31 Dec 2000
Cash and cash equivalents		14,589	33,197
Accounts receivable	3.1	99,364	106,391
Other receivable and assets	3.7	6,932	5,557
Inventories	3.2	119,423	86,182
Prepaid expenses		2,069	2,526
Deferred tax assets current	3.10	10,536	10,989
Total current assets		**252,913**	**244,842**
Tangible fixed assets	3.3	36,681	15,854
Intangible fixed assets	3.5	78,386	66,716
Investment in subsidiaries	3.6	495	513
Deferred tax assets long term	3.10	698	2,973
Other long term assets		3,422	3,213
Total assets		**372,595**	**334,111**

LIABILITIES AND SHAREHOLDERS' EQUITY

Figures in TDM	Notes	31 Dec 2001	31 Dec 2000
Current bank liabilities	3.8.3	57,740	53,121
Current lease obligations	3.4	775	796
Accounts payable		14,623	22,478
Current portion of pension liabilities	3.11	1,004	966
Current portion of long term debt	3.8.11	5,151	2,521
Other current liabilities	3.9	67,550	91,428
		146,843	171,310
Long term debt	3.8.11	24,256	30,074
Leasing obligations	3.4	1,225	1,873
Long term pension obligations	3.11	6,909	7,908
Other long term liabilities		6,861	783
		39,251	40,638
Subscribed capital	3.12	26,995	26,324
Additional paid in capital		91,369	68,444
Appropriated retained earnings		846	846
Retained earnings (current year and brought forward)		67,623	26,397
Cumulative other comprehensive income	3.12.1	–332	152
Total equity		**186,501**	**122,163**
Total liabilities and shareholders' equity		**372,595**	**334,111**

CONSOLIDATED STATEMENT OF CASH FLOWS (US-GAAP)

Figures in TDM	01 Jan 2001 – 31 Dec 2001	01 Jan 2000 – 31 Dec 2000
Cashflow from operating activities		
Net income	41,226	23,413
Adjustments to equity caused by exchange-rate fluctuations	–583	–493
Adjustments to reconcile net income to net cash used in operating activities:		
Non-cash stock based compensation	3,003	920
In process R&D expenses	915	0
Amortization of intangible assets	3,512	1,686
Amortization of goodwill	8,496	5,452
Amortization of investment in subsidiaries	30	3,795
Depreciation of tangible assets	5,860	3,380
Amortization of leased assets	813	1,068
Decrease of deferred tax assets	1,982	1,031
Loss on disposal of assets	261	202
Earnings on investments	–12	–19
Changes in assets and liabilities:		
Decrease / increase in accounts receivable	8,780	–42,898
Increase in stock	–32,714	–38,437
Decrease / increase in prepaid expenses	457	–1,416
Increase / decrease in other assets	–1,386	6,631
Decrease / increase in accounts payable	–8,280	10,831
Decrease / increase in other liabilities, provisions and deferred income	–28,682	59,379
Decrease in pension obligations and similar creditors	–961	–633
Increase in other long-term liabilities	3,487	694
Net cash provided / -used in operating activities	**6,204**	**34,586**
Cashflow from investing activities:		
Payments in tangible assets	–25,054	–4,907
Payments in intangible assets	–3,214	–506
Payments in financial assets	0	0
Received cash from / payments for business aquisitions	2,552	–1,875
Loan merger due to business combination	0	–11,855
Proceeds from disposal of tangible and financial assets	142	72
Net cash used in investing activities	**–25,574**	**–19,071**

CONSOLIDATED STATEMENT OF CASH FLOWS (US-GAAP)

Figures in TDM	01 Jan 2001 – 31 Dec 2001	01 Jan 2000 – 31 Dec 2000
Cashflow from financing activities:		
Increase of bank loans	2,630	21,706
Repayment of bank loans	–5,818	–24,190
Finance-lease payments	–669	–1,619
Payments to silent partners	0	–175
Net cash used / provided by financing activities	**–3,857**	**–4,278**
Net increase / -decrease in cash:	**–23,227**	**11,237**
Adjustments to funds caused by exchange-rate fluctuations	244	–395
Funds at beginning of the year	–20,168	–30,766
Funds at the end of the period	**–43,151**	**–19,924**
RECONCILATION OF FUNDS TO THE CONSOLIDATED BALANCE SHEET		
Cash and cash equivalents	14,589	33,197
Current account creditors (bank creditors)	–57,740	–53,121
	–43,151	–19,924
Supplemental cash flow information:		
Interest paid during the period	4,631	3,674
Income taxes paid during the period including prepayments	32,834	16,526
Disclosure of other non cash activities		
Capital increase in connection with business combinations	20,893	13,245
Increase of tangible assets under capital lease	5,485	258

For disclosure of assets and liabilities aquired by business combination refer to note 2.5.

FIXED ASSET MOVEMENT SCHEDULE

Figures in TDM	Acquisition or Production Costs								Amortization / Depreciation							Net book value	
	01 Jan 2001	Currency differences	Addition from investing	Addition from acquisition	Reclassifications	Reclassific. purchase price allocation	Disposals	31 Dec 2001	01 Jan 2001	Currency differences	Additions	Addition from acquisition	Reclassifications	Disposals	31 Dec 2001	31 Dec 2000	31 Dec 2001
I. Intangible assets																	
1. Concessions, intellectual property rights and similar rights and assets as well as licences to such rights and assets	18,045	–55	3,961	6,562	761	1,819	260	30,833	2,123	–36	3,512	928	761	60	7,228	15,922	23,605
2. Goodwill	66,887	0	0	14,472	0	–1,989		79,370	16,093	0	8,496	0	0	0	24,589	50,794	54,781
	84,932	**–55**	**3,961**	**21,034**	**761**	**–170**	**260**	**110,203**	**18,216**	**–36**	**12,008**	**928**	**761**	**60**	**31,817**	**66,716**	**78,386**
II. Tangible fixed assets																	
1. Buildings and land	7,293	–4	5,659	1,074	1,610	0	8	15,624	2,234	12	1,017	593	184	3	4,037	5,059	11,587
2. Technical equipment and machinery	5,271	23	12,238	3,102	5,688	0	510	25,812	3,492	41	1,979	3,018	3,690	387	11,833	1,779	13,979
3. Other assets, office and plant furnishings	16,174	69	6,950	711	63	0	774	23,193	11,468	85	2,654	559	276	725	14,317	4,706	8,879
4. Motor vehicles	1,322	15	70	178	–24	0	113	1,448	905	8	162	165	–25	87	1,128	417	320
5. Facilities under constructions	137	1	92	0	–119	0	0	111	0	0	0	0	0	0	0	137	111
6. Capitalized leased property																	
Buildings and land	1,284	0	0	0	–111	0	0	1,173	149	0	118	0	–13	0	254	1,135	919
Technical equipment and machinery	1,661	0	0	5,485	–5,516	0	0	1,630	612	0	407	3,526	–3,509		1,036	1,049	594
Other equipment, office and plant furnishings	2,905	0	0	0	–1,142	0	61	1,702	1,333	0	288	0	–154	60	1,407	1,572	295
	36,047	**104**	**25,009**	**10,550**	**449**	**0**	**1,466**	**70,693**	**20,193**	**146**	**6,625**	**7,861**	**449**	**1,262**	**34,012**	**15,854**	**36,681**
III. Financial assets																	
1. Equity consolidated holdings	4,264	0	12*	0	0	0	0	4,276	4,025	0	30*	0	0	0	4,055	239	221
2. Other equity investments	602	0	0	0	0	0	0	602	328	0	0	0	0	0	328	274	274
	4,866	**0**	**12**	**0**	**0**	**0**	**0**	**4,878**	**4,353**	**0**	**30**	**0**	**0**	**0**	**4,383**	**513**	**495**
	125,845	**49**	**28,982**	**31,584**	**1,210**	**–170**	**1,726**	**185,774**	**42,762**	**110**	**18,663**	**8,789**	**1,210**	**1,322**	**70,212**	**83,083**	**115,562**

* At Equity Valuation

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Figures in TDM	Number of shares (in thousands)	Sub-scribed capital	Capital reserve	Earnings reserve	Profit carried forward	Annual Net income/ net loss	Cumulative Other Com-prehensive Income	Total
As of 01 January 2000	13,000	25,426	55,177	846	1,785	1,199	651	85,084
Transfer of profit/loss								
carried forward account					1,199	–1,199		0
Purchase AUG III [1]	350	684	6,161					6,845
Purchase K&W [2]	109	214	6,186					6,400
Appropriation based on								
issuance of subscription rights			920					920
Annual net income						23,413		23,413
Foreign currency adjustments							–493	–493
Minimum liabilities								
for pensions reserves							–6	–6
As of 31 December 2000	**13,459**	**26,324**	**68,444**	**846**	**2,984**	**23,413**	**152**	**122,163**
As of 01 January 2001	**13,459**	**26,324**	**68,444**	**846**	**2,984**	**23,413**	**152**	**122,163**
Transfer of profit/loss								
carried forward account					23,413	– 23,413		0
Purchase Image								
Technology Inc.	343	671	19,922					20,593
Appropriation based on								
issuance of subscription rights			3,003					3,003
Annual net income						41,226		41,226
Foreign currency adjustment							–483	–483
Minimum liabilities								
for pensions reserves							–1	–1
As of 31 December 2001	**13,802**	**26,995**	**91,369**	**846**	**26,397**	**41,226**	**–332**	**186,501**

[1] AUG III/9916 Vermögensverwaltungs GmbH

[2] K&W Gesellschaft für Halbleitergeräteservice, Applikations- und Automatisierungstechnik mbH

SÜSS MICROTEC AG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING 31 DECEMBER 2001

1 DESCRIPTION OF THE BUSINESS ACTIVITY

SÜSS Microtec AG ("SMT" or the "Company") was formed as a result of the reorganization of Karl Süss Verwaltungs GmbH. The Company operates on an international level and deals in products from the areas of micro-systems technology and micro-electronics. Production is concentrated at the sites of Garching, Oberschleißheim, Sacka and Vaihingen, (Germany), Waterbury, San Jose, (USA), and Saint Jeoire, (France). The site of Aßlar, Germany, is used principally as an extended workshop (separate site for assembly services). The products are distributed both from the production sites as well as from independent sales companies situated in the United Kingdom, Japan and Thailand. In countries where the Company is not itself represented, sales are handled via sales agencies.

