

LOEWE.

Loewe AG

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Indices:

- SDAX
- SMAX
- CDAX General
- CDAX Technology

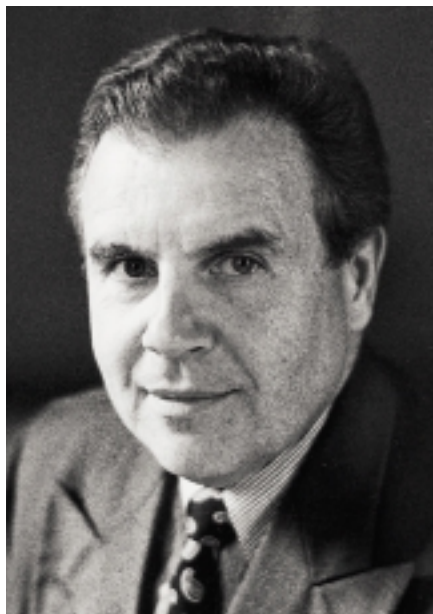
Dynamic growth in sales and earnings

- 21% increase in EBIT to DM 30 million
- Dynamic growth in exports – up 37%
- Total sales revenues up 15% to DM 481 million
- More product innovations to come in 2000

Ladies and Gentlemen,

In the nine months from January to September 2000, the Loewe Group continued to show dynamic growth in profits and sales compared to the same period in 1999. The 15% increase in sales to DM 481.2 million contributed to a 21% improvement in our EBIT to DM 30 million. Along with the accelerated growth in foreign sales experienced in the third quarter, this positive development was primarily a result of the essentially normalized situation in component supplies and the associated reduction of order backlogs. The earnings per share of DM 2.50 for the first three quarters of 2000 represent a 76% increase on the adjusted value for the previous year.

In the third quarter, Loewe was highly acclaimed for its status as an exclusive designer brand. The coveted German Product Design Award 2000/2001 was



presented to Loewe by German economics minister Dr. Werner Müller for our ultra-flat Spheros plasma screen television. The criteria for the jury's decision included outstanding design quality, high utility value, and intelligent overall concept.

Loewe has also made great strides in other areas. In conjunction with the German ZDF television network, we introduced an Internet (URL) coding system. Available on all Loewe multimedia televisions, this technology will soon make it possible to establish a direct connection between a television program on the screen and the Internet. The Web page related to the current program is automatically

recognized and accessed by activating a key on the Loewe remote control handset. This information can also be displayed along with the current program by opening a picture-in-picture window on the screen.

Another important development at Loewe is the high level of acceptance we have gained among our authorized dealers. In a survey conducted by markt intern, an industry research organization, Loewe was rated as the Top Retail Brand 2000 in the color television segment. The criteria assessed in the survey included product quality, price/performance, innovation, and strong market positioning.

We are very optimistic that the last three months of 2000 will confirm the announced increases in sales and profits for the current business year.

Before the end of the year, we are planning to present the advanced version of the Loewe Channel, our online service, as a home page available on all Loewe televisions. This strategic development will offer user-friendly access to the full range of media services, including e-commerce, via television.

The rapid development of the media and digital markets of the future is a major challenge for Loewe. I am confident that, with our highly motivated employees and quality-driven production in Kronach combined with the strength of the Loewe brand and our innovative leadership, we will continue to maintain our competitive edge.

As our shareholders and customers, we look forward to your continued interest and involvement in the successful development of the Loewe Group and the Loewe stock in the year 2000.

Kronach, November 2000

Dr. Rainer Hecker, Chairman of the Board

Overview: The Loewe Group*

in million DM	3rd quarter 2000	3rd quarter 1999	Change	1st - 3rd quart. 2000	1st - 3rd quart. 1999	Change
Sales revenues	174.8	141.1	+24 %	481.2	416.9	+15 %
Germany	102.8	96.6	+6 %	277.0	267.7	+3 %
Foreign	72.0	44.5	+62 %	204.2	149.2	+37 %
EBIT	10.0	8.0	+25 %	30.0	24.8	+21 %
Results of normal business activities	9.9	6.9	+43 %	29.8	20.4	+46 %
EBIT margin	5.7 %	5.7 %	~	6.2 %	6.0 %	~
Consolidated annual surplus	5.9	3.4	+74 %	17.7	5.6	+216 %
Profit per share in DM**	0.83	0.49	+69 %	2.50	1.42***	+76 %
Cash flow from normal business activities	+3.0	+12.3	~	+53.7	+30.9	~
Average number of employees	1,144	1,106	+3 %	1,099	1,089	+1 %

* The interim financial statement for September 30, 2000 and the annual accounts for December 31, 1999 conform to the IAS and were prepared according to the same accounting and valuation principles.

