

Report on the first quarter 2002

cenit

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CENIT AT A GLANCE (unaudited)

1st Quarter of 2002 AT A GLANCE - 01.01.02 - 31.03.02

| | 1 st Quarter 02 | 1 st Quarter 01 |
|--------------------------------------|----------------------------|----------------------------|
| | m. EUR | m. EUR |
| Sales | 23.11 | 30.98 |
| Gross profits | 13.15 | 17.79 |
| EBITDA | 0.0 | -378 |
| EBITA | -0.52 | -1.35 |
| Operating returns (EBIT) | -0.63 | -1.73 |
| Group results EBT | -0.74 | -1.89 |
| Result per share (basic) in EURO | -0.15 | -0.48 |
| Result per share (diluted) in EURO | -0.15 | -0.45 |
| Number of employees at end of period | 605 | 877 |

FOREWORD



DEAR SHAREHOLDERS

with a few exceptions the stock markets in the industrial nations did not experience significant changes after the first quarter 2002 compared to the level they showed in the beginning of the year. Merely in Japan the Nikkei went up by considerable 8 per cent since then. In general telecommunications and technology-driven indices lost significantly. The 'Neuer Markt' still remains affected by strong fluctuations.

The first three months of a year, our sector is substantially affected by CeBIT, the greatest computer fair of the world. Many surely had expected a positive signal from the fair, but still a strong restraint and uncertainty on the market is recognisable. But, following our assessment, the quality of the fair contacts has improved strongly and the specific address of new customers was more effective than in the previous year. It will take months before the sales cycle will show how successful the CeBIT 2002 was for our company. A special highlight at the CeBIT was the completion of a contract with the automobile supplier BM FormTEC. Our incoming order development is also positive. An increase of 5 per cent was recorded in the first quarter 2002.

Observing our share price of the last 3 months, it is obvious that the CENIT share gained increased attention. We expect that the financial market rewards our taken measures for the result improvement, leading to a significant rise of the share price. Also the current investor relations activities and conversations with funds and banks certify CENIT being in a promising position as a Turn Around candidate in the German 'Neuer Markt'. With a balanced operative result before depreciations in the first quarter 2002 we are on the best way to confirm this confidence. Moreover, we could reduce our bank liabilities by 4.8 m. EUR and show a positive cash development.

Sincerely Yours

A handwritten signature in black ink, which appears to read 'F. Engelmann'. The signature is written in a cursive, flowing style.

Falk Engelmann
Chairman of the Executive Board

MANAGEMENT REPORT

In March, the atmosphere in the German economy has clearly improved once more. According to the Munich Ifo Institute for Economy Research, the business climate index for Western Germany has climbed off 88.5 in February onto 91.8 points. The index increased considerably stronger than expected by experts. With the jump over the level of 90 points the barometer lies for the first time over the standard registered before the terrorist attacks on September 11, 2001. The index is considered to be an important benchmark for how the companies judge the economic situation.

Admittedly, the leading German economy researchers have lowered their growth forecast for 2002 to 0.9 per cent, as expected, after a forecast of 1.3 per cent in the fall report 2001. The international monetary fund (IMF) had raised its growth forecast for the gross domestic production (GDP) in Germany from 0.7 per cent to 0.9 per cent in same time period.

CENIT RESULT DEVELOPMENT

The CENIT Group could, compared to the fourth quarter 2001 performance, improve its results clearly in the first quarter 2002, reduce the bank liabilities by 36 per cent and present itself to the Stock Market as a solid Turn Around candidate.

The implementation of the business goals, to show a significant increase of profitability and to reach a positive EBIT by end of 2002, are therefore according to plan. The positive trend reversal in the CENIT group gets particularly visible in the result development of CENIT AG Germany. With a sales

revenue of 17.7 m. EUR in Germany (2001: 22.4 m. EUR) and an EBITDA of plus 0.1 m. EUR (2001: EBITDA 0.1 m. EUR) the operative business has turned around to positive again, after the 4th quarter 2001 had already showed a result of plus 0,7 m. EUR. The EBIT in Germany improved with 47 per cent to minus 0,4 m. EUR (2001:EBIT - 0.7 m. EUR). The costs could be reduced once more by 1.7 m. EUR, currently ranking at 9.9 m. EUR (2001:11.6 m. EUR).

