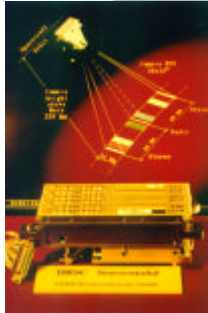
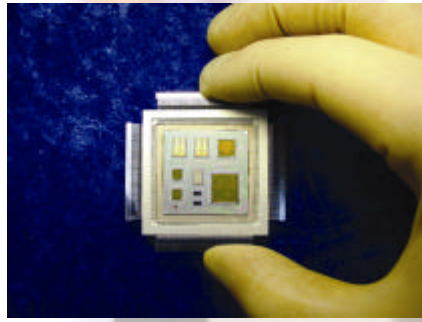
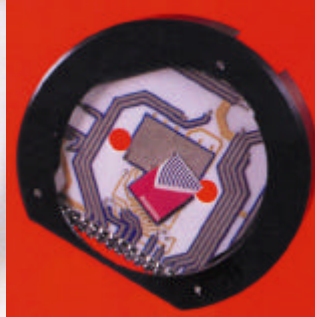


SILICON SENSOR INTERNATIONAL AG



2002

BUSINESS REPORT

for the first three months
of the 2002 business year
(unaudited)

BUSINESS REPORT I/2002

SILICON SENSOR GROUP

Financial ratios Jan. 01 – March 31, 2002 (first quarter 2002)

	March 31, 2002 TEuro	March 31, 2001 TEuro	Change in TEuro	% Change
Sales revenue	2,896	2,555	341	13
Back orders	9,130	8,880	250	3
EBITDA	585	212	373	176
EBIT	315	- 82	397	
Three-month surplus	231	- 287	518	
Three-month surplus €/individual share certificate	0.11	- 0.17	0.28	
Share	2,050,000	1,700,000	350,000	21
R&D expenditure	250	220	30	14
Staff (March 31)	111	115	- 4	- 4

Forword

Silicon Sensor on solid growth course – positive quarterly result confirms group strategy.

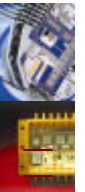
*Dear shareholders,
Dear business partners,*

The Silicon Sensor groups attained a solid growth tempo in the first quarter of the 2002 business year, despite the fact that overall economic framework conditions have continued to worsen since the end of the business year. We are able to report positive business performance. As compared to the same time period in the previous year, turnover rose by 13 % from EUR 2.55 million to EUR 2.9 million.

The consolidated result was burdened to a far lesser extent by preparations for additional growth in the application field (Silicon Instruments GmbH) and expansion in the U.S.A. (Pacific Silicon Sensor Inc.) than in the same time period in the previous year. EBITDA rose by 373 TEuro from 212 TEuro (31 March 2001) to 585 TEuro (March 31, 2002). The operating result EBIT increased by 397 TEuro from -82 TEuro (March 31, 2001) to 315 TEuro (March 31, 2002). Earnings after interest and taxes were improved by 518 TEuro in the past quarter, from a loss of -287 TEuro (March 31, 2001) to a profit of 231 TEuro. The result is thus approximately 200 TEuro above target figures, which foresaw consolidated profits of 13 TEuro in the period under review. Earnings per share totalled EUR 0.11 during the reporting period, improving by EUR 0.28 as compared to the same time period in the previous year (March 31, 2001: EUR -0.17).

Based on incoming orders in the U.S.A., it appears likely that the American subsidiary will be able to make a positive contribution to the consolidated result in the current business year.

Despite the perceptible difficulties several of our customers are having in riding out the currently weak market environment and dealing with declines in turnover of in some cases up to 40 %, the group's orders on hand increased by 3% from EUR 8.88 million to EUR 9.13 million. The wide range of sectors from which Silicon Sensor group's customers stem had a positive effect. At the same time, it is also evident that the current reluctance to invest among some of our customers is making it necessary to postpone the delivery of their products. For the Silicon Sensor group, this automatically also means a postponement in the delivery of their products in later quarters.



Production activity has retained its focus on customer-specific products, in some cases with a very high development share. The main areas of focus continue to be avalanche photodiodes, customer-specific sensor solutions and hybrid circuits.

The new procedure for through-connecting of photodiodes (thermomigration), developed by our group, was crowned by the construction of a second-generation thermomigration facility. The further developed facility satisfactorily passed additional tests in the reporting period. The positive results strengthen our confidence that it will be possible to provide the larger quantities of products demanded by the market within the current business year.

The necessary conditions for continued solid growth of the Silicon Sensor group were created in the reporting period. The Managing Board expects growth impetus from the optical communication, safety technology and medical technology sectors as a result of intensive new order negotiations with well-known customers. We expect negotiations to be concluded in the third quarter of the current business year.

