

Investor Relations

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■ Revenue growth	+8.3 %
■ EBIT	+46.0 %
■ Net profit	+83.9 %
■ Forecast for full-year 2004:	
Revenue	+9 % to +15 % (previously +17 % to +20 %)
EBIT	+42 % to +48 %
■ EBIT margin at record level	14.3 %

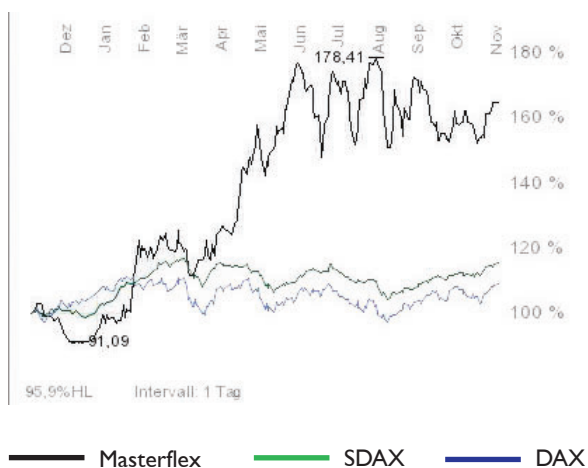
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	Sept. 30, 2004	Sept. 30, 2003	+/-
Revenue (€ thou.)	53,609	49,516	8.3 %
EBITDA (€ thou.)	9,654	7,231	33.5 %
EBIT (€ thou.)	7,685	5,265	46.0 %
EBT (€ thou.)	6,886	4,394	56.7 %
Net profit (€ thou.)	4,297	2,337	83.9 %
Earnings per share (€)	0.95	0.52	82.7 %
EBIT-Margin	14.3 %	10.6 %	34.9 %
Net profit margin	8.0 %	4.7 %	70.2 %
Number of employees	445	391	13.8 %
Equity (€ thou.)	28,648	28,410	0.8 %
Total assets (€ thou.)	87,613	63,877	37.2 %
Equity ratio	32.7 %	44.5 %	-26.5 %

Stock development Dec. 2003 - Nov. 2004



Dear shareholders,

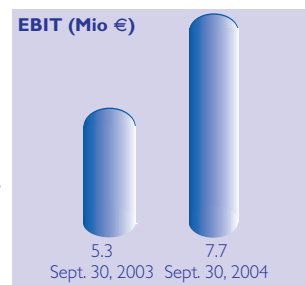
Masterflex AG is continuing its growth course, increasing its revenue in the first nine months of 2004 by 8.3% year-on-year to EUR 53.6 million (2003: EUR 49.5 million). Earnings before interest and taxes (EBIT) continued to outperform this growth rate. As of September 30, 2004 we generated record earnings of EUR 7.7 million - a year-on-year increase of 46% (2003: EUR 5.3 million). The EBIT margin increased by almost 35% to 14.3%, making Masterflex AG one of the leaders among German listed companies. Net profit soared by almost 84% to EUR 4.3 million, resulting in excellent earnings per share of EUR 0.95 (+82.7% year-on-year).

Masterflex AG's above-average earnings growth is indicative of its excellent position in the market. Its dynamic growth is due in particular to an innovative product range and further internationalization. We regard these as the key pillars for continuing successful development by our business units.

Research institute Independent Research agrees with our positive assessment, having conducted an exclusive study on German second-tier stocks for the newspaper Welt am Sonntag. The study analyzed a total of 666 German listed companies with a mid-MDAX capitalization or above. Masterflex AG was ranked number two, and was therefore among the top second-tier stocks.

Income statement

As in previous quarters, the income statement as of September 30, 2004 clearly shows that this above-average improvement in earnings is due to increased sales of innovative, premium-priced products with high margins. A further reason is the positive



business development of our US subsidiary, which broke even at the end of last year and has since rapidly increased its revenue and earnings.

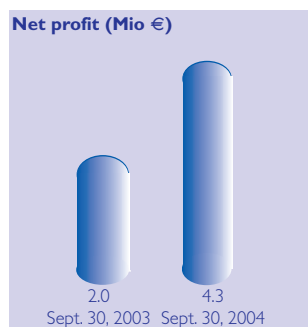
Our improved product mix is also reflected in the ratio of costs to materials, which declined year-on-year in the first nine months of 2004 to 41.4% (previous year: 49.8%).

The staff costs ratio increased slightly in comparison with last year, from 21.6% to 24.3% due to the internationalization of business activities in particular. The number of employees increased in line with this by 13.8%, from 391 to 445.

