LETTER TO SHAREHOLDERS

1st QUARTER 2004/05

www.voestalpine.com

KEY FIGURES OF voestalpine GROUP

according to IFRS; in EUR m	Q1 2004/05 1.4. – 30.6.2004	Q1 2003/04 1.4. – 30.6.2004	Change in %
Turnover	1,353.0	1,138.4	+18.9
EBITD	162.4	147.3	+10.3
EBITD margin (in %)	12.0	12.9	
EBIT	91.1	74.8	+21.8
EBIT margin (in %)	6.7	6,6	
EGT*	78.1	80.1	–2.5
Net income for the period*	50.4	51.0	–1.2
Earnings per share (in EUR)	1.28	1.29	–0.8
Investments	103.9	100.7	+3.2
Depreciation	71.3	72.5	–1.7
Equity	1,976.8	1,839.7	+7.5
Net financial debt	621.3	779.6	–20.3
Gearing ratio (in %)	31.4	42.4	
Employees	23,576	22,717	+3.8
Capital Employed	3,230.7	3,169.5	+1.9

* Decrease due to the extraordinary income from the sale of the interest in VA Tech in the first quarter 2003/04

ONE STEP AHEAD. voestalpine

LETTER OF THE MANAGEMENT BOARD

Ladies and Gentlemen,

The first quarter of the 2004/05 financial year saw a more positive trend for the voestalpine Group than had been expected just a few months ago. Largely driven by the excellent economic environment in the Divisions Steel and Profilform, sales revenue, EBITD, and EBIT showed record-breaking quarterly figures.

As gratifying as this development is, we must caution against merely multiplying these figures and projecting them to the entire 2004/05 financial year that has just begun. The imponderables are simply too many. Is a real economic recovery on the way, or is it over before it has really begun? Where are the oil prices going? And the raw materials prices? Which direction is the economic landscape going to take with regard to interest rates and currency exchange rates? And the capital market in general? Will the economic boom in China continue? What will happen with the economic environment of the automotive and construction industries? What about the budgets of many European countries?

Within the company, the project surrounding blast furnace A in Linz, which was largely a completely new construction, and the many smaller investments, which are still ongoing, that are part of the first phase of the “Linz 2010” investment program will have an adverse effect on the operating result during the second half of the calendar year, that is, in the second and third quarters of the financial year. Despite all of these imponderables, it is beginning to appear that the operating result of the current financial year will surpass our original expectations. From the current vantage point, we are assuming that it should be possible to come close to the previous year’s excellent operating result.

With the completion by the end of 2004 of the first phase of the “Linz 2010” investment program, with an investment volume of EUR 1 billion within less than three years and a second phase with the same investment amount projected for the three coming years, the **voest**alpine Group is showing its decisive and sustained support of Austria as a business location.

We anticipate that the political decision-makers will provide long-term support for this investment in the future—the largest investment ever made in Austria by a privately owned company—by ensuring stable and calculable conditions. In addition, however, any long-term economic success must have a basis in a societal climate that is both open and open-minded with regard to the European integration process and Austria’s continued opening up internationally. There is simply no room for one-way considerations that are motivated solely by considerations based in regional politics in a country that wants to take advantage of opportunities on a pan-European level. The **voest**alpine Group is on its way to Europe and will continue its consistent path toward this goal.

Wolfgang Eder

Werner Haidenthaler

Wolfgang Spreitzer

Josef Mülner

Franz Hirschmanner

Robert Ottel

AN OVERVIEW OF KEY FIGURES

In the first quarter of 2004/05 business year, **voest**alpine Group was able to achieve record figures in turnover, EBITD, and EBIT. EBT, net income for the period, and earnings per share remained stable on a high level, despite the fact, that unlike in the previous year, no extraordinary income was achieved (2003/04 sale of the interest in VA Tech: EUR 17 million).

In the following is an overview of the key figures for the first quarter of the 2004/05 financial year as compared to the figures of the previous year:

- **Turnover** rose by 19% from EUR 1,138.4 million to **EUR 1,353.0 million.** This increase was almost exclusively the result of organic growth.

