Quarterly Report

3rd Quarter 2004

Westag & Getalit AG

Sales

Activity in the German construction sector continues to decline. The latest figures published by the Federal Statistical Office for the building construction market show that incoming orders declined by 5.2% (accumulated until August). Against this background, it is all the more gratifying that Westag & Getalit AG expanded its nine-month sales by 2.5% from € 122.4 million in the previous year to € 125.5 million.

Due to increased international activities, export sales rose by an impressive 8.7% to € 20.9 million. The export share climbed from 15.7% in 2003 to 16.7%.

Divisions

Sales revenue (in € '000)	Jan. 01 - Sep. 30, 2004	Jan. 01 - Sep. 30, 2003	Change (in %)
Plywood/Shuttering	19,421	19,309	+ 0.6
Doors/Frames	52,582	52,593	0.0
Laminates/Elements	50,653	47,803	+ 6.0

Despite the continued decline in construction activity, the **Plywood/Shuttering** division managed to maintain sales at € 19.4 million (2003: € 19.3 million).

At € 52.6 million, sales in the **Doors/Frames** division were almost exactly on a par with the previous year. The decline in the contract sector was offset by growth in exports and stocked products.

Boosting its sales by 6.0% to € 50.7 million (2003: € 47.8 million), the **Laminates/Elements** division showed a positive development, not least thanks to increased export activities and successful sales of mineral materials.

Result

The result before income taxes increased strongly to € 5,212 thousand (2003: € 1,531 thousand) for the nine-month period. All three divisions contributed to this growth, which was not least achieved thanks to continued strict cost management. DVFA/SG earnings per share amounted to € 0.52 in the nine-month period (2003: € 0.13).

Profit data (in € '000)	Jan. 01 - Sep. 30, 2004	Jan. 01 - Sep. 30, 2003	Change (in %)
Result from ordinary activities	5,333	1,647	+ 224
Earnings before income taxes	5,212	1,531	+ 240
Net profit	2,881	846	+ 241
Net profit per share (in €)	0,50	0.15	+ 233
DVFA/SG earnings per share (in €)	0,52	0.13	+ 300

Investments

Capital expenditure in 2004 will remain below the originally projected € 10.4 million. Our investment projects serve to expand our product range and, hence, our market share as well as to increase our efficiency and quality.

Employees

As of September 30, 2004, we employed 1,229 people (2003: 1,259). At 34.8%, the ratio of personnel expenses to total sales was still clearly below the previous year's 35.4%.

Workforce	Sep. 30, 2004	Sep. 30, 2003	Change (in %)
Number of employees (incl. trainees/apprentices)	1,229	1,259	- 2.4 %

Volume of own shares

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

Outlook

The general economic environment in Germany remains characterised by uncertainty. A certain downward trend is currently expected for the construction sector. Both the residential and the commercial construction sectors are lacking stimulus that could lead to a recovery. Accordingly, we have only modest expectations regarding domestic sales. By contrast, we see opportunities in the export market which we will increasingly take advantage of.

The rationalisation and cost-cutting measures that have been implemented have clearly reduced the ratio of personnel expenses to total sales. The strong competitive pressure forces us to stay on this course. However, the rising prices of some raw materials are gradually making themselves felt in the form of a higher cost of materials. While this requires us to raise the prices of our products, we can do so only with some delay.

The increased competitive pressure means new challenges for our company. Our long-term competitiveness hinges on our product range, our quality, our reliability as a supplier and, last but not least, our cost structure. In view of the measures we have initiated and the strong commitment of our employees, we feel that our growth and profit outlook is positive.

Rheda-Wiedenbrück, November 2004

Westag & Getalit AG
The Management Board

Balance sheet

(in € '000)	Sep. 30, 2004	Sep. 30, 2003
Intangible assets	264	313
Tangible assets	42,006	46,580
Financial assets	103	121
Fixed assets	**42,373**	**47,014**
Inventories	29,375	30,719
Debtors and other assets	19,212	20,470
Short-term investments	9,212	66
Cash at banks or in hand	18,645	12,010
Total current assets	**76,444**	**63,265**
Prepayments and accrued income	**130**	**99**
Total assets	**118,947**	**110,378**
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	3,804	1,686
Total equity	**69,588**	**67,536**
Deferred reserves	**2,813**	**3,175**
Accruals	**30,537**	**23,917**
Liabilities	**16,009**	**15,750**
Deferred income	**0**	**0**
Total equity and liabilities	**118,947**	**110,378**

