

Press release

No. 02/04
March 4, 2004

PVA TePla publishes annual report for 2003

- No significant deviations from preliminary figures provided on March 2
- Outlook cautiously optimistic

PVA TePla AG
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Asslar, March 31, 2004: After having announced tentative figures on March 2, PVA TePla AG today published final and audited figures in its consolidated annual report for 2003. There were no significant deviations from the preliminary figures.

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The management failed to achieve the ambitious goal it set itself of being able to report a balanced operative result the first year after the merger of PVA and TePla at the end of 2002. Despite slightly negative quarterly results, the overall trend for the first nine months of the business year was positive. However, group sales remained far below expectations, with figures of €7.8 million in the fourth quarter and €38.9 million for all of 2003 (compared to a pro forma figure of €46.7 million for the previous year).

The operating result (EBIT) in the amount of €-5.5 million was based on a lack of profit contributions due to lower-than-planned sales (despite an improvement in gross margin from 19.8 to 26.7 percent) as well as expenses for restructuring measures amounting to €1.2 million. Cost-saving effects were incremental and, in part, will not be visible until sometime in the current business year (2004).

The result of ordinary business activity was €-5.7 million. The annual net loss for 2003 amounted to €2.9 million (compared to a pro forma figure of €-12.5 million for the previous year).

Despite a volume of orders received of only €38.0 million (compared to a pro forma figure of €-44.7 million for the previous year), at the end of 2003 the group showed an increase in its backlog of orders of around 17 percent over the previous year's figure (€11.0 million compared to €9.4 million) after deduction of sales on the basis of completion status.

The management board expects the group to return to operating profits in the course of the 2004 business year, following the adjustment of key cost structures to business trends and a noticeable increase in demand in some markets.

The full text of the annual report has been posted on the Internet at www.pvatepla.com - Investor Relations.

About PVA TePla

PVA TePla AG, formed by a merger between TePla AG and PVA Vakuum-Anlagenbau GmbH, is an established supplier of systems and facilities for eco-friendly production and treatment of sophisticated industrial materials, with decades of experience in these fields. As a vacuum specialist for high-temperature and plasma treatment, PVA TePla is a leading player on the world market for hard-metal sintering plant, crystal growing facilities and for surface activation using plasma. With its systems and services, PVA TePla supports key processes in industrial companies – above all in the metal, ceramics, plastics, semiconductor, hard metal and electrical/ electronic industries – as well as institutes for research and development engaging with material technologies.

The company also supplies innovative components and solutions for cleaning freshwater, wastewater and surfaces using UVC radiation.

The shares of this high-tech company have been traded on the Frankfurt Stock Exchange since 21 June 1999; since 1 January 2003, the shares have been listed in the Prime Standard segment (ISIN DE0007461006, Reuters TPEG).

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