bertrandt

Fiscal 2004/2005

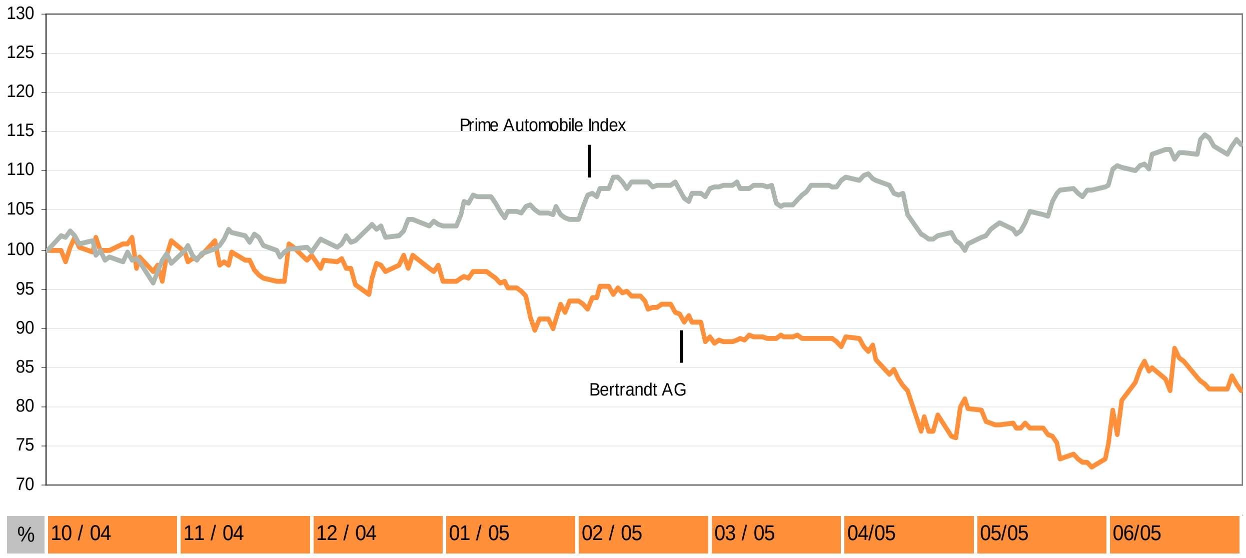
Report on the 3rd quarter – ended 30.06.2005

Contents

The first nine months at a Glance

Consolidated figures	01.10.04 - 30.06.05	01.10.03 - 30.06.04
Total output (EUR '000)	163,174	166,568
Profit from operations (EBIT) (EUR '000)	-815	3,792
Profit from ordinary activities (EBT) (EUR '000)	-1,910	2,547
Net income (EUR '000)	-1,970	1,256
Cash-flow (EUR '000))	5,391	3,258
Capital spending (EUR '000)	5,854	7,103
Stockholders' equity (30 June) (EUR '000)	48,166	50,357
Equity ratio (30 June) (%)	38%	37%
Number of employees (30 June)	3,051	3,012
Market price (30 June) (EUR)	10.13	13.50
Highest market price (EUR)	12.55	15.34
Lowest market price (EUR)	8.93	11.95

Share price and index performance compared



Management Board Preface

Business trends. Also in the third quarter of the current financial year 2004/2005, the market for development services was not able to make a lasting recovery. The continuously weak domestic demands and extensive cost saving programs as well as the related restrictive behaviour pertaining to assignment allocation of individual manufacturers represent the relevant variables for this market tendency.

Against this background Bertrandt focused on the following in the third quarter of the current financial year:

- Consistent implementation of the restructuring program in the third quarter
- Establishment of a new business premise in Bremen for the strategic development of the business segment "aviation"
- Advancement of the potentiality areas

The described general conditions of the market environment as well as the unique restructuring expenditures are also reflected in the turnover and the development of the result of the Bertrandt Group. Thus after nine months the turnover of the Bertrandt AG was Euro 159.8 million (previous year Euro 156.3 million). The total operating performance (turnover plus change in portfolio) amounts to Euro 163.2 million (previous year Euro 166.6 million). The creation of value (total operating performance minus expenditure for material and supplies) was on the previous year's level with Euro 147.1 million (previous year Euro 148.2 million).

