INTERIM REPORT

1st six months of 2014

WESTAG & GETALIT AG

Sales

Benefiting from the generally good economic situation in Germany, Westag & Getalit AG increased its sales revenues by a moderate 2.1% to € 112.4 million (previous year: € 110.1 million) in the first six months of the year.

The situation in the company's foreign markets remained difficult. Export sales declined by 2.2% to € 23.0 million in the first half of the year (previous year: € 23.5 million). Due to the reduction in sales revenues in some export markets and the increase in domestic sales revenues, the export share declined to 20.4% (previous year: 21.3%).

Divisions

Sales revenue in € '000	**Jan. 1 - Jun. 30, 2014**	**Jan. 1 - Jun. 30, 2013**	**Change** in %
Doors/Frames	58,588	55,137	6.3
Surfaces/Elements	50,340	51,857	-2.9

The Doors/Frames Division's first-half sales revenues were up by 6.3% on the previous year to € 58.6 million thanks to growth in both Germany and export markets.

The situation was different in the Laminates/Elements Division and the Plywood/Formwork Division, which were merged into the Surfaces/Elements Division with effect from January 1, 2014. The new division reported a 2.9% decline in revenues to € 50.3 million, which is primarily attributable to a lack of orders in relevant export markets.

Earnings

Profit data in € '000	**Jan. 1 - Jun. 30, 2014**	**Jan. 1 - Jun. 30, 2013**	**Change** in %
Earnings before income taxes	4,799	4,038	18.8
Net Profit	3,359	2,827	18.8
Earnings per ordinary share (in €)	0.59	0.49	19.9
Earnings per preference share (in €)	0.65	0.55	17.8

Both the moderate increase in sales revenues and the exploitation of savings potential in conjunction with continuous efficiency increases led to an improved result in the first six months of 2014. Earnings before income taxes were up by 18.8% on the first half of the previous year to € 4.8 million. Net profit after taxes also showed a positive trend and climbed to € 3.4 million (previous year: € 2.8 million).

Net profit for the first six months per share amounted to € 0.59 for the ordinary shares (previous year: € 0.49) and to € 0.65 for the preference shares (previous year: € 0.55).

Capital expenditure

Investments clearly in excess of € 15 million are planned for the current fiscal year.

Investments will focus on the completion of the two large-scale projects – a double belt press for laminates and a new lock and hinge processing plant – and on selective capacity expansions in the context of the modernisation strategy, which will continue to be pushed ahead in the current fiscal year.

Employees

Workforce	Jun. 30, 2014	Jun. 30, 2013	Change in %
Number of staff	1,276	1,286	-0.8

As of June 30, 2014, the headcount declined moderately to 1,276 compared to the prior year reporting date (1,286).

Portfolio of own shares

As of June 30, 2014, Westag & Getalit AG held 310,828 own shares, all of which were preference shares.

Outlook

In spite of the very different developments in our relevant export markets, we stick to our positive overall assessment for the year 2014. The generally good domestic economy suggests that sales revenues will show a positive trend. The merger of the two divisions has already had the first positive effects on our bottom line. Moreover, we continue to realise potential savings and to increase the efficiency of production, e.g. through investments.

We therefore stick to our aim of growing both our sales revenues and earnings in the current year in line with the macroeconomic environment.

Rheda-Wiedenbrück, August 2014
Westag & Getalit AG
The Executive Board

BALANCE SHEET

Assets in € '000	Jun. 30, 2014	Dec. 31, 2013
Intangible assets	891	934
Tangible assets	69,947	66,386
Financial assets	1,290	1,310
Deferred tax liabilities	672	638
Non-current assets	**72,800**	**69,268**
Inventories	38,222	35,340
Receivables and other assets	33,895	31,074
Cash at banks or in hand	16,664	21,290
Current assets	**88,781**	**87,704**
Total assets	**161,581**	**156,972**

Equity and liabilities in € '000	Jun. 30, 2014	Dec. 31, 2013
Subscribed Capital	14,644	14,644
Capital reserve	24,399	24,399
Revenue reserves	60,311	60,311
Accumulated profit	11,070	7,711
Equity and reserves	**110,424**	**107,065**
Pension provisions	19,238	19,147
Other non-current provisions	1,399	1,434
Deferred tax liabilities	0	0
Non-current liabilities	**20,637**	**20,581**
Trade payables	10,864	9,801
Other current liabilities	19,059	18,925
Current provisions	597	600
Current liabilities	**30,520**	**29,326**
Total equity and liabilities	**161,581**	**156,972**

QUARTERLY STATEMENT OF COMPREHENSIVE INCOME

in € '000	Apr. 1- Jun. 30, 2014	Apr. 1- Jun. 30, 2013
Sales	55,453	54,973
In/decrease in inventories	1,522	752
Own work capitalised	118	26
Total operating performance	**57,093**	**55,751**
Other operating income	1,394	606
Cost of materials	27,803	27,538
Personnel expenses	17,741	17,457
Depreciation and amortisation	2,575	2,520
Other operating expenses	7,692	6,874
Other taxes	48	47
Operating result	**2,628**	**1,921**
Financial result	10	10
Extraordinary items	0	0
Earnings before income taxes	**2,638**	**1,931**
Income taxes	792	579
Net profit	**1,846**	**1,352**
Income components recognised in equity	0	0
Comprehensive income	**1,846**	**1,352**
Earnings per ordinary share (undiluted and diluted)	0.34	0.25
Earnings per preference share (undiluted and diluted)	0.34	0.25
Number of shares (undiluted and diluted)	5,409,172	5,409,172

Earnings per share as defined in IAS 33 are calculated for both ordinary and preference shares by dividing the net profit attributable to the respective share type by the average number of shares of the respective type. In the contextof this division, the portion of the net profit that will not be distributed is allocated to the respective number of shares.

