Interim Report

1st six months of 2004

Westag & Getalit AG

Sales

Although a certain number of construction projects were brought forward due to the scheduled reduction in the subsidy for owner-occupied housing, incoming orders in the building construction sector in the first five months of 2004 were down 4.4% on the same period of the previous year, according to the Federal Statistical Office. In this difficult environment, Westag & Getalit AG increased its first-half sales by 4.0% to € 84.2 million (previous year € 80.9 million).

Increased foreign business enabled us to boost our international sales by 9.5% to € 14.1 million. Overall, our export share stood at 16.8% (previous year: 15.9%).

Divisions

Sales revenue (in € '000)	Jan. 01 - Jun. 30, 2004	Jan. 01 - Jun. 30, 2003	Change (in %)
Plywood/Shuttering	13,047	12,695	+ 2.8
Doors/Frames	34,789	34,104	+ 2.0
Laminates/Elements	34,389	32,244	+ 6.7

Sales in the **Plywood/Shuttering** division were up 2.8% on the previous year to € 13.0 million. Global sales of floor panels for automobile assembly plants developed particularly favourably; our products have met with growing acceptance in this sector.

The **Doors/Frames** division increased its sales by 2.0% to € 34.8 million. While the contract business continues to decline, sales to foreign customers and DIY stores have grown noticeably.

The **Laminates/Elements** division clearly expanded its market share in a weak environment, boosting its sales by 6.7% to € 34.4 million. Apart from a positive development of exports and the DIY store business, the new mineral-based solid surface sheet materials also made a significant contribution to this success.

Result

The result before income taxes clearly increased over the previous year, reaching a gratifying € 3,420 thousand in the first six months of 2004 (previous year: € 706 thousand). All three divisions reported a positive sales development and a profit before income taxes. This is not least attributable to the continuation of our strict cost management policy. Net income improved from the previous year's € 407 thousand to € 1,890 thousand in H1 2004. Half-year DVFA/SG earnings per share amounted to € 0.35 € (previous year: € 0.06).

Profit data (in € '000)	Jan. 01 - Jun. 30, 2004	Jan. 01 - Jun. 30, 2003	Change (in %)
Result from ordinary activities	3,499	771	+ 354
Earnings before income taxes	3,420	706	+ 384
Net profit	1,890	407	+ 364
Net profit per share (in €)	0.33	0.07	+ 371
DVFA/SG earnings per share (in €)	0.35	0.06	+ 483

Investments

Investments of € 10.4 million have been budgeted for 2004. The investment plan, however, includes some projects which are still under development and may not be realised this year. All other investment activity centres on efficiency and quality-enhancing measures.

Employees

As of June 30, 2004 we employed 1,232 people (previous year: 1,255). At 34.7%, the ratio of personnel expenses to total sales was down noticeably on the previous year's 35.7% in the first half of 2004.

Workforce	Jun. 30, 2004	Jun. 30, 2003	Change (in %)
Number of employees (incl. trainees/apprentices)	1,232	1,255	– 1.8 %

Volume of own shares

Westag & Getalit AG did not hold any own shares as of June 30, 2004.

Management Changes

The Supervisory Board has appointed Dipl.-Kfm. Jan Trommershausen, former Spokesman of the management at SaarGummi GmbH, Wadern-Büschfeld, to the Management Board of Westag & Getalit. He will assume responsibility for the central divisions on September 1, 2004.

Outlook

The general economic environment in Germany remains characterised by uncertainty. A certain downward trend is expected for the construction sector also in the near future. Even though our company is winning market share, we therefore see only few growth opportunities in Germany. There are interesting opportunities on the export front, though.

On the cost side, we will generally continue our strict cost-cutting policy. What we are concerned about - apart from continued pressure on sales prices - is the price trend of some of our key commodities. The surge in oil prices is having a direct impact on chemicals products. Should it continue, other raw materials will be affected as well.

Westag & Getalit AG will thus be facing further challenges. In view of the recent development of our company, we are confident that we are on the right course also where our profits are concerned.

Rheda-Wiedenbrück, August 2004

Westag & Getalit AG
The Management Board

Balance sheet

(in € '000)	Jun. 30, 2004	Jun. 30, 2003
Intangible assets	287	365
Tangible assets	42,138	48,019
Financial assets	103	124
Fixed assets	**42,528**	**48,508**
Inventories	29,301	30,360
Debtors and other assets	19,892	18,974
Short-term investments	9,212	301
Cash at banks or in hand	15,025	10,973
Total current assets	**73,430**	**60,608**
Prepayments and accrued income	75	91
Total assets	**116,033**	**109,207**
Called-up Share Capital	14,643	14,643
Capital reserve	24,345	24,345
Revenue reserves	26,796	26,862
Net profit attributable to shareholders	4,587	1,587
Total equity	70,371	67,437
Deferred reserves	**2,891**	**3,287**
Accruals	**27,620**	**22,883**
Liabilities	**15,151**	**15,600**
Deferred income	**0**	**0**
Total equity and liabilities	**116,033**	**109,207**

Income statement on a quarterly basis

(in € '000)	Apr. 01 - Jun. 30, 2004	Apr. 01 - Jun. 30, 2003
Sales	41,714	40,257
In/decrease in inventories	127	- 108
Own work capitalised	43	45
Total operating performance	**41,884**	**40,194**
Other operating income	535	407
Cost of materials	19,057	18,316
Personnel expenses	14,627	14,342
Depreciation and amortisation	2,601	2,670
Other operating expenses	4,785	4,909
Interest income	165	61
Write-down of short-term investments	0	- 3
Interest expense	24	39
Profit from ordinary operations	**1,490**	**389**
Extraordinary income	0	0
Extraordinary expenses	0	0
Extraordinary items	**0**	**0**
Other taxes	39	33
Profit before income taxes	**1,451**	**356**
Income taxes	650	150
Net profit	**801**	**206**
DVFA/SG earnings per share (undiluted and diluted)	0.15	0.03
Number of shares (undiluted and diluted)	5,720,000	5,720,000