2 SUMMARY OF THE RELEVANT ACCOUNTING PRINCIPLES

2.1 BASIS OF REPRESENTATION

The Company has been listed on the regulated market of the Frankfurt Stock Exchange and the Neuer Markt segment of Deutsche Börse AG since 18 May 1999.

Pursuant to §292a of the Germany Commercial Code (Handelsgesetzbuch; hereinafter "HGB"), the Company is thus not required to prepare its Consolidated Financial Statements in accordance with the provisions of §§290 et seq. of the HGB. The Group Management Report was prepared in accordance with the provisions of §290 (1) et seq. of the HGB.

The present Consolidated Financial Statements were prepared in accordance with the generally accepted accounting principles (US-GAAP) recognized in the US.

All figures are in Deutsche Mark (DM), unless otherwise stated. The Group´s currency will change to the EURO effective 01 January 2002.

2.2 ESSENTIAL DIFFERENCES BETWEEN THE ACCOUNTING PRINCIPLES UNDER GERMAN COMMERCIAL LAW AND US-GAAP

The following is a summary of the essential differences between US-GAAP and the generally accepted accounting principles under German commercial law, which are of particular relevance to the Company.

2.2.1 TANGIBLE FIXED ASSETS

In the Consolidated Financial Statements according to US-GAAP moveable assets are depreciated on a straight line basis, whereas according to the German accounting principles, taking into account the relevant tax provisions, depreciation also takes place on a reducing-balance basis.

According to US-GAAP, additions to fixed assets with an estimated useful life of more than one year are depreciated over their estimated useful lives. According to German accounting standards, "low cost assets" ("Geringwertige Wirtschaftsgüter"), with individual purchases costs under DEM 800.00, are booked in full to expenses in the year of purchase for reasons of simplification.

According to US-GAAP, leased land, buildings and operational equipment are carried as assets if certain criteria (for example, relationship between contract period and useful life expectancy) of met. Depreciation takes place over the useful life of the item or over the period of the leasing contract, whichever is the shorter. The payment obligations arising from leasing payments are carried as liabilities. According to German accounting standards, fixed assets are treated similarly in accounting practice, although the criteria to be fulfilled are stricter.

2.2.2 DEFERRED TAXES

In accordance with German accounting standards, deferred taxes which arise from tax loss carry-forwards are not recognized. Deferred tax assets resulting solely from the valuation differences between commercial law and tax law may be recognized. A provision for deferred tax liabilities must be set up.

According to US-GAAP, there is an obligation to record deferred tax assets, regardless of their origin, and an obligation to record deferred tax liabilities. With regard to reporting as short-term and long term, these deferred items follow the classification of those items, which gave rise to the valuation differences. Deferred tax assets are investigated with regard to whether recognition of the item is probable, and if necessary, an appropriate de-valuation is made.

2.2.3 OTHER PROVISIONS

According to US-GAAP, provisions for contingent liabilities may only be set up if it seems probably that the liability will materialize and the amount of the liability can reasonably be estimated. According to German accounting principles, provisions may also be set up when utilization thereof is merely possible, i.e. sufficiently probably.

2.2.4 PENSION PROVISIONS

According to US-GAAP, pension obligations that have been incurred are calculated according to the cumulative process of the "projected unit credit" method. The cash value of the pension obligation, which must be accrued, is thereby increased from year to year by the cash value of the entitlement earned by the employees. The basis of calculations for the annual pension costs is the cash value of the earned pension expectancy, taking into account future wage and salary adjustments. The discount rate is based on the long-term interest rate.

According to German accounting standards, provisions for employees' pension liabilities, which exist on the balance sheet date, are determined on the basis of the "going-concern value method" for taxes. Adjustments with respect to future wage and salary increases are not taken into account. The liabilities are shown fully as an obligation according to the actuarial evaluation with respect to retirement age, life expectancy and other factors, using a fixed annual interest rate of customarily 6%.

2.2.5 CONVERSION OF FOREIGN CURRENCIES

According to US-GAAP, accounts receivable and liabilities in foreign currencies are converted at the rate prevailing at the balance sheet date. Unrealized profits and losses are effectively anticipated. According to German standards, foreign currency account receivables are treated according to the lowest value principle and foreign currency liabilities according to the imparity principle. As a result, only unrealized losses are effectively anticipated, whereas unrealized profits from currency rate developments remain unaccounted for at the balance sheet date.

2.3 CONSOLIDATION

In addition to SMT, the Consolidated Financial Statements include all companies of significance over which – irrespective of the shareholding in these companies – control is being exercised in accordance with the control principle. This is generally assumed in the case of a shareholding in excess of 50%

Associated companies over which the Group may exert a material influence, (generally in the case of a shareholding between 20% and 50%) are valued according to the equity method.

Other equity holdings and companies over which no material influence may be exerted are carried at cost less any necessary reduction in value.

All inter-group transactions are eliminated.

2.4 INFORMATION CONCERNING THE CONSOLIDATED GROUP

The following subsidiaries and equity holdings of SÜSS MicroTec AG (the Group's ultimate parent company) are included in the Consolidated Financial Statements as of 31 December 2001 (information concerning the individual companies' capital and net income for the year has been provided in accordance with the respective local accounting principles and in the local currency):

2.4.1 FULLY CONSOLIDATED ENTERPRISES:
2.4.1.1 German Companies:

SUSS MICROTEC LITHOGRAPHY GMBH, GARCHING
(formerly Karl Süss KG Präzisionsgeräte für Wissenschaft und Industrie GmbH & Co.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	DEM 3,911,855.58
Equity interest	100%
Equity Capital	DEM 62,436,846.86
Annual Net Income	DEM 11,465,743.13

SUSS MICROTEC TEST SYSTEMS GMBH, SACKA
(formerly Karl Suss Dresden GmbH)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	DEM 1,000,000.00
Equity interest	100%
Equity Capital	DEM 13,735,975.73
Annual Net Income	DEM 5,733,973.47

2.4.1.2 Foreign Companies:

SUSS MICROTEC LTD., WOKINGHAM BERKSHIRE
(formerly Karl Suss Great Britain Ltd.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	GBP 10,000.00
Equity interest	100%
Equity Capital	GBP 1,498,073.00
Annual Net Income	GBP 209,973.00

SUSS MICROTEC K.K., YOKOHAMA
(formerly Karl Suss Japan K.K.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	YEN 30,000,000.00
Equity interest	100%
Equity Capital	YEN 847,768,153.00
Annual Net Income	YEN 276,895,140.00

SUSS MICROTEC INC., WATERBURY
(formerly Karl Suss America Inc.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	USD 105,000.00
Equity interest	100%
Equity Capital	USD 22,698,199.17
Annual Net Income	USD 12,618,533.75

SUSS MICROTEC S.A., ST. JEOIRE
(formerly Karl Suss France S.A.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	EUR 1,275,000.00
Equity interest	100%
Equity Capital	EUR 3,575,080.06
Annual Net Income	EUR 1,149,843.00

MFI TECHNOLOGIES INC., SAN JOSE

Annual Financial Statements	31 Dec 2001
Subscribed Capital	USD 2,737,476.00
Equity interest	100%
Equity Capital	USD –5,852,021.00
Annual Net Income	USD –1,649,783.00

IMAGE TECHNOLOGY INC., PALO ALTO

Annual Financial Statements	31 Dec 2001
Subscribed Capital	USD 24,287.00
Equity interest	100%
Equity Capital	USD 825,542.03
Annual Net Income	USD –294,566.15

2.4.2 ENTERPRISES VALUED AT EQUITY:

HUGLE LITHOGRAPHY INC., CALIFORNIA

Annual Financial Statements	31 Dec 2001
Subscribed Capital	USD 1,190,442.00
Equity interest	53.1%
Equity Capital	USD 52,414.00
Annual Net Income	USD –26,196.00

SUSS MICROTEC COMPANY LTD., BANGKOK
(formerly Karl Suss Asia Ltd.)

