



*We set world standards in
control and communication technology
in our fields of business
Industrial Automation and
Automotive Electronics*

softing

Net profit of 0.8 million DM.

During the first nine months of the year, Softing made a net profit of 0.8 million DM

For the third quarter of the year, incoming orders amounted to 10.1 million DM and for the first nine months of the past business year in total, to 28.2 million DM.

In the third quarter, the Softing group achieved a sales revenue of 8.8 million DM. For the first nine months, the revenue amounted to 25.2 million DM. Due to the seasonal distribution of our business, we expect a turnover of approx. 11 million DM during the last quarter and will thus probably achieve an annual turnover of 36 million DM for the business year 2000. Softing will not reach the planned turnover of 42.1 million DM.

For the third quarter, the result of normal business activity was +0.1 million DM and for the first nine months of the past business year, -2.0 million DM. On September 30th, 2000, the annual net profit amounted to 0.8 million DM.

Especially in the third quarter of the year, the lack of qualified development engineers on the labor market has led to a backlog of orders and influenced the trend of turnover and earnings accordingly. In addition, the third quarter was burdened with the postponement of a large order in the Industrial Automation segment.

In the third quarter, our subsidiary Softing Industrial Solutions Italia S.r.l. concluded a contract of great economic and strategic importance with a leading Italian manufacturer of motion controllers. Thus, only a few weeks after its foundation, Softing Italia has received an order with a current volume of 0.3 million DM and is therefore in accordance with the plan for the business year 2000.

In the near future, our central task will be to expand our international sales organization for promoting the sale of projects and products and especially for distributing 4CONTROL and the communication products in Industrial Automation worldwide. The success of Softing's Italian subsidiary, which was founded in June 2000, shows that we are on the right path.



Employees

On September 30th, 2000, the number of permanently employed staff was 184, as was the case already in June 2000. To ease the tension on the employment situation, Softing agreed on a cooperation with a software vendor in the third quarter.

Development of the Individual Business Areas

Automotive Electronics – Strong Third Quarter

In the third quarter of the year, the business group Automotive Electronics was able to catch up on a large scale in terms of incoming orders, turnover and EBIT. Incoming orders amounted to 4.4 million DM and, for the first nine months, to 12.7 million DM in accordance with the plan. For the third quarter, sales revenues amounted to 4.1 million DM; over the past nine months,



they increased to a total of 10.8 million DM. In the third quarter, the EBIT came to 1.4 million DM and in the past nine months, to 2.1 million DM.

Industrial Automation – Postponement by a large Customer

With 4.7 million DM in the third quarter and a total of 13.1 million DM over the past nine months, incoming orders were 1.6 million DM below the plan. The reason for this is a check on investment by a large customer who will not implement the construction of a manufacturing plant with our communication products at least in this year. During the past three months, sales revenues amounted to 4.1 million DM; for the first nine months of the business year, they increased to 12.7 million DM.

In the third quarter, the EBIT amounted to -0.6 million DM and in the past nine months, to -1.2 million DM.

4CONTROL — Internet-based Automation — Encouraging Core Factors

Although the market for PC-based control systems qualitatively develops as was originally expected, there is a delay in this development. Softing has already been able to assume a prominent position in this promising market and will benefit from the predicted enormous growth rates. In spite of the delay, incoming orders in the third quarter came to 1.0 million DM, to which our subsidiary Softing Italia, founded in June, contributed with 0.3 million DM. Incoming orders in the first nine months of the past business year therefore amounted to a total of 2.3 million DM.

In the third quarter, sales revenues ran to 0.8 million DM and in the past nine months, to 1.8 million DM. Here, the fact is reflected that market acceptance of Internet-based system solutions in the industry is still hesitant this year.