- **EBITD** (earnings before depreciation) rose by 10.3% from EUR 147.3 million to **EUR 162.4 million.** This means that the **EBITD margin** is **12.0%** as compared to 12.9% in the same quarter of the previous year. The decline resulted from the significant increase in sales revenues.

- **EBIT** (earnings before interest and taxes) increased from EUR 74.8 million to **EUR 91.1 million.** This corresponds to an increase of nearly 22%. Thus, the **EBIT margin** was **6.7%** compared to 6.6% in the previous year.

- **EBT** (result from ordinary activities) was **EUR 78.1 million** and is therefore only slightly (2.5%) below the previous year's figure of EUR 80.1 million.

- With **EUR 50.4 million**, the **net income for the period** remained nearly stable compared to previous year's value (EUR 51.0 million).

  The declines in EBT and net income for the period reflect the fact that in the first quarter of the previous year, extraordinary income in the amount of EUR 17 million was posted from the sale of the interest in VA Technologie AG.

- The **profit per share** thus declined only slightly in the first quarter from EUR 1.29 to **EUR 1.28**.

- The **net financial debt** fell from EUR 779.6 to **EUR 621.3 million**. With **equity** that rose from EUR 1.839.7 million to **EUR 1.976,8 million**, this corresponds to a substantially lower **Gearing Ratio** of **31.4%** as compared to 42.4% in the same period of 2003/04.

- As of June 30, 2004, the **voest**alpine Group has **23,576 employees.** This corresponds to approximately 4% growth compared to the previous year (22.717).

- All **key Group companies** showed positive results.

BUSINESS PERFORMANCE OF THE VOESTALPINE GROUP

Business performance during the first quarter of 2004/05 was impacted by the following crucial influencing factors. The **Division Steel** was able to substantially raise prices negotiated for the quarterly and semi-annual contracts as of April 1 and July 1 because of continued strong demand, driven largely by China. At the same time, however, the upwards trend of raw materials prices and freight costs persisted. As far as sales were concerned, the development in the **Divisions Railway Systems and motion** was positive, although the economic environment of the industries related to these two divisions continues to be difficult. For example, the curtailment of European investments in railway infrastructure respectively the continuing challenging situation in the European automotive industry made a substantial improvement of margins impossible. However, at least the higher prices for pre-materials could be compensated. The business performance of the **Division Profilform** was outstanding, with sales revenue growth of just above 35% and an improvement of EBIT by 73%.

Compared to the first quarter of the previous financial year, sales revenue of the **voest**alpine Group rose by about 19% from EUR 1.14 billion to EUR 1.35 billion. In contrast to the first quarter of the previous year, when the increase in sales revenue was driven primarily by acquisitions, the upswing was almost exclusively the result of endogenous growth. The only new addition to the consolidated companies was the Dutch automotive supply company Polynorm Van Niftrik B.V., which was acquired in April 2004 (sales revenue contribution: EUR 6.8 million).

With regard to the operating result, both EBITD and EBIT rose in absolute figures by more than 10 respectively nearly 22%. With 12%, the EBITD margin remained slighlty under the previous year's margin (12.9%) because of the sharp increase in sales. The EBIT margin of 6.7% improved slighlty compared to the previous year (6.6%). This underscores, that the Group managed to compensate for the substantially higher costs for raw materials and pre-materials by implementing adequate measures with regard to costs and prices.

EBT, net income for the period, and earnings per share nearly reached previous year's level; this is remarkable, given the fact, that the sale of the interest in VA Technologie AG that took place during the first quarter of the previous business year, had generated an extraordinary income in the amount of EUR 17 million. If one does not take this non-recurring item into consideration, this year's figures for the first quarter are higher than those for the previous year.

RAW MATERIALS

During the first quarter of 2004/05, the situation on the international raw materials markets was characterized by a continuing tight supply and therefore by a continuing upwards trend for raw materials prices and freight costs. This is primarily due to the fact, that China's demand for steel and steel pre-material remained at a high level. It is safe to assume that the situation will remain tense, at least until the end of the current financial year. Observed from the current vantage point, there are no supply problems for the **voest**alpine Group, because it has its own resources available as far as scrap metal and ore are concerned, and the demand for coke/coal and coke has been ensured for the next several quarters (external procurement of coke roughly 30%).