Annual Financial Statements	31 Dec 2001
Subscribed Capital	Baht 4,000,000.00
Equity interest	49%
Equity Capital	Baht 9,045,886.14
Annual Net Income	Baht 515,681.90

2.4.3 ENTERPRISES VALUED AT COST:
2.4.3.1 German Companies:

KARL SÜSS GESCHÄFTSFÜHRUNGS GMBH, GARCHING	
Annual Financial Statements	31 Dec 2001
Subscribed Capital	DEM 50,000.00
Equity interest	100%
Equity Capital	DEM 100,506.24
Annual Net Income	no business activity

ZTS-ZENTRUM FÜR TECHNOLOGIESTRUKTUR-ENTWICKLUNG, GLAUBITZ	
Annual Financial Statements	31 Dec 2000
Subscribed Capital	DEM 100,000.00
Equity interest	10%
Equity Capital	DEM 77,517.97
Annual Net Income	DEM –17,268.68

KARL SÜSS GMBH, GARCHING	
Annual Financial Statements	31 Dec 2001
Subscribed Capital	DEM 50,000.00
Equity interest	100%
Equity Capital	DEM 271,068.19
Annual Net Income	DEM –6,403.59

2.5 ACQUISITION OF NEW ENTERPRISES

As regards the acquisition of enterprises, that are entered on the balance sheet according to the purchase method, all acquired assets and liabilities are valued at their market value. If the book value of the equity investment exceeds the revalued assets/liabilities, the excess is capitalized as goodwill. This goodwill is amortized on a straight-line basis over the useful life (5 to 10 years) of the intangible asset. If the market value of the acquired assets and liabilities exceeds the purchase price, any negative difference in amounts initially arising will be allocated on the basis of a proportional offset against long-term assets (with the exception of marketable securities and deferred tax assets). Any residual negative difference in amounts, i.e. surplus bad-will, will be carried as a liability and amortized on a straight-line basis over its useful life.

2.5.1 MFI TECHNOLOGIES INC.

For MFI Technologies Inc., a company which had been acquired in fiscal year 2000, a purchase price allocation was performed subsequently in 2001. The intangible assets and the purchased in-process research and development activities which, to date, had been allocated to goodwill based on preliminary data, were deducted from the goodwill capitalized to date, and recognized respectively in the Balance Sheet and Income Statement as independent intangible assets and expenses.

As is the case with goodwill, the amortization period for intangible assets is 5 years.

The following table illustrates the changes effected with respect to the assets at the time of acquisition (figures in TDM = DEM thousands):

	preliminary Purchase Price Allocation	**neue Purchase Price Allocation**	
Fixed assets	460	2,279	
of which technology			1,594
of which employees			225
Current assets	2,634	2,634	
Other assets	977	977	
Liabilities (primarily loans from SM)	–12,316	–13,062	
of which deferred taxes			–746
Acquired research and development activities	0	915	
Goodwill	**11,864**	**9,875**	

2.5.2 IMAGE TECHNOLOGY INC., PALO ALTO

Pursuant to an Agreement of 12 March 2001, the shareholders of Image Technology, Inc. have made a non-cash capital contribution of their entire shareholding (24,287 shares at USD 1 per share) in return for the granting of a total of 343,256 shares (USD 1 per share) of SÜSS MicroTec AG (capital increase from authorized capital). As contractually agreed, the number of shares that were to be granted was derived from the fixed purchase price of USD 9,562,213.

In the opening balance sheet as of 12 March 2001, the assets and liabilities are reflected as follows (figures in TDM = DEM thousands):

Tangible Fixed Assets	9,090
Current Assets	2,552
Cash and Cash Equivalents	2,299
Liabilities and Reserves	–7,820
Goodwill	14,472

As from 12 March, the company was included in the Consolidated Financial Statements as a subsidiary. The goodwill resulting therefrom (DEM 14,472K) will be amortized over a period of 10 years, while the identifiable intangible assets will be amortized over a period of 5 years. The unaudited pro forma summary which is set forth below shows the SÜSS Group's consolidated earnings under the assumption that the acquired company was included in the Group's consolidated earnings as of 01 January 2000. An assumption was also made that the goodwill would be amortized from the beginning of year 2000 (figures in TDM = DEM thousands).

	2001	2000
Revenues	422,076	332,713
Operating Profit	77,777	60,576
Earnings after Tax	40,854	24,297
Earnings per Share (DEM)		
undiluted	2.96	1.80
diluted	2.95	1.79

2.6 USE OF ESTIMATES

The preparation of the Consolidated Annual Financial Statements according to generally accepted accounting principles requires that management makes certain estimates and assumptions, which will have an effect on the figures shown in the Consolidated Financial Statements. The actual figures may differ from the estimated amounts.

2.7 FOREIGN CURRENCY TRANSLATION

The foreign currency conversion is performed in accordance with the Statement of Financial Accounting Standards (SFAS 52), "Foreign Currency Translation".

2.7.1 TRANSAKTIONS IN FOREIGN CURRENCIES

Purchases and sales in foreign currencies are converted using the daily rate of exchange at the time of the transaction. Foreign currency profits and losses are reflected under "foreign currency exchange gains/losses", thereby affecting operating results.

2.7.2 CONVERSION OF ANNUAL FINANCIAL STATEMENTS INTO FOREIGN CURRENCY

Balance sheet items of subsidiary companies, whose standard currency is the respective local currency, are converted (with the exception of equity capital, which is converted at historical rates) at the rate applying on the balance sheet date. Income Statement items are converted at the weighted average rate of the respective year. The resulting conversion differences are reported as separate components of equity (OCI – Other Comprehensive Income).

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include credit balances with banks as well as short-term capital deposits with a term of less than three months at the time of investment.

2.9 CONCENTRATION OF CREDIT RISKS

The Group's customers are concentrated in the semi-conductor industry but are distributed over a wide geographic area. None of the individual customers had a substantial share in the total proceeds of the Company. By the same token, there are no substantial account receivables outstanding against any individual customers. Doubtful accounts receivable are given an appropriate reduction in value.

2.10 INVENTORY

Inventory is carried at the lower of manufacturing and/or acquisition cost or market value. Manufacturing costs include direct material and production costs as well as separable material and manufacturing overheads. The manufacturing costs of unfinished and finished products are determined on the basis of the direct costs allocable thereto whereas the FIFO (first-in, first-out) method is used to determine the value of all other inventories. Any inventory risks arising out of the storage period or diminished usability have been taken into account through adequate reductions in value.

2.11 TANGIBLE FIXED ASSETS

Tangible fixed assets are capitalized at acquisition and/or manufacturing cost and depreciated on a straight line basis according to their estimated useful life. The period of depreciation for the relevant asset categories is set forth below:

Buildings, Exterior Facilities and Leasehold Improvements	10 – 40 Years
Software	3 Years
Technical Facilities and Machinery	4 – 5 Years
Other Facilities, Operational and Business Equipment	3 – 5 Years
Vehicles	5 Years

Repair and maintenance expenses are charged directly to the Income Statement. Substantial investments in renovation and expansion are capitalized to the extent that they increase the value of the investment object. In the case of asset disposal, the related historical costs and accumulated depreciations are taken off the books and the difference to sales proceeds is reflected in the Income Statement as either income or expense.

In the case of leased fixed assets, a difference is made between the finance leases and operating leases. Finance-leased assets are capitalized on the basis of the cash value of all future minimum lease payments and at the same time the leasing debt is included in liabilities. The capitalized items are depreciated over their useful life, while the leasing debt is repaid, together with interest thereon, in accordance with the relevant lease contract. In the case of operating leases, however, no capitalization is performed but the leasing payments are entered in the Income Statement as an expense.

2.12 GOODWILL AND INTANGIBLE ASSETS

The goodwill resulting from acquisitions is capitalized and amortized on a straight line basis over a period of 5 or 10 years.

The intangible assets are capitalized at cost and amortized on a straight-line basis over their estimated useful life. The period of amortization for the relevant asset categories is as follows:

Goodwill	5 – 10 Years
Patents	According to Patent Document, max. 10 Years
Licences	max. 10 Years

As regards the valuations and the carrying amount of intangible assets, we refer to 2.27 New Accounting Rules.

2.13 IMPAIRMENT

If there is any indication of impairment, the Group's management will assess the correctness of the book values of goodwill, intangible assets and tangible fixed assets in accordance in compliance with SFAS 121. The book value is compared with the undiscounted expected future payment flows from the respective asset. In the event that the latter is lower than the book value, the asset is amortized/depreciated to the value of the discounted cash flows or market value.

In the case of the aforementioned diminution in value, an irregular method of amortization/depreciation is used.

2.14 SECURITIES
The remaining securities are recorded in compliance with SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities". The Standard requires that securities be classified into "trading", "available for sale" or "held to maturity" categories. These are valued at their market values, whereby any unrealized gains/losses are recorded as a separate component of "other comprehensive income" until such time they are sold. Any unrealized losses of a permanent nature, however, are recorded, affecting operating results.

