QUARTERLY REPORT 1/2006

Masterflex

Investor Relations

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- Revenue growth +45.4 %
- EBIT +26.5 %
- Net profit +26.7 %
- Outlook 2006
  Board confirms forecast:
  Revenue +20-30 %
  EBIT +10-20 %

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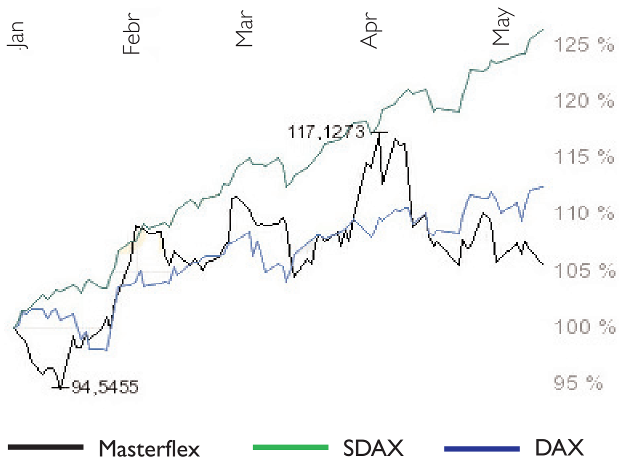
	March 31, 2006	March 31, 2005	+/-
Revenue (€ thou.)	27,935	19,215	+45.4%
EBITDA (€ thou.)	3,631	2,801	+29.6%
EBIT (€ thou.)	2,919	2,307	+26.5%
EBT (€ thou.)	2,467	1,860	+32.6%
IAS-Net profit (€ thou.)	1,626	1,283	+26.7%
Earnings per share (€)	0.37	0.29	+27.6%
Number of employees	656	475	+38.1%

	March 31, 2006	Dec 31, 2005	+/-
Equity (€ thou.)	32,527	31,040	+4.8%
Total assets (€ thou.)	101,748	97,832	+4.0%
Equity ratio	32.0%	31.7%	+0.9%

Stock development January - May 2006



Dear shareholders,

Masterflex AG is off to a highly successful start to fiscal year 2006. Incoming orders rose sharply, particularly in our core High-Tech Hose Systems business. Our other business units likewise performed well, indicating that all in all we are excellently positioned in the market with an array of high quality and innova-tive products.

Consolidated revenues rose year on year by 45.4 percent up to EUR 27.9 million. Pretax profits (EBIT) rose by 26.5 percent up to EUR 2.9 million, putting us well ahead of estimates for the full year (10 to 20 percent). As the second half of the year typically yields higher revenues, we are highly optimistic about our business going forward.

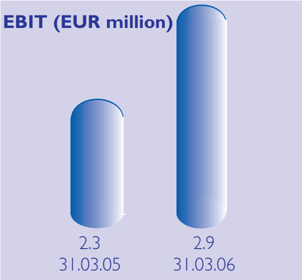
Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved versus the previous year, rising by 29.6 percent in the first quarter of 2006 up to EUR 3.6 million. Net profit increased by 26.7 percent up to EUR 1.6 million. Earnings per share thus rose from EUR 0.29 to EUR 0.37 (+ 27.6 percent). EBIT margin declined year on year, coming in at 10.5 percent.

The factors driving our growth are an innovative product portfolio and the progressive internationalisation of our business operations. As of the end of April 2006 we are now presenting our products at high-profile national and international trade shows like the World of Industry (Turkey), CeBit and the Hanover Fair (Germany).

Income statement

The 31 March 2006 income statement bears witness to our success concentrating on sales of innovative, premium-priced products with high margins and in driving forward the internationalisation of our firm.

The ratio of cost of materials to revenue rose year on year due to consolidation of SURPRO GmbH in August 2005 to 47.3 percent for the quarter (previous year: 43.4 percent). The staff



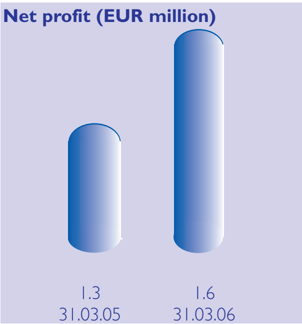
costs ratio decreased slightly to 23.8 percent (previous year 24.8 percent) although there was a 38.1 percent increase in the number of staff employed up to 656. The impact of consolidation can also be seen with other cost items.

