

QUARTERLY REPORT

as of 31 March 2004

- **Portfolio companies show excellent business development**
- **Net profit of EUR 5.4 million**
- **Basis laid for new investments (Preh GmbH, Bene Group)**
- **Improved market conditions for private equity investments in 2004**

Dear shareholders,

Increase of net profit to EUR 5.54 million from EUR 5.0 million in first quarter 2003

In the first quarter of 2004, operating income amounts to EUR 349,000 (EUR 1,225,000 in the corresponding period in 2003). This income mainly derives from investments of EUR 227,000 and interest and similar income of EUR 112,000. Operating expenses amount to EUR 292,000 compared to EUR 464,000 in the corresponding period.

Earnings before taxes (EBT) are again positive and amount to EUR 57,000 (first quarter 2003: EUR 749,000).

Net profit including the 2003 profit carry forward is EUR 5.41 million compared to EUR 5.00 million in the first quarter of 2003.

Fixed assets are EUR 28.02 million, current assets amount to EUR 21.48 million, resulting in total assets of EUR 49.48 million which is 2.1% lower compared to the first quarter of 2003 (EUR 50.55 million).

As in the corresponding period of the prior year, no investments were sold during the first quarter of 2004.

Share price development: UIAG vs. Vienna Stock Index ATX

As of 31 March 2004 the price of UIAG shares was EUR 12.20.



Development of the investment portfolio

As of 31 March 2004 UIAG had holdings in the following companies:

| | |
|---|-------|
| ▪ Andritz AG | 0.8% |
| ▪ Dorotheum GmbH & Co KG | 12.5% |
| ▪ ET Multimedia AG | 22.8% |
| ▪ JCK Holding GmbH Textil KG | 2.0% |
| ▪ Wiener Börse AG - Vienna Stock Exchange | 10.4% |
| ▪ CM Versicherungsmakler Ges.m.b.H. | 49.0% |
| ▪ IDENTEC SOLUTIONS AG | 0.2% |
| ▪ INFONIQ Informationstechnik GmbH | 0.7% |

Andritz AG: Satisfactory business development in the first quarter of 2004

The Andritz Group is listed on the stock exchange as a global market leader for advanced production systems for pulp and paper, steel and other specialised industries. As of 31 March 2004 Andritz had 5,008 employees worldwide, developing and producing high tech production systems at its 16 production sites in Austria, Germany, Finland, Denmark, France, the Netherlands, the USA, Canada and China.

In the first quarter of 2004 the Andritz Group, with overall sales of EUR 331.8 million, was able to improve on the comparable value of the same period in the previous year by 32.6% (first quarter 2003: EUR 250.3 million). In particular the pulp and paper, the rolling mills and strip processing business areas as well as environment and process were able to clearly improve sales in comparison to last year due to the increased level of work-in-progress of many projects. In addition, the Fiedler and Bird Machine companies, newly acquired in September 2003 and January 2004, contributed about EUR 22 million to the growth in sales.

The order intake of the Group developed satisfactorily. In the reporting period this was, at EUR 369.6 million, 5.3% above the comparative period of the past year (EUR 351.0 million) and 21.6% above the comparative figure of the previous quarter (4/2003: EUR 304.0 million).

The order backlog as per 31 March 2004 was EUR 1,110.7 million amounting to an increase of 10.6% compared to the reference quarter of last year (EUR 1,004.7 million as at 31 March 2003). This represents a solid supply of work, building the foundation for yet another good year of sales and results in 2004.

Due to the growth in sales and ongoing cost optimisation programmes, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to EUR 22.5 million (+37.2% compared to EUR 16.4 million in the reference quarter of the previous year). Earnings before interest, taxes and amortisation (EBITA) rose from EUR 11.1 million in the first quarter of 2003 to EUR 17.1 million in the first quarter of 2004. Profitability (EBITA margin) improved to 5.2% (first quarter 2003: 4.4%). Earnings before interest and taxes (EBIT) increased slightly from EUR 7.6 million in the first quarter of 2003 to EUR 13.6 million in the first quarter of 2004.

Net income excluding minority interests amounted to EUR 8.0 million and outmatched the comparable figure in the first quarter of the previous year by 95.1% or EUR 4.1 million.

Net liquidity of the Andritz Group as of 31 March 2004 increased by 81.5% to EUR 99.8 million from EUR 55.0 million of the previous quarter (31 December 2003). With equity of 22.0% in terms of total capital as of 31 March 2004 (31 December 2003: 24.0%) Andritz maintains a solid balance sheet and capital structure.

For the entire year 2004 the Management Board at Andritz confirm their expectations with regard to the results, and reckon with an increase on previous year's figures in both sales and net profit for the year.

Dorotheum GmbH & Co KG

In the first quarter of 2004 Dorotheum GmbH & Co KG achieved total gross sales of around EUR 21.9 million with an average headcount of 416 staff.