Other operating expenses also remained roughly at prior-year level in relation to revenue. Depreciation, amortization and impairment losses, which consisted primarily of depreciation of property, plant and equipment, remained the same as the corresponding period of 2003.

As a result of these effects, net profit from ordinary activities (EBT) improved by 56.7% as of September 30, 2004, rising to EUR 6.9 million (previous year: EUR 4.4 million). Increasing income from our foreign subsidiaries together with lower tax rates led once again to a rise in our net profit in accordance with IAS. Overall, net profit for the period rose by almost 84% to EUR 4.3 million.

Changes in individual balance sheet items



Masterflex AG's total assets clearly improved as of September 30, 2004, climbing by 37.2% to EUR 87.6 million. As reported, IKB Deutsche Industriebank AG granted the Company a borrower's note loan of EUR 23 million on July 30, 2004.

A proportion of the capital was utilized to finance the purchase price of Fleima-

Plastic GmbH and to repay short-term bank loans and overdrafts. Fleima was purchased at the beginning of August 2004 and consolidated for two months.

The remainder of this loan has since been invested in commercial papers (see „Other securities“ item).

On the equity and liabilities side of the balance sheet, bank loans and overdrafts including the borrower's note loan rose by EUR 18.5 million.

Masterflex AG plans to use the borrower's note loan with its favorable interest rates of 4.5% and 5% for five and seven years to further accelerate the expansion of business activities, and has already optimized its liabilities structure in the first step. One tranche of the borrower's note loan is due on July 30, 2009, the other on August 1, 2011.

The restructuring of the equity and liabilities side of the balance sheet led to a fall of 25.5% in the equity ratio compared with the previous year, putting it at 32.7% (September 30, 2003: 44.5%).

High-tech Hose Systems - further growth

Our highly profitable core business unit, High-tech Hose Systems, did extremely well in Q3, again proving to be a growth engine. Revenue and earnings rose substantially, fuelled by the increasing internationalization of our business activities, in particular in the USA. Our clients value the excellent performance and diversity of our products. Our high-performance material polyurethane is superior to traditional materials such as PVC, rubber, and steel in many areas, e.g. in abrasion resistance and weight.

Medical Technology

We believe that medical technology offers substantial potential for the future. Particularly in Germany, the health market is dominated by the need to cut costs. We offer clinics, hospitals and medical practices support in this area with our innovative

products. Our medical sets drastically reduce preparation time for operations and optimize warehouse logistics. Our internationally patented respiratory mask LaryVent complies with fee per case regulations, as it is a disposable item. Due to its excellent product advantages, it has also been very well received by the medical fraternity, as it prevents vocal cord damage for the first time. The delay in production has now been resolved, and the field sales force is presently being supplied with initial samples. Even if we should fail to meet our conservative sales figures for 2004, we do not see this as impacting our overall forecast for medical technology.

Fuel Cell Technology

Masterflex AG presented its fuel cells for powering electric bikes at various events during the period under review, including the International Bicycle Trade Show (IFMA) in Cologne. Interest continues to be extremely high, and recently led to cooperation with leading Swiss-based e-Bike manufacturer Swizzbee AG.

Masterflex AG is to develop a special fuel cell system to power the current swizzbee 50c bike. The prototypes exhibited at the Hannover Messe 2004 represent a key milestone in the development of fuel cell bikes.



The aim of the cooperation is to develop electric bikes powered by fuel cells for market launch.

Electric bikes powered by fuel cells can travel substantially further (up to 250 km) than conventional electric bikes, thus enabling completely new applications. In the coming year, their use in practice will be tested

extensively with a joint test fleet. After the successful test, the aim is to distribute the fuel cell bikes via Swizzbee AG's existing European distributor network. Thanks to the innovative product, the two companies are confident of capturing a substantial market share of the 120,000 electric bikes sold in Europe in the past year.

Due to our success to date, we consider ourselves to be in a leading international position in the field of fuel cell technology. Extremely dynamic growth in the future seems to be a real possibility, although when and if this will happen cannot be reliably estimated at present. As a result, our forecasts do not contain any contributions to revenue and earnings by the Fuel Cell Technology unit.

Investor relations

We achieved a key goal for this year with our admission to the SDAX in September. This was due a clear improvement in both our market capitalization and our free float.

