INTERIM REPORT

1st six months of 2010

WESTAG &
GETALIT AG

Sales

Following a subdued start to the year, which partly reflected the prevailing weather conditions, Westag & Getalit AG recorded a positive sales trend from March onwards. Sales for the first half of 2010 came in at € 103.2 million, up by a gratifying 6.2% on the previous year's € 97.2 million.

Export sales rose by 6.8% to € 20.5 million (previous year: € 19.2 million). The export share amounted to 19.9% in the first half of the year (previous year: 19.8%).

Divisions

Sales revenue (in € '000)	**Jan. 1-Jun. 30, 2010**	**Jan. 1-Jun. 30, 2009**	**Change** in %
Plywood/Formwork	15,624	16,320	- 4.3
Doors/Frames	48,235	43,017	12.1
Laminates/Elements	36,561	34,953	4.6

The Plywood/Formwork Division only managed to offset part of the sales lost during the harsh and long winter season even though sales were strong in the second quarter. Sales for the first half came to € 15.6 million (previous year: € 16.3 million).

The Doors/Frames Division boosted its sales from € 43.0 million in 2009 to € 48.2 million in the reporting period. The division's project-related export sales showed a particularly positive trend in the first half of the year.

Sales in the Laminates/Elements Division recovered clearly from the weak level recorded in the winter months and amounted to € 36.6 million for the half-year period (previous year: € 35.0 million).

Earnings

Profit data in € '000	**Jan. 1- Jun. 30, 2010**	**Jan. 1- Jun. 30, 2009**	**Change** in %
Earnings before income taxes	5,032	4,301	17.0
Net Profit	3,522	3,011	17.0
Earnings per share (in €)	0.62	0.53	17.0

At € 5.0 million, earnings before income tax were up 17% on the previous year's € 4.3 million. While the additional sales contributed to the positive profit trend, the appreciation of commodities caused by the general economic recovery weighed on the company's profitability. The prices of petrochemicals and wood-based materials, in particular, advanced clearly. Earnings per share amounted to € 0.62 (previous year: € 0.53).

Capital expenditure

As in the previous year, our investment activity in 2010 will be on a par with depreciation and amortisation, which should be equivalent to a proposed € 10 million. A new edge processing machine for our frames production department will be the single most important investment.

Employees

Workforce	**June 30, 2010**	**June 30, 2009**	**Change** in %
Number of employees	1,217	1,224	- 0.6

Our headcount at the half-year mark showed another slight decline by 0.6% to 1,217 (previous year: 1,224).

Portfolio of own shares

As of June 30, 2010, Westag & Getalit AG held 265,250 own shares, all of which were preference shares. This means that the number of own shares increased by 105,360 shares as compared to December 31, 2009 in the context of the stock repurchase programme. The stock repurchase programme was suspended effective August 06, 2010 with the same amount of own shares as of June 30, 2010.

Outlook

Business sentiment in Germany has continued to improve in recent months. There have also been increasing signs of the sustainability of the positive trend. Nevertheless there have also been critical voices calling for caution in view of concerns over public sector finances. Positive stimulation for the construction sector, in particular, has been coming from governmental stimulation packages.

Against this background, the management of Westag & Getalit AG is optimistic that the company's positive sales trend will continue. However, this will only become visible to a limited extent in the year-on-year comparison, given that the strong recovery in the second half of 2009 provides for a challenging base to improve on.

This is all the more true for the profit trend. While the direct comparison of the half-year numbers is gratifying, the full year-on-year numbers will be clearly less impressive due to the good profit levels achieved in the second half of 2009, when the cost-saving measures took full effect and commodities prices were generally depressed. Add to this the recent advance in input material prices which can only be rolled over into our product prices with a certain delay. Considering our strengths in terms of our product portfolio, our market position and our cost structure, we nevertheless anticipate reporting a good result for the full year 2010.

Rheda-Wiedenbrück, August 2010
Westag & Getalit AG
The Management Board

BALANCE SHEET

Assets in € '000	Jun. 30, 2010	Dec. 31, 2009
Intangible assets	452	362
Tangible assets	61,912	62,519
Financial assets	1,269	1,379
Deferred tax assets	0	0
Non-current assets	**63,633**	**64,260**
Inventories	31,529	29,814
Receivables and other assets	34,548	26,244
Cash at banks or in hand	17,927	19,594
Current assets	**84,004**	**75,652**
Total assets	**147,637**	**139,912**

Equity and liabilities in € '000	Jun. 30, 2010	Dec. 31, 2009
Subscribed Capital	14,644	14,644
Capital reserve	24,376	24,376
Revenue reserves	49,011	49,011
Accumulated profit	14,604	12,635
Equity and reserves	**102,635**	**100,666**
Pension provisions	14,016	13,906
Other non-current provisions	1,491	1,618
Deferred tax liabilities	324	349
Non-current liabilities	**15,831**	**15,873**
Trade payables	11,618	5,582
Other current liabilities	17,123	17,277
Current provisions	430	514
Current liabilities	**29,171**	**23,373**
Total equity and liabilities	**147,637**	**139,912**