Pre-tax income for the period (EBT) ended 31 March 2006 improved by 32.6 percent up to EUR 2.5 million (previous year: EUR 1.9 million). The taxation rate was at 32 percent, reflecting increasing business activity in countries subject to higher tax rates. Consolidated net profits rose by 26.7 percent to EUR 1.6 million.

Change in individual balance sheet items

As of 31 March 2006 the Masterflex AG balance sheet showed improvement versus December 2005. Total assets came to EUR 102 million. There were no material changes to the balance sheet at the end of fiscal 2005. The equity ratio came in at 32 percent, representing an improvement of 0.9 percent. The company continues to hold 134,126 shares of treasury stock, the historical cost of which reduces equity.

High-Tech Hose Systems - still on track for success



The core High-Tech Hose Systems business performed extremely well in the first quarter of 2006, an obvious indication of the ongoing economic recovery. Incoming orders reached a new all-time high, bespeaking the effectiveness of our varied product portfolio. Our polyurethane product is a heavy-duty plastic with a number of characteristics including abrasion resistance and light weight that make it in many ways superior to such conventional materials as PVC, rubber and steel. Several innovative new products like our certified food product hoses underscore our technological leadership in the market.

At the start of the year we promoted our product assortment by exhibiting at various national and international trade shows including WIN, World of Industry (Turkey), ANUGA FoodTec (Germany) and Hanover Fair Industry.

In fiscal year 2006 we intend to further our internationalisation efforts, focusing particularly on the U.S.A. and Eastern Europe. We will be further expanding our marketing and distribution activities in the U.S. to achieve faster market penetration.

Fuel cell technology is now subsumed under the High-Tech Hose Systems business unit, a segment in which we likewise saw continuing success. On 31 January 2006 Masterflex AG announced that we will be supplying fuel cell propulsion technology for „cargobikes" as part of the EU project HYCHAIN MINITRANS. This goal of this multinational project is to uncover innovative and sustainable alternatives to the highly oil-dependent transport industry and usages for select transport applications.

HYCHAIN MINITRANS involves the operation of 150 fuel cell-driven compact and lightweight vehicles and the production, storage and logistical distribution of hydrogen. Testing is being conducted in the Ruhr Valley area (Germany), in metropolitan Grenoble (France) and in the cities of Modena (Italy) and Castilla y Leon (Spain). Masterflex AG plans to deploy at least 40 cargobikes in these four regions. The EU has provided EUR 17 million in funding to co-finance the HYCHAIN project.

This project was a stepping stone for Masterflex AG to secure a second fuel cell project within two months. In November 2005 we were awarded a contract by the city of Herten in North Rhine-Westphalia to supply fuel cell propulsion technology for the world's first fuel-cell driven bicycle fleet. Delivery is scheduled for late May 2006.

Our innovative ability is a key driver behind the dynamic growth of our company, securing our position as technology leader in High-Tech Hose Systems. Promising developmental projects thus continue to be a high priority for our business.

Medical technology - enhancing profitability

Expansion efforts in the field of medical technology were driven forward in the first quarter of 2006. Steady demand for safe medical products indicates we are on the right track. As experts in the field of extrusion technology, we are able to meet customer demands for narrower tolerances and minuscule hose systems for use with medical devices.

We continue our efforts to advance our business in medical kits for new areas of application, presenting our offering at a number of medical conferences and trade shows such as the 87th German X-Ray Conference held in January 2006 in Berlin.

An internal study completed shortly after this quarterly report went to press will be providing guidance as to the further course of action regarding introduction of the LaryVent product. We will be able to report in greater detail on measures implemented during the course of 2006.

We see medical technology as an area of great potential, as there is increasing demand for materials safe to use for healthcare purposes and predictably budgetable hospital products. Our response to these trends is the development of innovative products, the steady demand for which throughout the first quarter of 2006 appears to confirm our assessment.

Mobile Office Systems

In 2005 the Mobile Office Systems segment of our subsidiary DICOTA GmbH was split off from its other business operations to afford greater transparency. DICOTA is one of the world's leading full-service providers of cases and bags for transporting notebooks and office systems.

After a brief slump last summer, which was largely responsible for the revised estimates the Group announced in November 2005, our subsidiary got back into a growth mode in the fourth quarter of 2005. DICOTA was behind last year's figure at the start of the year, but is squarely on target overall. The CeBIT computing trade show in March 2006 was a resounding success for DICOTA as an exhibitor, as many good contacts were made and new business prospects uncovered.

Our international expansion continues unabated, particularly into Asia, where our efforts are showing great promise. For 2006 market research firm IDC is projecting a growth rate for the notebook market in the neighbourhood of 10.5 percent. We are thus optimistic that DICOTA will fully resume its former growth trajectory this year.

