



Interim Report, 30th September 2000
Capital for entrepreneurs and enterprises.

A: Key Consolidated Indicators (according to the HGB¹)

(in mill. EUR)	9/99	9/00*	change in %**
Revenues	565	260	- 54
Result from ordinary activities	- 4	137	-
Net income	- 10	130	-
Equity capital	195	235	+21
Equity ratio	24%	46%	-
Investments	26	12	- 54
New orders	615	284	- 54
Current orders	569	117	- 79
Employees	6,152	2,536	- 59

* Note: Holdings in Schaltbau AG and BESI were deconsolidated in June 2000.

** changes of one thousandth of a percent are not represented

B) Key Company Indicators

(in mill. EUR)	9/99	9/00	change in %
Equity capital	236	313	33
Equity ratio	65%	73%	-
Result from ordinary activities	- 1	139	-
Net profit (loss)	- 3	138	-

¹ HGB = Handelsgesetzbuch (German Securities Law)



**Ladies and Gentlemen,
Dear Shareholders,**

AdCapital AG has set its sights on becoming a leader in the booming private equity and venture capital market. Our focus is on our areas of expertise – telecommunications, software and IT services, Internet and e-commerce and high tech. In the first six months we were able to capitalize on the buoyant state of technology stocks by making a number of successful disinvestments. As a result, we realised a significant windfall for our stockholders. Since then, our business has also been removed from that market's decline. In fact the decline has worked in our favor – potential target businesses are now much more reasonably priced.

We have noticed during recent negotiations that companies are now priced at a level, which will enable significant gains to be made.

We restructured a number of our investments in the third quarter in order to boost the value of our portfolio. For instance, we turned euromicron AG into a comprehensive supplier of fiber optic and data network hardware. We also concentrated synfis AG's activities on software and e-banking solutions. Even though these activities came at a cost, we still had a positive result in the third quarter.

AdCapital's consolidated result from ordinary activities currently amounts to 137 mill. Euro, compared with - 4 mill. Euro at the same time last year. This extraordinary result is partly due to the sale of our holdings in BE Semiconductor Industries N.V. and GEVA Datentechnik. However the operating result also improved by 14 mill. Euro from - 9 mill. Euro at this time last year, to 5 mill. Euro this year. We have made significant progress with the implementation of our new business model and are confident that during the 4th quarter we will be able to announce several promising new investments.

The very fact that within the space of a year our new major stockholder (the Leibinger Family) has increased its holding by over 30% is a clear indicator of the market's approval of our activities.

Yours sincerely,



Dr. Christoph Schug

Revenues and Income

Due to significant consolidation changes, the figures for the first nine months of 2000 are not really comparable with the corresponding figures last year. Revenues dropped markedly to 260 mill. Euro as a result of the deconsolidation of Schaltbau AG on 30 September 1999 and of BESI on 1 April 2000. By contrast, revenues increased during the reporting period by 16% from 225 mill. Euro to 260 mill. Euro.

euromicron AG, which is listed on the Neuer Markt, had a particularly good result. Revenues here increased 27% from 96 mill. Euro last year to 122 mill. Euro this year. On the other hand, synfis AG's revenues dropped markedly to 36 mill. Euro. The reason for this was the sale of GEVA Datentechnik and a decline in general business activities.

At the end of the third quarter 2000, AdCapital AG's consolidated result from ordinary activities was 137 mill. Euro, compared with - 4 mill. Euro at the same time last year. A major reason for the increase in income was the secondary offering of 13 mill. BESI stocks in April. This brought in funds running into the hundreds of millions and is AdCapital's most successful investment thus far. 12 mill. Euro were realized by the sale of one of synfis AG's holdings as well as by the partial exchange of bearer bonds in AdCapital's subsidiary, Berliner Elektro Finance N. V. for BESI stocks. Kabel New Media AG's acquisition of IQENA increased group earnings by 4 million Euros.

Consolidated Income Statement

	9/99	9/00	change in %
(in mill. EUR)			
Revenues	565	260	- 54
Changes in inventories	14	4	- 71
Gross revenues	579	264	- 54
Other income	16	182	-
Materials costs	- 282	- 119	- 58
Gross income	313	327	4
Personnel costs	- 200	- 89	- 56
Depreciation and amortization	- 27	- 12	- 56
Other costs	- 79	- 87	10
Income from holdings	3	1	- 67
Interest and similar expenses	- 14	- 3	- 79
Result from ordinary activities	- 4	137	-
Taxes	- 6	- 7	17
Net Income	- 10	130	-

Despite considerable consolidation measures aimed at medium-term growth undertaken at euromicron and synfis, the third quarter achieved a 2 mill. Euro increase in earnings. The pre-tax consolidated operating result, (including extraordinary influences) increased from - 9 mill. Euro to 5 mill. Euro. After tax, the consolidated result at the end of the third quarter was 130 mill. Euro (compared with - 10 mill. Euro at the corresponding time last year).