Both criteria played an important role in the exclusive study carried out by analysts Independent Research for the newspaper Welt am Sonntag that we mentioned earlier. Other criteria included growth, the stability of the business model, and the dividend yield. Masterflex received the best score in all these criteria, and finished in second place overall, making it a top-class second-tier stock. According to Independent Research, only stock exchange turnover could still rise. We expect that this criterion will also improve with increased visibility and continued earnings-focused corporate development.

We can already be extremely satisfied with our market capitalization. Masterflex's shares (ISIN DE0005492938, WKN 549293, exchange symbol mzx) continued to perform well. Following the dynamic developments in H1 2004, with a rise of up to 84% to EUR 31.10, the share price fluctuated at a high level between EUR 26 and EUR 30 in Q3.

Admission to the SDAX has raised awareness of Masterflex

AG and attracted further interest from institutional investors, leading to numerous discussions at home and abroad in Q3. Masterflex is now actively seeking more contact with analysts in order to further increase their coverage. Published studies and updates recommend the purchase of Masterflex shares. The fair value is considered to be EUR 34.

Key events after the end of the quarter

No other key events occurred after the end of the quarter.

Information on material risks to future development

We believe that our core High-tech Hose Systems business has a very sound base and that there are no material risks to its continued existence.

The main area of risk that does not affect our core business is the market risk to which all our growth areas are exposed - i.e., the acceptance of our innovative products by the market. A detailed risk report can be found on page 30 of the 2003 Annual Report.

Outlook

In the past nine months, we have continued to concentrate on the manufacture and marketing of high-margin products and have strictly distanced ourselves from low-margin business in line with this. The resulting streamlining of the product range led to moderate net growth in revenue. However, it also reflects a disproportionate increase in earnings. As Q4 is traditionally the strongest quarter, we nevertheless expect an increase in revenue for the year as a whole from 9% to 15%.

We place emphasis on value-driven growth, and are therefore

more than satisfied with the excellent income growth of the first nine months of 2004. We are therefore extremely confident that we will reach our annual goal of earnings before interest and taxes (EBIT) of 42% to 48% and an EBIT margin at the record level already generated.

November 2004



Detlef Herzog
Chairman of the Board



Hiltrud Mütterich
Board member

Notes to the quarterly report

1. Accounting principles

This quarterly report was prepared in accordance with the International Financial Reporting Standards (IFRSs) and the International Accounting Standards (IASs) promulgated by the International Accounting Standards Board (IASB), and complies with the Company's key accounting principles as presented here. The accounting policies applied were the same as those applied in the preparation of the consolidated financial statements for the fiscal year ended December 31, 2003 and the reports on the first two quarters of 2004.

2. Consolidated group

The consolidated group was expanded as of August 1, 2004 to include our recently acquired subsidiary, Fleima-Plastic GmbH in Mörlenbach.

3. Dividend

The Annual General Meeting of Masterflex AG on June 9, 2004 approved a dividend payment of EUR 0.60. A total of EUR 2,700,000 was distributed on June 11, 2004.

4. Segment reporting

Segment reporting is performed in accordance with IAS 14, with the primary segment reporting format being product-related business units. Masterflex AG has three business units: High-tech Hose Systems (HTS), Medical Technology (MT), and Fuel Cell Technology (FCT).

HTS = High-Tech-Hose Systems

MT = Medical Technology

FCT = Fuel Cell Technology

September 30, 2004	HTS	MT	FCT	Seg- ment- aggregate	Reconci- liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	26,856	10,305	16,448	53,609	0	53,609
Earnings (EBIT)	5,801	-440	2,877	8,238	-553	7,685
Investments in property, plant and equipment and intangible assets	502	2,372	10	2,884	0	2,884
Assets	29,982	20,589	13,681	64,252	23,361	87,613
Depreciation and amortization	1,068	676	225	1,969	0	1,969
Liabilities	7,715	4,148	5,567	17,430	39,728	57,158

September 30, 2003	HTS	MT	FCT	Seg- ment- aggregate	Reconci- liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	24,714	9,151	15,651	49,516	0	49,516
Earnings (EBIT)	5,365	-768	1,118	5,715	-450	5,265
Investments in property, plant and equipment and intangible assets	3,334	99	62	3,495	0	3,495
Assets	28,017	17,260	13,280	58,557	5,320	63,877
Depreciation and amortization	1,063	650	253	1,966	0	1,966
Liabilities	11,002	2,676	4,162	17,840	15,911	33,751

5. Earnings per share

In accordance with IAS 33, basic earnings per share are calculated by dividing the consolidated net profit by the weighted average of shares outstanding during the period under review. Earnings per share as of September 30, 2004 amounted to EUR 0.97 on the basis of a weighted average of 4,437,806 shares. Diluted earnings amounted to EUR 0.95. The stock option program (see section 17, page 58 of the 2003 Annual Report), which is taken into account in the calculation of diluted earnings per share, does not cause a significant dilution of earnings as the number of options granted by Masterflex AG is relatively low.