HALF-YEAR STATEMENT OF COMPREHENSIVE INCOME

in € '000	**Jan. 1- Jun. 30, 2014**	**Jan. 1- Jun. 30, 2013**
Sales	112,430	110,073
In/decrease in inventories	2,272	1,516
Own work capitalised	202	70
Total operating performance	**114,904**	**111,659**
Other operating income	2,472	1,336
Cost of materials	56,156	55,109
Personnel expenses	36,308	35,197
Depreciation and amortisation	5,185	5,025
Other operating expenses	15,106	13,814
Other taxes	106	110
Operating result	**4,515**	**3,740**
Financial result	284	298
Extraordinary items	0	0
Earnings before income taxes	**4,799**	**4,038**
Income taxes	1,440	1,211
Net profit	**3,359**	**2,827**
Income components recognised in equity	0	0
Comprehensive income	**3,359**	**2,827**
Earnings per ordinary share (undiluted and diluted)	0.59	0.49
Earnings per preference share (undiluted and diluted)	0.65	0.55
Number of shares (undiluted and diluted)	5,409,172	5,409,172

CASH FLOW STATEMENT

in € '000	Jan. 1- Jun. 30, 2014	Jan. 1- Jun. 30, 2013
Operating result/EBIT	4,515	3,740
Income tax payments	-1,181	-1,779
Depreciation and amortisation	5,185	5,025
Result from asset retirements	-70	-92
Change in current assets	-5,995	-6,796
Change in liabilities	1,252	1,048
Cash flow from operating activities	**3,706**	**1,146**
Investments in fixed assets	-8.779	-3.660
Change in financial assets	20	10
Income from investments	266	273
Income from fixed asset retirements	146	121
Cash flow from investment activities	**-8,347**	**-3,256**
Interest income	15	27
Interest expenses	0	0
Repayment of non-current financial liabilities	0	0
Acquisition/sale of own shares	0	0
Dividend payments	0	0
Cash flow from financing activities	**15**	**27**
Change in liquid funds	-4,626	-2,083
Cash and cash equivalents as of Jan. 1	21,290	15,526
Cash and cash equivalents as of Jun. 30	16,664	13,443

STATEMENT OF CHANGES IN EQUITY

in € '000	Subscribed capital	Capital reserve	Revenue reserve	Accumulated profit	Total
As of Jan. 1, 2013	**14,644**	**24,399**	**59,511**	**10,354**	**108,908**
Transfer to other reserve					0
Change in own shares				0	0
Changes not recognised in profit/loss					0
Dividend				0	0
Net profit				2,827	2,827
As of Jun. 30, 2013	**14.644**	**24.399**	**59.511**	**13.181**	**111,735**
As of Jan. 1, 2014	**14,644**	**24,399**	**60,311**	**7,711**	**107,065**
Transfer to other reserve					0
Change in own shares				0	0
Changes not recognised in profit/loss					0
Dividend				0	0
Net profit				3,359	3,359
As of Jun. 30, 2014	**14,644**	**24,399**	**60,311**	**11,070**	**110,424**

SEGMENT REPORT FOR THE FIRST SIX MONTHS 2014

in € '000	Jan. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2013	Change in %
Germany			
Sales	89,464	86,580	3.3
Earnings before income taxes	3,970	3,291	20.6
Export			
Sales	22,966	23,493	-2.2
Earnings before income taxes	829	747	11.0
Full Company			
Sales	112,430	110,073	2.1
Earnings before income taxes	4,799	4,038	18.8

NOTES ON THE REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

1. Accounting principles

Westag & Getalit AG's quarterly report for the period ended June 30, 2014 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 2013 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 2013.

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. Other operating income/expenses

Other operating income and other operating expenses each include an amount of € 1.355 thousand for the settlement of the hail damage in 2013 as of the reporting date.

6. Purchase commitments

As of June 30, 2014, purchase commitments amounted to € 7,251 thousand, compared to € 5,314 thousand in the previous year.

7. 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.

8. 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 20, 2014	Press release Report on the results of the fiscal year 2013
March 28, 2014	Publication of Financial Report 2013 (on the Internet)
May 13, 2014	Report on the first three months of 2014
August 12, 2014	Interim report on the first six months 2014
August 26, 2014	Annual General Meeting in Rheda-Wiedenbrück Präsentation der Westag & Getalit AG
September 2, 2014	Presentation of Westag & Getalit AG at the Small Cap Conference in Frankfurt/Main
November 11, 2014	Report on the first 9 months of 2014

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

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