FINANCIAL REPORT FOR THE FIRST QUARTER OF 2008/09

UNTERNEHMENS INVEST AG

Q1/09

UNTERNEHMENS
INVEST AG

GROUP AND BUSINESS ENVIRONMENT

Economic environment

Even though the current, unprecedented global crisis first shook the financial world and is now leaving its mark in the real economy, the development of the global economy in recent months has shown differences in regions and industries. There hasn't been a generally accepted valuation as to extent and duration of this recession yet. Our portfolio companies – located in Central Europe and representing a variety of sectors – haven't suffered from a slowdown in economic activity yet – this has been proven by key figures like order inflow and order status. Nevertheless, expected future effects are proactively allowed for by cost cutting programs and capacity adjustments. In principle, we expect noticeable impacts before the summer season.

Business development

Due to UIAG's reorientation as management holding for majority investments starting on 1 October 2008, it has become necessary – for the first time in the fiscal year 2008/09 – to set up consolidated financial statements according to IFRS and to consolidate the shareholdings. In the future, the financial key figures will provide a consolidated general view of the holding including its shareholdings.

Because of different due dates for consolidation, UIAG's group results per 31 December 2008 only include the first quarter of Varioform PET Verpackung GmbH – the weakest quarter due to seasonal fluctuations – and UIAG as management holding. The group results (€ –590k) are only of limited validity since the results of Austria Email AG have not yet been included and the EBIT is burdened by atypical administrative expenses.

For the second quarter of 2008/09 – with complete consolidation of all shareholdings – clearly positive group results are expected.

The presentation of the portfolio and its performance are retained as the shareholdings belong to different branches of industry and a general description would be of limited validity.

PORTFOLIO STATUS AND PERFORMANCE

As at 31 December 2008, UIAG had holdings in the following companies:

	30/9/2008	31/12/2008
Austria Email AG	23.08%	63.38%
Varioform PET Verpackung GmbH	49.00%	75.10%
Carpet & Acoustic Products GmbH[1]	–	76.00%
POLYTEC Holding AG	–	5.33%
JCK Holding GmbH Textil KG	2.00%	2.00%
InfoTech Holding GmbH[2]	37.47%	62.53%
IDENTEC SOLUTIONS AG	0.07%	0.07%

[1] subject to approval by the cartel authorities
[2] in liquidation

MAJORITY HOLDINGS

Austria Email AG

In December 2008, UIAG acquired approximately 38.5% of the shares in Austria Email AG from CROSS Industries AG and bought another 1.5 % of the shares in Austria Email directly. After closure of this transaction, UIAG holds approximately 63.4% of the shares in Austria Email AG.

As a result of UIAG's strategic reorientation, intermediate companies became unnecessary and SARPEDON Management Consulting GmbH & Co "AEAG" KG was merged into UIAG. Its assets and liabilities from acquisition financing were taken over by UIAG. This step has facilitated administration considerably.

Austria Email has developed favourably, its turnover is 8% above budget and 35% above last year's (unfavourable) turnover in the same period. This development is due to the high amount of orders at the beginning of the fiscal year based on the drive in the building and construction industry and system modifications induced by considerably high energy costs.

Despite the volatile development of the steel price, profitability developed according to plan (EBITDA 7%, EBIT 5%) as did the new production line for boilers in Knittelfeld, one of the company's biggest investments in the last twenty years.

Varioform PET Verpackung GmbH

In accordance with its new strategy, UIAG increased its share in Varioform PET Verpackung GmbH to 75.1% (+26.1%) in October 2008.

Varioform's operative development from October to December was according to plan. Since 1 May 2009 (fiscal year 1 May to 30 April), approximately 453 million preforms have been sold (+20% compared to previous year). This increase is mainly based on Varioform's successful sales and distribution in Germany. Germany's market for bottlers is fragmented and thus Varioform was able to succeed in this market with its flexibility.

Despite the heavy decline in prices in the PET industry, Varioform remained profitable (EBITDA 8%) due to a significant increase in sales. At the same time, the purchase of two injection moulding machines including peripheral equipment with a total investment of approximately € 2m was decided.

Carpet & Acoustic Products GmbH, Durmont Teppichbodenfabrik GmbH

In November 2008, UIAG acquired 76% of the shares in Carpet & Acoustic Products GmbH, Kapfenberg – and thus indirectly 100% of Durmont Teppichbodenfabrik GmbH, Hartberg.