** Based on 7,075,000 shares following the IPO.

*** In 1999 after adjustment for extraordinary expenses including the apportioned taxation of income and earnings (primarily costs of the IPO).

15% increase in sales revenues to DM 481 million

The dynamic growth of sales continued in the third quarter. After a figure of 11% for the first half year, sales in the third quarter increased by 24%. With the component supply situation getting back to normal, the order backlog in televisions was practically eliminated by the end of the 2nd quarter. However, supply bottlenecks and delays in software development for cordless telephones prevented the full exploitation of potential sales in the third quarter. Compared to the same period in the previous year, sales increased by 15% in the first three quarters of 2000 to DM 481.2 million. This increase was primarily achieved in the Multimedia Division and from exports.

Growth in foreign sales accelerated again in the third quarter. Export sales in this period were 62% higher than the previous year's figure increasing in the first nine months by 37% over the same period last year to DM 204.2 million. Italy, Benelux, the UK and Spain made the most significant contribution to these figures. As a result, the foreign share in sales increased by 6 percentage points over the previous year's period to 42%.

Sales in Germany in the third quarter increased by 6% compared to the same period in 1999 representing a 3% increase for the first nine months to DM 277.0 million.

Over-proportionate growth in profit continues

Despite significantly higher material prices, earnings before interest and taxes increased by 25% in the third quarter. This was largely due to an improved product mix and specific price increases on the sales side and resulted in an increase of 21% to DM 30 million for the first three quarters. The EBIT margin increased correspondingly by 0.2 percentage points to 6.2%.

The results of normal business activities increased 46% in the same period to DM 29.8 million. In addition to the improved EBIT figure, this was positively influenced by lower net interest expenses. Earnings before taxes (EBT), DM 29.8 million, increased significantly compared to the previous year's figure, which was marked by extraordinary expenditures related to the IPO. As a result, the EBT margin of 6.2% was 3.5 percentage points higher than the previous year's figure.

The earnings per share of DM 2.50 in the first three quarters of 2000, showed a 76% increase over the previous year's figure adjusted for extraordinary expenses and related taxes.

Business trends in the first three quarters of 2000

1. Significant increase in sales revenues

in million DM	3rd quarter 2000	3rd quarter 1999	Change	1st - 3rd quart. 2000	1st - 3rd quart. 1999	Change
Consumer electronics						
Television	118.0	105.1	+12 %	319.9	311.1	+3 %
VCR, DVD, audio, accessories	22.9	19.4	+18 %	67.8	61.3	+11 %
Total consumer electronics	140.9	124.5	+13 %	387.7	372.4	+4 %
Multimedia	22.3	2.5	+792 %	62.2	5.7	+991 %
Telecommunications	11.6	14.1	-18 %	31.3	38.8	-19 %
Total sales	174.8	141.1	+24 %	481.2	416.9	+15 %

Improved supply situation boosts growth in the Consumer Electronics Division

Television product group

The improved material supply situation made it possible to largely eliminate existing order backlogs by the end of the 2nd quarter. As a result, sales in the third quarter were up 12% over the same period in the previous year.

Despite supply bottlenecks in the first half-year and the anticipated substitution effects benefiting the Multimedia Division, sales of DM 319.9 million for the first three quarters of 2000 were 3% higher than in the previous year's period.

From February to July, the European market for television sets recorded an 8%¹ growth in terms of value. This was a considerable improvement over the previous year's figure. This was positively influenced by the European Soccer Championships

¹ Total European market including multimedia-capable television sets (Source: GFK)

and the economic upswing in key foreign markets. While the German market grew at a below average rate, the markets in the UK, Netherlands, Switzerland and Sweden showed above average growth.