ACQUISITIONS

In the early part of the current financial year, on April 16, 2004, the **division motion** acquired the Dutch automotive supply company **Polynorm Van Niftrik B.V.** The company manufactures internal and outer components as well as components made of plastics for passenger cars and commercial vehicles. In the 2003 financial year, it had 250 employees and achieved sales revenue in the amount of EUR 33 million, recording a very positive operating result. This acquisition, which was consolidated for the first time in the most recent quarter, the division motion has expanded its competency in the plastics segment.

In May 2004, **voest**alpine AG announced yet another acquisition, namely in the **Division Profilform.** The Profilform Group and the Dutch industrial storage systems group **Nedcon N.V.,** which is listed on Euronext Amsterdam, have reached agreement regarding the public offer by **voest**alpine AG for all Nedcon ordinary shares and depositary receipts of ordinary shares, starting on July 19, 2004, The deadline for accepting the offer is August 23, 2004. The price offered is EUR 19.20 EUR in cash per ordinary shares and depositary receipts of ordinary shares. With this acquisition, the Division Profilform wants to further expand the storage technology segment, where **voest**alpine Krems Finaltechnik GmbH has been successful. This acquisition is another step toward becoming the leading international provider in this segment.

In May 2004, **voestalpine Gießerei Linz GmbH,** a company of the Division Steel, which primarily manufactures special castings for turbine construction and which is a leading worldwide supplier in the energy sector, established a **joint venture with the Chinese company Changcheng Suzaki Machine & Foundry Co, Ltd.** In a joint project, a new steel foundry is being built in Central China with an investment volume of USD 29 million. **voest**alpine Gießerei Linz GmbH will be holding a 49% share, and its primary task will be to provide the know-how. Beginning of construction is slated for September 22, 2004. Starting in the coming year, this joint company will manufacture special castings for gas and steam turbines and for shipbuilding.

INVESTMENTS

The investments of the **voest**alpine Group in the first three months of the 2004/05 financial year, amounted to EUR 103.9 million. This corresponds to an increase of 3.2% compared to the same period of the previous year (EUR 100.7 million).

The focus of the investment activities during the first quarter of 2004/05 continued to be the **"Linz 2010" program,** within the scope of which the steel center Linz will be expanded in two phases with an overall investment volume of approximately EUR 2 billion. This investment will make it the leading European competence center for sophisticated flat steel products.

Since April 2004, production in the newly constructed **strip coating plant 2** has been operating. After the hot dip galvanizing plant 3, which was put into operation in October 2003, this is the second major project in the coating segment that has been completed.

The new **continuous casting plant 6** started operation earlier than originally planned on June 15. This has enabled the Division Steel to not just expand its spectrum of products—the new plant makes deep drawing grades and the casting of silicon steel possible—but, at the same time, to escalate the production capacity to up to 1.2 million tons of steel per year.

In mid July 2004, the largest single project within the scope of the first phase of the "Linz 2010" program, the reconditioning and enlargement of main blast furnace A, was begun. The start of operation is planned for the end of October. This will signal the end of the first phase of the "Linz 2010" investment program (overall investment volume of approximately EUR 1 billion). Details about the progress of this project, as well as about the "Linz 2010" investment program are available on the website www.feuertaufe04.at, which is updated on a daily basis.

The second stage of the "Linz 2010" program essentially includes the reconditioning and new construction of downstream processing plants. This stage will also have a EUR 1 billion investment package. Implementation will begin in 2005 and will be completed by 2007.

All the finalizing work on phase 1, as well as the planning and project development activities for the second phase of the “Linz 2010” investment program are proceeding according to schedule.

The preparatory work for the Division Railway Systems’ major investment “universal rail rolling plant“ at the Donawitz location is underway and on schedule. With investment costs of roughly EUR 66 million, the most modern rail rolling plant in the world is currently being built there. This new construction will continue to expand the technology leadership in the rail sector.

RESEARCH AND DEVELOPMENT

The focus of R&D activities is higher grade materials and new coating systems. In the processing divisions, it is primarily the highest grade steels that are being utilized, both for sections and tubes, as well as in the railway segment, where tests with the high grade bainitic rails have been successful. The division motion recently received its first order for in-series production of a chassis component made from a newly developed type of highest grade steel.