Income statement on a quarterly basis

(in € '000)	Juli 01 - Sep. 30, 2004	Juli 01 - Sep. 30, 2003
Sales	41,318	41,454
In/decrease in inventories	-263	-447
Own work capitalised	166	-24
Total operating performance	**41,221**	**40,983**
Other operating income	626	415
Cost of materials	18,879	19,260
Personnel expenses	14,404	14,216
Depreciation and amortisation	2,058	2,670
Other operating expenses	4,823	4,416
Interest income	173	79
Write-down of short-term investments	0	0
Interest expense	22	39
Profit from ordinary operations	**1,834**	**876**
Extraordinary income	0	0
Extraordinary expenses	0	0
Extraordinary items	**0**	**0**
Other taxes	42	50
Profit before income taxes	**1,792**	**826**
Income taxes	801	386
Net profit	**991**	**440**
DVFA/SG earnings per share (undiluted and diluted)	0.17	0.07
Number of shares (undiluted and diluted)	5,720,000	5,720,000

Income statement for the first nine months

(in € '000)	Jan. 01 - Sep. 30, 2004	Jan. 01 - Sep. 30, 2003
Sales	125,474	122,371
In/decrease in inventories	311	16
Own work capitalised	242	80
Total operating performance	**126,027**	**122,467**
Other operating income	1,602	1,202
Cost of materials	57,257	56,562
Personnel expenses	43,837	43,296
Depreciation and amortisation	7,260	8,010
Other operating expenses	14,342	14,221
Interest income	468	209
Write-down of short-term investments	0	0
Interest expense	68	142
Profit from ordinary operations	**5,333**	**1,647**
Extraordinary income	0	0
Extraordinary expenses	0	0
Extraordinary items	**0**	**0**
Other taxes	121	116
Profit before income taxes	**5,212**	**1,531**
Income taxes	2,331	685
Net profit	**2,881**	**846**
DVFA/SG earnings per share (undiluted and diluted)	0.52	0.13
Number of shares (undiluted and diluted)	5,720,000	5,720,000

Application of funds statement

(in € '000)	Jan. 01 - Sep. 30, 2004	Jan. 01 - Sep. 30, 2003
Net profit/loss	2,881	846
Depreciation and amortisation	7,260	8,010
Extraordinary items	0	0
In/decrease in long-term accruals	450	450
In/decrease in the deferred reserves	-251	-336
Cashflow nach DVFA/SG	**10,340**	**8,970**
Result from investment disposals	-62	-40
In/decrease in inventories	-163	-1,683
In/decrease in debtors and other assets	-2,835	-4,605
In/decrease in short-term investments	120	268
In/decrease in prepayments and accrued income	7	168
In/decrease in further accruals	7,158	2,858
In/decrease in liabilities	2,160	1,556
Cashflow from current business activities	**16,725**	**7,492**
Additions to fixed assets	-4,242	-2,695
Proceed on disposal of fixed assets	114	136
Proceed on disposal of financial assets	12	16
Cashflow aus Investitionstätigkeit	**-4,116**	**-2,543**
In/decrease in current due to banks	-313	-1,936
Dividend payments	-1,773	-341
Cashflow from financing activities	**-2,086**	**-2,277**
In/decrease in current due to banks	10,523	2,672
Cash at banks and in hand as at Jan. 01	8,122	9,338
Cash at banks and in hand as at Sep. 30	**18,645**	**12,010**

Segment report for the first 9 months 2004

Segment	Jan. 01 - Sep. 30, 2004	Jan. 01 - Sep. 30, 2003	Change (in %)
Germany			
Sales	104,592	103,159	+ 1.4
Earnings before income taxes	4,295	1,270	+ 238.2
Export			
Sales	20,882	19,212	+ 8.7
Earnings before income taxes	916	261	+ 251.0
Full Company (AG)			
Sales	125,474	122,371	+ 2.5
Earnings before income taxes	5,212	1,531	+ 240.4

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				-341	-341
Net profit				847	847
As of Sep. 30, 2003	**14,643**	**24,345**	**28,862**	**1,686**	**67,536**
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				-1,773	-1,773
As of Sep. 30, 2004	**14,643**	**24,345**	**26,796**	**3,804**	**69,588**

Notes on the nine-month report for the period ended September 30, 2004

1. Accounting principles

The nine-month 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 nine-month 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. 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 € 7,321,600.

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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