In the rapidly growing European market, Loewe expanded its market share to 6.5%² (previous year 6.3%). The company's share of the German market in the period from February to September increased to 13.5%³. At the same time, further gains in market share were achieved in the major European markets in Italy, Spain, France, Belgium and the Netherlands. For example, the value-based market share increased in Spain from 4.4% to 5.6%². This was mainly caused by growth in the 100 Hz television and 27" to 29" large screen television segments.

² Value-based market share in the European consumer electronics retail sector from February to July 2000 or 1999, including multimedia-capable television sets (Source: GFK)

³ Value-based market share in the German consumer electronics retail sector from February to September 2000 or 1999, including multimedia-capable television sets (Source: GFK)

VCRs, DVD players, audio systems, accessories product group

Sales of VCRs, DVD players, audio systems and accessories increased by 18% in the third quarter and 11% over the first three quarters to DM 67.8 million. This increase in sales was primarily generated by the introduction of DVD (Digital Versatile Disc) players on the European market and by accessories. A significant improvement in sales was also achieved in audio systems and this more than offset the anticipated decline in VCR sales.

Outstanding growth in multimedia sales

Sales of multimedia televisions equipped with the Loewe MediaPlus chassis continued to show dynamic growth in the third quarter. Revenues increased in the first nine months by DM 56.5 million to DM 62.2 million. This was ten times the level

achieved in the previous year's period. Supported by additional marketing and promotional campaigns, the expansion of the existing product range made a significant contribution to achieving this growth. With the Planus, Ergo, Credo, Xelos, Aconda, Arcada and Vitros lines, the product range now encompasses 4 : 3 and 16 : 9 screen formats and screen sizes from 28" upwards.

Telecommunications Division still affected by supply bottlenecks

The discontinuation of low-margin telecommunications products combined with supply bottlenecks in the start-up of the new AlphaTel 4000 and 5000 product lines resulted in an 18% drop in third quarter 2000 sales. These new high-end product lines sold extremely well on the market. However, existing supply bottlenecks increased the order backlog for these products to DM 6 million. It is anticipated that these orders will be shipped before the end of this year.

These factors resulted in a 19% decrease in sales in the first nine months of 2000 to DM 31.3 million. However, the division successfully increased its market shares in key segments by 1.3 percentage points to 7%⁴ in cordless DECT telephones and up 2.5% to 42.4%⁴ in answering machines.

⁴ Value-based market share in the German consumer electronics retail sector from February to July 2000 or 1999, (Quelle: GfK)

2. Over-proportionate increase in earnings

EBIT in million DM	3rd quarter 2000	3rd quarter 1999	Change	1st - 3rd quart. 2000	1st - 3rd quart. 1999	Change
Consumer electronics	9.4	9.0	+6%	29.3	27.1	+8 %
Multimedia	0.9	-0.8	~	2.1	-1.3	~
Telecommunications	-0.3	-0.2	-33 %	-1.4	-1.0	-40 %
Total EBIT	10.0	8.0	+25 %	30.0	24.8	+21 %

In the Consumer Electronics Division, EBIT increased 6% in the third quarter to DM 9.4 million. The improved product mix and specific price increases more than offset the rising costs of materials, distribution, advertising, and marketing. This resulted in an over-proportionate 8% increase in EBIT in the first three quarters to DM 29.3 million.

An exponential increase in sales brought the Multimedia Division a positive result once again in the third quarter. Despite the additional costs of marketing and advertising, EBIT in the first three quarters of 2000 increased by DM 3.4 million from DM -1.3 million to DM 2.1 million.

Following a figure of DM -0.2 million in the same period of the previous year, EBIT for the third quarter 2000 in the Telecommunications Division dropped further to DM -0.3 million. The supply bottlenecks for the new Alphatel 4000 and 5000 product lines and the unexpectedly high US dollar exchange rate combined to prevent a balanced result. This increased the negative EBIT for this division in the first three quarters to DM 1.4 million, DM 0.4 million more than the comparison period in 1999.

At the Loewe Group level, the significant increase in prices for some production materials and products purchased for resale in all divisions was more than offset in the first three quarters by an improved product mix and individual price increases on the sales side. As a result, production costs dropped from 74.2% of sales revenue in the same period last year to 73.4% this year.