In addition, a new laboratory at the University for Mining and Metallurgy in Leoben was established by the Christian Doppler Society; **voest**alpine Stahl GmbH and **voest**alpine Stahl Donawitz GmbH are participating in this project. The goal of this special laboratory is to optimize the production of certain, defined steel grades. Since it is largely impossible to observe metal producing processes, which take place at temperatures of up to 1,700 degrees Celsius, the new laboratory is concentrating on computer simulations.

OUTLOOK

The expectations presented at the publication of the annual financial statement 2003/04 on June 2, 2004 with regard to short-term economic performance have been largely confirmed since that date.

For example, the economic environment in the steel industry in Europe—driven by the sustained boom in China—has continued to stabilize. After significant price increases in the quarterly and semi-annual contracts as of July 1, 2004, a trend toward additional escalation of the price level is emerging because of continued demand; in any event, this should compensate the raw materials prices, which are still edging up. Because the portfolio of the voestalpine Group contains so many annual and longer term contracts, the next weeks will see especially crucial negotiations regarding the renewal of these contracts as of the end of the year.

The second area, in which very positive business performance for the next quarters seems to be emerging, is the Division Profilform. Provided that the economic recovery in Europe and the United States remains sustained to a reasonable extent, it should be possible to achieve further improvement of the already excellent operating result of the previous year.

As expected, the situation in the Division Railway Systems is more difficult, although it is gradually becoming easier to pass on increases in raw materials prices to the market. European demand in the tracks and switches (turnout systems) segment is still suffering from the tense budget situation in many countries.

Currently, it is the division motion that is being confronted by the most difficult economic environment. On one hand, the European automotive industry is still waiting for a market upturn and, on the other, increasing prematerial costs are having an adverse effect on the operating result. Nevertheless, this division is striving to take advantage of synergies and cost optimization measures in order to improve the operating result as compared to the previous year.

From the current vantage point, because of the excellent performance of the Divisions Steel and Profilform, it should be possible to close out the current financial year with an operating result that is equal to that of the previous year. This means that the approximately EUR 50 million, which will effect the result due to the current renewal of the blast furnace A in Linz, will be compensated by improved operative performance.

BUSINESS PERFORMANCE OF THE DIVISIONS

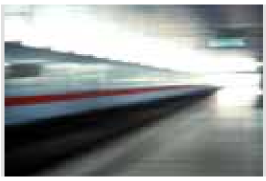
voestalpine – Division Steel

in EUR million	Q1 2004/2005 1.4. – 30.6.2004	Q1 2003/2004 1.4. – 30.6.2003
Turnover	689.4	579.0
EBITD	95.4	83.7
EBITD margin (in %)	13.8	14.5
EBIT	58.6	48.8
EBIT margin (in %)	8.5	8.4
Employees	9,411	9,232

The business performance of the Division Steel mirrors that previously described for the entire Group—substantial growth of sales revenue because of higher prices and increased shipments, while at the same time the EBITD margin decreased slightly and the EBIT margin improved only insignicantly.
Shipments rose from 1.0 million tons to 1.11 million tons. The average price level of all product groups manufactured by the division rose by about 8% as compared to the same quarter of the previous year. This led to a significant increase in sales revenue of over 20%—a considerable upswing.
In comparison to the previous year, rising raw materials costs in the amount of nearly EUR 30 million adversely affected the operating result.
In addition to continued optimization of the product mix made possible by the fact the new processing plants were put into operation within the scope of the “Linz 2010” investment program, the operating results of subsidiaries, some of which improved considerably (**voest**alpine Grobblech, Stahlhandel Group, and Stahl Service Center), had a positive effect on the overall operating result.
Crude steel production of the division rose by 8% from 1.10 million tons to 1.19 million tons compared to the first quarter of the previous business year. Together with the production site in Donawitz (0.36 million tons), the total crude steel production of the **voest**alpine Group increased by 8% from 1.43 million tons to 1.55 million tons.

voestalpine – Division Railway Systems

in EUR million	Q1 2004/2005 1.4. – 30.6.2004	Q1 2003/2004 1.4. – 30.6.2003
Turnover	393.7	334.9
EBITD	34.4	33.8
EBITD margin (in %)	8.7	10.1
EBIT	17.4	14.7
EBIT margin (in %)	4.4	4.4
Employees	7,234	6,947



Business performance of the Division Railway Systems was characterized, on one hand, by a higher demand for the individual product segments, on the other, it was possible to pass on the higher costs for raw materials to the market for the first time to an appreciable extent compared to previous year.
Demand in the railway infrastructure sector on the Western European core markets, however, continued to be tight.