Key Holdings

	No. of shares mill.	holding %
euromicron AG	3.5	74.9
synfis AG		100.0
BE Technik GmbH		100.0
Kabel New Media AG	0.5	2.2
Schaltbau AG	0.6	49.9
BE Semiconductor Industries N.V.	1.4	4.5

euromicron AG

In future, euromicron will focus on its high growth markets: fiber optic and data network hardware. Other areas of activity (including the energy management area, which promises to be lucrative in the future) will either be sold off or moved into partnerships so that they can be appropriately developed. Euromicron has chosen to focus its attention on the fibre optic technology market, which continues to expand rapidly. Compared with last year, euromicron overall revenues grew by 27%. Growth in the fibre optics sector amounted to 121%. The result from ordinary activities dropped from 7 mill. Euro last year to 5 mill. Euro as a result of extraordinary expenses related to restructuring. The adjusted operating result exceeded the previous year's result by 81% (in accordance with US GAAP).

synfis AG

synfis supplies services for retail banking and also IT solutions for banking processes. It successfully sold off GEVA Datentechnik GmbH at the beginning of 2000, thus significantly contributing to its amount of deployed capital. The current goal is to prepare software-oriented business units for IPOs. Other business units will be relocated to other holdings with greater IPO potential. Due to the considerable restructuring measures, the current operating result is temporarily negative. The result from ordinary activities is 3 mill. Euro and is therefore considerably higher than it was a year ago (-1 mill. Euro).

Kabel New Media AG

Kabel New Media is one of the leading European internet agencies and has been growing at an extraordinary rate. During the six months between 1 April and 30 September 2000, revenues (including new acquisitions) increased 8 fold and now amount to 47.4 mill. Euro. According to the Cash-EBITA operating indicator, growth was restricted, only reaching - 4 mill. Euro. However, the indicator is expected to reach break-even in the 3rd quarter of the current business year 2000-2001.

Schaltbau AG

Schaltbau finished the 3rd quarter on a decidedly positive note with a result of 6 mill. Euro compared to - 12 mill. Euro a year ago. The turnaround was reached sooner than expected. In line with a restructure, management has focused on selling non-core business units, improving stock and receivables management, increasing productivity and adjusting personnel levels. The focus will now shift to strategic reorientation and the retiring of debt.

BE Semiconductor Industries N.V.

The semiconductor industry has been booming since Autumn 1999. BESI has noticed the boom in the form of an increase in orders and in its increased value on the stock market. When a high point was hit at the beginning of February 2000 AdCapital decided to disinvest its holding. AdCapital's retirement from its position as majority stockholder has enabled BESI to determine its own future. AdCapital maintains 1.4 mill. (rounded) BESI shares, 1 mill. of which are tied to an exchange bond which is planned for June 2001.

Consolidated Balance Sheet

A) Assets

(in mill. EUR)	9/99	9/00	change mill. EUR
Fixed assets	361	122	- 239
Intangible assets	133	50	- 83
Property, plant and equipment	176	52	- 124
Investments and long-term financial assets	52	20	- 32
Non-fixed assets	445	384	- 61
Inventories	130	58	- 72
Receivables and other assets	188	84	- 104
Securities and liquid assets	127	242	115
Pre-paid expenses	4	2	- 2
Balance	810	508	- 302

B) Liabilities and stockholders' equity

(in mill. EUR)	9/99	9/00	change mill. EUR
Stockholders' equity	195	235	40
Minority interests	81	18	-63
Special items including reserves	1	0	- 1
Borrowed Capital	615	273	- 342
Accrued liabilities	114	72	- 42
Financial liabilities	387	136	- 251
Other liabilities and deferred income	114	65	- 49
Balance	810	508	- 302

AdCapital consolidated balance has dropped significantly (from 810 mill. Euro to 508 mill. Euro). because of the deconsolidation of both Schaltbau and BESl.