The recent focus on the mobile supply of energy to lightweight vehicles in our fuel cell technology business has led to a strategic re-evaluation of DICOTA GmbH as a corporate holding. DICOTA was acquired in 2001 in expectation of a breakthrough in fuel cell technology for notebooks, seen by the Masterflex AG Board as an ideal distribution channel. We subsequently rolled out a mobile office system with an integrated fuel-cell providing enough power for over 50 hours of operation. There are no longer any synergy effects between DICOTA GmbH and other Masterflex AG business units however due to our developmental focus on lightweight vehicles. It is currently being reviewed whether DICOTA GmbH should continue to be held as a consolidated Group company; a decision is to be made in the course of fiscal year 2006.

DICOTA GmbH is currently still incorporated within our quantitative forward-looking estimates.

Advanced Material Design

The SURPRO Group, acquired in August 2005, is subsumed under the new Advanced Material Design business unit. There is thus no comparability between revenues and earnings for this and the previous year.

The name SURPRO comes from „surface protection". The company specialises in coating precious metals and is a global leader in the field. SURPRO is a niche provider of galvanising and metal processing for the highly sophisticated surface finishing and refinement of functional and decorative products. It supplies products to such industries as healthcare, aeronautics and premium writing implements.

SURPRO's specialised expertise places it within an expanding market segment; according to a study by IKB Deutsche Industriebank (May 2005), coating technology is one of the fastest-growing industries in Germany as the adoption of new technology is becoming more widespread.
In the course of this year we intend to initiate joint projects to identify potential opportunities combining plastics and metals in product development.

Investor relations and share price

Following the punitive sell off of Masterflex shares upon an earnings warning in November 2005, one of our main investor relations objectives has been to rebuild confidence in Masterflex AG, the outlook for which continues to be excellent. This has involved intensive interaction with investors, including a series of investor meetings held in the early 2006 following up on an international road show in December 2005. In January 2006 Masterflex AG presented itself at the HSBC Trinkaus & Burkhardt international SRI conference entitled „Responsible Growth - Investments for the Future", and for the second time at the Commerzbank AG international investor conference held in March.

The company announced its estimates for the year 2005 on 31 March 2006 at a financial press conference held in Düsseldorf and on 3 April at the DVFA analysts' conference. An international road show was conducted subsequently.

Analysts responded positively to the figures announced, the majority currently advising „hold" with one „buy" and one „reduce" recommendation respectively. Masterflex AG shares continue to reflect strong growth prospects for our organisation, closing out the year 2005 at EUR 27.00. Having recently hit a short-term peak at over EUR 32.00, the shares were trading at more than EUR 29.00 in early May 2006.

Investor Relations work in 2006 will centre on expanding our dialogue with investors, analysts and the financial media and on enhancing our profile as a high-margin small-cap company with attractive growth potential. In late March 2006, Stephanie Kniep, Director of Investor Relations at Masterflex AG, was appointed a board member of the German Investor Relations Association (DIRK e.V.), where she will be representing the interests primarily of small and mid-sized firms.

Dividend distribution approved

For the fifth year in a row now we are affording our shareholders participation in our company's profits in the form of a dividend. The company's Management Board and Supervisory Board will be proposing payment of a EUR 0.80 dividend at the upcoming shareholders' meeting as distributed last year. The shareholders' meeting will again be held at Schloss Horst in Gelsenkirchen on 14 June 2006.

Outlook

The past fiscal year once again illustrated the success of the Masterflex AG business model. Consolidated revenues rose for the eighteenth year in a row as earnings continued to improve.

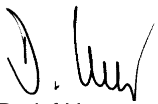
The positive start to the new fiscal year 2006 also highlights the fact that the market segments we occupy are poised for future growth. The strength of our High-Tech Hose Systems business reflects Masterflex AG's high level of technological expertise and superb array of innovative products. The record level of incoming orders posted at the start of the year makes us optimistic about the course of business throughout the remainder of fiscal year 2006.

One of our primary goals is to fully exploit the business potential we see in the field of medical technology by substantially widening margins. Our operations in this area are already generating modest profits. The innovative, safe materials we manufacture suitable for use with medical technology and medical kit products we offer allowing hospitals predictable budgeting present tremendous opportunities in this business going forward.

The Mobile Office Systems and Advanced Material Design business units also showed promising signs in the first quarter of 2006. The Masterflex AG Board thus anticipates a further rise in Group profits in fiscal year 2006, particularly in light of our excellent start into the year with a full order book and the an improving outlook for the overall economy.