2.15 DERIVATIVE FINANCIAL INSTRUMENTS
Derivative financial instruments are reported in the financial statements in accordance with SFAS 133. Pursuant to this Standard, derivates are generally listed at their market prices and reflected under "other assets" or "other provisions". The changes in the market prices are currently recorded as "other operating income/expense", thereby affecting operating results. At present, the Group does not apply hedge accounting within the meaning of SFAS 133.

2.16 REVENUE RECOGNITION
The SEC Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements" is being applied beginning fiscal year 2000. In accordance therewith, revenues are recognized in relation to the goods and services already supplied, after the passing of the risk to the customer. If, after delivery, there are goods and services essentially within the meaning of the order that must still be supplied, the related revenues will be recognized only after such goods and services have actually been delivered.

2.17 FREIGHT AND COMMISION
Freight-out and commission payments to third parties, to the extent that they are connected with the sale and distribution of the products, are reflected as a reduction of sales. Freight-in for products purchased for use in the manufacturing process are allocated to cost of goods sold. Commission payments to the Group's staff members are shown under the general administration and selling costs – Emerging Issues Task Force (EITF) 00-10.

2.18 TAXES
The Group uses SFAS No. 109 "Accounting for Income Taxes". According to the liabilities method, deferred tax assets and liabilities are created for the expected tax consequences arising out of the differences between the accounting methods according to US-GAAP and the local tax provisions. In this connection, those tax rates and tax provisions are used which apply at the time of the realization of these differences.

Losses carried forward are examined to determine whether they can be realized in future and if necessary an appropriate devaluation is made.

2.19 PENSION LIABILITIES
The pension liabilities are reported in accordance with SFAS No. 87, "Employers Accounting for Pensions". The liabilities resulting from the plans of the German Group companies are calculated using the "projected unit credit" method. Future increases in salary and other increases in remuneration are taken into account.

The Company has various insurance plans, which primarily insure against the risks of old age, death and disability. The plans differ according to the general legal, tax and economic conditions prevailing in the individual countries. As a rule, benefits are calculated on the basis of the salaries of the insured employees.

2.20 OTHER COMPREHENSIVE INCOME
According to US-GAAP, it is required that "other comprehensive income" be reflected in the Consolidated Annual Financial Statements. In this respect, "other comprehensive income" is defined as follows:

Any changes to equity within the fiscal year, which were not caused by shareholders and are usually not included in the annual net income according to US-GAAP. Such procedures affect, inter alia, foreign currency adjustments and certain unrealized profits/losses from securities and that portion of the minimum liability for pension reserves which exceeds the intangible assets that may be capitalized.

2.21 STOCK OPTION PLANS
The Company reports its commitments from stock option plans in accordance with SFAS 123 "Accounting for Stock-Based Compensation".

2.22 EARNINGS PER SHARE
The Company calculates the earnings per share according to SFAS No. 128, "Earnings per Share".

2.23 ADVERTISING EXPENSES
The Group enters advertising expenses in the Income Statement immediately in the year in which they arise.

2.24 RESEARCH AND DEVELOPMENT COSTS
Research and development costs are entered as expenses immediately after they arise. In the Income Statement, the in-process research activities of DEM 915,000 taken over from MFI Technologies Inc., were reflected as a separate item, as these must be currently expensed pursuant to FASB Interpretation (FIN) 4.

2.25 RECORDING OF SUBSIDIES
In the recording of subsidies, a distinction is made between investment subsidies and research and development subsidies or subsidies for other expenses. Upon receipt of payment, investment subsidies are deducted directly from the acquisition cost of the fixed assets purchased. The other subsidies are recorded upon receipt of payment under the item "other income", thereby affecting operating results.

2.26 RECLASSIFICATIONS
As compared with the previous year, individual items from the item "other income and expenses" were reclassified under "other income and expenses from operations".

2.27 NEW ACCOUNTING RULES
2.27.1 SFAS 141 / SFAS 142

In July 2001, the Financial Accounting Standards Board (FASB) published SFAS 141 – Business Combinations – and SFAS 142 – Goodwill and Other Intangible Assets. SFAS 141 requires that the purchase method must generally be applied with respect to the consolidation of companies that were acquired after 30 June 2001. The pooling-of-interest method is no longer permissible. In addition, it is explained how the intangible assets must be reported in the financial statements separately from any goodwill.

According to SFAS 142, only those intangible assets which can specifically be identified as having definite scheduled lives may be amortized according to schedule over the period of the useful life. Intangible assets with indefinite lives and goodwill will no longer be amortized according to schedule. Pursuant to SFAS 142, such intangible assets and goodwill must be tested annually for impairment in accordance with the requirements of this Standard.

The above Standard must be applied for all fiscal years commencing after 15 December 2001. Once the Standard has been applied for the first time, intangible assets must be tested for impairment within a period of 3 months and goodwill must be tested for impairment within a period of 6 months. As of 31 December 2001. the residual book value of the goodwill amounted to DEM 54,781K given an annual amortization of DEM 8,496K. As a result of the first-time application of SFAS, no amortization according to schedule will be performed as from fiscal year 2002. Management does not expect that the first-time application of this Standard will have any other material impacts.

2.27.2 SFAS 143

SFAS 143 – Accounting for Asset Retirement Obligations – was published in June 2001. This Statement addresses the treatment of obligations arising out of the retirement of long-lived assets and the associated asset retirement costs. SFAS 143 must be applied for the first time for fiscal years commencing after 15 June 2002. The effects from the first-time application of this Standard are currently still being investigated.

2.27.3 SFAS 144

SFAS 144 – Accounting for the Impairment or Disposal of Long-Lived Assets – was published in August 2001. SFAS 144 replaces SFAS 121 and modifies the following rules and regulations:

- Accounting Principles Board (APB) Opinion No. 30 – Reporting the Results of Operations – and
- Accounting Research Bulletin (ARB) No. 51 – Consolidated Financial Statements.

SFAS 144 contains additional provisions regarding impairment testing and changes with respect to the reporting of discontinued activities and should be applied for the first time for the fiscal years commencing after 15 December 2001. Management does not expect that the first-time application of this Standard will have any material impacts.

Management has been applying SFAS 142 and SFAS 144 as from the beginning of fiscal year 2002.

3 Notes to the Balance Sheet and Income Statement

3.1 TRADE RECEIVABLES

Accounts receivables from trade debtors are broken down as follows (figures in TDM = DEM thousands) :

	2001	2000
Third Parties	102,670	109,576
less allowance for doubtful accounts	–3,306	–3,185
Total	**99,364**	**106,391**

3.2 INVENTORY

The inventory is categorized as follows (figures in TDM = DEM thousands) :

	2001	2000
Materials and supplies	65,741	42,395
Work in process and unfinished products	26,263	20,398
Finished products	31,570	19,930
Merchandise	7,744	6,543
Less Valuation Allowance	–11,895	–3,084
Total	**119,423**	**86,182**

Inventory assets in the sum of DEM 36,490K have been pledged as security against loans.

3.3 TANGIBLE FIXED ASSETS

For the disclosure of tangible fixed assets we refer to the fixed assets movement schedule annexed hereto.

In fiscal year 2001, expenses for depreciation amounted to DEM 6,625K (2000: DEM 4,448K).

Some parts of the tangible fixed assets have been pledged as security against loans in the sum of DEM 2,800K.

3.4 LEASING

The Group has leased certain tangible fixed assets on the basis of long-term lease agreements. Because of their specific features, these agreements constitute finance leasing and are treated accordingly in the accounts. For a detailed disclosure we refer to the fixed asset movement schedule.

In addition, the Group leases buildings, office equipment and vehicles, which represent operating leases.

The lease payments for operating leases in fiscal year 2001 amounted to DEM 4,410K (2000: DEM 3,521K). Of this, DEM 2,766K (2000: DEM 2,387K) was paid to affiliated parties (see 3.15 – Affiliated Parties).

3.4.1 FUTURE PAYMENTS FOR FINANCE LEASING

Future minimum payments for leased objects for the next five years are set forth in the following table (figures in TDM = DEM thousands):

	Finance leasing
2002	830
2003	466
2004	191
2005	177
2006	174
Später	571
	2,409
Interest	409
Total accounts payable	**2,000**
of these accounts due short-term	775
of these accounts due long-term	1,225

The payments for finance leased objects were DEM 959K (2000: DEM 272K).

3.5 INTANGIBLE ASSETS
For the disclosure of intangible assets, we refer to the fixed asset movement schedule which has been annexed hereto.

In fiscal year 2001, expenses for amortizations amounted to DEM 11,655K (2000: DEM 7,138K) of which DEM 8,496K (2000: DEM 5,452K) were attributable to amortization of goodwill.

3.6 FINANCIAL ASSETS
The financial assets consist of the following (figures in TDM = DEM thousands):

	2001	2000
Equity investments consolidated at equity	221	239
Other equity investments	274	274
Total	**495**	**513**

The equity investment in Hugle Lithography Inc., USA (53.1% shareholding) was valued using the equity method. On 31 December 2001, this equity investment is reflected in the amount of DEM 43K (previous year DEM 73K), which corresponds to the share in the company's equity capital.