The higher shipments, together with the higher level of prices, resulted in an increase in sales revenue of more than 17% in comparison to the previous year. Crude steel production of the division rose by 10% from 326,000 tons to 359,000 tons.

In comparison to the first quarter of the previous financial year, the operating result adversely affected by higher raw materials costs in the amount of about EUR 27 million, but EBITD and EBIT were in absolute figures higher than last year’s values because of an increase in prices as well as in supplied quantities.

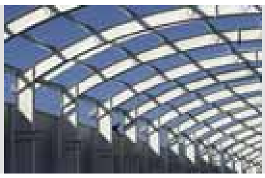
voestalpine – division motion

in EUR million	Q1 2004/2005 1.4. – 30.6.2004	Q1 2003/2004 1.4. – 30.6.2003
Turnover	203.3	182.6
EBITD	15.4	15.1
EBITD margin (in %)	7.6	8.2
EBIT	4.7	4.0
EBIT margin (in %)	2.3	2.2
Employees	4,481	4,082

The marked rise in sales revenue in the division motion by more than 11% is, on one hand, a result of the excellent business performance in the segments of laser-welded blanks and precision parts. In addition, the Polynorm Group substantially increased its sales revenue significantly as well. This was due to the start-up of in-series production for body-in-white components in North America and the fact that Polynorm Van Niftrik was consolidated for the first time.

The German engineering company, **voest**alpine Matzner GmbH, still suffers from the continuously difficult market environment in this segment; comprehensive restructuring measures, which were already implemented in the previous business year, will therefore be consistently continued.

voestalpine – Division Profilform



in EUR million	Q1 2004/2005 1.4. – 30.6.2004	Q1 2003/2004 1.4. – 30.6.2003
Turnover	149.8	111.1
EBITD	22.4	15.9
EBITD margin (in %)	15.0	14.3
EBIT	16.7	9.6
EBIT margin (in %)	11.1	8.7
Employees	2,112	2,141

The extremely gratifying business performance of the Division Profilform during the first quarter of 2004/05 was primarily due to the beginning upturn in the economic environment on the core markets Europe and the United States, especially in the field of special tubes and special sections. This led to a significantly higher demand and as a consequence to a substantial rise in the price level.

Also remarkable is the increasing demand from China for tailored tubes, which is mainly attributable to the investment boom in the energy sector.

VOESTALPINE SHARE

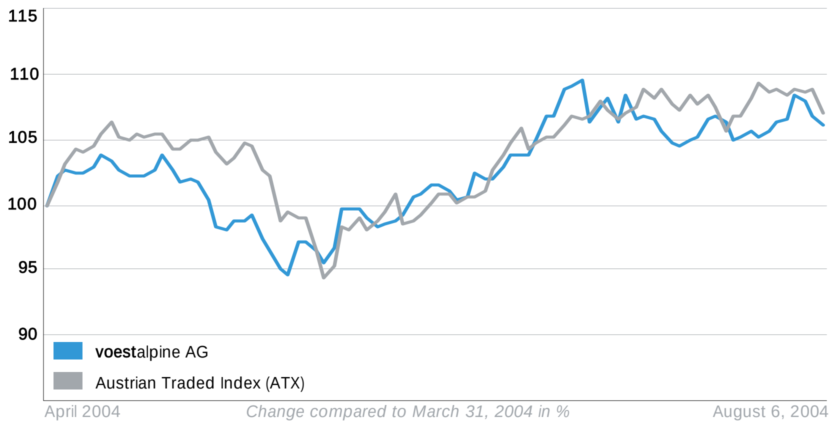
PRICE PERFORMANCE

The price performance of **voest**alpine stock during the first quarter of the 2004/05 financial year was basically characterized by a positive tendency, that largely went hand in hand with the development of the market and the result. continued upward trend, clearly a result of the rebounding market environment. In particular, the strong demand for steel and steel products, especially sections, as well as the price increases that accompanied demand, had a positive effect on the overall business performance of the company and are piquing the interest of national and international investors.