In the 1st quarter, the cash-flow developed positively. The Group gained 2.1 m. EUR from operational activity (for 2001: -1.3 m. EUR). The positive result is the outcome of the balanced EBITDA group result and the optimization of the cash management. Moreover, the development of the bank liabilities is another positive aspect, having decreased by 36 per cent or 4.8 m. EUR to an end figure of 8.6 m. EUR. This development is connected to the influxes from operational activity, a careful investment practice and the diminution of the liquid funds.

The CENIT Group reached a sales revenue of 23.1 m. EUR (2001: 31.0 m. EUR) . Gross profits amount to 13.1 m. EUR (2001: 17.8 m. EUR). The EBITDA is balanced (2001: - 0.4 m. EUR). The Group EBIT is considerably better than in the previous year (2001: - 1.7 m. EUR) and shows minus 0.6 m. EUR in the first quarter 2002. Therefore, the group EBT states minus 0.7 m. EUR. (2001: - 1.9 m. EUR). Equity-to-assets ratio of the Group increased from 35 per cent to 42 per cent in comparison to 31.12.2001. Earnings per share (EPS) are minus 0.15 EUR (2001: EPS: -0.48 EUR), undiluted.

Further annotations: Explanation in accordance with German Neuer Markt regulation

Changes in accounting and valuation methods did not take place.

Development of costs

The costs development in accordance to plan.

Capital expenditures

Capital expenditures in the first quarter 2002 recorded 0.35 m. EUR (31.12.2001: 3.5 m. EUR). These are the usual expansion and substitute investments in the context of IT, software and needs of office requirements.

Breakdown of earnings

CENIT is exclusively working in two business segments. In the business unit e-engineering, the company obtained a sales volume share of approx. 83 per cent of the total sales revenue. The sales volume share of e-business amounts to 17 per cent of the sales revenue.

Changes in Management or Supervisory Boards

No Changes.

Processes of special importance which can have an effect on the result of the business activity

No particular events.

Interim-dividend

No interim-dividend was distributed.

Amount distributed or suggested to distribution

Neither a dividend distributed nor suggested to distribution.

NEWS ORDERS

The group order income as of March 31, 2002, is 20.97 m. EUR. This is a rise by 5 percent compared to 2001 (19.95 Mio. EUR). An additional order increase by 14 per cent was credited in France.

All our long-term customers like BMW, VW, Allianz, AGIS, Hugo Boss, AXA, REWE, Metro, Quelle, TRW, Bosch, Kärcher, Alstom or Heidelberger Druck replaced orders worth several million EURO with CENIT, at the beginning of the year.

Additionally, a new order from Bm FormTEC Fertigungsgesellschaft for the introduction of the CAD software CATIA V4/V5 at the amount of 400 KEUR, signed at the CeBIT 2002, could be announced in the first quarter.

For Bm FormTEC, the implementation of CATIA V5 in its construction and development areas, is a necessary and innovative step, in order to be able to continue ensuring highest quality and reliability for

BUSINESS AND RESULT DEVELOPMENT

Europe's leading automobile manufacturers and suppliers. The development of bodywork parts, pulling plants and tool constructions as well as the NC programming and the modelling becomes driven forward on high technology standard with this investment.

PARICIPATIONS

CENIT Schweiz AG reached a sales volume of 0.5 m. EUR with an EBIT of minus 0.2 m. EUR.

Spring Technologies/CENIT France reached a sales volume of 4.1 m. EUR at a balanced result.

LIQUID FUNDS AND SECURITIES

The liquid funds incl. the securities, reported 0.5 m. EUR as of March 31, 2002. We refer to the cash flow statement contained in this report as for the rest.

ASSETS, FINANCIAL AND INCOME STATEMENTS

The balance sheet of CENIT shows altogether a balanced and long-term secured structure. The balance sheet total is 36.5 m. EUR. The accounts receivable – trade record 15.3 m. EUR.

The cash-flow from regular business activity of CENIT AG amounts to 2.1 m. EUR. The liquid funds amounted to 0.5 m. EUR at the end of the reporting period. In comparison with the previous year, the personnel expenses fell by 27 per cent in the Group.

RESEARCH AND DEVELOPMENT

No expenses for Research and Development were reported.

EMPLOYEES

The number of employees in Germany was 448 (2001:539), in Switzerland 17 (2001:15), in France 140 (2001:145), at deadline. Thus, the CENIT Group employs 605 employees worldwide. The reduction compared with the reference period (31.03.2001: 877) results essentially from the separation of the foreign subsidiaries in UK and the USA at the end of last year.

