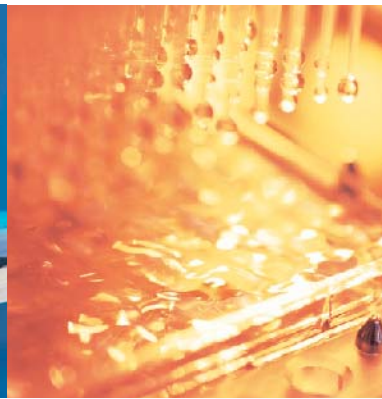
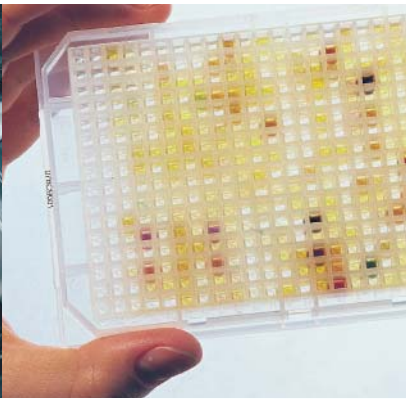




Quarterly Report 3 - 2003



research and technology for life

Group Management Report

Sales and Earnings

Customers lack of investment in new equipment, a weak economy and negative currency effects of the declining US-Dollar and British Pound continued into the third quarter resulting in lower than expected sales volume. Sales through three quarters finished at 6.6 Mio. EUR (p. y. 9.9 Mio. EUR). The fourth quarter order bookings are strong and we anticipate as strong a finish to the year as we did in 2002.

Sales declined most in Northern Europe, Northern America and Asia, while in Germany sales remained steady.

CyBio's group-result from operations declined significantly due to lower sales volume. Fixed costs could not be reduced to keep pace with the contraction in demand. Cumulative results for the first nine months were of -5.1 Mio. EUR before interest and tax. Prior year loss was -3.3 Mio. EUR for the same period. We anticipate a positive net result in the current Quarter.

Sales by Region

	Sept. 30th, 2003	in percent	Sept. 30th, 2002	in percent
Total sales	6.642	100%	9.923	100%
Germany	1.322	19,9%	1.546	15,6%
Europe excluding Germany	2.900	43,7%	4.001	40,3%
USA	1.840	27,7%	3.310	33,4%
Asia	580	8,7%	1.066	10,7%

Sales and Administrative Costs

Our sales and marketing costs increased over last year by 10% (3.8 in 2003 and 3.5 Mio. EUR in 2002) since additional sales efforts and precautions in inventory valuation have been judged necessary. Contrary to this administration costs have been brought down by 24 % to 1.8 Mio. EUR.

Liquidity and Liabilities

Liquid funds of the CyBio Group declined to 3.2 Mio. EUR (p. y. 6.0 Mio. EUR) due to lower sales volume. We do not anticipate any further reduction of liquid funds in the fourth quarter. An improvement in cash will be seen in the first quarter when increased receivables generated in the fourth quarter get paid.

Group Management Report

Research & Development

Compared to prior year, cost for research and development have been reduced by 21% without negatively influencing our core competencies (2003: 1.9 Mio. EUR; 2002: 2.5 Mio. EUR). Our product portfolio will be focused on the integration of liquid handling and detection technology as well as in the nano-liter dispensing.

Human Resources

ICyBio has reduced personnel to adjust to the lower sales volume, improving the ratio of revenue to cost.

As of September 30. 2003 the CyBio Group employed in average 138 employees (p. y. 151).

Stock Exchange Listing

We have filed the application to the Deutsche Börse AG for a listing in the General Standard for 2004 as a further cost cutting measure.

New Research Strategy

CyBio recently signed a significant product development agreement with a large, multinational American based company. CyBio's ability to attract this type of development contact is a result of our strengths in instrument development for Drug Discovery market place.

We intent to pursue other long term development projects in the Biotech industry as part of our long term strategy which will help defray some of our research & development expenses. Future development contracts will strengthen CyBio's R&D position, help open new markets and subsequently increase sales.