The operational division "Digital Engineering", which covers the development of vehicle components up to complete vehicles by means of digital construction and development methods, reached a turnover of Euro 98.2 million after nine months (previous year Euro 94.6 million).

The operational division "Physical Engineering" gained a turnover of Euro 39.9 million with model construction, prototype and tool construction, construction of vehicles as well as testing and trial ranges (previous year Euro 42.8 million).

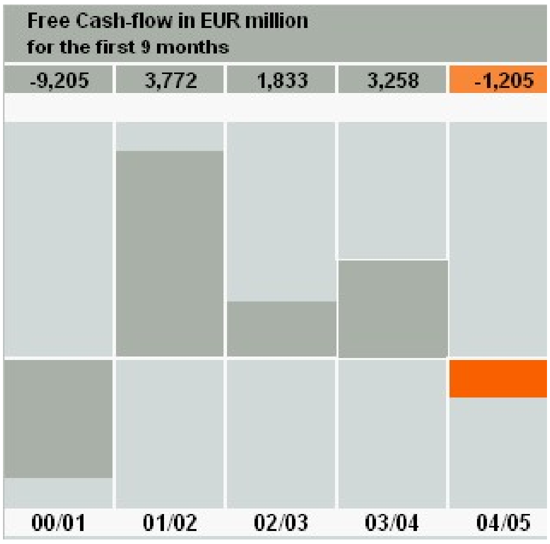
The drop in turnover is due to the leasing of the business operations of Zapadtka & Ritter and to the continuous difficult prototype building market environment.

Within the operative division "Electronics", in which Bertrandt offers complete electronic solutions from the conception to series production, could the turnover be increased to Euro 21.7 million (previous year Euro 18.9 million).

Earnings. The earnings were lastingly affected by one-off effects. After three quarters Bertrandt obtained an EBIT of Euro -0.8 million (previous year 3.8 million) and an EBT of Euro -1.9 million (previous year Euro 2.5 million). Extraordinary one-off expenditures are contained in the EBIT amounting to Euro 3.7 million, which are related to the restructuring of our foreign subsidiaries and/or associated companies as well as the reduction of the Executive Committee in the third quarter. Without these one-off effects an EBIT of Euro 2.9 million would have resulted.

The financial result could be improved and is at Euro -1.1 million (previous year Euro -1.3 million). Significant to that is the reduction of debts during the period. After tax deductions a yearly deficit of Euro 1,9 million (previous year's net income of Euro 1.3 million) results.

Financial state. The cash-flow of the current business operations is positive with Euro 3.5 million (previous year Euro 9.1 million) despite a Euro 3.7 million commitment of floating capital funds. The cash-flow from investment activity is Euro -4.7 million (previous year Euro -5.8 million). The investments amounted to Euro 5.8 million (previous year Euro 7.1 million) and were almost covered by the cash-flow. The cash-flow of the financing activity amounts to Euro -0.5 million (previous year Euro -3.3 million). Due to a Euro 3.5 million commitment of floating capital funds the free cash-flow is slightly negative with Euro -1.2 million.



Financial position. The balance sheet total is almost invariably with Euro 128.4 million. The equity ratio remains on a constantly high level with 38%.

Restructuring program. In the current financial year the following measures were taken in order to obtain medium-term increased returns in the company:

- Merging of subsidiaries in France, Sweden and Great Britain
- Leasing of Zapadtka & Ritter to the Wolpert Group while maintaining the complete process chain by a co-operation agreement
- Downsizing of the Executive Committee

With the resolution of the Supervisory Board from 14 June 2005 the Executive Committee of the Bertrandt AG was downsized from five to two members. The past members of the board Peter Dorling, Jürgen Michels and Ralph Jacoby resigned from their management board positions with effect from 30 June 2005. Peter Dorling and Jürgen Michels further assume responsibilities within in the company in a new function. The operational Executive Committee business is continued by longstanding management board members Dietmar Bichler as Chairman and Ulrich Subklew. Both members of the board were appointed with effect to 1 July 2005 for a further five years. The objective of this change is the rationalisation and streamlining of management structures within the company with consistent adjustment to the market and customer.

