Quarterly Report

1st Quarter 2007

Westag & Getalit AG

Interim management report on the first three months of 2007

Sales

According to the Federal Statistical Office, incoming orders in the building construction sector increased by 3.5 % in the first two months of 2007. Due to a sharp rise in domestic sales and strong export growth, Westag & Getalit AG clearly outperformed the market in the first quarter, with sales rising by 14.9 % to € 54.8 million (2006: € 47.7 million). All three divisions of Westag & Getalit AG reported double-digit sales growth.

Export sales climbed 28.6 % to € 13.4 million (2006: € 10.4 million). The export share rose to 24.4 % (2006: 21.8 %).

Divisions

Sales revenue (in € '000)	Jan. 1- Mar. 31, 2007	Jan. 1- Mar. 31, 2006	Change in %
Plywood/Formwork	11,435	8,706	31.3
Doors/Frames	21,504	19,362	11.1
Laminates/Elements	20,768	18,558	11.9

Sales in the **Plywood/Formwork** Division increased by 31.3 % to € 11.4 million. This strong growth was achieved thanks to a diversified product range, a good market positioning and, most importantly, the growing construction activity in our markets.

The **Doors/Frames** Division reported an 11.1 % increase in sales to € 21.5 million, with a major contribution made by strong export growth.

Sales in the **Laminates/Elements** Division climbed 11.9 % to € 20.8 million, mainly driven by rising exports and growing sales of our Getacore mineral worktops.

Earnings

Earnings before income taxes rose by 49.1 % to € 3.4 million in the period under review (2006: € 2.3 million). The excellent earnings performance is mainly attributable to the increase in sales revenues. We have not been able yet to fully pass on the rising raw materials prices to our customers in the form of increased sales prices. This will be one of the tasks we need to tackle in the remaining course of the year. Personnel expenses developed positively, not least due to the good capacity utilisation.

Net profit climbed to € 2.1 million (2006: € 1.4 million), while DVFA/SG earnings per share rose to € 0.38 (2006: € 0.25).

Profit data (in € '000)	Jan. 1 - Mar. 31, 2007	Jan. 1 - Mar. 31, 2006	Change in %
Earnings before income taxes	3,377	2,265	49.1
Net profit	2,094	1,359	54.1
Net profit per share (in €)	0.37	0.25	54.1
DVFA/SG earnings per share (in €)	0.38	0.25	52.0

Capital expenditure

The planned capex volume for 2007 is € 15.4 million. Investment projects include the automated cutting-to-size of elements and the expansion of our frames production capacity. Moreover, we will lay the foundation for a strong expansion of the production capacity for mineral worktops. We have also made initial investments in boosting our own electricity generation.

Employees

As of March 31, 2007, Westag & Getalit AG employed 1,210 people, compared to 1,180 in the previous year. As a result of the increased performance, the staff cost ratio declined to 27.8 % (2006: 30.7 %).

Workforce	Mar. 31, 2007	Mar. 31, 2006	Change in %
Number of staff (incl. trainees/apprentices)	1,210	1,180	2.5

Own shares

As of March 31, 2007, Westag & Getalit AG's portfolio of own shares remained unchanged at 185,000 shares, all of which are preference shares.

Outlook

We are optimistic about the year 2007 and expect strong stimulation from the investments made in 2006, especially the edge processing line for doors, the new glue deck for face panels and the continuous production of laminated boards. While we know that the percentage increase in sales reported in the first three months cannot be extrapolated, we nevertheless project good growth for the full year.

In the first quarter of 2007, we had to cope with another sharp rise in raw materials prices, especially for particle boards. While our customers increasingly realise that price increases are inevitable, it will be a difficult task to raise our prices at the right time and to a sufficient extent.

Overall, we are confident, however, that we will be able to generate appropriate earnings before income taxes also in 2007.

Rheda-Wiedenbrück, May 2007

Westag & Getalit AG
The Management Board

Balance sheet

(in €'000)	Mar. 31, 2007	Mar. 31, 2006
Intangible assets	411	333
Tangible assets	45,884	46,623
Financial assets	1,006	1,042
Deferred tax assets	12	0
Non-current assets	**47,313**	**47,998**
Inventories	34,987	32,122
Debtors and other assets	30,259	24,416
Cash at banks or in hand	14,582	16,728
Current assets	**79,828**	**73,266**
Total assets	**127,141**	**121,264**
Called-up share Capital	14,643	14,643
Capital reserve	24,345	24,345
Revenue reserves	35,111	35,111
Net profit for the year	10,229	8,135
Equity and reserves	**84,328**	**82,234**
Non-current provisions	16,702	16,559
Deferred tax liabilities	0	12
Non-current liabilities	**16,702**	**16,571**
Trade payables and other current liabilities	14,039	11,422
Current provisions	12,072	11,037
Current liabilities	**26,111**	**22,459**
Total equity and liabilities	**127,141**	**121,264**