The development in the past quarters points to a change in the classic steel cycle that will probably be less volatile in the future than was the case in the past.

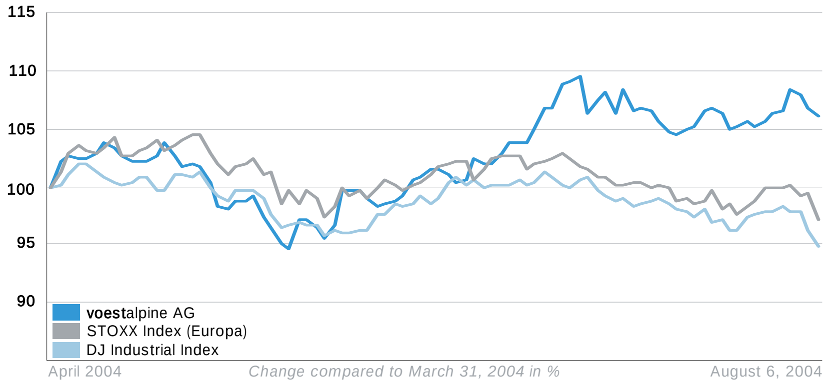
All in all, the trend of **voest**alpine stock corresponded with the trend on the Austrian stock market; a comparison with the ATX, the leading index of the Vienna Stock Exchange shows a strong correlation in the previous months.

VOESTALPINE AG VS. AUSTRIAN TRADED INDEX (ATX)



A comparison with the international stock markets shows once again, that, because of its strong market position and its consistent realization of the Group's strategy, **voest**alpine AG was able to surpass both the European STOXX index (by 8%) and the U.S. Dow Jones index (by 9%).

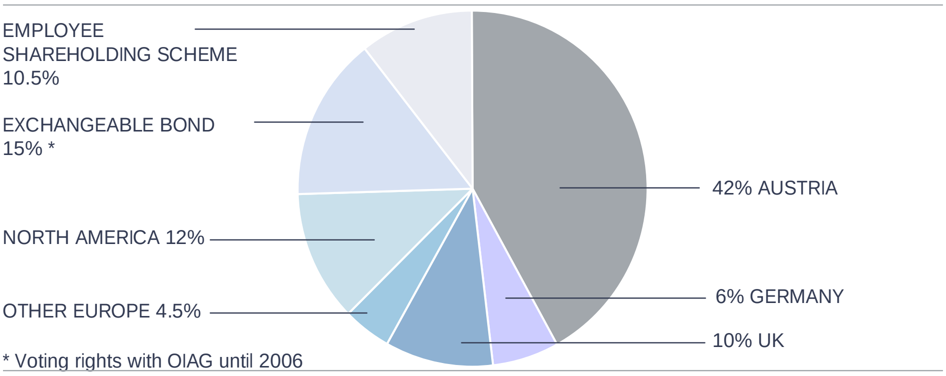
VOESTALPINE AG VS. INTERNATIONAL STOCK INDICES



OWNERSHIP STRUCTURE

In the past three months, the shareholder structure experienced no major changes.

BETEILIGUNGSVERHÄLTNISSE



* Voting rights with OIAG until 2006

STOCK OPTION PROGRAM AND EMPLOYEE SHAREHOLDING SCHEME

Because of the positive stock price performance, at the end of June, the first phase of the Stock Option Program took effect at the price of EUR 39.76 EUR (50% of the options could be exercised); about two-thirds of those eligible (management and executives) took advantage of this.

The bonuses paid out on the basis of the positive business performance during the 2003/04 financial year were partially paid out in shares. In this context, 116,914 own shares went to the employee foundation on July 5, 2004.