The Bertrandt Share. Also in the third quarter numerous discussions with analysts and investors were held, in order to describe the business model and the strategic adjustment of the Bertrandt AG. Analysts also further regard the Bertrandt share as an attractive investment. The analyst estimations for the share quotation goal lie between Euro 10.50 and 16.00.
In the context of the employee share holding program 26.632 own shares were in the depot at the quarter deadline, which were allocated success-neutrally with the equity ratio.

Further growth in the aviation business segment. On 2 May 2005 the Bertrandt AG established a new subsidiary in Bremen. In Hamburg (establishment in the year 2000) and Bremen regional manufacturers and system suppliers from the automobile and aircraft industry will be supported actively in the future. In particular within the operational division, aviation the company sees possibilities for lasting growth.

Searching for specialized engineers. Compared with the quarter of the previous year the number of employees at Bertrandt rose with 39 employees to 3.051 (3.012 in the previous year). In particular in the competence centres, like for example electronics, specialized engineers are in demand.
A substantial success factor is the know-how of our employees, which we promote consistently. The investments for advanced training and professional development amount to Euro 1.9 million after three quarters.

Outlook. Bertrandt created the conditions for a lasting, positive development of the result through the consistently implemented restructuring measures. The company already expects first noticeable effects in the fourth quarter, so that a positive operating result between Euro 1.2 and 1.7 million is expected for the financial year 2004/2005. We assume that the positive result trend of the fourth quarter will also continue in the coming financial year 2005/2006.

Through the purposeful strategic adjustment to the market and customer as well as the implemented restructuring measures the company Bertrandt regards itself strategically and economically well positioned for the future.

Legal Notice:

This interim report contains inter alia certain foresighted statements about future developments, which are based on current estimates of management. Such statements are subjected to certain risks and uncertainties. If one of these factors of uncertainty or other imponderables should occur or the underlying accepted statements proved to be incorrect, the actual results could deviate substantially from or implicitly from the expressed results specified in these statements. We have neither the intention nor do we accept the obligation of updating foresighted statements constantly since these proceed exclusively from the circumstances on the day of their publication.

As far as this interim report refer to statements of third parties, in particular analyst estimations, the organisation neither adopts these, nor are these rated or commentated thereby in other ways, nor is the claim laid to completeness in this respect.

Consolidated Income Statement
for the 3rd Quarter 2004/05

	Q3 2004/05	Q3 2003/04	Q1 - 3 2004/05	Q1 - 3 2003/04
EUR '000				
Sales	**51,372**	**52,376**	**159,786**	**156,318**
Changes in inventories of completed work and work in progress	1,532	1,286	3,184	10,010
Work performed and capialised	80	103	204	240
Total output	**52,984**	**53,765**	**163,174**	**166,568**
Other operating income	1,640	1,019	3,727	3,220
Raw materials and consumables used	-5,585	-4,855	-16,032	-18,359
Staff costs	-39,192	-37,066	-113,763	-110,048
Depreciation and amortisation expense	-2,283	-1,997	-7,266	-7,923
Other operating expenses	-10,452	-9,508	-30,655	-29,666
Profit from operations	**-2,888**	**1,358**	**-815**	**3,792**
Finance costs	-466	-436	-1,095	-1,245
Profit from ordinary activities	**-3,354**	**922**	**-1,910**	**2,547**
Other taxes	-67	-112	-354	-284
Profit before income tax	**-3,421**	**810**	**-2,264**	**2,263**
Income tax expense	1,203	-399	294	-1,007
Consolidated net profit/-loss	**-2,218**	**411**	**-1,970**	**1,256**
Minority interests	77	82	262	230
Consolidated net profit/-loss after minority interests	**-2,141**	**493**	**-1,708**	**1,486**
Number of shares in thousands (basic, average weighting)	10,072	10,064	10,072	10,064
Number of shares in thousands (diluted, average weighting)	10,133	10,125	10,133	10,125
Earnings per share - basic (EUR)	-0.21	0,05	-0.20	0.15
Earnings per share - diluted (EUR)	-0.21	0,05	-0.20	0.15