Currently, both companies are undergoing a profound restructuring process. The basic conditions in the automotive industry pose a major challenge to both companies and are to be compensated by cost reduction programs and selective capacity adjustments. The group's turnover was approximately € 19m in the previous year; both companies incurred losses because of the feeble performance in 2008, the restructuring costs and the significant devaluation requirement. Although the market environment will remain challenging and restructuring costs will continue to have an effect in the first half of 2009, a positive performance for 2009 is expected.

These shareholdings are not included in the consolidation scope of UIAG because of an option contract with CROSS Industries AG.

InfoTech Holding GmbH
The operative business was sold to EOSS GmbH. InfoTech, operating as investment holding, will be wound up. UIAG's total financial investment of € 9m will be re-obtained and liquidation of the company will be finished in the first half of 2009.

MINORITY HOLDINGS

POLYTEC Holding AG
In October and November 2008, UIAG acquired about 5.3% of the shares of POLYTEC Holding AG and invested a total of approximately € 5.9m – this equals an average share price of € 4.95 per share.

The CROSS Group now holds a total of 20.34% of the share capital of POLYTEC; this includes 15.01% held by CROSS Motorsport Systems AG (a wholly-owned subsidiary of CROSS Industries AG).

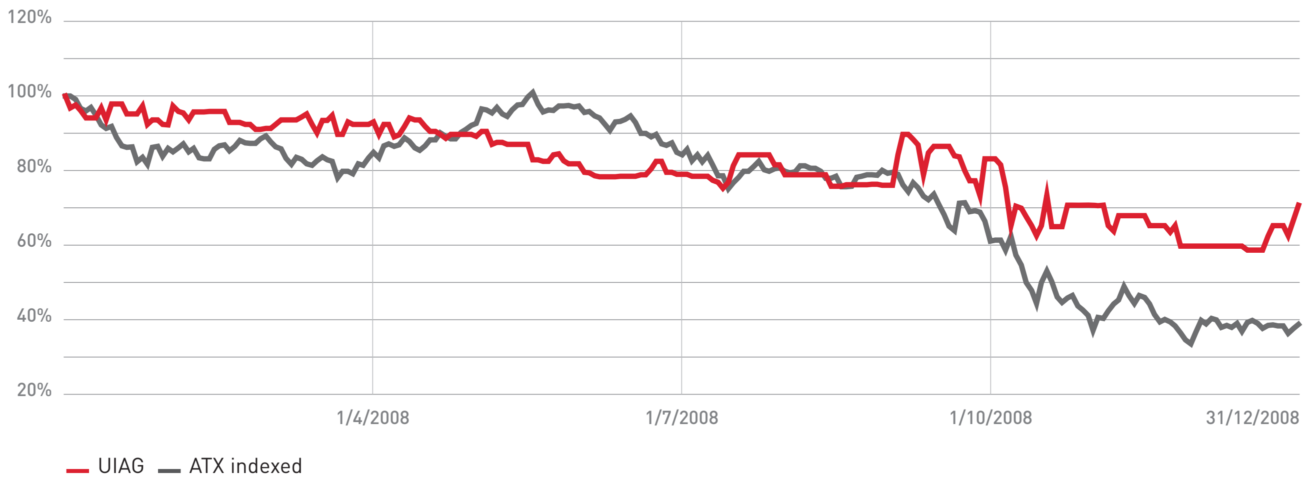
JCK Holding GmbH Textil KG
In 2008, JCK Group achieved a consolidated turnover of approximately € 340m. Due to a weak fourth quarter, sales thus are considerably below previous year's level. Nevertheless, the group almost achieved last year's results again because of an improved gross income margin. Both the brand and private label businesses had contributed to this development. The results also show the increasing importance of the high margin merchandising business. In a currently difficult economic environment, this development verifies the success of this strategy to develop the merchandising business aside from the private label business. Meanwhile, merchandising accounts for approximately 20% of the group turnover and benefits from synergies with the private label business.

IDENTEC SOLUTIONS AG
We do not provide a performance report for this shareholding due to its minor economic significance for UIAG's portfolio.