The marketing and selling costs of DM 83.0 million represented an increase of 0.3 percentage points over the same period in 1999 (17.2%). The significantly increased marketing and advertising expenditures combined with the cost of new personnel added to the Marketing and Sales Department focused on strengthening the Loewe brand name and enhance the company's high-end positioning. The rise in costs in this area was held in check by the dynamic growth in exports, where the costs of sales are significantly lower.

Administrative costs increased by 0.4% to 3.3% of sales revenues. This increase is primarily influenced by the additional personnel recruitment in the Business Development area, together with associated project costs and consultancy fees.

The net interest expenses of DM 0.2 million improved by DM 4.2 million compared to the previous year's figure. This is due to the influx of funds resulting from the IPO and the profits achieved in the interim period.

3. High capital expenditures for new assembly line and expansion of automated component insertion

in Million DM	3rd quarter 2000		1st – 3rd quarter 2000	
	Investment	Depreciation	Investment	Depreciation
Intangible assets				
Software and similar assets	0.9	0.3	1.5	1.0
Development costs	2.2	2.2	6.6	6.4
Property, plant and equipment	7.9	5.4	23.7	16.4
Financial assets	0.0	0.0	0.3	0.0
Total investments/depreciation	11.0	7.9	32.1	23.8

As announced last year, the influx of funds from the IPO is to be used partly to expand capacity and improve the efficiency of production. This is clearly reflected by third quarter 2000 investments. At DM 11.0 million, investments were DM 3.1 million higher than in the same period of the previous year. The largest single investment in the first nine months was used for the completion of the new final assembly line for televisions and multimedia products with a total investment volume of nearly DM 7 million. The investment boosted final assembly capacity to 500,000 units per year and helped improve production efficiency. This gives the company sufficient capacity to cope with the anticipated growth in this segment over the next few years. The 200 sets per day increase in volume achieved in the third quarter produces a rationalization effect of 6.5% of wage costs in this area of production.

Investments were also made to increase capacity in automatic component insertion. Another focus of investment activity was on tooling for new products scheduled to be launched on the market in 2001.

The investment in software and similar assets essentially applies to the extension of Internet and internal network applications. The financial assets concern loans to Loewe Galerie outlets and a minority interest in VCB Virtual Campus Bayern GmbH, Hof/Bavaria, Germany.

Depreciation in the first three quarters increased by DM 2.5 million over the 1999 comparison period to DM 23.8 million. This amount is considerably less than the corresponding capital expenditure of DM 32.1 million.

4. Lower working capital despite expansion of business

in million DM	30th September 2000	30th September 1999
Fixed assets	113.8	101.5
Working Capital	75.2	83.6
Shareholders' equity	130.1	107.6
Minority interests	0.8	0.6
Net debt (including pension obligations)	58.1	76.9

The increase in fixed assets compared to the previous year is essentially a result of the investment in the expansion of production capacity.

Despite the expansion of the volume of business, the working capital of DM 75.2 million is DM 8.4 million lower than the previous year's level. As a significant proportion of the increase in sales revenues in the third quarter had already been achieved at the start of the quarter and the corresponding accounts receivable settled by the end of the quarter, trade accounts receivable amounting to

DM 133.9 million increased at a rate lower than the growth of sales. The finished goods inventory increased in line with the business volume. However, as a result of supply bottlenecks, contingency stock levels were built up in order to ensure interruption-free production. At the same time, the stocks of finished products were below last year's levels. As a consequence of the higher concentration of purchases in the month of September, trade accounts receivable increased at a higher rate and, overall, effected a reduction of working capital in comparison with the previous year's level.

Shareholders' equity increased over the previous year by the amount of annual profit achieved in the interim period. The equity ratio increased correspondingly to 35%.

The decline in net debt is due to the repayment of long-term bank loans and other loans.