We thus reiterate our estimates, expecting a 20 to 30 percent increase in consolidated revenues and a 10 to 20 percent increase in consolidated EBIT.

May 2006



Detlef Herzog
Chairman of the Board

Ulrich Wantia
Board member

Notes to the quarterly report

1. Accounting principles

This quarterly report was produced in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as outlined by the International Accounting Standards Board (IASB) and accords with the primary company accounting principles presented here. The same accounting and measurement principles were applied as for the consolidated financial statement for the past fiscal year ended 31 December 2005.

2. Consolidated group

The acquisition of SURPRO GmbH in August 2005 served to expand the group of consolidated companies reported for the first quarter of 2006 as compared to previous year.

NOTES

3. Dividend

The Masterflex AG Board will be proposing payment of an EUR 0.80 dividend at the 14 June 2006 shareholders' meeting.

4. Segment reporting

IAS 14 dictates that primary segment reporting is to be performed on the basis of product-related business units. Masterflex AG has four business units: High-Tech Hose Systems, Medical Technology, Mobile Office Systems and Advanced Material Design.

HTS = High-Tech-Hose Systems
MT = Medical Technology
MOS = Mobile Office Systems
AMD = Advanced Material Design

March 31, 2006	HTS	MT	MOS	AMD	Seg-ment-aggregate	Reconci-liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	10,112	4,657	8,606	4,560	27,935	0	27,935
Earnings (EBIT)	1,939	29	702	400	3,070	-151	2,919
Investments in property, plant and equipment and intangible assets	808	136	14	91	1,049	0	1,049
Assets	33,820	22,462	21,345	17,966	95,593	6,155	101,748
Depreciation and amortization	399	130	20	163	712	0	712
Liabilities	5,797	3,001	4,434	8,053	21,285	47,936	69,221

March 31, 2005	HTS	MT	MOS	AMD	Seg-ment-aggregate	Reconci-liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	8,588	4,184	6,443	0	19,215	0	19,215
Earnings (EBIT)	1,698	-98	983	0	2,583	-276	2,307
Investments in property, plant and equipment and intangible assets	410	136	208	0	754	0	754
Assets	28,534	22,531	20,235	0	71,300	11,166	82,466
Depreciation and amortization	331	135	28	0	494	0	494
Liabilities	6,456	2,307	4,530	0	13,293	38,948	52,241

5. Earnings per share

Basic earnings per share is calculated by dividing consolidated net profit by the average weighted number of shares outstanding during the period under review pursuant to IAS 33. As of 31 March 2006 basic earnings per share came to EUR 0.37, based on a weighted average number of shares of 4,365,874.

6. Own shares

As of 31 March 2006 Masterflex AG held 134,126 shares of its own stock in treasury.

7. Employees

As of 31 March 2006 the number of employees was 38.1 percent higher at 656 than the figure for the same period last year (475 employees).

March 2006	
March 9-15	CeBit (exhibitor: DICOTA GmbH)
March 16-19	WIN, World of Industry, Istanbul (exhibitor: Masterflex AG)
March 31	Annual earnings press conference
April 2006	
April 3	DVFA analysts' meeting
April 4-7	Anuga FoodTec, Cologne (exhibitor: Masterflex AG)
April 24-28	Hanover Fair Industry (exhibitor: Masterflex AG, Novoplast Schlauchtechnik GmbH, Masterflex Brennstoffzellentechnik GmbH)
April/May	International road show
May 2006	
May 15	Quarterly report 1/2006
May 15-19	Achema, Frankfurt (exhibitor: Masterflex AG)
May 16 19	Industria, Budapest (exhibitor: Masterflex AG)
June 2006	
June 14	Annual General Meeting, Gelsenkirchen
June 16	Dividend payment
August 2006	
Mid August	Quarterly report 2/2006
November 2006	
Mid November	Quarterly report 3/2006
November	Eigenkapitalforum
November/ December	International road show

BALANCE SHEET - IFRS

ASSETS	March 31, 2006* € thou.	Dec. 31, 2005 € thou.
NONCURRENT ASSETS		
Intangible assets	32,717	32,716
Property, plant and equipment	23,332	23,221
Long-term investments	1,375	1,315
Deferred tax assets	493	709
	57,917	57,961
CURRENT ASSETS		
Inventories	21,123	20,573
Prepaid expenses	832	743
Trade accounts and notes receivable	18,066	13,660
Cash and bank balances	3,810	4,895
	43,831	39,871
Total assets	**101,748**	**97,832**