Outlook

The fourth quarter has started at a rapid pace. Orders are up significantly over prior quarters and production is operating at full capacity.

With the latest cost cutting and personnel measures we have lowered the break even barrier drastically, and plan to reach a positive net result in 2004 without a significant sales increase. Our midterm goal is to reach a double-digit profitability.

Due to the historically viewed noticeable lower market capitalization and despite this years disappointing business development in sales and earnings CyBio has become an interesting partner for takeover and M&A. In this perspective CyBio is checking all opportunities for strategic alliances with the interest of all stakeholders.

Consolidated Balance Sheet

For September 30, 2003
and December 31, 2002

	Sept. 30, 2003	Dec. 31, 2002
	EUR	EUR
ASSETS		
Current Assets:		
Cash and cash equivalents	2,015,627.70	9,174,978.64
Available for sale securities	1,168,158.71	3,110,445.19
Accounts receivable (net of valuation allowance of EUR 10,092.52 for 30.09.2003 und EUR 41,073.41 for 31.12.2002)	1,132,869.85	4,548,936.15
Inventories, net	5,820,893.77	4,714,578.44
Prepaid expenses and other current assets	645,694.04	484,993.28
Deferred tax asset	625,350.76	572,340.40
	11,408,594.83	22,606,272.10
Intangible assets		
Intangible assets	1,966,214.31	2,502,119.05
Goodwill	1,086,198.44	1,086,198.44
Property, plant and equipment, net	2,300,039.78	2,892,478.68
	16,761,047.36	29,087,068.27
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	1,103,012.88	1,541,288.69
Short term borrowing	0.00	6,356,001.39
Accrued expenses	1,928,829.57	2,257,217.92
Deferred revenues	472,063.43	411,836.14
Income tax payable	71,080.77	136,026.41
Other current liabilities	466,639.68	576,210.78
	4,041,626.33	11,278,581.33
Minority Interests		
Minority Interests	17,186.45	160,529.08
Shareholders' equity:		
Share capital	4,000,000.00	4,000,000.00
Treasury stock	-1,058,155.98	-1,058,155.98
Additional paid-in capital	35,572,515.25	35,572,515.25
Retained deficit	-26,517,169.59	-21,579,424.50
Foreign currency translation adjustment	579,872.04	520,348.44
Unrealized holding gains on marketable securities	125,172.86	192,674.65
	12,702,234.58	17,647,957.86
	16,761,047.36	29,087,068.27

Consolidated Statements of Operations

For September 30, 2003
and September 30, 2002

	Sept. 30, 2003	Sept. 30, 2002
	EUR	EUR
Net Sales	6,641,917.24	9,922,732.39
Cost of Sales	-2,906,279.04	-3,782,005.31
Gross Profit on sales	3,735,638.23	6,140,727.08
Selling and marketing expenses	-3,886,799.81	-3,526,677.96
General and administrative expenses	-1,818,137.04	-2,384,775.35
Research and development expenses	-1,966,482.35	-2,493,680.76
Non-cash charges associated with stock option grants	0.00	-48,406.74
Other operating income/expense, net	-40,762.04	299,650.19
Amortization of goodwill	0.00	-83,679.03
Depreciation of property, plant and equipment and intangible assets	-1,166,280.79	-1,228,031.54
Loss from operation	-5,142,823.80	-3,324,874.11
Interest income	183,688.47	309,872.33
Interest expense	-80,485.19	-192,031.44
Realized gains from the sale of marketable securities	195,267.08	98,567.21
Loss before income taxes and minority interests	-4,844,353.44	-3,108,466.01
Income tax expense (benefit)	-101,734.28	154,150.38
Loss before minority interests	-4,946,087.72	-2,954,315.63
Minority interests	8,342.63	-14,645.30
Net loss	-4,937,745.09	-2,968,960.93
Net loss per ordinary share (EUR)		
Basic	-1.37	-0.76
Diluted	-1.37	-0.76
Weighted average number of shares outstanding		
Basic	3,602,390	3,932,215
Diluted	3,602,390	3,932,215