5. Cash flow from current business activities far above previous year's level

in million DM	1st - 3rd quarter 2000	1st - 3rd quarter 1999
Cash flow from		
Current business activities	+53.7	+30.9
Investment activities	-31.8	-20.7
Financing activities	-7.4	+20.2
Change in cash fund	+14.5	+30.4

Compared to the same period last year, cash flow from current business activities in the first three quarters increased by DM 22.8 million to DM 53.7 million. The improvement in earnings from normal business activities was essentially balanced by tax payments. The previous year's figure benefited from carry-forwards of tax losses from previous years. The increase in the cash flow from current business activities is therefore essentially due to the DM 9.8 million reduction in net current assets in the first three quarters. In the same period last year, there had been an increase of nearly the same amount. The reduction this year was essentially due to the decline in trade accounts receivable, which had grown at a slower rate than the expansion of business in the third quarter. The increase in inventory is in line with the increasing volume of business. However, this rise was offset by higher trade accounts receivable since, primarily in September, the company recorded a significantly higher procurement volume.

The outflow of funds from investment activities amounting to DM 31.8 million was DM 11.1 million over the comparison period and is a result of the higher investment volume.

Taking account of the negative cash flow from financing activities of DM 7.4 million from the repayment of loans, there is a positive change of DM 14.5 million in the available financial resources. This change of DM 30.4 million from the available financial resources of the previous year included the inflow of funds from the IPO.

Product development focuses on multimedia

A software center was set up in July in Hanover to develop multimedia and Internet software. This operation will be gradually expanded to become a technical center for digital television and the Internet. The decisive factor in the selection of the location was its proximity to the technical faculties of the Universities of Hanover, Braunschweig and Hildesheim. The University of Braunschweig is a leader in the field of digital television based on the European DVB standard, while the University of Hanover excels in the area of image compression. This second site makes it possible to expand product development capacity more quickly. Loewe is also continuing to expand development activities at its Kronach location, where ten new engineers have been added since the beginning of the year.

In conjunction with the German ZDF television network, Loewe is developing an Internet (URL) coding system to establish a direct connection between a television program and the Internet. This will make it possible to display a Web page associated with the broadcast at the touch of a button on the remote control handset – without entering an Internet address. ZDF broadcasts a code with the program that can be received by all Loewe multimedia televisions. This important milestone on the way to simplifying multimedia functions will be open to other broadcasters and television manufacturers once it has become standardized (expected in early 2001).

Loewe engineering in the third quarter concentrated on improving MediaPlus multimedia electronics and networking a variety of household electronic devices using the television set as a home communications center. Loewe is working together with other companies on special engineering projects including SIPROS, a new hardware and software platform for multimedia television sets. The HARYS and EMBASSI projects are adding a new dimension to TV set operation, while the INHOMENET project focuses on the development of new ways to link up television sets to modern internal and external cable and mobile phone networks. The new Loewe Multimedia kit will greatly expand the usability of the television screen.

Several outstanding test results for Loewe products were published in the third quarter of 2000. These included the Xelos 5381 ZW television, which received top ratings in Video magazine with a „Best Buy“ recommendation. The Aconda 8784 ZP multimedia television was the overall test winner in the comparison test „Up-market 100 Hz TVs in the 4 : 3 screen format“ published in 9/2000 issue of Video.

Marketing and sales promote multimedia and higher brand positioning

In August Loewe received the most coveted German product design award for the super flat Spheros plasma-screen television. At a ceremony in Frankfurt am Main, German economics minister Dr. Werner Müller presented the German Product Design Award 2000/2001 to Loewe and Phoenix Product Design. The product's styling, innovative technology, features and user interface were highly acclaimed at the award ceremony.

Loewe unveiled the new Vitros multimedia television in the third quarter. Capable of receiving both analog and digital signals, the Loewe MediaPlus multimedia electronics provide direct access to the World Wide Web. This new television can also be equipped with a Dolby Digital module, which can be installed at the factory or added on later as an optional upgrade. Featuring a totally flat Real Flat picture tube and an attractive two-tone cabinet, the product is primarily aimed at young, technically articulate target groups. Announced at the product launch, the Vitros marketing concept is individually tailored to specialist retailers. An online package enables dealers to advertise the product on their own Web sites or target current customers with a mailing campaign.

The total circulation of Touch, the Loewe customer magazine, has now reached nearly 50,000 copies with some 20,000 personalized issues going out to preferred customers.

The Loewe Aconda multimedia television was expanded into an entire product family in the third quarter. Along with the 32" Aconda, a 29" Aconda with a 4 : 3 format screen is now available. This model is also equipped with Loewe MediaPlus multimedia electronics.