PERFORMANCE OF UIAG SHARES

As at 30 December 2008, the closing price of UIAG shares amounted to € 13.00. As at 25 February 2009, the share price was € 10.50. The main shareholder, holding more than 60% of the voting rights, is CROSS Industries AG:

DEVELOPMENT OF UIAG SHARE (1 JANUARY 2008–31 DECEMBER 2008)



IMPORTANT TRANSACTIONS AFTER THE BALANCE SHEET DATE FOR THE FIRST QUARTER

In UIAG's Annual General Meeting on 14 January 2009, the resolution was passed to acquire 80% of the shares in Eternit-Werke Ludwig Hatschek AG ("Eternit"). This investment will be made by means of an increase in the share capital against contribution in kind – contribution of 800 Eternit shares by CROSS Industries AG, which represents 40% of Eternit's share capital. The acquisition of another 40% (total 80%) is planned simultaneously; necessary steps for the purchase have been prepared. Eternit, located in Vöcklabruck, is the Austrian market leader for all products concerning the steep roof and high quality products made of fibre-cement for roof and façade covering. The protest of a small shareholder regarding the resolution to capital increase was put on record.

Further resolutions of the general meeting were related to the granting of authorized capital and the authorization of the Management Board to repurchase own shares in the maximum amount of 10% of the share capital.

Moreover, Karl Schmutzer, Managing Partner of Ceeburg GmbH and former Managing Director of B&C Holding GmbH, was elected into the Supervisory Board of UIAG for the statutory maximum period of time.

OUTLOOK

We expect the economic environment to get even worse for manufacturing companies in the export sector – which have already been affected – but also for all other branches (including domestic consumption). The UIAG management intends to meet these challenges by in-time reaction and adequate measures. UIAG – as strategically responsible owner of its majority investments – will try to secure the profitability of its investments by means of timely controlling and management support.

Building and construction companies as well as companies in the energy sector will be able to benefit from the public measures to improve economic activity. The utilisation rate for the automotive industry is expected to increase again in the second half of 2009 – although probably at a lower level than previously.

Besides safeguarding its existing shareholdings, UIAG, the most well-known Austrian private equity company, will actively deal with the question of equity reporting with regard to Austrian industrial companies within the next months, which is increasingly gaining importance in view of the corporate financing crisis. We also expect the political discussion on a modern law aimed at strengthening equity, which stagnated last year, to revive.

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2008 in €k
Current assets	
Cash and cash equivalents	6,260
Accounts receivable	9,344
Inventory	12,528
Other current assets	10,958
	39,090
Fixed assets	
Intangible assets	10,259
Goodwill	8,903
Tangible assets	26,826
Investments	21,141
	67,129
Other long-term assets	**3,275**
Total assets	**109,494**

LIABILITIES	31/12/2008 in €k
Short-term liabilities	
Bank loans	18,569
Trade payables	5,325
Other short-term liabilities	15,471
Provisions	1,204
	40,568
Long-term liabilities	
Interest-bearing loans	3,896
Liabilities for personnel	6,725
Liability deferred taxes	2,207
Other long-term liabilities	2,671
	15,499
Shareholders' capital	
Share capital	29,080
Reserves incl. retained earnings	18,452
Minority interests	5,896
	53,427
Total liabilities	**109,494**

CONSOLIDATED INCOME STATEMENT

	Q1 2008/09 in €k
Sales	7,413
Cost of sales	(7,171)
Gross profit	**242**
Sales and marketing expenses	(269)
Administration expenses	(371)
Other non operating income/expenses	9
EBIT	**(389)**
Financial and participation result	(295)
Income before tax	(684)
Tax on income and earnings	94
Net income	**(590)**
thereof minority shareholders	44

CONSOLIDATED CASH FLOW STATEMENT

		Q1 2008/09 in €k
±	Cash flow from operating activities	1,265
±	Cash flow from investment activities	(13,592)
±	Cash flow from financing activities	4,560
	Change of cash and cash equivalents	**(7,768)**
+	Cash and cash equivalents at the beginning	14,028
	Cash and cash equivalents at the end	**6,260**

SEGMENT INFORMATION

	Varioform PET Verpackung GmbH in €k	Austria Email AG in €k	Others/ consolidation[1] in €k	Total in €k
Sales revenues	7,385		28	7,413
EBIT	114		(503)	(389)
Assets	9,332	36,674	37,157	83,163
Liabilities	5,300	15,128	10,102	30,530
Investments	830		4,218	5,048
Amortization and depreciation	133		242	375

[1] incl. purchase price allocation effects

THE COMPANY

Unternehmens Invest AG (UIAG), located in Vienna, operates as a holding company, particularly focusing on the acquisition and administration of industrial companies as well as of companies and investments in industrial companies, the management of companies and investments being part of the UIAG Group, the providing of services for these companies (group services) as well as in the field of management consultancy.