Segment Reporting by Operational Division for the 3rd Quarter 2004/05

	Digital Engineering		Physical Engineering		Electrical Systems/Electronics		Total of all divisions	
	Q3 2004/05	Q3 2003/04	Q3 2004/05	Q3 2003/04	Q3 2004/05	Q3 2003/04	Q3 2004/05	Q3 2003/04
EUR '000								
Sales	31,402	35,144	12,055	12,414	7,915	4,818	51,372	52,376
Profit from operation:	-1,657	135	-1,361	869	130	354	-2,888	1,358

Segment Reporting by Operational Division for the first nine Months 2004/05

	Digital Engineering		Physical Engineering		Electrical Systems/Electronics		Total of all divisions	
	Q1-3 2004/05	Q1-3 2003/04	Q1-3 2004/05	Q1-3 2003/04	Q1-3 2004/05	Q1-3 2003/04	Q1-3 2004/05	Q1-3 2003/04
EUR '000								
Sales	98,152	94,595	39,889	42,833	21,745	18,890	159,786	156,318
Profit from operation:	-415	1,098	-1,319	1,305	919	1,389	-815	3,792

Consolidated Balance Sheet
as at 30.06.2005

	30.06.2005	30.09.2004
EUR '000		
Assets		
Non-current assets	**46,383**	**48,639**
Intangible assets	14,145	13,312
Property, plant and equipment	31,431	34,404
Financial assets	807	923
Current assets	**78,524**	**76,759**
Inventories	18,260	16,377
Receivables and other assets	51,094	50,168
Cash and cash equivalents	4,779	6,484
Deferred taxes	4,391	3,730
Prepaiments	**3,498**	**2,577**
Total assets	**128,405**	**127,975**
Equity and liabilities		
Capital and reserves	**48,166**	**51,420**
Issued capital	10,074	10,069
Share premium	26,233	26,207
Retained earnings	11,194	11,264
Consolidated distributable profit	665	3,880
Minority interests	**83**	**129**
Provisions	**19,881**	**17,842**
Provisions for post-employment benefits	1,333	1,237
Tax provisions	1,466	1,565
Other provisions	17,082	15,040
Liabilities	**59,043**	**57,064**
Finance debt	37,139	36,228
Trade payables	4,111	5,313
Other liabilities	11,428	9,239
Deferred taxes	6,365	6,284
Deferred income	**1,232**	**1,520**
Total equity and liabilities	**128,405**	**127,975**

Consolidated Statement of Changes in Capital and Reserves

	Issued Capital	Share Premium	Retained Earnings	Treasury Stock	Distributable Profit	Total
EUR '000						
On 01.10.2004	**10,064**	**26,180**	**10,493**	**-820**	**4,418**	**50,335**
Equity issues						
Dividend payment					-1,504	-1,504
Consolidated net income					1,256	1,256
Other non-operative changes			56	139	229	424
Currency differences			-154			-154
On 30.06.2004	**10,064**	**26,180**	**10,395**	**-681**	**4,399**	**50,357**
On 01.10.2004	**10,069**	**26,207**	**11,986**	**-722**	**3,880**	**51,420**
Equity issues	5	26				31
Dividend payment					-1,506	-1,506
Consolidated net income					-1,970	-1,970
Other non-operative changes			-13	149	261	397
Currency differences			-206			-206
On 30.06.2005	**10,074**	**26,233**	**11,767**	**-573**	**665**	**48,166**

Consolidated Cash Flow Statement
from 01.10.04 to 30.06.05

		Q1-3 2004/05	Q1-3 2003/04
	EUR '000		
1.	**Earnings for the period (including minority interests) before exeptional items**	**-1,970**	**1256**
2.	Writedowns on non-current assets	7,266	7923
3.	Changes in provisions	2,039	1592
4.	Other non-cash expenses/income	-583	-275
5.	Gain/loss on disposal of non-current assets	-215	-53
6.	Change in inventories, trade receivables and other assets not assigned to investing or financing activities	-3,730	-4576
7.	Change in trade payables and other liabilities not assigned to investing or financing activities	699	3233
8.	**Cash flows from operating activities (1.-7.)**	**3,506**	**9100**
9.	Payments received from disposal of property, plant and equipment	808	207
10.	Payments received from disposal of financial assets	335	465
11.	Payments made for investments in property, plant and equipment	-3,248	-4133
12.	Payments made for investments in intangible assets	-2,401	-1963
13.	Payments made for investments in financial assets	-205	-338
14.	**Cash flows from investing activities (9.-13.)**	**-4,711**	**-5762**
15.	Payments received from issue of capital	139	139
16.	Payments made to shareholders and minority shareholders	-1,506	-1504
17.	Payments received from issue of debt instruments and raising of loans	0	3000
18.	Change of finance debt	867	-4898
19.	**Cash flows from financing activities (15.-18.)**	**-500**	**-3263**
20.	Changes in cash and cash equivalents (8.+14.+19.)	-1,705	75
21.	Cash and cash equivalents at beginning of period	6,484	7208
22.	**Cash and cash equivalents at end of period (20.+21.)**	**4,779**	**7283**