The redesigned Loewe Galerie outlet in Stuttgart was reopened in September. Joining the Loewe Galleries in Hamburg, Munich, and Paris, the Stuttgart showroom is the flagship representing the Loewe brand image to the retail sector.

A partnership agreement for the IFA 2001 consumer Electronics Exhibition was reached with the ZDF television network. The two companies plan to share a spacious display stand at next year's event.

Loewe received major acclaim from the company's authorized dealers in September. In a survey conducted by markt intern, an industry research organization, Loewe was rated as the Top Retail Brand 2000 in the color television segment. The Loewe Planus 4672 ZP was voted as the most popular model with dealers indicating that this is the television that they particularly like to recommend to customers. The criteria assessed in the survey included product quality, price/performance, and innovation.

Disproportionate growth in personnel

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Following the expansion of production facilities in the third quarter and the reinforcement of the engineering, marketing, and business development activities, the workforce increased by 3% compared to third quarter 1999 to a total of 1,144 employees.

Despite the fact that the volume of business increased by 15% in the first nine months, the growth in the workforce was significantly lower with an increase of only 10 employees compared to the same period in 1999. At the same time, the productivity gains in manufacturing operations achieved in the first three quarters offset the extra costs of personnel recruitment in the areas of product engineering and marketing in the third quarter.

The addition of 30 new apprentices increases the total of trainees to 104. Beginning October 1, 2000 the negotiated part-time plan for senior employees will go into effect.

Within the scope of the employee stock option plan, Loewe employees have acquired a total of 6,600 shares within the tax guidelines. The high rate of participation of over 60% is an expression of how strongly Loewe employees identify with „their“ company.

Outlook

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A framework agreement has been reached with Sharp to work together in the field of LCD televisions. This long-term technology agreement with Sharp focuses on the high-end segment. The joint deal will benefit from Sharp display technology combined with the Loewe European market expertise in on-screen user interface systems, multi-standard tuners, and the European Videotext system. The related components will be manufactured for both partners at the Loewe plant in Kronach, Germany.

The first product to result from this joint arrangement with Sharp will be launched at the end of the year: a 15" LCD television with the new TFT-LCD (Thin Film Transistor - Liquid Crystal Display) technology. Instead of a picture tube, the television features a flat display using the new LCD technology, which has been optimized for television signals. This adds another innovative product to the Loewe flat screen range.

In November, the Spheros high-end plasma screen television will be equipped with the MediaPlus chassis to make it Internet and DVB capable. This step underscores Loewe's leadership position in top-of-the-market multimedia televisions.

Within the scope of our semi-annual report, we increased our targets for the 2000 fiscal year and announced a significant increase in sales and profits.

Sales in the current business year are expected to increase by around 12% to over DM 680 million. At the same time, we anticipate an over-proportionate increase in EBIT to around DM 39 million. This equates to a profit per share of over Euro 1.50 and represents an increase of more than 30% over the previous year.

Based on our successful third quarter performance, we can now reaffirm these targets.

Income Statement for the period from January 1, to September 30, 2000*

in million DM	3rd quarter 2000		3rd quarter 1999		1st - 3rd quarter 2000		1st - 3rd quarter 1999	
Sales revenues	174.8	100.0%	141.1	100.0%	481.2	100.0%	416.9	100.0%
Costs of goods sold	-129.9	-74.3%	-104.5	-74.1%	-353.1	-73.4%	-309.4	-74.2%
Gross profit from sales	44.9	25.7%	36.6	25.9%	128.1	26.6%	107.5	25.8%
Marketing and selling costs	-29.0	-16.6%	-25.1	-17.8%	-83.0	-17.2%	-70.4	-16.9%
General administrative costs	-6.1	-3.5%	-3.9	-2.7%	-15.9	-3.3%	-12.2	-2.9%
Other operating income/expenses	-0.1	-0.1%	0.1	0.1%	0.2	0.0%	0.3	0.1%
Income from investments	0.3	0.2%	0.3	0.2%	0.6	0.1%	-0.4	-0.1%
EBIT	10.0	5.7%	8.0	5.7%	30.0	6.2%	24.8	6.0%
Net interest income	-0.1	0.0%	-1.1	-0.8%	-0.2	0.0%	-4.4	-1.1%
Results of normal business activity	9.9	5.7%	6.9	4.9%	29.8	6.2%	20.4	4.9%
Extraordinary expenses	0.0	0.0%	-0.1	-0.1%	0.0	0.0%	-9.3	-2.2%
Earnings before taxes (EBT)	9.9	5.7%	6.8	4.8%	29.8	6.2%	11.1	2.7%
Taxes on income and earnings	-3.9	-2.3%	-3.4	-2.4%	-11.9	-2.5%	-5.7	-1.4%
Net profit before minority interest	6.0	3.4%	3.4	2.4%	17.9	3.7%	5.4	1.3%
Minority interest	-0.1	0.0%	0.0	0.0%	-0.2	0.0%	0.2	0.0%
NET PROFIT	5.9	3.4%	3.4	2.4%	17.7	3.7%	5.6	1.3%