ANNUAL GENERAL MEETING 2004 – CHANGES IN THE SUPERVISORY BOARD

As of the Annual General Meeting on July 1, 2004, the term of office of the Supervisory Board of **voest**alpine AG ended. In accordance with the results of the election, the Supervisory Board will consist of the following members for the next term of office (in alphabetical order):

- **Dr. Franz Gasselsberger**
  (Speaker of the Oberbank AG Managing Board, Linz)
- **Dr. Stefan Kralik**
  (Notary Public, Vienna)
- **Dr. Josef Krenner**
  (Financial Director of the Government of Upper Austria, Linz)
- **Dr. Franz Lauer**
  (Retired General Director of Wiener Städtische insurance company, Vienna)
- **Dr. Michael Kutschera**
  (Attorney, Vienna)
- **Dr. Joachim Lemppenau**
  (Chairman of the Managing Boards of Volksfürsorge Holding AG, Volksfürsorge Deutsche Lebensversicherung AG, and Volksfürsorge Deutsche Sachversicherung AG, Hamburg)
- **Mag. Dr. Josef Peischer**
  (Director of the Chamber of Labor of Upper Austria, Linz)
- **Mag. Dr. Ludwig Scharinger**
  (General Director of Raiffeisenlandesbank Oberösterreich, Linz)
- **Dipl.-Ing. Michael Schwarzkopf**
  (Chairman of the Managing Board of Plansee Holding AG, Reutte)
- **Dipl.-Ing. Michael Schwarzkopf**
  (Member of the Managing Board of Österreichische Industrieholding AG – ÖIAG, Vienna)

In addition, the following members of the Supervisory Board are (delegated) employee representatives:

- **Josef Gritz**
  (Chairman of the Works Council for Wage Earners of **voest**alpine Stahl Donawitz GmbH)
- **Johann Heiligenbrunner**
  (Chairman of the Works Council for Salaried Staff of **voest**alpine AG)
- **Josef Kronister**
  (Chairman of the Works Council for Wage Earners of **voest**alpine Stahl Donawitz GmbH)
- **Helmut Oberchristl**
  (Chairman of the Central Works Council of **voest**alpine Stahl GmbH)
- **Ing. Fritz Sulzbacher**
  (Chairman of the Works Council for Salaried Staff of **voest**alpine Stahl GmbH)

At the **constitutive meeting of the new Supervisory Board,** held after the Annual General Meeting, the following gentlemen were elected as members of the Board: Dr. Joachim **Lemppenau** (**Chairman**), Mag. Dr. Ludwig **Scharinger** (**1st Deputy Chairman**), Dipl.-Ing. Rainer **Wieltsch** (**2nd Deputy Chairman**).

SHARE INFORMATION

Share capital 287,784,423.30 € divided into 39,600,000 non-par value shares; status of repurchased shares per June 30, 2004: 187,684 shares

Class of shares		Common bearer shares
Highest market price April through June 2004	€	40.50
Lowest market price April through June 2004	€	35.00
Share price as of June 30, 2004	€	40.50
Market capitalization as of June 30, 2004*	€	1,596,198,798

* Basis: Total number of shares minus repurchased shares

Regular analyses on the development of the voestalpine AG shares as viewed by the capital market are prepared by the followinginstitutions:

Bank Austria Creditanstalt, Vienna / Deutsche Bank, Vienna/Frankfurt / Erste Bank, Vienna / Exane BNP Paribas, Paris / HSBC, Paris / ING BHF-BANK, Frankfurt / JP Morgan, London / Morgan Stanley, London / Raiffeisen Centrobank, Vienna / Steubing AG, Frankfurt / UBS, London

BUSINESS YEAR 2003/04

Profit per share	€	3.38
Dividend per share	€	1.25+ Bonus € 0.35
Book value per share	€	47.50
Distribution ratio	%	47

PROJECTED SCHEDULE FOR THE 2004/05 FINANCIAL YEAR

15 November 2004	Letter to shareholders on 1st half of 2004/05 business year
14 February 2005	Letter to shareholders on 3rd quarter of 2004/05 business year
1 June 2005	Presentation of annual result of 200 4/05 business year
5 July 2005	Annual General Shareholders' Meeting
12 July 2005	Ex dividend date
18 July 2005	Dividend payment day

International Securities Identification Number:
93750 (Vienna Stock Exchange)