Stock owned by Management and Supervisory Board Members

	On 30.06.2005		On 30.09.2004	
	Shares	Convertible loans	Shares	Convertible loans
Management Board				
Dietmar Bichler	801,094	0	786,094	0
Peter Dorling	0	12,000	2,710	12,000
Ralph Jacoby	72,100	28,000	6,300	28,000
Jürgen Michels	0	12,000	0	12,000
Ulrich Subklew	74,249	12,000	0	12,000
Supervisory Board				
Dr. Klaus Bleyer	0	0	0	0
Maximilian Wölfle	0	0	0	0
Heinz Kenkmann	238	0	238	0
Dr.-Ing. Wilfried Sihn	0	0	0	0
Martin Pfuhler	480	0	480	0
Daniela Brei	142	0	117	0
Gesamt	**948,303**	**64,000**	**795,939**	**64,000**

Notes

IFRS-based consolidated balance sheet

The quarterly report presented here was prepared pursuant to International Financial Reporting Standards (IFRS). The Company has met the requirements for exemption from the obligation to compile consolidated financial statements pursuant to Article 292a of German GAAP (HGB).

The quarterly report presented here contains the following accounting and valuation methods that differ from requirements under German legislation:

IAS-based consolidated balance sheet

The quarterly report presented here was prepared pursuant to International Accounting Standards (IAS). The Company has met the requirements for exemption from the obligation to compile consolidated financial statements pursuant to § 292a of German GAAP (HGB).

The quarterly report presented here contains the following accounting and valuation methods that differ from requirements under German legislation:

- Goodwill from capital consolidation is capitalized and an annual impairment test carried out pursuant to IFRS 3 and IAS 36.
- Purchases and sales of treasury stock are treated as not having any impact on earnings.
- Conversion of foreign-currency receivables and liabilities at the rates prevailing on the closing date and the resulting changes in value are treated as having an impact on earnings.
- Proportional booking of profits on customer orders depending on how far the project has progressed.
- Longer-term provisions are applied at their cash value.
- Decision made not to form “other provisions” provided that the likelihood of their being utilized is less than 50%.
- The asset value and outstanding liability on finance leasing agreements are capitalized pursuant to the allocation criteria of IAS 17.
- Pension provisions are valued according to the projected-unit-credit method while taking account of the future trend in salaries and the corridor rule pursuant to IAS 19.

In addition to Bertrandt AG, the consolidated companies comprise all the subsidiaries operating in the Company’s core business involving automotive development work. Specifically, these are the following domestic companies: the Bertrandt Ingenieurbüro GmbH limited companies in Gaimersheim, Ginsheim-Gustavsburg, Hamburg, Cologne, Munich, Neckarsulm and Tappenbeck, Bertrandt Technikum GmbH as well as Bertrandt Projektgesellschaft mbH in Ehningen. Other companies in Germany include Zapadtka + Ritter GmbH & Co. KG and Zapadtka + Ritter Geschäftsführungs GmbH.

The companies outside Germany that are consolidated are Bertrandt France S.A. and Bertrandt S.A. in Paris, Bertrandt S.A. in Sochaux, Bertrandt UK Ltd. in Leamington Spa, Bertrandt Spain S.A., Bertrandt Sweden AB as well as Bertrandt US Inc.

Also included, and carried at equity, were Bertrandt Entwicklungen AG & Co. OHG as well as Bertrandt Automotive GmbH & Co. KG.

Financial Calendar 2005/2006

December 2005
15th December: Annual Press Conference

January 2006
18th January: Analyst conference

February 2006
14th February: Announcement Q1 Report
15th February: AGM

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