INCOME STATEMENT ON A QUARTERLY BASIS

(in € '000)	**Apr. 1 - Jun. 30, 2010**	**Apr. 1 - Jun. 30, 2009**
Sales	52,978	46,990
In/decrease in inventories	982	- 516
Own work capitalised	45	102
Total operating performance	**54,005**	**46,576**
Other operating income	575	662
Cost of materials	26,811	22,126
Personnel expenses	16,468	14,928
Depreciation and amortisation	2,407	2,403
Other operating expenses	6,023	5,289
Other taxes	19	49
Operating result	**2,852**	**2,443**
Financial result	108	77
Extraordinary items	0	0
Earnings before income taxes	**2,960**	**2,520**
Income taxes	888	756
Net profit	**2,072**	**1,764**
Earnings per share (undiluted and diluted)	0.36	0.31
Number of shares (undiluted and diluted)	5,720,000	5,720,000

INCOME STATEMENT ON HALF-YEAR BASIS

(in € ‘000)	Jan. 1-Jun. 30, 2010	Jan. 1-Jun. 30, 2009
Sales	103,203	97,200
In/decrease in inventories	2,020	- 573
Own work capitalised	131	294
Total operating performance	**105,354**	**96,921**
Other operating income	1,016	1,140
Cost of materials	51,625	46,852
Personnel expenses	33,000	31,077
Depreciation and amortisation	4,850	4,854
Other operating expenses	11,980	10,989
Other taxes	92	97
Operating result	**4,823**	**4,192**
Financial result	209	109
Extraordinary items	0	0
Earnings before income taxes	**5,032**	**4,301**
Income taxes	1,510	1,290
Net profit	**3,522**	**3,011**
Earnings per share (undiluted and diluted)	0.62	0.53
Number of shares (undiluted and diluted)	5,720,000	5,720,000

CASH FLOW STATEMENT

in € '000	Jan. 1-Jun. 30, 2010	Jan. 1-Jun. 30, 2009
Operating result/EBIT	4,823	4,192
Income tax payments	- 3,963	- 883
Depreciation and amortisation	4,850	4,855
Result from asset retirements	- 65	- 149
Change in current assets	- 9,635	1,085
Change in liabilities	7,833	- 4,465
Cash flow from operating activities	**3,843**	**4,635**
Investments in fixed assets	- 4,402	- 7,510
Change in financial assets	110	6
Income from fixed asset retirements	135	211
Cash flow from investment activities	**- 4,157**	**- 7,293**
Interest income	200	48
Interest expenses	0	0
Repayment of non-current financial liabilities	0	0
Acquisition/sale of own shares	- 1,553	0
Dividend payments	0	0
Cash flow from financing activities	**- 1,353**	**48**
Change in liquid funds	- 1,667	- 2,610
Cash and cash equivalents as of Jan. 1	19,594	11,423
Cash and cash equivalents as of Jun. 30	17,927	8,813

STATEMENT OF CHANGES IN EQUITY

in € '000	Subscribed capital	Capital reserve	Revenue reserve	Accumulated profit	Total
As of Jan. 1, 2009	**14,644**	**24,376**	**43,911**	**9,708**	**92,639**
Transfer to other reserve	0	0	0	0	0
Change in own shares	0	0	0	0	0
Addition in accordance with Sect. § 58 II AktG	0	0	0	0	0
Dividend	0	0	0	0	0
Net profit	0	0	0	3,011	3,011
As of Jun. 30, 2009	**14,644**	**24,376**	**43,911**	**12,719**	**95,650**
As of Jan. 1, 2010	**14,644**	**24,376**	**49,011**	**12,635**	**100,666**
Transfer to other reserve	0	0	0	0	0
Change in own shares	0	0	0	- 1,553	- 1,553
Addition in accordance with Sect. § 58 II AktG	0	0	0	0	0
Dividend	0	0	0	0	0
Net profit	0	0	0	3,522	3,522
As of Jun. 30, 2010	**14,644**	**24,376**	**49,011**	**14,604**	**102,635**

SEGMENT REPORT FOR THE FIRST SIX MONTHS 2010

in € '000	Jan. 1-Jun. 30, 2010	Jan. 1-Jun. 30, 2009	Change in %
Germany			
Sales	82,655	77,954	6.0
Earnings before income taxes	4,108	3,502	17.3
Export			
Sales	20,548	19,246	6.8
Earnings before income taxes	924	799	15.6
Full Company			
Sales	103,203	97,200	6.2
Earnings before income taxes	5,032	4,301	17.0

NOTES ON THE REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

1. Accounting principles

Westag & Getalit AG's quarterly report for the period ended June 30, 2010 was, except for IFRS 8 "Operating Segments", 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 2009 financial statements. The waiver of applying IFRS 8 was conducted in order to prevent our company from expected business harm. As regards further reasoning, we refer to our Annual Report 2009.

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 doesn’t include securities.

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 June 30, 2010, purchase commitments amounted to € 4,164 thousand, compared to € 1,423 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. Responsibility statement

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 CALENDAR*

March 18, 2010	Press Release Report on the results of the fiscal year 2009
March 26, 2010	Publication of Financial Report 2009 (on the Internet)
April 29, 2010	Annual Financial Statements Press Conference
May 13, 2010	Report on the first three months of 2010
August 12, 2010	Interim report on the first six months of 2010
August 24, 2010	Annual General Meeting in Rheda-Wiedenbrück
August 31, 2010	Presentation of Westag & Getalit AG at the Small Cap Conference in Frankfurt/Main
November 11, 2010	Report on the first nine months of 2010

* For updates refer to:
www.westag-getalit.de/finanzkalender

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