In the auctions area an increase of some 4.5% on the previous comparable figure was accomplished, while sales in retail increased by around 3.9% (+1.1% on the budgeted figure). In the pawn broking area, the average pawn loans outstanding exceeded the budget by about 0.5% in the first quarter of 2004 and were thus increased by about 10.4% as compared to the budgeted figure of the first quarter of 2003. In the first quarter of 2004 the proceeds from pawn broking were above the previous year's comparable figure.

Overall, operating profit was increased by around 40% on top of the budgeted figure.

The first auction week (23 to 26 March 2004) returned very satisfactory results. The Management of Dorotheum also expects a very interesting second auction week from 24 to 28 May 2004, which is very well-stocked not the least due to the representative offices opened last year.

In the first quarter of 2004, the new edition of the annual catalogue for Dorotheum Jewellery was successfully completed. Sales in retail also developed favourably in April 2004 and thus support the chosen path in this business area.

The "Jewellery Competence Centre" was opened in the "Palais Dorotheum" in the first quarter of 2004. It is the goal of this Competence Centre to bundle the jewellery expertise in order to be able to provide more efficient and client-oriented customer services in this area. In addition, a jewellery laboratory in the Competence Centre was set up, where valuations and expert opinions are being offered.

The recently opened pawn counters in Dornbirn and in the Vienna "Shopping City Nord" (SCN; Shopping City North) show a very positive development.

ET Multimedia AG

With total consolidated sales of around EUR 7.7 million in the first quarter of 2004, the second largest Austrian print media enterprise, ET Multimedia AG (ETM), reached its sales budget – as opposed to many competitors in the media industry. On the bottom line, results were even slightly better than expected.

Thus the company managed to further expand its position in the market during the first months of the year. According to a report of the independent institute "Focus Media Research" the publications of ETM increased by 6.5% on a year-on-year basis, whereas the competition lost ground.

At the end of the first quarter the orders for 2004 have been labelled "very good" by ETM's Board of Management. The women's magazine segment has proved to be particularly successful.

The investment of Styria Medien AG in ETM through a capital increase in January 2004 generates new dynamics and provides ETM with significant new opportunities for expansion. Both parties are currently performing their due diligence procedures. The result is expected in the course of the summer. Further development of the business areas will on the one hand increasingly focus on the strengthening of the market position in the Austrian market of printed media, and on the other hand on expansion in the growth markets of the new EU countries. As part of the alliance with Styria Medien AG, Dr. Friedrich Radinger was named a member of the ETM Board of Management as of 1 March 2004.

Effective from 17 May 2004, the Supervisory Board of ETM has appointed Mr. Dieter Seidl (45) CFO of the company. Mr. Seidl was previously finance and administrative director at the media publishing house "Die Presse Verlag GmbH & CoKG" and managing director of the subsidiaries of the "Presse". Before that, he worked for the Turnauer Group, where he was mainly responsible for CEE investments.

Efforts will also be increased in Austria. Further investments in the strengthening of ETM's market position have been lined up. The current excellent media data are seen as basis for further improvement. In the latest readers' survey among leading Austrian managers (readers' analysis / decision makers) the ETM publications – especially WirtschaftsBlatt and Diners Club-Magazine – came out on top.

JCK Holding GmbH Textil KG

The JCK Holding completed its business year 2003 showing record sales of EUR 428 million with good profitability levels, and is continuing its momentum in the new year. Consolidated group sales of EUR 88 million in the first quarter of 2004 exceeded both the comparable figure of the previous year and the budget by more than EUR 10 million.

This means that JCK has continued to strengthen its excellent position in the private label business and to expand successfully in spite of an overall recession in the industry. Growth is underpinned by an increasing internationalisation of the business and by strengthening business relations with new clients.

The result of the first quarter of the previous year was again outmatched due to the increased business volume.

Wiener Börse AG: Excellent business continues in the first quarter of 2004

The Wiener Börse AG looks back on a favourable development in the first quarter of 2004. Operating income topped the planned figures by 49% and the comparable figure of the first quarter 2003 by 64%.

Especially the spot market recorded continuously high turnover. In this segment, with a turnover of EUR 3.22 billion (domestic and foreign shares) March exceeded the already splendid result of January 2004 (EUR 3.04 billion) by almost 10%, thus setting an all-time high in terms of turnover ever since the XETRA® trading system was introduced.

Transaction income on the ÖTOB market amounted to EUR 0.81 million, a respectable 81% above plan, and even 104% above the comparable figure in 2003. With 308,823 contracts in euro products March 2004 posted the highest turnover since August 1998. The increase in income is founded in the high volume of stock options (average income quota 84%).

Data sales were slightly below plan and below the comparable figure of the previous year. The number of connected terminals, however, remained the same and amounted to around 14,000 during the first quarter of 2004.

Profit on ordinary activities at the Wiener Börse AG was up 228% for the first quarter of 2004 compared to budget and up 715% compared to the first quarter of 2003.