6. Own shares

As of September 30, 2004 Masterflex AG held 83,531 own shares. There were no changes to the stock options and other subscription rights disclosed in the 2003 Annual Report during the period under review.

7. Employees

At 445, the number of employees as of September 30, 2004 was up 13.8% on September 30, 2004 (391 employees).

BALANCE SHEET - IAS

ASSETS	Sept 30, 2004 *	Dec 31, 2003	Sept 30, 2003 *
	€ thou.	€ thou.	€ thou.
NONCURRENT ASSETS			
Intangible assets			
Concessions, industrial and similar rights and assets, licenses	501	494	548
Development costs	1,657	1,645	725
Goodwill	14,801	15,253	16,396
Advance payments	3	19	0
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	6,960	7,114	7,645
Plant and machinery	6,176	5,920	4,671
Other equipment, operating and office equipment	3,376	1,367	1,212
Advance payments and assets under development	1,397	359	1,780
Long-term investments			
Investment securities	1,007	824	683
Other loans	2,736	2,169	178
CURRENT ASSETS			
Inventories			
Raw materials and consumables used	4,826	3,953	4,196
Work in progress	197	101	145
Finished goods and goods purchased and held for resale	10,955	6,869	7,590
Advance payments	276	199	105
Trade accounts and notes receivable			
Trade receivables	10,127	8,541	11,758
Other assets	2,231	1,496	1,621
Securities			
Other securities	13,998	0	0
Cash and bank balances	5,334	3,594	4,040
DEFERRED TAX ASSETS	441	424	419
PREPAID EXPENSES	614	195	165
Total assets	87,613	60,536	63,877

* Unaudited

BALANCE SHEET - IAS

EQUITY AND LIABILITIES	Sept 30, 2004 *	Dec 31, 2003	Sept 30, 2003 *
	€ thou.	€ thou.	€ thou.
SHAREHOLDERS' EQUITY			
Share capital	4,417	4,498	4,500
Share premium	18,162	20,663	20,672
Retained earnings			
Retained profits brought forward	7,316	5,625	4,363
Revaluation Reserve	-691	-559	-680
Exchange differences	-556	-1,035	-445
Total equity	28,648	29,192	28,410
MINORITY INTEREST	1,807	1,969	1,717
PROVISIONS			
Provisions for taxes	1,867	1,049	1,202
Other provisions	3,888	2,409	2,358
CURRENT LIABILITIES			
Bank loans and overdrafts	31,921	13,373	14,785
Advances received from customers	9	4	3
Trade payables	7,680	4,140	6,398
Shareholder payables	0	1	101
Other current liabilities	7,429	5,398	6,586
DEFERRED TAX LIABILITIES	1,871	495	342
DEFERRED INCOME	2,493	2,506	1,975
Total equity and liabilities	87,613	60,536	63,877

* Unaudited

INCOME STATEMENT - IAS

Financial statement as of	January-Sept, 04* € thou.	January-Sept, 03* € thou.
Revenue	53,609	49,516
Changes in inventories of finished goods and work in progress	137	650
Work performed by the enterprise and capitalized	179	183
Other operating income	350	541
Gross revenue	54,275	50,890
Cost of materials	-22,195	-24,669
Staff costs	-13,048	-10,687
Depreciation and amortization expense	-1,969	-1,966
Other operating expenses	-9,378	-8,303
Total operating expenses	-46,590	-45,625
Income from investments	13	13
Other interest and similar income	142	31
Interest and similar expenses	-954	-915
Net profit from ordinary activities	6,886	4,394
Income tax expense	-2,088	-1,828
Deferred taxes	-165	59
Other taxes	-159	-159
Income attributable to minority interest	-177	-129
Net profit for the period	4,297	2,337