Consolidated Statements of Cash Flows

For September 30, 2003 and
September 30, 2002

	Sept. 30, 2003	Sept. 30, 2002
	EUR	EUR
Cash Flows from operating actives		
Net loss	-4,937,745.09	-2,968,960.93
Adjustments to reconcile net loss to net cash used in operating actives:		
Stock option expense	0.00	48,406.74
Depreciation and amortization	1,166,280.79	1,311,710.57
Realized net gains from the sale of marketable securities	-195,267.08	-98,567.21
Net gains on disposal of fixed assets	-1,271.41	-11,550.65
Reduction of financial liabilities by currency changes	0.00	-789,305.97
Minority interests	8,342.63	-14,645.30
Deferred taxes	-53,010.36	-208,427.77
Changes in operating assets and liabilities:		
Decrease in accounts receivable	3,416,066.30	193,346.98
Increase/Decrease in inventory	-1,106,315.33	132,626.90
Increase/Decrease in prepaid expenses and other assets	-160,700.76	143,053.31
Decrease in accounts payable	-134,201.56	-2,954.73
Decrease in accrued expenses and other liabilities	-594,363.06	-2,919,697.83
Net cash used in operating activities	-2,592,184.93	-5,184,965.89
Cash flows from investing activities		
Repayment of loan receivable	0.00	21,544.55
Purchases of marketable securities	-167,250.00	0.00
Proceeds from sale of marketable securities	2,237,301.77	5,306,643.60
Proceeds from sale of furniture and fixtures	66,907.17	107,135.54
Payments on intangible assets	-140,605.27	-140,605.27
Purchases of shares in affiliated companies	-140,400.00	-15,000.00
Proceeds from sale of shares in affiliated companies	2,650.00	38,000.00
Purchases of property and equipment	-145,105.54	-222,869.04
Net cash provided by investing activities	1,713,498.13	5,094,849.38
Cash flows from financing activities		
Acquisition of treasury stock	0.00	-213,159.08
Change in short-term borrowing	-6,356,001.39	-982,633.65
Principle payments on capital leases	0.00	-36,648.37
Net cash used in financing activities	-6,356,001.39	-1,232,441.10
Effect of exchange rate differences	75,337.25	-420,768.49
Net decrease in cash	-7,159,350.94	-1,743,326.10
Cash, beginning of reporting period	9,174,978.64	11,549,889.61
Cash, end of reporting period	2,015,627.70	9,806,563.51

Consolidated Statements of Stockholder's Equity

	Common Stock		Treasury Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Deferred Compensation	Accumulated Other Comprehensive Income	Total Shareholder's Equity	Comprehensive Income
	Shares	Amount							
		TEUR							
Balance at December 31, 2000	4,000,000	4,000	0	42,584	-1,603	-7,050	-128	37,803	
Net Loss					-15,790			-15,790	-15,790
Acquisition of treasury stock	-40,000		-209					-209	
Forfeiture of stock options issued to employees				-6,070		6,070		0	
Amortization of deferred stock option compensation						-9		-9	
Dividends paid					-1,360			-1,360	
Foreign currency translation adjustment							308	308	308
Unrealized holding gains on marketable securities, net of tax							183	183	183
Total Comprehensive Loss									-15,299
Balance at December 31 2001	3,960,000	4,000	-209	36,514	-18,753	-989	363	20,926	
Net Loss					-2,827			-2,827	-2,827
Acquisition of treasury stock	-357,610		-849					-849	
Forfeiture of stock options issued to employees				-941		941		0	
Amortization of deferred stock option compensation						48		48	
Foreign currency translation adjustment							333	333	333
Unrealized holding gains on marketable securities, net of tax							17	17	17
Total Comprehensive Loss									-2,477
Balance at December 31 2002	3,602,390	4,000	-1,058	35,573	-21,580	0	713	17,648	
Net Loss					-4,938			-4,938	-4,938
Foreign currency translation adjustment							60	60	60
Unrealized holding losses on marketable securities, net of tax							-68	-68	-68
Total Comprehensive Loss									-4,946
Balance at September, 30 2003	3,602,390	4,000	-1,058	35,573	-26,518	0	705	12,702	