ISIN:	AT0000937503
Reuters:	VAST.VI
Bloomberg:	VAST AV
Datastream:	O:VAS

INVESTOR RELATIONS

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FINANCIAL DATA ACCORDING TO IFRS; BALANCE SHEET ON 30/6/2004

ASSETS

	30.6.2004 (€m)	31.03.2004 (€m)
FIXED ASSETS		
Goodwill	247.8	242.7
Other intangible assets	26.8	27.9
Tangible assets	2,025.8	1,999.8
Financial assets	163.3	161.0
	2,463.7	**2,431.4**
CURRENT ASSETS		
Inventory	939.5	933.7
Trade accounts receivable	657.3	588.5
Accounts receivable due from related parties	33.7	43.9
Other receivables	188.4	172.5
	879.4	**805.0**
Marketable securities	160.5	160.5
Cash and cash equivalents	223.6	196.6
	384.1	**357.1**
Deferred taxes	92.5	94.6
Prepaid expenses	51.5	47.2
	144.0	141.8
	2,347.1	**2,237.6**
BALANCE SHEET TOTAL	**4,810.8**	**4,668.9**

CASH-FLOW STATEMENT

	1.4-30.6.2004 (€m)	1.4-30.6.2003 (€m)
Cash-flow from the result	123.8	119.7
+/- Changes in Working Capital	-9.9	-32.9
= Cash-flow from operations	114.0	86.8
+ Cash-flow from investment activities	-96.6	-37.9
+ Cash-flow from financing activities	9.6	-6.8
= Change in liquidity	27.0	42.1
Liquid assets, beginning balance	196.6	114.6
Liquid assets, closing balance	223.6	156.6

DEVELOPMENT OF GROUP EQUITY

	1.4-30.6.2004 (€m)	1.4-30.6.2003 (€m)
Own funds at 1.4.	1,872.6	1,785.9
Income for the period	50.4	51.0
Dividend distribution	0.0	0.0
Acquisition of own shares	-0.6	0.0
Currency translation	0.1	-3.4
Other changes	3.0	6.2
Minority interest *)	51.3	0.0
Own funds at 30.6.	1,976.8	1,839.7

*) Since 1.4.2004 stated in Shareholders' equity according to IAS 27.33

LIABILITIES AND EQUITY

	30.6.2004 (€m)	31.3.2004 (€m)
SHAREHOLDER'S EQUITY		
Share capital and Capital reserves	739.6	739.6
Revenue reserves	1,124.6	1,073.3
Balance sheet profit	65.7	63.5
Own shares	-4.5	-3.9
Minority interest*)	51.3	0.0
	1,976.8	**1,872.6**
Minority interest	**0.0**	**52.9**
LIABILITIES (long-term)		
Long-term financial liabilities	735.9	663.0
Deferred taxes	40.6	46.6
Long-term provisions	434.0	426.6
Other long-term liabilities	0.0	0.0
	1,210.5	**1,136.2**
LIABILITIES (short-term)		
Short-term financial liabilities	412.0	440.8
Trade accounts payable	557.9	554.4
Advance payments received on orders	17.1	30.6
Short-term provisions	277.4	255.0
Other short-term liabilities	342.6	310.3
Deferred revenues	16.5	16.0
	1,623.5	**1,607.2**
BALANCE SHEET TOTAL	**4,810.8**	**4,668.9**

*) Since 1.4.2004 stated in Shareholders' equity according to IAS 27.33

INCOME STATEMENT

	1.4.-30.6.2004 (€m)	1.4.-30.6.2003 (€m)
TOTAL SALES	1,353.0	1,138.4
Cost of goods sold	-1,084.7	-891.0
Gross profit or loss	**268.2**	**247.4**
Other operating income	31.9	32.2
Distribution costs	-105.6	-101.2
Administrative expenses	**-62.5**	**-68.7**
Other operating expenses	-40.9	-34.9
OPERATING INCOME (EBIT)	**91.1**	**74.8**
Income from associated companies	3.5	2.4
Other income from investments	0.5	0.7
Net interest	-17.4	-18.5
Income of share investments / share expenses	0.3	0.8
Other income / expenses	0.1	19.9
ORDINARY RESULT	**78.1**	**80.1**
Taxes on income and earnings	**-27.8**	**-27.4**
Extraordinary result	0.0	-1.7
NET INCOME FOR THE PERIOD	**50.4**	**51.0**
Minority interest in net income for the period	-1.7	0.0
Earnings per share (in €)	1.28	1.29

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