The following table shows the fully consolidated group companies or subgroups, the interest held (taking direct and indirect interests into account), the voting rights held as well as the corporate purpose.

Subsidiaries	Share	Voting rights	Corporate purpose
Austria Email AG	63.4%	63.4%	Production of and trading with water heating solutions
Varioform PET Verpackung GmbH	75.1%	75.1%	Production of preforms made of plastic
Kunststoff 1 Management GmbH & Co KG	75.1%	75.1%	Management activities of holding companies

The IASB and IFRIC have issued the following new standards and interpretations, which have not yet become effective and have not been adopted in the consolidated financial statements of UIAG:

Revised IFRS 2	Share-based Payment – Amendment Relating to Vesting Conditions and Cancellations
Revised IFRS 3	Business Combinations – Comprehensive Revision on Applying the Acquisition Method
IFRS 8	Operating Segments
Revised IAS 1	Presentation of Financial Statements – Comprehensive Revision including Requiring a Statement of Comprehensive Income
Revised IAS 1	Presentation of Financial Statements – Amendments Relating to Disclosure of Puttable Instruments and Obligations Arising on Liquidation.
Revised IAS 23	Borrowing Costs – Comprehensive Revision to Prohibit Immediate Expensing
Revised IAS 27	Consolidated and Separate Financial Statements – Consequental Amendments Arising from Amendments to IFRS 3
Revised IAS 28	Investments in Associates – Consequental Amendments Arising from Amendments to IFRS 3
Revised IAS 31	Interests in Joint Ventures – Consequental Amendments Arising from Amendments to IFRS 3
Revised IAS 32	Financial Instruments: Presentation – Amendments Relating to Puttable Instruments and Obligations Arising on Liquidation
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyality Programmes
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15	Agreements for the Consolidation of Real Estate

IFRIC 16	Hedges of a Net Investment in a Foreign Operation
	Improvements to IFRSs (issued May 2008)
	Amendments to IFRS 1 and IAS 27 – Cost of an Investment in a Subsidiary
IAS 39	Financial Instruments – Recognition and Measurement – Eligible Hedged Items

In applying IFRS 3 revised, it will have to be decided whether the companies exercise the option of Full Goodwill Accounting. If the option is exercised, goodwill from future acquisitions will be stated at full goodwill (for 100% of the shares). If this is not the case, future acquisitions of minority interests will not lead to the additional reporting of goodwill but to the reduction in consolidated shareholders' funds. Sales of shares in subsidiaries which do not imply the loss of control will not result in earnings in the income statement as it used to be but will directly count as equity.

REPORTING RULES, ACCOUNTING AND VALUATION METHODS

Reporting rules

The interim consolidated financial statements as at 31 December 2008 were prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), to the extent used in the EU, applying IAS 34 "Interim Financial Reporting" as well as IFRS 1 "First-time Adoption of International Financial Reporting Standards". Therefore, the interim financial statements do not include all relevant information for consolidated financial statements.

Scope of consolidation

The subsidiaries are included in the interim consolidated financial statements for the time during which the parent company exercises control over their assets and business. The interim consolidated financial statements per 31 December 2008 consist of the interim financial statements of UIAG and its subsidiaries.

Information on the first application of International Financial Reporting Standards

On 30 September 2009, the consolidated financial statements will be prepared according to IFRS for the first time. The present interim consolidated financial statements were prepared in accordance with IFRS 1 and IAS 34.

The group in its current structure was formed on 1 October 2008. UIAG's previous function as company for minority investments has no economic connection with its new corporate function. Therefore, a comparison with previous periods cannot be provided.