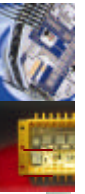
Berlin, May 2002

*The Managing Board
Silicon Sensor International AG*


Dr. Bernd Kriegel


Dr. Hans-Georg Giering





Business development

The Silicon Sensor group is specialised manufacturer of opto-electronic sensors (photodetectors) for the recognition and measurement of alpha-, beta-, gamma-, X-ray, UV light and NIR radiation. The Silicon Sensor group furthermore develops and produces highly reliable customer-specific hybrid circuits and microsystem technology products. The corporation's customers include well-known companies and research institutes which outsource their highly specialised production processes due to their strategic orientation and manufacturing technology.

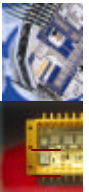
The company is active on the market for opto-electronic sensory products. These products are important basic components for applications in all conceivable fields. Silicon Sensor group has thus simultaneously made itself highly independent of the economic cycles affecting individual sectors. The market environment for these high-end products is generally assessed as being favourable and future growth potential is regarded as positive.

The Silicon Sensor group is one of the world's leading companies which develop and produce exceptional quality high-end sensors for this market. The avalanche photodiodes (APD) and avalanche photodiode arrays recently developed and produced by the Silicon Sensor group have assumed a top international position in terms of quality and speed. Our customers use APDs, for example, in high-precision distance meters for an extremely wide variety of applications.

The securing of necessary liquidity for Silicon Sensor group's growth has played a key role since the foundation of the company. We have also made significant progress in this area. Operating cashflow has been further improved. In addition, continued efforts at improving the cost structure through the utilisation of synergies between the individual subsidiaries were made during the report period. Clear progress was achieved in this area in the first quarter and will be further pursued during the course of the business year.

According to planning for the coming business years, it can be assumed that additional growth is certain. The group's liquidity planning is based on continued growth in turnover and positive operating cash flows associated with this growth. The Managing Board currently regards liquidity as sufficient for attaining our ambitious growth goals..





Foreign developments

Following the expansion of the Silicon Sensor group's market share in Europe, the greatest growth potential for the future lays in the American and Asian markets. The development of Pacific Silicon Sensor Inc. has been pursued according to plans in order to gain a larger foothold on these markets and to further cultivate the company's degree of internationalisation. In keeping with our expectations, the American subsidiary increased its turnover by 100 % as compared to the same time period in the previous year from 93.3 TEuro (March 31, 2001) to 186 TEuro (March 31, 2002), despite the difficult market environment. This organic growth is proof of increasing acceptance of the Silicon Sensor group's products on the American market. In keeping with planning, we continue to strive to attain the break-even point with the American subsidiary in 2002.

Personnel

The success of the SIS group is attributable to the extensive expertise of our employees and more than 30 years' experience in the development and production of optical high-end sensors and highly reliable hybrid circuits. In addition to the motivation of employees, the hiring of new, qualified employees is a key success factor in achieving the realisation of future economic development.

The number of personnel employed by the Silicon Sensor group at the end of the quarter sank to a total of 111 employees (115 persons were employed at the end of the first quarter of 2001) as a result of the full utilisation of synergies between the subsidiary companies.

Prospects

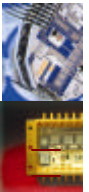
The SIS group is positioned as an important specialist supplier of specific customer with high-quality parameters on the market for optical sensors.

The group expects growth in turnover and profits in all its subsidiaries. We expect the strongest increase in turnover and profits to be generated by Pacific Silicon Sensor Inc. and Silicon Instruments GmbH. Our other subsidiaries will also generate profits, however, so that we plan to end 2002 with an improved consolidated result as compared to 2001.

During this business year Silicon Sensor GmbH will create the necessary conditions to expand production capacity at its Berlin location.

Due to the future developments of our corporation as outlined here as well as the results attained in the first quarter of 2002, we expect another increase in overall turnover and result for 2002 as compared with 2001 despite the difficult general





economic situation. The fourth quarter, traditionally the strongest, will be of decisive importance in attaining this objective.

The market significance of the Silicon Sensor group will be further reinforced in 2002 and the existing expertise used as a strategic success factor for achieving continual growth in turnover and profits.

The Silicon Sensor group's dependence on several main customers was significantly lessened through the broadening of the customer base in the past two business years. The expansion of our market presence in the U.S.A. and Asia will furthermore help compensate fluctuations in demand and dependencies on large customers on the European market in the mid-term future. Risks posed by overall economic development are to be minimised through the newly launched business divisions.

The emphasis of growth will remain on sensor technology in future as well due to its multifunctional industrial application. The company's development competence is the basis for the recognised high product quality in up-market opto-electronic problem solutions.

