Quarterly Report

1st Quarter 2003

WESTAG &
GETALIT AG

Sales revenue

Despite a further decline in general construction activity, Westag & Getalit AG managed to maintain an almost stable sales revenue. First quarter sales declined by 1.8 % to € 40.7 million compared to € 41.4 million during the same period of 2002.

Sales revenue (€ in thousands)	For the three month ended March 31 2003	2002	Change (in %)
Domestic sales	34,547	35,357	- 2.3
Export sales	6,113	6,058	0.9
Total AG sales revenue	40,660	41,415	- 1.8

Export sales increased modestly by 0.9 %; first quarter exports amounted to 15.0 % of total sales (2002: 14.6%).

Divisions

Sales revenue (€ in thousands)	For the three month ended March 31 2003	2002	Change (in %)
Plywood/Shuttering	5,875	6,285	- 6.5
Doors/Frames	16,904	18,179	- 7.0
Laminates/Elements	16,929	16,355	3.5

Despite selective marketing and product range adjustments, sales declined a further 6.5 % in the **Plywood/Shuttering** division. However, at the same time, cost saving measures led to a substantial improvement of the division's result.

Likewise, the **Doors/Frames** division suffered a 7% decline in sales compared to the previous year. This was largely due to a sharp decline in incoming orders for project doors.

The **Laminates/Elements** division developed positively; here, sales revenue increased by 3.5 % compared to last year. This rise is predominantly due to a substantial increase in exports, with sales of our newly developed mineral-based solid surface sheet material also increasing steadily.

Results

Despite the minor decline in the sales revenue, the company was in the black during the first quarter of 2003. Compared to the first quarter of 2002, the result from ordinary activities increased by € 745 thousand to € 382 thousand. This improvement was mainly due to restructuring measures and a reduction in overheads. Any comparison of both the profit before income taxes and the net profit for the year with the previous year's figures must take into account the one-time capital gain arising from the sale of our subsidiary, Sperrholz Koch GmbH, amounting to € 1.0 million, during the first quarter of 2002.

Profit data (€ in thousands)	For the three month ended March 31 2003	2002	Change (in %)
Earnings from ordinary operations	382	- 363	
Earnings before income taxes	349	627	- 44.3
Net profit	201	661	- 69.6
Net profit per share (€)	0.04	0.12	- 66.7
DVFA/SG* earnings per share (€)	0.03	- 0.09	

*German Financial Analysis and Investment Consultancy Association

Investments

During the business year 2003, we have planned investments in fixed assets amounting to € 7.4 million. Again, our investment focuses on an increase in efficiency and quality rather than an increase in capacities.

Personnel

The restructuring measures initiated in 2002 put a stop to the trend of increasing personnel expenses. During the first quarter of the current financial year, the ratio of personnel expenses to total sales was reduced by 1.2 % to 35.7 %. At the end of the quarter, the number of employees declined by 124 to 1,267.

Personnel	March 31 2003	March 31 2002	Change (in %)
Number of employees (incl. trainees)	1,267	1,391	- 8.9 %

Volume of own shares

As at March 31, 2003, Westag & Getalit AG held 30,002 own shares. All of these are preference shares.

Outlook

We expect the current financial year to be another challenging year. Structural measures leading to an economic revival are currently not in view. Consequently, we expect the current restrained buying behaviour to continue and have prepared a prudent plan for the year 2003. Fundamentally, we shall continue to follow our consistent cost savings course. However, we expect our new DIY product range and our new sales organisation, which is tailor-made for the special DIY market requirements, to give a strong impetus to sales.

Due to the unfavourable environment, we do not currently expect an increase in profits for the full fiscal year. However, the turning point that was discernible at the end of 2002 has stabilised. Should the general economic situation improve, Westag & Getalit AG expects to benefit disproportionately due to our substantially improved cost structure.

Rheda-Wiedenbrück, May 2003
WESTAG & GETALIT AG

The Management Board

Application of funds statement

(€ in thousands)	For the three month ended March 31	
	2003	2002
Net profit/loss	201	661
Depreciation and amortisation	2,670	2,763
Extraordinary items	0	- 1,023
In/decrease in long-term accruals	150	150
In/decrease in the deferred reserves	- 112	- 126
Cashflow acc. to DVFA/SG	**2,909**	**2,425**
Result from investment disposals	- 24	- 30
In/decrease in inventories	- 682	- 90
In/decrease in debtors and other assets	- 3,082	- 1,983
In/decrease in short-term investments	3	68
In/decrease in prepayments and accrued income	177	32
In/decrease in further accruals	1,475	- 153
In/decrease in liabilities	407	90
Cashflow from current business activities	**1,183**	**359**
Additions to fixed assets	- 988	- 2,172
Proceed on disposal of fixed assets	52	34
Proceed on disposal of financial assets	0	2,301
Cashflow from investment activities	**- 936**	**163**
In/decrease in current due to banks	- 1,780	0
Dividend payments	0	0
Cashflow from financing activities	**- 1,780**	**0**
In/decrease in cash at banks and in hand	- 1,533	522
Cash at banks and in hand as at January 01	9,338	2,214
Cash at banks and in hand as at March 31	**7,805**	**2,736**

Profit and loss account (quarter)

(€ in thousands)	For the three month ended March 31 2003	2002
Sales revenue	40,660	41,415
In/decrease in inventories	571	- 289
Own work capitalised	59	137
Total operating performance	**41,290**	**41,263**
Other operating income	380	365
Cost of materials	18,986	18,820
Personnel expenses	14,738	15,236
Depreciation and amortisation	2,670	2,763
Other operating expenses	4,896	5,078
Investment income	0	0
Income from financial assets	0	0
Interest income	69	19
Write-down of short-term investments	3	68
Interest expense	64	45
Earnings from ordinary operations	**382**	**- 363**
Extraordinary income	0	1,023
Extraordinary expenses	0	0
Extraordinary items	**0**	**1,023**
Other taxes	33	33
Earnings before income taxes	**349**	**627**
Income taxes	148	- 34
Net profit	**201**	**661**
Profit brought forward from the previous year	1,148	2,393
Withdrawal from own share reserve	3	68
Transfer to other revenue reserves	0	0
Net profit attributable to shareholders	**1,352**	**3,122**

Balance sheet

(€ in thousands)	March 31 2003	March 31 2002
Intangible assets	359	194
Tangible assets	50,240	52,859
Financial assets	131	158
Fixed assets	**50,730**	**53,211**
Inventories	29,718	33,773
Debtors and other assets	18,947	21,823
Short-term investments	331	529
Cash at banks or in hand	7,805	2,736
Total current assets	**56,801**	**58,861**
Prepayments and accrued income	90	162
Total assets	**107,621**	**112,234**
Called-up Share Capital	14,643	14,643
Capital reserve	24,345	24,345
Revenue reserves	26,892	26,340
Net profit attributable to shareholders	1,352	3,122
Total equity	**67,232**	**68,450**
Deferred reserves	**3,399**	**3,900**
Accruals	**22,233**	**20,201**
Liabilities	**14,757**	**19,683**
Deferred income	**0**	**0**
Total equity and liabilities	**107,621**	**112,234**

Financial schedule 2003/Current dates*

Press Release Interim report: 1st six months of 2003	August 14, 2003
Annual General Meeting (AGM) of shareholders in Rheda-Wiedenbrück Press Release Information regarding the results of the AGM	August 26, 2003
DVFA event/analysts' conference Financial Forum in Frankfurt	August 27, 2003
Press Release Report: 1st nine months of 2003	November 13, 2003

* The complete financial schedule 2003 can be accessed on the Internet under: www.westag-getalit.de

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