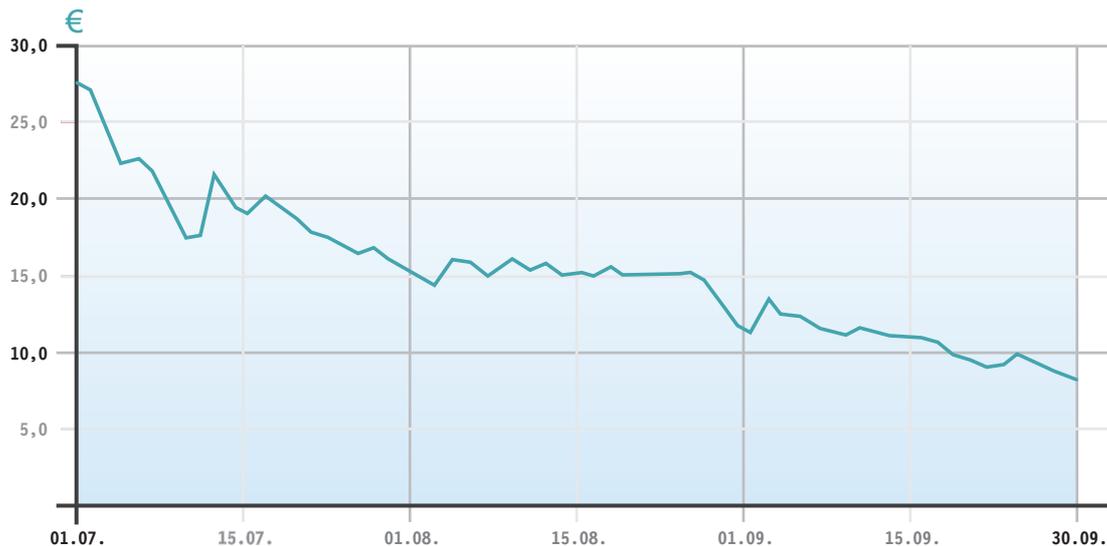
In the third quarter, the EBIT amounted to -0.7 million DM and in the past nine months, to -2.7 million DM and was therefore in accordance with the plan.

By now, Softing has further developed the product 4CONTROL to increase its lead in this area of technology. In the additionally offered new version, 4CONTROL can now be put to use both on PCs and on customer-specific soft- and hardware platforms.

This version will be launched at the end of November. Furthermore, the 4CONTROL product range has been completed with FieldPC and PanelPC.



Stocks fell below the Issue Price



Final daily quotation official market Frankfurt

In the third quarter, the stock price fell from 27.7 Euros on July 3rd to 8.31 Euros on September 29th, 2000. Thus, the price was 6.19 Euros below the issue price at the end of the quarter. To eliminate the incongruity between the financial data and stock price development and Softing's excellent reputation with customers, we will continue to strengthen our leading market position in the segments Automotive Electronics and Industrial Automation and particularly in the promising market for Internet-based solutions.

Company Schedule

<u>Certified annual statement</u>	<u>30.03.2001</u>
<u>Balance press conference / DVFA in Frankfurt</u>	<u>05.04.2001</u>
<u>Management report in German and English</u>	<u>April/May 2001</u>
<u>Quartalsbericht 1-2001</u>	<u>22.05.2001</u>
<u>General assembly in the Haus der Bayerischen Wirtschaft, Munich</u>	<u>29.05.2001</u>
<u>Quarterly Report 2/2001</u>	<u>14.08.2001</u>

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Group balance sheet According to IAS

Status: September 30th, 2000 (not audited)

ASSETS	30.9.2000 DM
A. Fixed assets	
I. intangible assets industrial property rights and similar rights and values as well as licenses to such rights and values	14.921.565
II. tangible assets other assets, furnitures and fixtures	1.670.471
III. financial assets	455.726
	17.047.762
B. Current assets	
I. stocks	1.743.194
II. accounts receivable and other assets	
1. trade debtors	7.846.357
2. other assets	335.311
	8.181.668
III. investments	19.392.587
VI. liquid funds	629.679
	29.947.128
C. Prepayments and accrued income	79.636
	47.074.526