Berlin, May 2002

The Managing Board
Silicon Sensor International AG

Dr. Bernd Kriegel

Dr. Hans-Georg Giering



CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2002 (IAS)

ASSETS	March 31, 2002 <i>TEuro</i>	Dec. 31, 2001 <i>TEuro</i>
CURRENT ASSETS		
Cash and cash equivalents	338	372
Trade receivables	1,377	1,250
Inventories	4,324	4,222
Tax assets	213	218
Prepaid expenses and other current assets	233	369
Total current assets	6,485	6,431
NON-CURRENT ASSETS		
Property, plant and equipment	5,568	5,653
Intangible assets	331	339
Goodwill	2,101	2,141
Deferred tax assets	60	56
Other non-current assets	109	106
Total non-current assets	8,169	8,295
TOTAL ASSETS	14,654	14,726

CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2002 (IAS)

LIABILITIES AND SHAREHOLDERS' EQUITY	March 31, 2002 TEuro	Dec. 31, 2001 TEuro
CURRENT LIABILITIES		
Short-term loans and borrowings and current portion of long-term debt	891	1,316
Trade payables	811	779
Advance payments received	341	282
Provisions	828	565
Tax liabilities	0	0
Other accounts payable	877	899
Total current liabilities	3,748	3,841
NON-CURRENT LIABILITIES		
Long-term debt	2,929	3,093
Employee benefits obligations	450	435
Provisions	222	281
Deferred tax liabilities	282	285
Deferred income	193	206
Contributions of silent partnerships	383	383
Total non-current liabilities	4,459	4,683
Minority interests	-3	3
EQUITY		
Share capital	6,150	6,150
Reserves	2,761	2,761
Retained earnings	-2,495	-2,726
Translation reserve	34	14
Total Equity	6,450	6,199
TOTAL LIABILITIES AND EQUITY	14,654	14,726

CONSOLIDATED INCOME STATEMENT (IAS)

FOR THE FIRST THREE-MONTHS 2002

	<i>Jan. 01.- March 31, 2002 TEuro</i>	<i>Jan. 01.- March 31, 2001 TEuro</i>
Sales	2,896	2,555
Other operating income	37	78
Increase / decrease in finished goods and work-in-process	103	81
Own work capitalised	34	42
Cost of raw materials, supplies and purchased services	-779	-823
Personnel expenses	-1,197	-1,108
Depreciation and amortisation costs on intangible assets, and plant and equipment	-268	-294
Other operating expenses	-511	-613
Results of ordinary activities	315	-82
Interest income / expenses	-93	-122
Results before tax and minority interest	222	-204
Income tax	9	84
Results before minority interest	231	-288
Minority interest	0	1
Consolidated net profit / loss	231	-287

CONSOLIDATED CASH FLOW STATEMENT (IAS)

FOR THE FIRST THREE-MONTHS 2002

	01.01. - 31.03.02 TEuro	01.01. - 31.03.01 TEuro
Consolidated profit	231	-287
Adjustments to reconcile the consolidated profit with cash flows from operating activities		
Depreciation of intangible assets and property, plant and equipment	268	294
Changes in provisions	219	110
Changes in assets not allocable to investing- or financing activities	-95	-445
Changes in liabilities not allocable to investing or financing activities	-378	-275
Cash flow from operating activities	245	-603
Investments in intangible assets and property, plant and equipment	-135	-239
Proceeds from the disposal of intangible assets, property, plant and equipment	0	0
Proceeds from government grants	0	0
Cash flow from investing activities	-135	-239
Proceeds from issuance of share capital	0	0
Repayment of loans	0	811
Proceeds of loans	-164	-10
Cash flow from financing activities	-164	801
Net effect of currency	20	25
Net increase in cash and cash equivalents	-34	-41
Cash and cash equivalents at beginning of year	372	266
Cash and cash equivalents at the date of March 31	338	225

Internal statement

Officers held the following (individual) shares in the company on the March 31, 2002:

Dr. Bernd Kriegel	655,000	(Dec. 31, 2001: 655,000)
Dr. Hans-Georg Giering	7,000	(Dec. 31, 2001: 7,000)
Gerhard Hagenau	2,500	(Dec. 31, 2001: 2,000)

CHANGE IN EQUITY

FOR THE FIRST THREE-MONTHS 2002

	Number of shares '000	Share capital TEuro	Reserves TEuro	Translation reserve TEuro	Retained earnings TEuro	Total TEuro
Dec. 31, 2001	2,050	6,150	2,761	-2,726	14	6,199
Three-month surplus				231		231
March 31, 2002	2,050	6,150	2,761	-2,495	14	6,430