The equity investment in SUSS MicroTec Company Ltd. Bangkok was valued using the equity method. This resulted in an increase of the reported equity investment by DEM 12K to DEM 178K .
In addition, there are further equity investments, with equity interests in the share capital of less than 20%, which fall into the category "other equity investments". These are reported at cost, less any required diminutions in value.

3.7 OTHER ASSETS
Pursuant to an Agreement dated 07 August 2001, the remaining accounts receivable deriving from the transfer of the proprietary rights to the patents and technology concerning SUSS MicroTec Inc.'s and SUSS MicroTec Lithography GmbH's X-ray lithography in 1998 were sold to JMAR Technologies, Inc. In return, the Company received an amount of USD 267K and 60,000 shares (valued at USD .01 per share) in JMAR Technologies, Inc. The sales proceeds were reflected under other income and – as the Company plans to sell the shares at short notice – the shares are reflected as "available for sale" under other assets.

3.8 MARKET VALUES OF FINANCIAL INSTRUMENTS
For the determination of the market values of the individual categories of financial instruments, the following methods were used and assumptions made:

Cash and cash equivalents: Due to the short-term nature of the investments, the book values correspond approximately to the market values.

Trade debtors: Due to the short term nature of the accounts receivable from trade debtors, the book values correspond approximately to their market values.

Securities: The market values are determined on the basis of stock exchange prices.

Long-term loans: Market values were estimated on the basis of listed market prices of instruments with similar times to maturity and interest rates.

Derivative instruments are reported at their market values.

3.8.1 FINANCIAL INSTRUMENTS
The estimated market values of the financial instruments do not necessarily represent the values, which the Group would realize in an actual market transaction.

The estimated market values for the financial instruments of the Group as of 31 December 2001 are set forth in the following table (figures in TDM = DEM thousands):

	Book Value	Market Value	Book Value	Market Value
	2001		2000	
Cash and cash	14,589	14,589	33,197	33,197
Trade debtors Securities	99,364	99,364	106,391	106,391
Short-term obligations to banks	57,740	57,740	53,121	53,121
Long-term financial obligations (including the short-term portion of the long-term financial)	29,407	27,650	32,595	30,512

3.8.2 DERIVATIVE FINANCIAL INSTRUMENTS
The Group hedges against risks from intercompany purchasing and selling obliga-tions in foreign currencies (particularly in US Dollars and Yen) by entering into cur-rency futures contracts. The Group does not use any derivative financial instru-ments for purposes of speculation.

On 31 December 2001, the Group only had US-Dollar currency futures contracts (DEM):

	Nominal volume	Market Value
Currency futures contracts – USD		
Contract for sale of USD:	26.218.751,83	–126.420,90
up to one year:		–113.892,13
due by 2004:		–12.528,77

As of 31 December 2001, the currency futures contracts had been entered into exclusively with German credit institutions.

3.8.3 SHORT-TERM OBLIGATIONS TO BANKS
This item includes short-term special credit facilities of DEM 8,911K (2000 DEM 12,000K), which were granted on the basis of promissory notes.

As of the balance sheet date, the Group has lines of credit of DEM 82,938K (2000: DEM 58,804K) On 31 December 2001 the Group had availed itself of DEM 57,740K (2000: DEM 38,098K). The average interest rate for the short-term credit lines used in 2001 was 6.80%. The short-term obligations to banks will fall due within the next three months.

3.8.4 LONG-TERM FINANCIAL LIABILITIES
(figures in TDM = DEM thousands):

Type	Currency	Year 2001 Sum (TDM)	Interest Rate in %	Due Date	Year 2000 Sum (TDM)
Bank Loan	DEM	19,944	3.75	2009	20,000
Bank Loan	DEM	5,679	5.45	2003	7,601
Bank Loan	DEM	2,013	3.75	2008	2,300
Bank Loan	DEM	1,040	3.75	2009	1,100
		28,676			**31,001**
Other loans (individual amounts smaller than DEM 1 million)		731			1,594
		29,407			**32,595**
of which amounts due short-term		5,151			2,521
of which amounts due long-term		**24,256**			**30,074**

An analysis of the due dates is as follows (figures in TDM = DEM thousands):

Due in	
2003	5,266
2004	4,569
2005	3,027
2006	2,989
Later	8,405
Total	**24,256**

With respect to the bank loan of DEM 5,679K, certain terms and conditions were agreed with the lending bank, which provide for an equity ratio of the SÜSS Group of 40% and a minimum equity of DEM 70,0 million. During the reporting year, these conditions were fulfilled. On 31 December 2001 bank loans totaling DEM 2,800K were collateralized by land charges. As security for the bank loan of DEM 19.9 million, SÜSS MicroTec AG pledged its shares in SUSS MicroTec Lithography GmbH., SUSS MicroTec S.A. and SUSS MicroTec Inc.

3.9 OTHER LIABILITIES, PROVISIONS AND ACCRUALS

The balance sheet item breaks down as follows (figures in TDM = DEM thousands):

	2001	2000
Provisions for income taxes	12,126	11,442
Deposits received	13,428	44,238
Accrued personnel expenses	14,951	13,767
Bonuses and commisions	4,788	3,650
Third party services	6,492	5,891
Guarantee provisions	5,469	4,933
Turnover tax	775	1,796
Other provisions and liabilities	8,720	5,688
Deferred income	801	23
Total	**67,550**	**91,428**

3.10 TAXES

Tax expenses are calculated as follows (figures in TDM = DEM thousands):

	2001	2000
Effektive Taxes		
German	11,855	2,373
Foreign	23,459	19,987
	35,314	**22,360**
Deferred Taxes		
German	–1,361	7,236
Foreign	1,018	–753
	–343	**6,483**
Total tax expenses		
German	10,494	9,609
Foreign	24,477	19,234
	34,971	**28,843**

During fiscal year 2001, MFI Technologies, consisting of MFI Technologies Inc., Vancouver (Canada, parent company) and MFI Technologies Corp., San Jose (USA), generated an annual net loss. As already in the previous year, a valuation allowance of the full amount of the deferred tax assets was set up as the Company has not generated any profits in the past. The annual net loss in the sum of DEM 4,794K after tax also includes items deriving from the purchase price allocation. As a result, the annual net loss breaks down as follows (figures in TDM = DEM thousands):

Immediate reporting of purchased in-process research and development activities as expense without accounting for deferred taxes	–915
Amortization of capitalized intangible assets derving from the purchase price allocation	–559
Pre-tax loss (basis for loss carry-forward)	–3,547
Pre-tax loss	**–5,021**
Deferred tax income on the amortization of capitalized intangible assets	229
Other taxes	–2
Reported profit/loss after taxes	**–4,794**

Given an expected tax rate of 41%, a valuation allowance for the full amount of the deferred tax assets of DEM 1,454K results from the loss of DEM 3,547K essentially incurred by MFI Inc.

As of 31 December 2000, the Company had loss carry-forwards for trade tax in the amount of DEM 2,369K and for corporate income tax in the sum of DEM 1,515K. The loss carry-forwards were fully utilized during the reporting year.

The deferred tax assets are calculated as follows (figures in TDM = DEM thousands):

	Assets		Liabilities	
	2001	2000	2001	2000
Bonus provisions	707	747		
Goodwill	478	373		
SAB 101 Adjustments	692	2,568		
Pension provisions	2,288	2,264		
Other provisions	3,141	3,415		
Various depreciation/amortizations	0	384	1,966	0
Vacation provisions	564	404		
Inter-company profit elimination	3,799	2,518		
Other	1,531	1,289		
Tax loss carry-forwards	3,861	2,407		
./. Valuation allowance tax loss carry-forwards	–3,861	–2,407		
Total	13,200	13,962	1,966	0
Total Net	**11,234**	**13,962**		

The increase in deferred tax liabilities is attributable primarily to the final purchase price allocation (see No. 2.5.1.), which was performed without affecting operating results. In this respect, the corresponding deferred taxes must be reflected in con-nection with intangible assets.