The subsidiaries included in the group financial statements at book value are Varioform PET Verpackung GmbH as of 1 October 2008 and Austria Email AG as of 31 December 2008. Carpet & Acoustic Products GmbH is valued at cost because of an option with CROSS Industries AG granting UIAG the right to tender. Reconciliation of equity capital for UIAG based on the individual accounts set up in accordance with the Austrian Business Code (UGB) and reconciled with IFRS is as follows:

in €k	Share capital	Capital reserve
Status as per 1/10/2008	29,080	6,818
Earnings/losses directly included in the equity capital	0	0
Net profit of the fiscal year 2008/09	0	0
Total earnings/losses included in the equity capital	0	(546)
First-time consolidation[1]	0	0
Other entries not affecting net income	0	0
Status as per 31/12/2008	**29,080**	**6,272**

[1] Austria Email AG, Varioform PET Verpackung GmbH, Kunststoff 1 Management GmbH & Co KG

Notes regarding company mergers and acquisitions

In October 2008, UIAG acquired another 26.1% of the shares in Kunststoff 1 Management GmbH & Co KG and thus another 26.1% of the shares in Varioform PET Verpackung GmbH. UIAG now holds a total of 75.1% of the shares in Varioform PET Verpackung GmbH.

In December 2008, UIAG indirectly acquired 38.5% of the shares in Austria Email AG by CROSS Industries AG and another 1.5% directly. UIAG now holds a total of 2,622,055 shares, i.e. 63.4%, in Austria Email.

in €k	Book value before consolidation	Re-valuation	Book value after consolidation
Varioform PET Verpackung GmbH			
Total other current assets	10,116	4,369	14,485
Total debts	15,996	1,288	17,284
Equity incl. minorities	(5,880)	3,081	(2,799)
Pro-rata equity of parent company[1]			(3,287)
Acquisition cost			67
Goodwill			3,354
Acquisition costs			67
Acquired liquid funds			899
Inflow of funds in the financial year 2007/08			832
Austria Email AG			
Total other current assets	46,741	0	46,741
Total debts	28,618	0	28,618
Equity incl. minorities	18,123	0	18,123
Pro-rata equity of parent company[1]			11,470
Acquisition cost			17,019
Goodwill			5,549
Acquisition costs			17,019
Acquired liquid funds			48
Inflow of funds in the financial year 2007/08			16,971

[1] directly and indirectly

Revenues incl. group net income	Total	Shares of other partners	Total group equity
12,268	48,166	0	48,166
0	0	0	0
(546)	(546)	(44)	(590)
0	(546)	(44)	(590)
0	0	5,940	5,940
(89)	(89)	0	(89)
12,179	**47,531**	**5,896**	**53,427**

Consolidation methods

Capital consolidation follows the revaluation method according to the provisions of IFRS 3 Business Combinations. The pro rata, revalued share capital of the subsidiary is compared to the investment book value (purchase accounting). Positive differences, attributable to separately identfiable intangible assets which have been acquired in connection with company mergers, are reported separately from goodwill. As far as a useful life can be determined for such an asset, it is depreciated as scheduled over its useful life. Intangible assets with an indefinite useful life are tested for their recoverability on an annual basis, using an impairment test, and are depreciated accordingly.

Following IAS 36 Impairment of Assets, a remaining positive difference is capitalized as goodwill and evaluated using an impairment test. According to IFRS 3, negative differences in the course of the initial consolidation are included in the income statement in the year of their occurrence. The first-time consolidation of companies included in the consolidated financial statements resulted in a goodwill in the amount of € 8,903k.

All accounts receivable and payable, expenses and income from companies included as well as intercompany profits and losses from the sale of inventories or assets were eliminated.

The foreign currency receivables and payables in the individual accounts are valued at the rate prevailing on the balance sheet date. Currency differences within debt consolidation are treated as affecting or not affecting net income.

Accounting and valuation methods

Consolidated income statement

The consolidated income statement was drawn up using the cost of sales method. Sales revenues are reported after the transfer of risk or after the time when a service was performed, as the case may be, less cash discounts, customer bonuses and other discounts. Given the nature of the manufactured products, the rules of the percentage of completion method are not applied.

Provisions for warranties are set up at the time the product is sold and thus affect the net income.

Consolidated balance sheet

Inventories are valued at acquisition or manufacturing costs or the lower of cost or market, on the balance sheet date. For this purpose, the average value method is used. Adjustments for variability (adjustments because of limited usability) are applied.

Manufacturing costs include material and production costs as well as appropriate parts of the material and production overheads. Interest on borrowed capital and administrative and distribution overheads are, however, not part of the manufacturing costs.

Accounts receivable and other assets are reported at the nominal value, while receivables in foreign currencies are reported converted at the current rate, less any adjustments necessary due to recognizable risks.

Intangible assets, when acquired for payment, are capitalized at acquisition cost and valued less scheduled depreciation.