Group balance sheet According to IAS

Status: September 30th, 2000 (not audited)

LIABILITIES AND SHAREHOLDERS EQUITY	30.9.2000
	DM
A. Equity capital	
I. subscribed capital	9.779.150
II. capital reserves	18.860.230
III. reserve from capital consolidation	1.047.012
IV. consolidated net earnings	7.024.986
V. capital shares minority partners	33.249
VI. minority partners' shares of profits and losses	-7.296
	36.737.331
B. Deferred taxes	4.078.000
C. Accruals	
1. accruals for pensions and similar liabilities	1.108.329
2. provisions for taxation	0
3. other accruals	2.508.144
	3.616.473
D. Liabilities	
1. liabilities to credit institutions	127.293
2. liabilities from long-term production orders	24.964
3. customer prepayments for orders	792.026
4. trade accounts payable	281.823
5. other liabilities	1.414.887
	2.640.993
E. Accruals and deferred income	1.729
	47.074.526

Group Profit and Loss Account According to IAS; Status: September 30th, 2000 (not audited)

	1.1.2000 – 30.9.2000 DM
1. Sales revenues	25.233.929
2. Change in inventory of finished products	224.655
3. Other internally produced and capitalized assets	5.096.264
4. Other operating revenue	886.466
5. Raw materials and consumables	
a) expenses for raw materials and supplies and for purchased goods	-4.353.592
b) expenses for purchased services	-749.283
	26.338.439
6. Staff costs	
a) wages and salaries	-14.505.860
b) social insurance contributions and social security costs for old age pension and for support	-2.404.128
7. Amortization of intangible and tangible assets	-5.991.146
8. Other operating expenses	-5.632.094
	-2.194.789
9. Income from participations	-
10. Income from long-term financial investments	37.000
11. Other interests and similar earnings	253.742
12. Interest and related expenses	-135.345
13. Result of ordinary business activities	-2.039.392
14. Extraordinary income	35.100
15. Extraordinary expenses	-
16. Extraordinary result	35.100
17. Income taxes	2.829.000
18. Other taxes	-3.339
19. Annual net profit / deficit (-)	821.369
20. Profit/loss carried forward (-)	6.196.321
21. Consolidated profit / consolidated loss (-)	7.017.690
22. Minority partners' shares of profits and losses	7.296
23. Group profit / group losses (-) after deduction of the minority shares	7.024.986
Net earnings per share according to DVFA/SG	0,04

Group Cash-Flow Statement According to IAS; Status: September 30th, 2000 (not audited)

	01.01.-30.09.2000	01.01.-31.12.1999
	TDM	TDM
Net income/(-) loss	821	1.830
Amortization of intangible assets and depreciation on tangible assets	5.991	7.897
Change in long-term reserves	-2.743	1.086
Capitalization of self-produced intangible assets	-5.305	-8.161
Result from the disposal of fixed assets including shareholdings	0	15
Change in inventories	-225	-471
Change in trade accounts receivable including long-term receivables	42	-1.247
Change in other assets and accruals	456	-121
Change in other reserves	-44	36
Change in advance payments received	-89	137
Change in trade accounts payable including liabilities from long-term contracts	-523	-430
Change in other liabilities, prepayments and accrued income	-591	-2.451
Change in liabilities due to banks	127	-867
Inflow/(-)outflow of funds from current business	-2.083	-2.747
Payments made for investments in fixed assets	-655	-1.821
Payments made for investments in financial assets	-39	-
Inflow/(-)outflow of funds from investing activities	-694	-1.821
Capital increase/decrease	4.713	5.048
Change in reserve from capital consolidation	-628	-837
Transfer to capital reserves minus withdrawals	15.878	2.982
Inflow/(-)outflow of funds from financing activities	19.963	7.193
Cash value change of net funds	17.186	2.625
Net funds at the beginning of the period	2.836	211
Net funds at the end of the period	20.022	2.836