

Interim Report

1st six months of 2003



**WESTAG &
GETALIT AG**

Sales

Westag & Getalit AG managed to maintain sales almost stable despite the continued economic weakness in Germany. Sales in the first half of 2003 declined by only 0.6% to € 80.9 million, compared to € 81.4 million in the same period of the previous year.

Sales (€ in thousands)	For the six months ended June 30		Change (in %)
	2003	2002	
Domestic sales	68,014	69,419	- 2.0
Export sales	12,903	11,960	7.9
Total AG sales	80,917	81,379	- 0.6

Export sales increased by a noticeable 7.9 %. As a result, the export share increased from 14.7% last year to a gratifying 15.9 %.

Divisions

Sales (€ in thousands)	For the six months ended June 30		Change (in %)
	2003	2002	
Plywood/Shuttering	12,695	13,242	- 4.1
Doors/Frames	34,104	35,496	- 3.9
Laminates/Elements	32,244	31,135	3.6

The aim of the **Plywood/Shuttering** division was to improve its earnings situation. This was achieved by streamlining the product range. However, sales declined by 4.1% to € 12.7 million compared to the same period of the previous year.

Due to even weaker demand, especially in the contract segment, first-half sales in the **Doors/Frames** division were down 3.9 % on the previous year to € 34.1 million.

Sales in the **Laminates/Elements** division, in contrast, were up 3.6 % to € 32.2 million, which we consider a success given the current market environment. This increase was primarily attributable to higher export sales, but also to our new mineral-based solid surface sheet materials.

Results

Profit before income taxes in the first six months of the current fiscal year improved as a result of the reduction in both staff numbers and overhead costs. After a loss of € 272,000 last year, we generated a profit of € 705,000. Net profit amounted to € 407,000 (previous year: € -205,000).

Profit data (€ in thousands)	For the six months ended June 30		Change (in %)
	2003	2002	
Profit from ordinary operations	771	- 317	-
Profit before income taxes	706	- 272	-
Net profit	407	- 205	-
Net profit per share (€)	0.07	- 0.04	-
DVFA/SG* profit per share (€)	0.06	- 0.17	-

*German Financial Analysis and Investment Consultancy Association

Investments

Our 2003 capital expenditure budget is € 7.4 million with a continued focus on efficiency and quality gains rather than on capacity increases.

Personnel

The staff reductions mentioned above resulted in a considerable improvement of the overall cost structure. As of June 30, 2003, the company had 1,255 employees (previous year: 1,364). Despite the decline in sales, the ratio of personnel expenses to total sales was reduced from 37.1 % to 35.7 %.

Personnel	June 30 2003	June 30 2002	Change (in %)
Number of employees (incl. trainees)	1,255	1,364	- 8.0 %

Volume of own shares

As of June 30, 2003, Westag & Getalit AG held 20,047 own shares. All of these shares were preference shares.

Outlook

The economic environment is currently providing little stimulation for construction, refurbishing and improvement activity in Germany. Even though incoming orders and sales almost reached the previous year's level in the first half of 2003, we will face further challenges in the second half of the year. In many product areas, we are experiencing fierce competition. While Westag & Getalit AG wants to increase its market share, we will not try to achieve this primarily by way of price cuts. We will continue to enhance our competitiveness through strict cost control.

In the DIY store segment, our new sales organisation and our extended range of DIY products are bearing fruit. Improved marketing has already resulted in incremental sales. More promising ventures are being looked at.

We expect Westag & Getalit AG to master fiscal 2003 successfully in spite of the difficult environment.

Rheda-Wiedenbrück, August 2003

WESTAG & GETALIT AG
The Management Board

Application of funds statement

(€ in thousands)	For the six months ended June 30	
	2003	2002
Net profit/loss	407	- 205
Depreciation and amortisation	5,340	5,526
Extraordinary items	0	- 110
In/decrease in long-term accruals	300	300
In/decrease in the deferred reserves	- 224	- 252
Cashflow acc. to DVFA/SG	5,823	5,259
Result from investment disposals	- 36	- 37
In/decrease in inventories	- 1,324	- 406
In/decrease in debtors and other assets	- 3,109	1,420
In/decrease in short-term investments	33	51
In/decrease in prepayments and accrued income	176	25
In/decrease in further accruals	1,974	266
In/decrease in liabilities	1,249	-702
Cashflow from current business activities	4,786	5,876
Additions to fixed assets	- 1,518	- 4,457
Proceed on disposal of fixed assets	133	44
Proceed on disposal of financial assets	14	2,301
Cashflow from investment activities	- 1,371	- 2,112
In/decrease in current due to banks	- 1,780	18
Dividend payments	0	0
Cashflow from financing activities	1,780	18
In/decrease in cash at banks and in hand	1,635	3,782
Cash at banks and in hand as at January 01	9,338	2,214
Cash at banks and in hand as at June 30	10,973	5,996

Balance sheet

(€ in thousands)	June 30 2003	June 30 2002
Intangible assets	365	180
Tangible assets	48,019	52,282
Financial assets	124	157
Fixed assets	48,508	52,619
Inventories	30,360	34,090
Debtors and other assets	18,974	18,420
Short-term investments	301	546
Cash at banks or in hand	10,973	5,996
Total current assets	60,608	59,052
Prepayments and accrued income	91	169
Total assets	109,207	111,840
Called-up Share Capital	14,643	14,643
Capital reserve	24,345	24,345
Revenue reserves	26,862	26,357
Net profit attributable to shareholders	1,587	2,239
Total equity	67,437	67,584
Deferred reserves	3,287	3,774
Accruals	22,883	21,608
Liabilities	15,600	18,874
Deferred income	0	0
Total equity and liabilities	109,207	111,840

Financial schedule 2003/Current dates*

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

Profit and loss account (quarter)

(€ in thousands)	For the three months ended June 30	
	2003	2002
Sales	40,257	39,964
In/decrease in inventories	- 108	666
Own work capitalised	45	66
Total operating performance	40,194	40,696
Other operating income	407	609
Cost of materials	18,316	18,580
Personnel expenses	14,342	15,164
Depreciation and amortisation	2,670	2,763
Other operating expenses	4,909	4,755
Interest income	61	33
Write-down of short-term investments	- 3	- 17
Interest expense	39	47
Profit from ordinary operations	389	46
Extraordinary income	0	0
Extraordinary expenses	0	913
Extraordinary items	0	- 913
Other taxes	33	32
Profit before income taxes	356	- 899
Income taxes	150	- 33
Net profit	206	- 866
Profit brought forward from the previous year	0	0
Withdrawal from own share reserve	29	- 17
Transfer to other revenue reserves	0	0
Net profit attributable to shareholders	235	- 883

Profit and loss account (half-year)

(€ in thousands)	For the six months ended June 30	
	2003	2002
Sales	80,917	81,379
In/decrease in inventories	463	377
Own work capitalised	104	203
Total operating performance	81,484	81,959
Other operating income	787	974
Cost of materials	37,302	37,400
Personnel expenses	29,080	30,400
Depreciation and amortisation	5,340	5,526
Other operating expenses	9,805	9,833
Interest income	130	52
Write-down of short-term investments	0	51
Interest expense	103	92
Profit from ordinary operations	771	- 317
Extraordinary income	0	1,023
Extraordinary expenses	0	913
Extraordinary items	0	110
Other taxes	65	65
Profit before income taxes	706	- 272
Income taxes	299	- 67
Net profit	407	- 205
Profit brought forward from the previous year	1,148	2,393
Withdrawal from own share reserve	32	51
Transfer to other revenue reserves	0	0
Net profit attributable to shareholders	1,587	2,239