Intangible assets with an indefinite useful life, as for example the brand name reported during the original purchase price allocation, are not depreciated regularly, but are subject to an annual impairment test and depreciated accordingly, affecting net income.

Capitalized goodwill is evaluated in an annual impairment test and depreciated accordingly, affecting net income.

Tangible assets are valued at acquisition or manufacturing costs, less scheduled depreciation. Depreciation is calculated according to the linear depreciation method and is based on the following useful life expectancies:

	Effective life
Buildings	6–50 years
Technical appliances and machinery	2–15 years
Plant and office equipment	2–10 years

All direct costs, including separable material and production overheads, are recorded in the manufacturing costs of self-constructed assets. Financing costs, resulting from the direct allocation of borrowed capital or the application of an average capitalization interest rate to the expenses incurred, are capitalized.

Non-scheduled depreciation is carried out when the expected discounted earnings (future cash flows) fall short of the current book values.

Short-term investments (trading securities) are valued at their market price, and valuation changes are treated as income. Held-to-maturity securities, e.g. to secure provisions for severance payments, are recorded in the balance sheet at their acquisition cost less depreciation in the case of a steady decrease in value. The remaining securities (financial assets at fair value through profit and loss) are valued at their market prices on the balance sheet date; changes in valuation are recorded affecting net income.

Allocations for deferred taxes are created for business transactions expected to have tax implications and have either already been reflected in the group financial statements or the group's tax balance sheet (timing differences). Deferred taxes on tax losses carried forward are accumulated according to their recoverability. Deferred tax items on both the asset and liability side are reported balanced out if they are subject to the same tax jurisdiction and similar due dates.

Liabilities are reported at the amounts at which they are repayable, while foreign currency liabilities are converted at the rate prevailing on the balance sheet date.

Other provisions are set up in cases where an obligation to third parties exists, utilization is likely and the probable amount of the provision can be reliably estimated.

Provisions for severance payments are calculated actuarially using the projected unit credit method.

Investment grants from public funds, disclosed separately in the individual accounts, are included in the group financial statements as long-term borrowed capital.

Notes to the income statement

The group sales and group results for the first quarter of 2008/09 mainly include the results of Varioform PET Verpackung GmbH as well as the administrative expenses and financial results of UIAG as a holding company. The group results are only of limited validity since Austria Email AG is not included. Austria Email was first-time consolidated as at 31 December 2008.

In the first quarter of 2008/09, UIAG's group sales amounted to € 7.4m. With manufacturing costs of approximately € 7.2m, a gross profit of approximately € 0.2m was achieved. The group EBIT amounted to approximately € –0.4m, less costs for distribution and marketing, administrative expenses and other operating expenses. The financial and participation results amounted to € –0.3m, the group loss after taxes to € –0.6m.

Notes to the balance sheet

As at 31 December 2008, the group's current assets amounted to € 39.1m, consisting of cash and cash equivalents in the amount of € 6.3m, accounts receivable of € 9.3m, inventories of € 12.5m and other short-term assets in the amount of € 11.0m.

The group's fixed assets amounted to € 67.1m, consisting of tangible assets in the amount of € 26.8m, financial assets of € 21.1 m and intangible assets of € 19.2m.

The group's balance sheet total amounted to € 109.5m, including long-term receivables of € 3.3m.

The group's short-term liabilities and provisions amounted to € 40.6m, including bank loans in the amount of € 18.6m, trade payables of € 5.3m and other short-term liabilities and provisions in the amount of € 16.7m. Long-term liabilities amounted to € 15.5m, shareholders' capital was to € 53.4m, consisting of share capital in the amount of € 29.1m, reserves of € 18.4m and minority interests of € 5.9m.

STATEMENT BY THE AUTHORIZED REPRESENTATIVES

The authorized representatives of UIAG hereby certify that to the best of their knowledge the non-audited interim financial report for the first quarter of 2008/09 presents fairly the company's net assets, financial position and results of operations. In addition, they certify that the interim financial report for the first quarter portrays the business development and results for the company during the first three months in such a way that it gives a true and fair view of the net assets, financial position and results of operations, and that it describes the most important risks and uncertainties for the following nine months.

Vienna, February 2009

The Management Board

Herbert Paierl
Friedrich Roithner

FINANCIAL CALENDAR

29 May 2009	Publication of H1 2008/09 figures
28 August 2009	Publication of Q1–Q3 2008/09 figures

INVESTOR RELATIONS

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