* Unaudited

INCOME STATEMENT - IAS

Financial statement as of	July-Sept, 04* € thou.	July-Sept., 03* € thou.
Revenue	18,418	18,446
Changes in inventories of finished goods and work in progress	179	205
Work performed by the enterprise and capitalized	113	90
Other operating income	157	284
Gross revenue	18,867	19,025
Cost of materials	-7,499	-9,455
Staff costs	-4,554	-3,652
Depreciation and amortization expense	-691	-633
Other operating expenses	-3,081	-2,751
Total operating expenses	-15,825	-16,491
Income from investments	0	0
Other interest and similar income	113	7
Interest and similar expenses	-389	-311
Net profit from ordinary activities	2,766	2,230
Income tax expense	-725	-782
Deferred taxes	-49	25
Other taxes	-54	-48
Income attributable to minority interest	-61	-68
Net profit for the period	1,877	1,357

* Unaudited

Financial statement as of	Sept 30, 2004 * € thou.	Dec. 31, 2003 € thou.	Sept 30, 2003 * € thou.
Net profit for the period	4,297	3,747	2,337
Depreciation and amortization expense	1,969	2,602	1,966
Change in provisions	2,297	931	1,042
Other non-cash expenses/income and gain/loss on disposal of non-current assets	-6	-793	-85
Changes in inventories, trade receivables and other assets	-21,887	732	-3,489
Changes in trade payables and other equity and liabilities	7,222	-1,662	-2,272
Net cash from / used in operating activities	-6,108	5,557	-501
Proceeds from asset disposals	44	105	45
Payments to acquire noncurrent assets	-4,537	-3,148	-2,031
Payments to acquire consolidated subsidiaries	-875	0	0
Net cash from / used in investing activities	-5,368	-3,043	-1,986
Proceeds from additions to equity (capital increases, sales of treasury shares)	1,407	3,952	3,624
Dividends paid to owners and minority interests (dividends, acquisition of treasury shares)	-7,028	-3,375	228
Proceeds from finance facilities raised	23,704	5,097	2,769
Repayment of borrowings	-5,346	-6,621	-2,599
Net cash from/used in financing activities	12,737	-947	4,022
Net change in cash and cash equivalents	1,261	1,567	1,535
Changes in cash and cash equivalents due to exchange rates and other factors	479	-644	-166
Cash and cash equivalents at beginning of period	3,594	2,671	2,671
Cash and cash equivalents at end of period	5,334	3,594	4,040

* Unaudited

April 2004

Hannover fair (Exhibitor)

April 28, press conference, Presentation of the Annual report 2003, Düsseldorf

April 29, DVFA-Analyst-Meeting, Frankfurt

May 2004

Quarterly report 1/2004

June 2004

June 9, Annual general meeting, Gelsenkirchen

June 11, dividend payment

August 2004

Quarterly report 2/2004

September 2004

Beginning of September: Road shows

September 21, presentation at the small cap conference of Baader Wertpapierhandelsbank in Munich

October 2004

K 2004, Düsseldorf (October 20-27, 2004)

International Trade Fair for Plastics and Rubbers (Exhibitor)

November 2004

November 19, quarterly report 3/2004

November 22, Deutsches Eigenkapitalforum, Frankfurt

End of November: international Road shows

December 2004

Beginning of December: international Road shows

Consolidated statement of changes in equity

	Issued capital € thou.	Share premium € thou.	Retained earnings (retained profits brought forward) € thou.	Revaluation reserve of financial instruments € thou.	Exchange differences € thou.	Total € thou.
Equity at December 31, 2002	4,353	18,570	3,809	-650	-333	25,749
Net profit	0	0	2,337	0	0	2,337
Changes in fair values of financial instruments	0	0	0	-30	0	-30
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	-203	-203
Sale of treasury shares	233	3,391	0	0	0	3,624
Purchase of own shares	-86	-1,289	0	0	0	-1,375
Dividend distributions	0	0	-1,714	0	0	-1,714
Translation differences from net investments in foreign entities*	0	0	0	0	91	91
Other changes	0	0	-69	0	0	-69
Equity at September 30, 2003	4,500	20,672	4,363	-680	-445	28,410
Equity at December 31, 2003	4,498	20,663	5,625	-559	-1,035	29,192
Net profit	0	0	4,297	0	0	4,297
Changes in fair values of financial instruments	0	0	0	-132	0	-132
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	479	479
Sale of treasury shares	65	1,342	0	0	0	1,407
Purchase of own shares	-146	-3,843	0	0	0	-3,989
Dividend distributions	0	0	-2,700	0	0	-2,700
Translation differences from net investments in foreign entities*	0	0	0	0	0	0
Other changes	0	0	94	0	0	94
Equity at September 30, 2004	4,417	18,162	7,316	-691	-556	28,648

*net of income tax effects