The following table shows the reconciliation account from the expected to the reported tax expenses for the respective year. The expected overall tax rate of 37.34% (2000: 50.81%) consists of a corporate income tax rate of 22.4% (2000: 35.9%) plus a trade tax rate of 14.9% (2000:14.9%).
(figures in TDM = DEM thousands):

Expected tax rate:	**2001**	**2000**
Corporate income tax rate	25.00%	40.00%
Solidarity surcharge	5.50%	5.50%
Trade income tax factor	14.90%	14.90%
Composite tax rate	**37.34%**	**50.81%**

Figures in TDM **+=Tax expenses / –=Tax income**	**2001**	**2000**
Profit/Loss before taxes	76,197	56,906
Expected income taxes	28,450	28,914
Revaluation of deferred taxes based on a changed corporate income tax rate from 40% to 25% in 2000	0	475
Diverging tax rate with inter-company profit elimination	0	544
Diverging foreign tax rates	–2,985	–3,727
No reporting of deferred taxes in connection with MFI Technologies' loss	1,327	701
Non-tax deductible expenses of Group for purchased in-process research and development activities	320	0
Diverging tax rates with the cumulative effects of the SAB 101 implementation	0	–423
Non-tax deductible goodwill amortizations in the consolidated financial statements	2,553	1,927

Figures in TDM +=Tax expenses / –=Tax income	2001	2000
Trade tax imputation credit of interest on long-term debt	185	257
Permanent difference based on devaluation of inter-group loan items	–1,552	0
Non-tax deductible expenses	1,407	0
Tax loss carry-forwards and carry-backs not reported but utilised in 2001	–150	0
Other	–554	175
Effective Income Taxes	34,971	28,843

3.11 PENSION LIABILITIES AND SIMILAR OBLIGATIONS

The pension liabilities are as follows (figures in TDM = DEM thousands):

	2001		2000	
Domestic pension liabilities		6,795		6,650
of which short-term	468		523	
Foreign liabilities		1,118		2,224
of which short-term	536		443	
Total		**7,913**		**8,874**

3.11.1 GERMAN PLANS

The pension commitments comprise entitlements to old age, disability and dependent survivors' pensions, funded on the one hand on the basis of annual salary and, on the other hand, as fixed covenants. Selected persons at executive level are covered under these plans

The relevant actuarial assumptions are set forth below:

	2001	2000
Discount factor	6.0%	6.5%
Salary adjustments	0.0%	0.0%
Pension adjustments	1.5%	1.3%
Life expectancy: Life Expectancy Tables of Dr. Heubeck 1998		

The following table connects the "funded status" of the plans with the creditor recorded in the financial statements (figures in TDM = DEM thousands):

Reconciliation of Project Benefit Obligation	**2001**	**2000**
Projected Benefit Obligations as of 01 January	6,441	7,088
Service cost	4	1
Interest cost	402	387
Actuarial (gains) losses	471	–231
Benefit payments	–523	–804
Projected Benefit Obligations as of 31 December	6,795	6,441
Accumulated Benefit Obligations as of 31 December	6,795	6,441
Reconciliation of unfunded status		
Projected Benefit Obligations as of 31 December	6,795	6,441
Plan assets	0	0
Funded status	6,795	6,441
Unrecognized transition amount	–278	–348
Unrecognized prior service cost	–45	–17
Unrecognized net (gain) or loss	71	546
	6,543	6,622
Additional minimum liability	252	28
of which intangible assets TDM 241		
of which Other Comprehensive Income TDM 11		
Accrued pension liability	6,795	6,650
Determination of net periodic pension cost		
Service cost	4	1
Interest cost	402	387
Amortization of transition amounts	70	90
Amortization of prior service cost	11	47
Amortization of actuarial (gain) or loss	–5	86
Net periodic pension cost	482	611

3.11.2 U.S. PLANS

The Group has a "Defined Contribution Plan" which, as a rule includes all employees aged 21 and over and who work a minimum of 1,000 hours per year. The plan consists of two components: a profit-sharing plan and a 401 (k) Plan.

Each year, the Executive Board of the US-Company determines new contributions which flow into the profit-sharing scheme. All the contributions of the Company are held in a "trust fund". Employees, who are entitled to claim, will obtain a vested right to claim benefits over a period of 6 years.

Under the 401 (k) Plan, the employer contribution is USD 0.50 for every USD 1.00 of the employee contribution up to a maximum employee contribution of USD 2,000 (i.e. the maximum employer contribution is USD 1,000). Employees will have a claim to the full employer contribution only after completion of the third year of employment. Prior to this, they will not be entitled to claim any employer contributions.

In fiscal year 2001, the contributions of the Group to the profit-sharing plan amounted to USD 102,000 (2000 USD 106,000) and to the 401 (k) Plan they amounted to USD 210,000 (2000 USD 152,000).

3.12 EQUITY CAPITAL

The registered share capital of SÜSS MicroTec AG is EUR 13.8 million (DEM 26,995,312.29) and is divided in 13.8 million shares with a nominal value of EUR 1.0 per share.

Each ordinary share entitles the holder to one vote. The ordinary shares are non-refundable and non-convertible. In accordance with the accounting principles under German commercial law, dividends can only be distributed from the distributable profit as reflected in the annual financial statements of SÜSS MicroTec AG.

Pursuant to a resolution adopted on 17 May 2001, the Executive Board effected a capital increase of EUR 343,256 (DEM 671,350) from the original authorized capital of EUR 6.5 million. The shares were issued in the context of the acquisition of Image Technologies. This capital increase was entered into the Commercial Register on 12 September 2001 and thus has legal effect. The Supervisory Board has consented to the capital increase.

On 31 December 2001 the Company's authorized capital was thus EUR 5,697,516 (2000: EUR 6,040,772) and its conditional capital was EUR 800,000 (2000: EUR 800,000).

Revenue reserves remained unchanged at DEM 846,000 and consist of statutory reserves and other reserves.

3.12.1 OTHER COMPREHENSIVE INCOME

(figures in TDM = DEM thousands):

Figures in TDM	2001	2000
As of 01 January:		
Foreign currency conversions	158	651
Minimum liability for pensions	–6	0
	152	651
Pre-tax changes		
Foreign currency conversions	–483	–493
Minimum liability for pensions	–1	–11
	–484	–504
Tax effect		
Minimum liability for pensions	0	5
As of 31 December:		
Foreign currency conversions	–325	158
Minimum liability for pensions	–7	–6
	–332	152

3.13 STOCK OPTION PLANS

3.13.1 SÜSS MICROTEC AG'S SHARE OPTION PLAN

At the General Shareholders' Meeting of 06 April 1999, the resolution was adopted to increase the share capital by up to EUR 800,000 until 31 March 2004 by issuing up to a total of 800,000 shares for the granting of subscription rights to board and management members and other executive personnel of the Group's companies. The subscription price for the shares corresponds to the market value on the effective date of granting. The subscription rights can be exercised at 50% after a waiting period of 3 years and at 50% after a waiting period of 5 years.

The subscription rights may not be exercised by the beneficiaries unless the market price of the SMT shares is at least 50% higher than the subscription price on exercising the stock options after 3 years, and at least 75% higher after 4 years and at least 100% higher after 5 years. The subscription rights lapse upon termination of employment within the waiting period or, as the case may be, 6 years following the end of the purchasing period.

In the fiscal year under review, an amount of DEM 3,003K (2000: DEM 692K) was allocated to the capital reserve in connection with the plan, thereby affecting the operating result.

In fiscal year 2001, 68,000 subscription rights with a subscription price of DEM 69.31 (EUR 35.44) each, were granted in May. As of 31 December 2001, 352,062 subscription rights (previous year: 284,062 subscription rights) had been granted, all of which cannot yet be exercised. The weighted average market value of DEM 38.04 to the stock options granted in 2001 was estimated using the Black-Scholes Options Evaluation model.

In doing so, the following assumptions were made:

Issued in	2001	2000 May	2000 December	1999
Expected average term of the Stock options	5 Years	5 Years	5 Years	5 Years
Risk-free interest rate	4.61%	3.3%	4.7%	3.3%
Expected volatility of the shares of SÜSS MicroTec AG	57%	150%	76%	46%
Expected dividend yield of SÜSS MicroTec AG	0%	0%	0%	0%

Development of Stock Options:

	Number	weighted average subscription price EUR	weighted average subscription price DEM
31 Dec 1998			
Stock options granted	136,000	13.00	25.43
Stock options exercised	0	0	0
Expired stock options	9,600	13.00	25.43
31 Dec 1999	126,400	13.00	25.43
Stock options granted	157,662	28.64	56.01
Stock options exercised	0	0	0
Expired stock options	0	0	0
31 Dec 2000	284,062	21.68	42.40
Stock options granted	68,000	35.44	69.31
Stock options exercised	0	0	0
Expired stock options	3,432	27.31	53.41
31 Dec 2001	348,630	24.31	47.54
therefrom exercised	0	0	0
Stock options negotiable	438,338	0	0

In the following table the subscription rights are shown in EUR, according to subscription price classes:

Subscription price level	Number of stock options	weighted average subscription price EUR	weighted average term to maturity Month
Under EUR 15.00	126,400	13.00	41
EUR 20.00 – 24.99	0	0	0
EUR 25.00 – 29.99	130,230	27.31	59
EUR 30.00 – 35.99	68,000	35.44	65
Over EUR 36.00	24,000	36.00	53
	348,630	24.31	53

3.13.2 STOCK OPTION PLAN OF MFI TECHNOLOGIES INC.

All the subscription rights granted to the former employees of MFI Technologies Inc., for the purchase of the Company's shares were exercised in return for a cash settlement (USD 149,000).

3.14 EARNINGS PER SHARE

The undiluted earnings per share (EPS) are calculated by dividing the annual net income by the weighted average of the issued shares. This takes into account the stock split-up in a ratio of 1:2.625, which was resolved at the Special Meeting of Shareholders on 06 April 1999, as well as the issue of 2,500,000 shares resolved at the same meeting. The capital increases against contributions in kind implemented in fiscal year 2001 were included as from the date of the acquisition of the enterprise.

The diluted earnings per share were determined by dividing the annual net income by the weighted average of the issued shares plus the equivalent of a share to be diluted.