As of 30 September 2000, the deconsolidated equity capital amounted to 235 mill. Euro, compared with 195 mill. Euro at the same time last year. The equity ratio at the end of the third quarter was 46% (compared with 24% the previous year). Also, compared with a year ago, debts have been reduced by 251 mill. Euro to 136 mill. Euro. The deconsolidations and retirement of debts have contributed significantly to this reduction. As of 30 September 2000, net financial position amounted to 76 mill. Euro (compared to -257 mill. Euro a year ago).

The company's equity capital reached 313 mill Euro at the end of the third quarter this year. Last year it was 236 mill. Euro. Accordingly, the equity ratio is now 73%. The net financial position of the AG has improved from -23 mill. Euro to 210 mill. Euro. As at 30 September 2000, liquid funds amounted to 130 mill. Euro. Last year the figure was 45 mill. Euro.

The company's net asset value (NAV) as at 30 September 2000 was 367 mill. Euro, compared with 276 mill. Euro last year. Accordingly, every common and preferred stock is worth more than 20 Euro, thus demonstrating the growth potential of the share price.

Consolidated Cash Flow Statement

(in mill. EUR)	9/00
Periodic income before extraordinary items (including income attributable to minority interests)	131
+/- depreciation/appreciation of fixed assets	8
+/- increases/decreases in accrued liabilities	39
+/- other marginal expenditures/incomes	-1
-/+ profit/loss from the disposal of fixed assets	-172
-/+ increase/decrease in inventories, trade receivables and other assets	-2
+/- increase/decrease in trade and other liabilities	-3
= Cash provided by current operating activities	0
Proceeds from the disposal of fixed assets	0
- payments for the acquisition of fixed assets	-12
+ proceeds from the sale of consolidated businesses and other business divisions	196
- Income generated from the sale of consolidated enterprises and other business units	-1
+/- change in funds as a result of short-term financial dispositions	-1
= Cash used for investing activities	182
Dividend payments	0
+/- movement in current loans and financial debts	-30
= Cash from financing activities	-30
Net effect on financial funds	152
+/- changes in the liquid funds due to foreign exchange rates, consolidation, and reevaluation	-2
+ Net liquid funds at the beginning of the period	82
= Net liquid funds at the end of the period	232

Forecast

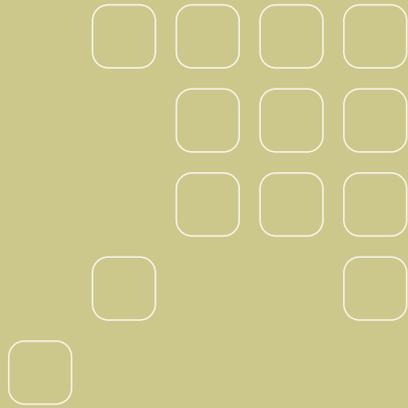
AdCapital is a holding company which provides fixed-term capital to both entrepreneurs and enterprises. It supplies capital during all the critical phases in a company's development – during its establishment, during periods of expansion, prior to an IPO, and to facilitate management buy-outs and buy-ins. We keep our private equity investments for the medium term – usually for a period of 3–8 years. AdCapital does not just supply capital to the right high growth, innovative enterprise, we can also provide management with concrete assistance. It is this concept of being the medium-term partner of an entrepreneur or enterprise that distinguishes us from the typical anglo-american private equity fund. We apply this concept whenever we provide venture capital or whenever we facilitate the succession of a family company. In future, we will continue to actively assist our companies in the implementation of growth and restructuring strategies.

The German Association of Equity Holding Companies (of which AdCapital has been a full member since 1 October 2000) is predicting sustained growth for the coming months. The new tax reforms (and in particular the removal of capital gains tax) are also likely to stimulate the holding company market.

AdCapital is set to add a number of new investments to its portfolio in the near future. AdCapital management expects that those investments will be in the order of 30-50 mill. Euro.

To flourish, a private equity company must be able to identify a favorable investment target without having to resort to the normal auctioning process. It is also important to be able to actively direct the holding's appreciation and to identify the right time to exit the relationship. In order to capitalize on these abilities in any given situation, AdCapital combines its capital investment with expertise from its informal network of strategic partners. That is when the extent of the network becomes apparent.

Even if we maintain our focus on medium-term growth rather than maximum short term profits and continue to restructure our investments during the coming months, we expect our results to improve. AdCapital AG is set to record its best result ever.



AdCapital AG · Kurfürstendamm 36 · D-10719 Berlin
Phone +30-88 57 51-0 · Telefax +30-88 57 51-27 · www.adcapital.de