AWARDS

CENIT stood its ground in the partner comparison of the IBM business partner ranking in the CATIA sales volume for 2001 on the first place once more.

OUTLOOK

The CENIT group expects a fall in sales and a clear improvement in the group result for the current financial year 2002.

We therefore assume that we will clearly increase our profitability in the year 2002, thereby performing the turn around. For our subsidiaries in Switzerland and in France, we expect an increase according to the market conditions and safeguarding of the profitability.

INCOME STATEMENT 3-MONTHS REPORT (unaudited)

| | 1 st Quarter 02 | 1 st Quarter 01 | Change in | Change in |
|---|----------------------------|----------------------------|----------------|------------|
| | KEUR | KEUR | absolute terms | % |
| Revenues | 23,109 | 30,975 | -7,866 | -25 |
| Discontinuing operations | 0 | 3,818 | -3,818 | -100 |
| Continuing operations | 23,109 | 27,157 | -4,048 | -15 |
| Other operating income | 194 | 99 | 95 | 96 |
| Changes in inventories of finished goods and work in progress | 1,060 | 1,067 | -7 | -1 |
| Production for own fixed assets capitalized | | | | |
| Cost of purchased materials and services | 11,217 | 14,348 | -3,131 | -22 |
| Personnel expenses | 9,247 | 12,637 | -3,390 | -27 |
| Depreciation and amortization | 516 | 967 | -451 | -47 |
| Amortization of goodwill | 107 | 387 | -280 | -72 |
| Other operating expenses | 3,904 | 5,534 | -1,630 | -29 |
| Operating income / loss | -628 | -1,732 | 1,104 | -64 |
| Discontinuing operations | 0 | -771 | 771 | -100 |
| Continuing operations | -628 | -961 | 33 | -35 |
| Interest income and expense | -115 | -155 | 40 | |
| Income from investments and participations | 0 | 0 | 0 | |
| Income / expense from associated companies | 0 | 0 | 0 | |
| Other income / expenses | 0 | 0 | 0 | |
| Result before income taxes (and minority interest) | -743 | -1,887 | 1,144 | |
| Income tax | -130 | 137 | -267 | |
| Extraordinary income / expenses | -24 | -18 | -6 | |
| Result before minority interest | -637 | -2,042 | 1,405 | |
| Minority interest | 0 | 0 | 0 | |
| Net income / loss | -637 | -2,042 | 1,405 | |
| Net income per share (basic) | -0.15 | -0.48 | | |
| Net income per share (diluted) | -0.15 | -0.45 | | |
| Weighted average shares outstanding (basic) (No.) | 4,169,242 | 4,169,242 | | |
| Weighted average shares outstanding (diluted) (No.) | 4,169,242 | 4,524,762 | | |
| Financial characteristic numbers | | | | |
| EBITDA | -5 | -378 | | |
| EBITA | -521 | -1,345 | | |
| EBIT | -628 | -1,732 | | |
| EBT | -743 | -1,887 | | |

BALANCE SHEET(unaudited)

| | 31.03.02 | 31.12.01 |
|--|---------------|---------------|
| | KEUR | KEUR |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 500 | 3,571 |
| Short-term investments / marketable securities | 3 | 3 |
| Trade accounts receivable | 15,308 | 22,976 |
| Accounts receivable due from related parties | 0 | 0 |
| Inventories | 4,225 | 2,870 |
| Deferred tax assets | 0 | 0 |
| Prepaid expenses and other current assets | 2,898 | 2,469 |
| Total current assets | 22,934 | 31,889 |
| Non current assets | | |
| Property, plant and equipment | 3,096 | 3,279 |
| Intangible assets | 411 | 390 |
| Goodwill | 5,603 | 5,710 |
| Investments | 181 | 181 |
| Deferred taxes | 4,228 | 4,079 |
| Other assets | 0 | 0 |
| Total non current assets | 13,519 | 13,639 |
| Total ASSETS | 36,453 | 45,528 |