Income statement for the first six months

(in € '000)	Jan. 01 - Jun. 30, 2004	Jan. 01 - Jun. 30, 2003
Sales	84,156	80,917
In/decrease in inventories	574	463
Own work capitalised	76	104
Total operating performance	**84,806**	**81,484**
Other operating income	976	787
Cost of materials	38,378	37,302
Personnel expenses	29,433	29,080
Depreciation and amortisation	5,202	5,340
Other operating expenses	9,519	9,805
Interest income	295	130
Write-down of short-term investments	0	0
Interest expense	46	103
Profit from ordinary operations	**3,499**	**771**
Extraordinary income	0	0
Extraordinary expenses	0	0
Extraordinary items	**0**	**0**
Other taxes	79	65
Profit before income taxes	**3,420**	**706**
Income taxes	1,530	299
Net profit	**1,890**	**407**
DVFA/SG earnings per share (undiluted and diluted)	0.35	0.06
Number of shares (undiluted and diluted)	5,720,000	5,720,000

Application of funds statement

(in € '000)	Jan. 01 - Jun. 30, 2004	Jan. 01 - Jun. 30, 2003
Net profit/loss	1,890	407
Depreciation and amortisation	5,202	5,340
Extraordinary items	0	0
In/decrease in long-term accruals	300	300
In/decrease in the deferred reserves	- 174	- 224
Cashflow nach DVFA/SG	**7,218**	**5,823**
Result from investment disposals	- 60	- 36
In/decrease in inventories	- 89	– 1,324
In/decrease in debtors and other assets	- 3,516	- 3,109
In/decrease in short-term investments	120	33
In/decrease in prepayments and accrued income	63	176
In/decrease in further accruals	4,392	1,974
In/decrease in liabilities	1,146	1,249
Cashflow from current business activities	**9,274**	**4,786**
Additions to fixed assets	- 2,331	- 1,518
Proceed on disposal of fixed assets	104	133
Proceed on disposal of financial assets	12	14
Cashflow aus Investitionstätigkeit	**- 2,215**	**- 1,371**
In/decrease in current due to banks	- 156	- 1,780
Dividend payments	0	0
Cashflow from financing activities	**- 156**	**- 1,780**
In/decrease in current due to banks	6,903	1,635
Cash at banks and in hand as at Jan. 01	8,122	9,338
Cash at banks and in hand as at Jun. 30	**15,025**	**10,973**

Segment report for the first six months 2004

Segment	Jun. 30, 2004	Jun. 30, 2003	Change (in %)
Germany			
Sales	70,031	68,014	+ 3.0
Earnings before income taxes	2,951	499	+ 491.4
Export			
Sales	14,125	12,903	+ 9.5
Earnings before income taxes	469	207	+ 126.6
Full Company (AG)			
Sales	84,156	80,917	+ 4.0
Earnings before income taxes	3,420	706	+ 384.4

Statement of changes in equity

	Subscribed capital	Capital reserve	Revenue reserve	Unappropriated	Total
As of Jan. 01, 2003	**14,643**	**24,345**	**26,894**	**1,148**	**67,030**
Withdrawal from treasury stock reserve			- 32	32	0
Dividend					0
Net profit				407	407
As of Jun. 30, 2003	**14,643**	**24,345**	**26,862**	**1,587**	**67,437**
As of Jan. 01, 2004	**14,643**	**24,345**	**26,916**	**2,577**	**68,481**
Withdrawal from treasury stock reserve			- 120	120	0
Dividend					
Net profit				1,890	1,890
As of Jun. 30, 2004	**14,643**	**24,345**	**26,796**	**4,587**	**70,371**

Notes on the interim report for the period ended June 30, 2004

1. Accounting principles

The interim report of Westag & Getalit AG was prepared in accordance with the provisions of the German Commercial Code as well as DRS 6. The accounting and valuation principles applied were the same as those applied in the Annual Report for 2003 and the previous year's interim report. This report has not been audited.

2. Cash flow statement

The cash flows in the cash flow statement were determined using the indirect method.

3. Dividends

The Management Board and the Supervisory Board will propose payment of a dividend of € 0.28 per ordinary share (no dividend paid in previous year) and of € 0.34 per preference share (previous year: € 0.12) to the Annual General Meeting scheduled to take place in Rheda-Wiedenbrück on August 12, 2004.

4. Composition of subscribed capital

The subscribed capital of € 14,643,000 is composed of 2,860,000 no-par ordinary shares and 2,860,000 non-voting no-par preference shares with a total value of € 7,312,600.

Financial schedule 2004/Current dates*

Press Release Annual Financial Statements 2003	March 26, 2004
Annual Press Briefing in Düsseldorf Press Release Report: 1st three months of 2004	May 12, 2004
Annual General Meeting (AGM) of shareholders in Rheda-Wiedenbrück Press Release Interim report: 1st six months of 2004	August 12, 2004
DVFA event/analysts‘ conference Financial Forum in Frankfurt	August 31, 2004
Press Release Report: 1st nine months of 2004	November 12, 2004

* The complete financial schedule 2004 can be accessed on the Internet under: **www.westag-getalit.de**

Westag & Getalit AG

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