As part of the stock option plan, the Company has granted subscription rights to shares. With respect to some of the stock options, the conditions for satisfying the exercise thereof had been fulfilled by the cut-off date. This gave rise to a dilution effect, which was taken into account in calculating the diluted earnings per share. This does not take into account 225,662 of the subscription rights issued (previous year: 157,662) as the conditions for satisfying the exercise thereof had not been fulfilled.

The following table illustrates the undiluted and diluted earnings per share as of 31 December 2001 and 31 December 2000.

	31 Dec 2001	31 Dec 2000
Numerator:		
Annual net income (DEM)	41,226,000	23,413,000
Denominator:		
Weighted average of issued shares		
undiluted	13,736,654	13,165,321
Weighted average of issued shares		
diluted	13,804,852	13,227,953
Undiluted earnings per share (DEM)	3.00	1.78
Diluted earnings per share (DEM)	2.99	1.77

3.15 AFFILIATED PARTIES

3.15.1 SÜSS GRUNDSTÜCKSVERWALTUNGSGESELLSCHAFT GBR AND SUSS REAL ESTATE

Various Group companies (SUSS MicroTec Lithography GmbH, Karl Suss Dresden GmbH, SUSS MicroTec Inc., SUSS MicroTec Ltd.) are leasing their office premises from SÜSS Grundstücksverwaltungs GbR and der SUSS Real Estate. The resulting lease expenses based on the agreements as set forth are mentioned in No. 3.4, Tangible Fixed Assets.

3.15.2 THE SÜSS FAMILY

The members of the Süss family, as former partners and current shareholders of the Group, have various types of earnings, inter alia in the form of pension rights and lease payments. The following table sets forth the relevant relationships between the Group and the Süss family. The lease payments are reflected under 4.1 Contingent Liabilities. The pension rights are reflected under No. 3.11.1, Pension Liabilities.
(figures in TDM = DEM thousands):

	2001	2000
Salaries, pensions	522	996
Other receipts (rental income)	2,527	2,387
Total	**3,049**	**3,383**

3.16 PERSONNEL EXPENSES

The SÜSS Group's Income Statement includes the following personnel expenses broken down into the items set forth below (figures in TDM = DEM thousands):

	2001	2000
Salaries and wages	95,059	72,358
Social security contributions	20,885	13,795
Old age pension expenses	1,821	1,660
Total	**117,765**	**87,813**

3.17 ADVERTISING EXPENSES

Advertising expenses are included in the general administration and distribution costs and in fiscal year 2001 amounted to DEM 4,069K (2000: DEM 3,578K).

3.18 OTHER INCOME AND EXPENSES FROM OPERATIONS

The item "other income and expenses from operations" consists of the following (figures in TDM = DEM thousands):

	2001	2000
Reversal of accruals	1,751	1,861
Contractual penalties and compensations	–1,956	0
Lump sum valuation allowance	–935	–409
Itemized valuation allowance	–231	0
Income from cancellations	5,170	0
Total	**3,799**	**1,452**

3.19 OTHER INCOME AND EXPENSES

The item "Other Income and Expenses" consists of the following (figures in TDM = DEM thousands):

	2001	2000
Sales patents and technology	1,221	0
Other subsidies	1,110	1,324
Income from rents	91	500
Insurance benefits	263	676
Expenses from the disposal of fixed assets	–127	0
Income/losses from receivables	196	–262
Transfer of share proceeds	–408	0
Transport damages	0	–150
Non-scheduled amortization of financial assets	–30	–3,795
Income from equity investments	12	19
Guarantee payments	0	–353
Other taxes	–116	–1,307
Other income and expenses	–186	439
Total	**2,027**	**–2,909**

The other subsidies relate, in particular, to research and development subsidies by Karl Suss Dresden GmbH. The equity investment in Hugle Lithography Inc. was devalued by DEM 30,000.

4 Miscellaneous

4.1 CONTINGENT LIABILITIES

As of 31 December 2001 the bill exposure was DEM 8,911K (2000: DEM 12,000K).

The future leasing and rental payments are set forth in the table below (figures in TDM = DEM thousands):

	Operational Leasing	Leasing with affiliated Parties
2002	1,886	3,502
2003	1,472	3,544
2004	975	3,544
2005	572	3,544
2006	268	3,544
Later	3,935	14,057
Total	**9,108**	**31,735**

4.2 RESULTS AFTER THE BALANCE SHEET DATE

On 16 January 2002, a capital increase of EUR 1,130 million (in the nominal amount of EUR 1.00) was implemented from authorized capital in return for a cash contribution. It was entered in the Commercial Register on 18 January 2002.

On 16 January 2002 Karl Süss GmbH purchased a substantial portion of the assets of the insolvent BLE GmbH, Singen, for an amount of DEM 7,164,000.

4.3 SEGMENT REPORTING

The Group is active only in the sale of technical products and service segments. The Group develops, produces and sells products in the area of micro-systems technology and micro-electronics. The main customers are the automobile sector and the semi-conductor industry. In this respect the products delivered are used in similar ways in both industries.

In fiscal year 2001, no one customer contributed more than 10% to the Group's sales.
The intra-Group transactions take place at transfer prices which are generally in accordance with the "arms length" principle.

Information regarding classification according to legal units (figures in TDM = DEM thousands):

	2001	2000
External Revenues – Products		
Germany	108,711	81,807
USA	195,223	121,695
France	26,808	20,223
Japan	57,173	62,429
Other Countries	9,810	9,464
Group Revenues	**397,725**	**295,618**
External Revenues – Services		
Germany	4,780	3,732
USA	15,660	14,559
France	1,034	1,219
Japan	0	1,514
Other Countries	851	829
Group Revenues	**22,326**	**21,853**

Internal Revenues		
Germany	112,064	97,396
USA	23,927	19,287
France	24,545	17,847
Japan	–8	63
Other Countries	299	125
Consolidation	–160,826	–134,718
Group Revenues	**0**	**0**
Operating Results		
Germany	7,819	6,426
USA	45,588	29,590
France	2,167	2,805
Japan	8,155	15,672
Other Countries	603	1,403
Consolidation	22,509	10,914
Amortization Goodwill	–8,496	–5,454
Group Operating Results	**78,344**	**61,356**
Interest Expenses		
Germany	–501	–1,254
USA	–2,303	–2,267
France	–489	–369
Japan	–304	–284
Other Countries	14	16
Consolidation	–124	–404
Interest Expenses external	**–3,707**	**–4,562**
Investment in tangible Assets		
Germany	6,980	2,270
USA	13,461	679
France	4,003	578
Japan	1,147	1,440
Other Countries	51	17
Consolidation	–588	–77
Group Investment in tangible Assets	**25,054**	**4,907**
Identifiable Assets		
Germany	432,256	348,320
USA	134,077	111,721
France	27,574	26,052
Japan	40,829	34,108
Other Countries	5,472	13,867
Consolidation	–267,613	–199,957
Balance Sheet Total	**372,595**	**334,111**

4.4 EXECUTIVE BOARD AND SUPERVISORY BOARD

4.4.1 EXECUTIVE BOARD OF THE GROUP'S ULTIMATE PARENT COMPANY

In fiscal year 2001, the members of the Executive Board of the Group's ultimate parent company were:

Mr Dr. Franz Richter, Eichenau (Chairman)
Mr Claus Lichtenberg, Munich

Pursuant to §285 (9) a) and b) of the German Commercial Code (HGB), the information concerning the salaries received by the Executive Board and former members of the Executive Board of SÜSS MicroTec AG is being withheld.

4.4.2 SUPERVISORY BOARD

In fiscal year 2001, the members of the Supervisory Board were:

Dr. Winfried Süss, Munich, Chairman
further assignment: ISiT, Itzehoe, (Curator)

Thomas Schlytter-Henrichsen, Kronberg/Taunus, Chief Executive,
Deputy Chairman

Dr. Christoph Schücking, Frankfurt/Main, Attorney at Law, Notary
further assignments: Lambda Physik AG, Göttingen
Bankhaus B. Metzler seel. Sohn & Co. KgaA, Frankfurt a. M.
Kennametal Europe Holding GmbH, Fürth i. B.
Kennametal Hertel Europe Holding GmbH, Fürth i. B.

Prof. Dr. Anton Heuberger, Munich, Professor at the Technical Faculty of the Christian-Albrecht University, Kiel
further assignments: West Steag Partners AG, Essen (Member of the Advisory Council)
IZET, Itzehoe (Member of the Advisory Council)
Institute f. Oberflächenmodifizierung e. V., Leipzig, (Curator)
MicroParts Gesellschaft für Mikrostrukturtechnik mbH, Karlsruhe,
(Member of the Supervisory Board)
Solid Energy, Itzehoe, (Member of the Advisory Council)

Dr. Thomas Sesselmann, Tittmoning, Chief Executive,
further assignments: ETEL S.A., Motiers, Switzerland (President of the Executive Board)
Heidenhain Holding Inc., Wilmington, DE., USA (President and Board Member)
Heidenhain Holding K.K., Tokyo, Japan (Board Member)
Renco Endocoders Inc. Goleta, CA., USA (Board Member)
ACU-RITE Inc., Jamestown, NY,USA (Board Member)

Horst Görtz, Neu – Anspach
further assignments: AC Service AG, Stuttgart (Chairman of the Supervisory Board)
Ultimaco Safeware AG, Oberursel (Member of the Supervisory Board)
GITS AG, Bochum (Chairman of the Supervisory Board)

In the year under review, the remuneration received by the members of the Supervisory Board totaled DEM 131,238.96.