On 31 March 2004, the main index of the Vienna Stock Exchange reached a new all-time-high at 1,866.76 points.

The Vienna Stock Exchange welcomes the new opportunity to create a strong common capital market as part of the accession of important Eastern and Central European neighbouring countries to the European Union. The joining of the ten candidates on 1 May 2004 puts even stronger emphasis on the notion of "Eastern fantasy", as many times stressed in relation to the Wiener Börse AG. The expansion of the EU into that area means that now a region has become part of the common market where quoted Austria companies and banks have already been bundling their forces for years. Therefore we expect above-average growth in these companies. Having reached the status of the leading CEE stock exchange, the Vienna Stock Exchange will strive for close cooperation with the neighbouring stock exchanges in the East.

| Index | 31 March 2004 | 31 March 2003 | Change |
|------------------|-----------------|-----------------|-------------|
| ATX | 1,866.76 | 1,163.11 | +60% |
| ATX prime | 961.70 | 611.39 | +57% |
| DAX | 3,856.70 | 2,423.87 | +59% |
| FTSE100 | 4,385.70 | 3,613.30 | +21% |
| Dow Jones Index | 10,357.70 | 7,992.13 | +30% |
| S&P500 | 1,126.21 | 848.18 | +33% |
| NASDAQ100 | 1,438.41 | 1,018.66 | +41% |

Outlook for the fiscal year 2004

A recent survey by OECD forecasts a growth in the gross domestic product in 2004 and 2005 both for Austria and the Euro Zone. The recovery of the stock markets that began at the end of 2003 kept up in the first quarter of 2004 as well. In addition, Austria has considerable catching up to do in the private equity industry compared to our neighbours. With 0.07% private equity investments in relation to the GDP, Austria ranks far behind Germany (0.12%) and Switzerland (0.11%) and is clearly below the EU average of 0.28%. The often quoted Basle II rules have already led to a tightening of loan conditions and should lead in future to a greater demand for equity capital. A further need for equity will also be created by the growth opportunities of Austrian companies that plan to get involved in the new EU-countries since the enlargement of the EU to the East. As a rule, UIAG will not invest directly in these countries but rather in Austrian companies that have been starting activities there. Further steps towards privatisation can also be expected through the revitalisation of the capital market as a whole.

Towards the end of the first quarter 2004, following threats of litigations, negotiations were started with Libro AG's bankruptcy receiver. With the settlement agreed upon at the end of April, a court case that would have lasted many years, with uncertain outcome and with a risk of high legal expenses could be avoided. This puts UIAG on course for positive future development and provides the basis for continuing its dividend policy.

In the overall positive environment of the first quarter this settlement provides the basis for new investments. In May 2004, for example, UIAG took a stake in a German company, Preh GmbH. Preh GmbH is a supplier and system supplier for the automotive industry (steering units for the dash board, air conditioning, navigation devices, radio etc.). Furthermore, UIAG received an exclusive negotiations mandate from the Bene Büromöbel Group (office furniture), one of the best known Austrian family-owned businesses. Bene is not only market leader in Austria; it is also one of the very few companies in the furniture branch to export 50% of its production. The goal is to further expand Bene's market position in Austria as well as to strengthen the Eastern European distribution network by providing equity.

In addition, intensive talks are being held with other companies concerning potential investments.

With kind regards
THE BOARD OF MANAGEMENT
Vienna, May 2004

Unternehmens Invest AG specialises in private equity investments and was the first company of its kind in Austria at the time of its foundation in 1990. It has been listed on the Vienna Stock Exchange since 1991, since the beginning of 2002 its shares have been quoted in the prime market segment.

Our strategy is to provide equity capital to established - preferably Austrian - companies with good future prospects as well as good growth and earnings potential in order to further develop their business and expand internationally. With the exception of real estate transactions UIAG is not subject to any kind of industry limitations. During the acquisition phase UIAG does not influence the operative business in any way, it is, however, represented in the supervisory boards. As a temporary partner, UIAG's goal is to pass on its shares after the successful expansion to strategic investors, co-investors or on the stock exchange.

A convincing performance of private equity companies can only be shown over a longer period of time, but due to the nature of UIAG's business activities, results are often subject to fluctuations. In periods, where large investments are sold, earnings are naturally very high whereas in years of minor or nonexistent disposals, earnings are inevitably much lower. To minimise possible fluctuations, UIAG makes allocations to its reserves and carries profits forward in years of high earnings. UIAG has always endeavoured to maintain continuity and stability in its business policies.

Companies listed on the prime market of the Vienna Stock Exchange have entered into an agreement to prepare consolidated financial statements according to IFRS. Since UIAG is not legally required to prepare consolidated financial statements, this regulation does not apply to UIAG. International experts are currently working on proposals for a mutual directive for uniform European standards for the reporting procedures of private equity and similar investment companies. UIAG is going to adopt these international standards as soon as a mutual directive has been agreed upon.

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