*) in accordance with IAS

Balance Sheet as of September 30, 2000*

ASSETS (in million DM)	September 30, 2000	December 31, 1999
Fixed assets		
Intangible assets	17.1	16.2
Property, plant and equipment	96.1	88.9
Financial assets	0.6	0.4
	113.8	105.5
Current assets		
Inventories	79.6	63.2
Trade accounts receivable	133.9	145.8
Other short-term receivables	6.1	11.6
Deferred tax claims	5.1	3.5
Cash and cash equivalents	32.3	17.8
	257.0	241.9
TOTAL ASSETS	370.8	347.4
SHAREHOLDERS' EQUITY AND LIABILITIES (in million DM)		
Shareholders' equity		
Subscribed capital	13.8	13.8
Capital reserves	85.3	85.3
Profit carried forward	13.3	2.9
Net profits	17.7	10.4
	130.1	112.4
Minority interests	0.8	0.6
Provisions		
Provisions for pensions and similar obligations	52.6	50.5
Tax provisions	10.0	11.8
Other provisions	70.1	73.9
	132.7	136.2
Liabilities		
Long-term debts	11.1	13.2
Trade accounts payable	66.9	48.6
Other short-term liabilities	29.2	36.4
	107.2	98.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	370.8	347.4

*) in accordance with IAS

Cash Flow Statement for the period from January 1, to September 30, 2000*

(in million DM)	1st - 3rd quarter 2000	1st - 3rd quarter 1999
Current business activity		
Results of ordinary business activity	29.8	20.4
Depreciation of fixed assets	23.8	21.3
Book profits from sale of assets	-0.3	-0.1
Increase in pension provisions	2.1	0.5
Extraordinary expenses (excluding IPO)	0.0	-0.8
Income tax payments	-11.5	-1.1
Cash flow before change in net assets	43.9	40.2
Increase (-) / decrease (+) in stock in inventories	-16.4	1.0
Increase (-) / decrease (+) in trade accounts receivable and other assets	13.7	-0.3
Decrease in other provisions	-3.8	-7.9
Increase (+) / decrease (-) in trade accounts payable and other liabilities	16.3	-2.1
Cash flow from current business activity	53.7	30.9
Investment activity		
Acquisition of property, plant and equipment	-32.1	-20.8
Proceeds from the disposal of tangible fixed assets	0.3	0.1
Cash flow from investment activity	-31.8	-20.7
Financing activity		
Decrease in minority interest	0.0	-2.1
Capital increases	0.0	72.1
Cost of the IPO	0.0	-8.5
Retirement of loans	-7.4	-41.3
Cash flow from financing activity	-7.4	20.2
Change in CASH FUND	14.5	30.4

Composition of cash fund (in million DM):	30th Sept. 2000	31st Dec. 1999	Change
Cash and equivalents	32.3	17.8	14.5
Short-term bank debts	0.0	0.0	0.0
CASH FUND	32.3	17.8	14.5

*) in accordance with IAS



Vitros Loewe Vitros. Forget the past. This television has its eyes set on the future. With a refreshing unique design and innovative future-proof technology. Simply fascinating!

Vitros redefines the art of television. Its unique appearance attracts attention to the absolutely flat screen. And the MediaPlus concept offers unprecedented individuality.