BALANCE SHEET (unaudited)

| | 31.03.02 | 31.12.01 |
|---|---------------|---------------|
| | KEUR | KEUR |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Short term debt and current portion of long-term debt | 8,153 | 12,936 |
| Trade accounts payable | 6,922 | 7,773 |
| Accounts payable due to related parties | 0 | 0 |
| Advance payments received | 0 | 0 |
| Accrued expenses | 2,133 | 4,510 |
| Income tax payable | 0 | 0 |
| Deferred tax liability | 181 | 162 |
| Other current liabilities | 3,349 | 3,932 |
| Total current liabilities | 20,738 | 29,313 |
| Non-current liabilities | | |
| Long-term debt, less current portion | 432 | 432 |
| Deferred tax liability | 0 | 0 |
| Pension accrual | 0 | 0 |
| Others | 74 | 76 |
| Total non-current liabilities | 506 | 508 |
| Minority interest | 0 | 0 |
| Shareholders' equity | | |
| Share capital | 4,184 | 4,184 |
| Additional paid-in capital | 23,350 | 23,350 |
| Treasury stock | -511 | -511 |
| Retained earnings/accumulated deficit | -15,856 | -15,219 |
| Accumulated other comprehensive income/loss | 3,929 | 3,950 |
| Others | 113 | -47 |
| Total shareholders' equity | 15,209 | 15,707 |
| Total liabilities and shareholders' equity | 36,453 | 45,528 |

CASH FLOW STATEMENT (unaudited)

| | 01.01.02- 31.03.02 | 01.01.01- 31.03.01 |
|---|-----------------------|-----------------------|
| | KEUR | KEUR |
| Cash flow from operating activities | | |
| Net profit/loss | -637 | -2,042 |
| Minority interest | 0 | 0 |
| Depreciation and amortization | 623 | 1,354 |
| Increase/decrease in provisions and allowances | -2,377 | -2,078 |
| Increase in deferred tax assets | -149 | 0 |
| Losses/gains on the disposal of fixed assets | 0 | -161 |
| Other invalid payment expenses and revenues | 140 | 21 |
| Change in inventories | -1,355 | -1,306 |
| Change in accounts receivable for goods and others assets | 7,239 | 6,931 |
| Change in advance payments received, bills payable and liabilities for goods and services and other liabilities | -1,415 | -4,023 |
| Net cash provided by operating activities | 2,070 | -1,304 |
| Cash flow from investing activities | | |
| Acquisition of subsidiaries | 0 | 0 |
| Proceeds from disposal of a subsidiary, net of cash transferred | 0 | 0 |
| Purchase of property, plant and equipment | -354 | -1,008 |
| Proceeds from sale of equipment | 0 | 0 |
| Others | 0 | 0 |
| Net cash used in investing activities | -354 | -1,008 |
| Cash flows from financing activities | | |
| Proceeds from issuance of share capital | 0 | 0 |
| Proceeds from short or long-term borrowings | 0 | 0 |
| Change in liabilities due to banks | -4,783 | 1,769 |
| Others | -2 | -36 |
| Net cash provided by financing activities | -4,785 | 1,733 |
| Net effect of currency translation in cash and cash equivalents | -1 | -5 |
| Net increase (decrease) in cash and cash equivalents | -3,071 | -584 |
| Cash and cash equivalents at beginning of period | 3,571 | 2,355 |
| Cash and cash equivalents at end of period | 500 | 1,771 |

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE
3-MONTHS REPORT (unaudited)**

| | Share capital KEUR | Addit. paid-in capital KEUR | Reserve for currency KEUR | Surplus reserve KEUR | Retained earning KEUR | Treasury stock KEUR | Convertible bonds KEUR | Result KEUR |
|--------------------------------|--------------------------|--------------------------------------|---------------------------------|----------------------------|-----------------------------|---------------------------|------------------------------|----------------|
| Balance 01.01.2002 | 4,184 | 23,350 | -53 | 3,950 | -15,219 | -511 | 6 | 15,707 |
| Change in currency | | | 161 | | | | | 161 |
| Change in Minority interest | | | | -21 | | | | -21 |
| Net income/-loss | | | | | -637 | | | -637 |
| Change in convertible bonds | | | | | | | -1 | -1 |
| Balance 31.03.2002 | 4,184 | 23,350 | 108 | 3,929 | -15,856 | -511 | 5 | 15,209 |

SEGMENT REPORT (unaudited)