Income statement on a quarterly basis

(in € '000)	Jan. 1- Mar. 31, 2007	Jan. 1- Mar. 31, 2006
Sales	54,755	47,669
In/decrease in inventories	1,562	878
Own work capitalised	41	95
Total operating performance	**56,358**	**48,642**
Other operating income	328	207
Cost of materials	29,412	24,024
Personnel expenses	15,643	14,947
Depreciation and amortisation	2,385	2,316
Other operating expenses	5,985	5,288
Other taxes	48	47
Operating result	**3,213**	**2,227**
Financial result	164	38
Investment result	0	0
Extraordinary items	0	0
Profit before income taxes	**3,377**	**2,265**
Income taxes	1,283	906
Net profit	**2,094**	**1,359**
DVFA/SG earnings per share (undiluted and diluted)	0.38	0.25
Number of shares (undiluted and diluted)	5,720,000	5,720,000

Cash flow statement

(in € '000)	Jan. 1- Mar. 31, 2007	Jan. 1- Mar. 31, 2006
Operating result/EBIT	3,213	2,227
Income tax payments	- 844	- 364
Depreciation and amortisation	2,386	2,316
Result from asset retirements	7	- 26
Change in current assets	- 8,779	- 6,206
Change in liabilities	3,392	1,629
Cash flow from operating activities	**- 625**	**- 424**
Investments in fixed and financial assets	- 1,805	- 2,417
Change in financial assets	37	- 1,005
Income from fixed asset retirements	74	41
Cash flow from investment activities	**- 1,694**	**- 3,381**
Interest income	188	167
Interest expenses	0	0
Repayment of non-current financial liabilities	0	0
Acquisition/sale of own shares	0	- 1,070
Dividend payments	0	0
Cash flow from financing activities	**188**	**- 903**
Change in liquid funds	- 2,131	- 4,708
Liquid funds as of Jan. 1	7,737	10,346
Liquid funds as of Mar. 31	5,606	5,638

Segment report for the first Quarter 2007

Segment (in € '000)	Jan. 01 - Mar. 31, 2007	Jan. 01 - Mar. 31, 2006	Change (in %)
Germany			
Sales	41,392	37,279	11.0
Earnings before income taxes	2,485	1,693	46.8
Export			
Sales	13,363	10,390	28.6
Earnings before income taxes	892	572	55.9
Full Company			
Earnings	54,755	47,669	14.9
Ergebnis before income taxes	3,377	2,265	49.1

Statement of changes in equity

in € '000	Subscribed capital	Capital reserve	Revenue reserve	Net profit for the year	Total
As of Jan. 1, 2006	**14.643**	**24.345**	**31.911**	**3.296**	**74.195**
Transfer to other reserve					0
Change in own shares			- 1.070		- 1.070
Addition in accordance with Sect. § 58 II AktG					0
Dividend					0
Net profit				1.359	1.359
As of Mar. 31, 2006	**14.643**	**24.345**	**30.841**	**4.655**	**74.484**
As of Jan. 01, 2007	**14.643**	**24.345**	**35.111**	**8.135**	**82.234**
Transfer to other reserve					0
Change in own shares					0
Addition in accordance with Sect. § 58 II AktG					0
Dividend					0
Net profit				2.094	2.094
As of Mar. 31, 2007	**14.643**	**24.345**	**35.111**	**10.229**	**84.328**

Notes on the report for the three-month period ended March 31, 2007

1. Accounting principles

Westag & Getalit AG's quarterly report for the period ended March 31, 2007 was compiled in full compliance with the Financial Reporting Standards (IFRS) as valid on the reporting date. All accounting and valuation principles are consistent with those used for the 2006 financial statements.

2. Cash flow statement

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

3. Liquid funds

Liquid funds shown in the balance sheet include securities in an amount of € 8,975 thousand (Dec. 31, 2006: € 8,991 thousand).

4. Composition of subscribed capital

The subscribed capital of € 14,643,200 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.

5. Purchase commitments

As of March 31, 2007, purchase commitments amounted to € 4,319 thousand, compared to € 7,482 thousand in the previous year.

6. Review

The interim financial statements and the interim management report have been neither audited in accordance with section 317 HGB nor reviewed by the auditors.

7. Assurance by the legal representatives

The legal representatives of Westag & Getalit AG assure, to the best of their knowledge, that, in accordance with the applied principles of proper interim reporting, the present interim financial statements provide a true and fair view of the net worth, financial and earnings position of the company, that the interim management report presents a true and fair view of the business results and the situation of the company and that the main risks and opportunities of the expected development of the company during the rest of the fiscal year have been outlined.

Financial schedule 2007*

March 15, 2007	Press Release Report on the results of fiscal year 2006
May 10, 2007	Press Release Report on the first three months of 2007
May 11, 2007	Annual Financial Statement Press Conference in Düsseldorf
August 7, 2007	Annual General Meeting (AGM) of Shareholders in Rheda-Wiedenbrück Press Release Report on the results of the Annual General Meeting of Shareholders and interim report on the first six months of 2007
August 31, 2007	DVFA Event Analysts' Conference in Frankfurt
November 8, 2007	Press Release Report on the first nine months of 2007

* The complete 2007 financial calendar is available on the Internet at:

www.westag-getalit.de/finanzkalender

Westag & Getalit AG

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