* Unaudited

BALANCE SHEET - IFRS

EQUITY AND LIABILITIES	March 31, 2006* € thou.	Dec. 31, 2005 € thou.
SHAREHOLDERS´ EQUITY	32,167	30,606
Consolidated equity	360	434
Minority interest	32,527	31,040
Total equity		
NONCURRENT LIABILITIES	1,320	1,289
Provisions	25,021	25,783
Financial liabilities	2,234	2,616
Deferred income	3,159	3,016
Other noncurrent liabilities	2,233	2,444
Deferred tax liabilities	33,967	35,148
CURRENT LIABILITIES	4,676	4,504
Provisions	16,179	14,327
Financial liabilities	561	233
Deferred income	13,838	12,580
Other current liabilities	35,254	31,644
Total equity and liabilities	**101,748**	**97,832**

* Unaudited

INCOME STATEMENT - IFRS

Financial statement as of	Jan.-March, 06* € thou.	Jan.-March, 05* € thou.
Revenue	27,935	19,215
Changes in inventories of finished goods and work in progress	1	-86
Work performed by the enterprise and capitalized	64	61
Other operating income	690	510
Gross revenue	28,690	19,700
Cost of materials	-13,209	-8,330
Staff costs	-6,643	-4,767
Depreciation and amortization expense	-712	-494
Other operating expenses	-5,207	-3,802
Total operating expenses	-25,771	-17,393
Income from investments	8	8
Other interest and similar income	61	215
Write-downs of current financial instruments	0	-160
Interest and similar expenses	-521	-510
Profit before taxes	2,467	1,860
Income tax expense	-784	-568
Deferred taxes	23	73
Other taxes	-54	-55
Income attributable to minority interests	-26	-27
Net profit for the period	**1,626**	**1,283**

* Unaudited

CASH-FLOW - IFRS

Financial statement as of	March 31, 2006* € thou.	March 31,2005* € thou.
Net profit for the period	1,626	1,099
Depreciation and amortization expense	712	494
Change in provisions	203	-399
Other non-cash expenses/income and gain/loss on disposal of non-current assets	-50	-38
Changes in inventories, trade receivables and other assets	-4,113	275
Changes in trade payables and other equity and liabilities	1,212	1,376
Net cash from/used in operating activities	-410	2,807
Proceeds from asset disposals	14	1,372
Payments to acquire noncurrent assets	-1,450	-754
Payments to acquire consolidated subsidiaries	0	-8,324
Net cash used in investing activities	-1,436	-7,706
Proceeds from additions to equity (capital increases, sales of treasury shares)	0	0
Dividends paid to owners and minority interests (dividends, acquisition of treasury shares)	-100	-3,252
Proceeds from securities / term deposits	0	6,399
Proceeds from finance facilities raised	1,852	1,091
Repayment of borrowings	-836	-1,379
Net cash from/used in financing activities	916	2,859
Net change in cash and cash equivalents	-930	-2,040
Changes in cash and cash equivalents due to exchange rates and other factors	-155	229
Cash and cash equivalents at beginning of period	4,895	8,098
Cash and cash equivalents at end of period	3,810	6,287

* Unaudited

CHANGES IN EQUITY

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.	Minority interest € thou.	Total € thou.
Equity at December 31, 2004	4,411	18,519	7,360	-671	-1,580	809	28,848
Net profit	0	0	1,283	0	0	27	1,310
Changes in fair values of financial instruments	0	0	0	-16	0	0	-16
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	229	0	229
Sale of treasury shares	0	0	0	0	0	0	0
Purchase of own shares	-66	-1,650	0	0	0	0	-1,716
Dividend distributions	0	0	0	0	0	-120	-120
Change due to equity decreases	0	0	0	0	0	-448	-448
Other changes	0	0	-14	0	0	0	-14
Equity at March 31, 2005	4,345	16,869	8,629	-687	-1,351	268	28,073
Equity at December 31, 2005	4,366	17,521	9,795	-504	-572	434	31,040
Net profit	0	0	1,626	0	0	26	1,652
Changes in fair values of financial instruments	0	0	0	88	0	0	88
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	-155	0	-155
Sale of treasury shares	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Dividend distributions	0	0	0	0	0	-100	-100
Change due to equity decreases	0	0	0	0	0	0	0
Other changes	0	0	2	0	0	0	2
Equity at March 31, 2006	4,366	17,521	11,423	-416	-727	360	32,527