SEGMENT REPORT BY SEGMENTS (in KEUR)

| | EB | EE | not assigned | Consolidation | Continuing Operations | Discontinuing Operations | | Group |
|----------------------------|--------|--------|--------------|---------------|-----------------------|--------------------------|-------|--------|
| | | | | | | EB | EE | |
| Intercompany sales | | | | | | | | |
| Q1/2002 | 91 | 381 | 0 | -472 | 0 | 0 | 0 | 0 |
| Q1/2001 | 67 | 200 | 0 | -367 | -100 | 0 | 100 | 0 |
| External net sales | | | | | | | | |
| Q1/2002 | 3,872 | 19,237 | 0 | 0 | 23,109 | 0 | 0 | 23,109 |
| Q1/2001 | 7,764 | 19,393 | 0 | 0 | 27,157 | 109 | 3,709 | 30,975 |
| EBIT | | | | | | | | |
| Q1/2002 | -809 | 267 | 0 | -86 | -628 | 0 | 0 | -628 |
| Q1/2001 | -1,172 | 568 | 0 | -357 | -961 | -37 | -734 | -1,732 |
| Segment assets | | | | | | | | |
| 31.03.2002 | 5,838 | 28,627 | 2,281 | -293 | 36,453 | 0 | 0 | 36,453 |
| 31.12.2001 | 9,592 | 31,188 | 5,745 | -997 | 45,528 | 0 | 0 | 45,528 |
| Segment liabilities | | | | | | | | |
| 31.03.2002 | 2,497 | 12,568 | 8,585 | -2,406 | 21,244 | 0 | 0 | 21,244 |
| 31.12.2002 | 4,445 | 14,866 | 13,440 | -2,930 | 29,821 | 0 | 0 | 29,821 |
| Capital Expenditure | | | | | | | | |
| 31.03.2002 | 104 | 250 | 0 | 0 | 354 | 0 | 0 | 354 |
| 31.12.2001 | 716 | 2,588 | 0 | 0 | 3,304 | 13 | 225 | 3,542 |
| Depreciation | | | | | | | | |
| Q1/2002 | 153 | 363 | 0 | 107 | 623 | 0 | 0 | 623 |
| Q1/2001 | 332 | 563 | 0 | 367 | 1,262 | 11 | 81 | 1,354 |

SEGMENT REPORT (unaudited)

SEGMENT REPORT BY REGION (in KTEUR)

| | D | CH | F | not assigned | Consoli- dation | Continuing Operations | Discontinuing Operations | Group |
|----------------------------|--------|-------|-------|-----------------|--------------------|--------------------------|-----------------------------|--------|
| Intercompany sales | | | | | | | | |
| Q1/2002 | 167 | 107 | 32 | 166 | -472 | 0 | | 0 |
| Q1/2001 | 135 | 75 | 57 | 0 | -367 | -100 | 100 | 0 |
| External net sales | | | | | | | | |
| Q1/2002 | 17,583 | 370 | 5,025 | 131 | | 23,109 | 0 | 23,109 |
| Q1/2001 | 22,274 | 306 | 4,577 | 0 | | 27,157 | 3,818 | 30,975 |
| Segment assets | | | | | | | | |
| 31.03.2002 | 26,083 | 1,066 | 9,071 | 526 | -293 | 36,453 | | 36,453 |
| 31.12.2001 | 38,096 | 1,393 | 6,624 | 205 | -790 | 45,528 | | 45,528 |
| Capital Expenditure | | | | | | | | |
| 31.03.2002 | 316 | 0 | 38 | 0 | 0 | 354 | 0 | 354 |
| 31.12.2001 | 1,982 | 40 | 1,282 | 0 | 0 | 3,304 | 238 | 3,542 |

DIRECTOR'S HOLDING

EXPLANATION TO OWNING SHARES AND THE PRE-EMPTIVE RIGHTS OF DIRECTORS AND OFFICERS AND EMPLOYEES ACCORDING TO § 160 Abs. 1 Nr. 2 AND 5 AktG.

Directors and Officers of the company have no share pre-emptive rights.

CENIT employees have pre-emptive rights on 168,788 convertible bonds according to the employee shares participation program.

Director's Holding:

Stock of shares as of 31.03.2002

Total Number of Shares 4,183,879

Shares owned by the Executive Board:

Falk Engelmann 332,396

Hubertus Manthey 337,508

Andreas Schmidt 398,596

Shares owned by the Supervisory board:

Hubert Leyboldt 800

Dr. Axel Sigle 0

Dr. Dirk Lippold 0

Changes in mangement or supervisory boards:

No Changes.