4.5 EMPLOYEES

In the year under review, the SÜSS Group employed an average of 955 staff members (2000: 686 staff members).

	2001	2000
Administration	119	99
Sales and marketing	240	163
Technicial personnel	596	424
Total	**955**	**686**

The companies, which were included "at equity", employed an average of 19 staff members (2000: 13 staff members).

Garching, 08 March 2002

The Executive Board

Dr. Franz Richter

Claus Lichtenberg

Independent Auditors' Report

We have audited the accompanying consolidated balance sheets of SÜSS MicroTec AG, Garching and subsidiaries as of 31 December 2001 and the related consolidated statements of income, statement of changes in equity and cash flows as well as notes for the year then ended. The consolidated financial statements prepared in accordance with United States Generally Accepted Accounting Principles are the responsibility of company's Board of Managing Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with German auditing regulations for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by the Board of Managing Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit the consolidated financial statements referred to above present fairly, in all material respect, the net assets and financial position of SÜSS MicroTec AG as of 31 December 2001, and of its result of operations and its cash flow for the year then ended in conformity with United States Generally Accepted Accounting Principles.

Our audit, which according to German auditing regulations also extends to the group management report prepared by the Board of Managing Directors for the business year from 01 January to 31 December 2001, has not led to any reservations. In our opinion, on the whole the group management report provides a suitable understanding of the Group's position and suitably presents the risks of future development. In addition, we confirm that the consolidated financial statements and the group management report for the business year from 01 January to 31 December 2001 satisfy the conditions required for the Company's exemption from its duty to prepare consolidated financial statements and the group management report in accordance with German accounting law.

Munich, 08 March 2002

PricewaterhouseCoopers
Wirtschaftsprüfungsgesellschaft
Gesellschaft mit beschränkter Haftung

(Windecker)
Wirtschaftsprüfer

(ppa. Eichler)
Wirtschaftsprüfer

Statement of Shareholdings of the SÜSS Group

No.	Company	City	Country	Share in %	held in No.
	Affiliated enterprises				
1	SÜSS MicroTec AG	Garching (near Munich)	Germany		
2	SUSS MicroTec Lithography GmbH (formerly Karl Süss KG Präzisionsgeräte für Wissenschaft und Industrie GmbH & Co.)	Garching (near Munich)	Germany	100.0	1
3	Karl Süss Geschäftsfsführungs GmbH	Garching (near Munich)	Germany	100.0	1
4	Karl Süss GmbH	Garching (near Munich)	Germany	100,0	1
5	SUSS MicroTec Test Systems GmbH (formerly Karl Suss Dresden GmbH)	Sacka (near Dresden)	Germany	100.0	1; 8
6	SUSS MicroTec Ltd. (formerly Karl Suss Great Britain Ltd.)	Wokingham	Great Britain	100.0	1
7	SUSS MicroTec S.A. (formerly Karl Suss France S. A.)	St. Jeoire	France	100.0	1
8	SUSS MicroTec Inc. (formerly Karl Suss America Inc.)	Waterbury / Vermont	USA	100.0	1
9	SUSS MicroTec K.K. (formerly Karl Suss Japan K. K.)	Yokohama	Japan	100.0	1
10	SUSS MicroTec Company Ltd. (formerly Karl Suss Asia Company, Ltd.)	Bangkok	Thailand	49.0	1
11	Electron Mec. S. r. l.	Mailand	Italy	10.0	2
12	Hugle Lithograhy Inc.	Sunnyvale / California	USA	53.1	2
13	MFI Technologies Inc.	San Jose / California	USA	100.0	1
14	Image Technology Inc.	Palo Alto / California	USA	100.0	1
15	ZTS Zentrum für Technologie und Strukturentwicklung	Glaubitz	Germany	10.0	5

Shares and Options of the Executive Bodies per 31 December 2001

Executive Board	Shares	Options
Fam. Dr. Franz Richter	400,000	65,000
Claus Lichtenberg	825	49,000
Supervisory Board		
Dr. Winfried Süss	1,024,780	–
Thomas Schlytter-Henrichsen	7,009	–
Dr. Christoph Schücking	500	–
Prof. Dr. Anton Heuberger	0	–
Dr. Thomas Sesselmann	0	–
Horst Görtz	3,894	–

Company Calender

15 May 2002	Publishing of 1st quarterly report
14 June 2002	General Meeting of SÜSS MicroTec Shareholders
07 August 2002	Publishing of 2nd quarterly report
06 November 2002	Publishing of 3rd quarterly report

CONSOLIDATED STATEMENT OF INCOME (US-GAAP) IN EURO*

Figures in TEUR	Notes	01 Jan 2001 – 31 Dec 2001	01 Jan 2000 – 31 Dec 2000
Revenues		222,721	169,159
Freight and Commisions		–7,952	–6,839
Net sales		**214,769**	**162,320**
Cost of goods sold		92,336	71,557
Gross profit		**122,432**	**90,763**
Administration and selling costs		–62,775	–46,980
Research and development		–16,732	–10,367
In process R&D expenses		–468	0
Amortization of goodwill		–4,344	–2,788
Other operative income / Expense	3.18	1,942	742
Net income from operations		**40,057**	**31,371**
Interest expenses		–2,060	–2,568
Interest income		165	236
Foreign currency exchange gains and losses		–239	1,545
Other income and expenses	3.18	1,036	–1,487
Earnings before tax		**38,959**	**29,096**
Income tax	3.10	–17,880	–14,747
Earnings after tax and before cumulative effect of a change in accounting principle		**21,079**	**14,348**
Cumulative effect of a change in accounting principle		0	–2,378
Net income		**21,079**	**11,971**
Earnings before Interest and Taxes (EBIT)		40,854	31,428
Earnings before Interest and Taxes, Depreciation and Amortiziation (EBITDA)		50,406	37,352
PER SHARE	3.14		
Basic earnings per share			
Earnings after tax and before cumulative effect of a change in accounting principle		1.53	1.09
Cumulative effect of a change in accounting principle		0.00	–0.18
Net income		**1.53**	**0.91**
Diluted earnings per share			
Earnings after tax and before cumulative effect of a change in accounting principle		1.53	1.08
Cumulative effect of a change in accounting principle		0.00	–0.18
Net income		**1.53**	**0.90**
Pro-forma amounts under the assumption, that the change in the revenue recognition policy would have been applied retroactively			
Earnings after tax and before cumulative effect of a change in accounting principle		0	14,348
Basic earnings per share		1.53	1.09
Diluted earnings per share		1.53	1.08
Net income		21.079	11.971
Other comprehensive income (net on tax)			
Differences in foreign currency translation		–247	–252
Aditional minimum liability		–1	–3
Comprehensive Income		**20.831**	**11.716**

* Informelle Angaben in Euro (untestiert)

CONSOLIDATED BALANCE SHEET (US-GAAP) IN EURO*

ASSETS

Figures in TEUR	Notes	31 Dec 2001	31 Dec 2000
Cash and cash equivalents		7,459	16,973
Accounts receivable	3.1	50,804	54,397
Other receivable and assets	3.7	3,544	2,841
Inventories	3.2	61,060	44,064
Prepaid expenses		1,058	1,292
Deferred tax assets current	3.10	5,387	5,619
Total current assets		**129,312**	**125,186**
Tangible fixed assets	3.3	18,775	8,106
Intangible fixed assets	3.5	40,058	34,111
Investment in subsidiaries	3.6	253	262
Deferred tax assets long term	3.10	357	1,520
Other long term assets		1,750	1,643
Total assets		**190,505**	**170,828**

LIABILITIES AND SHAREHOLDERS' EQUITY

Figures in TEUR	Notes	31 Dec 2000	31 Dec 1999
Current bank liabilities	3.8.3	29,522	27,160
Current lease obligations	3.4	396	407
Accounts payable		7,477	11,493
Current portion of pension liabilities	3.11	513	494
Current portion of long term debt	3.8.11	2,634	1,289
Other current liabilities	3.9	34,538	46,764
		75,080	87,589
Long term debt	3.8.11	12,402	15,377
Leasing obligations	3.4	626	958
Long term pension obligations	3.11	3,533	4,043
Other long term liabilities		3,508	400
		20,069	20,778
Subscribed capital	3.12	13,802	13,459
Additional paid in capital		46,716	34,995
Appropriated retained earnings		433	433
Retained earnings (current year and brought forward)		34,575	13,497
Cumulative other comprehensive income	3.12.1	–170	78
Total equity		**95,356**	**62,461**
Total liabilities and shareholders' equity		**190,505**	**170,828**

* Informelle Angaben in Euro (untestiert)

Notes