QUARTERLY REPORT

as of 30 June 2004

- **Positive result on ordinary activities**
- **Net profit for the year unchanged at about EUR 5.3 million**
- **Exclusive negotiating mandate with Bene**
- **New investment: Preh-Werke**

Dear ladies and gentlemen,
Dear shareholders,

Business performance

During the first six months of 2004, UIAG achieved an operating income amounting to EUR 1.34 million. This income mainly derives from dividends, interest received, and similar income. Expenses amounted to EUR 1.24 million and include operating and personnel expenses.

No participation was sold during the first six months of 2004. The profit from ordinary activities in the amount of EUR 100,000 was therefore substantially below the figure of the reference period of 2003. Profit from ordinary activities totalled EUR 5.37 million as at 30 June 2003 and was based on the gain from the sale of a majority of the shares in Andritz, which were sold at the extremely successful secondary public offering of Andritz AG in June 2003. Taking into account the profit carried forward from 2003, the profit for the year amounted to EUR 5.27 million (first half of 2003: EUR 5.71 million). The balance sheet carried fixed assets of EUR 29.96 million and current assets of EUR 13.19 million, which produced a balance sheet total of EUR 43.15 million or minus 14% compared to the previous year's EUR 50.07 million.

Exclusive negotiating mandate with Bene

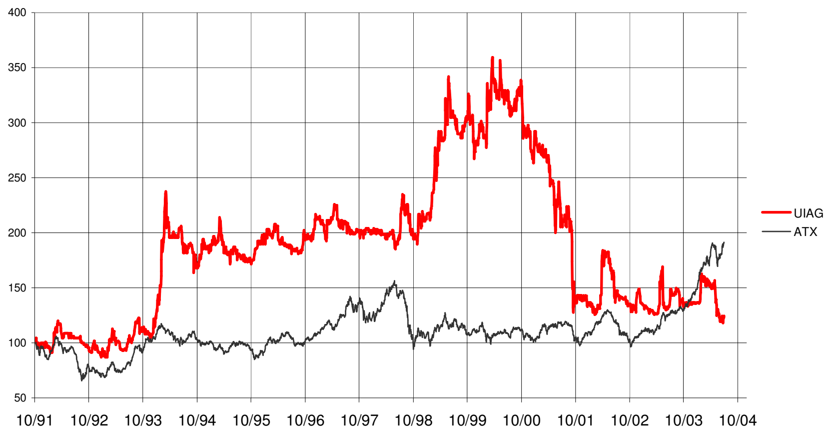
Bene GmbH is one of the best known traditional family-owned businesses in Austria. In May 2004 exclusive negotiations were held concerning the planned acquisition of a substantial participation in the company by means of a capital increase. The final decision is planned for the end of August/beginning of September 2004. Should the deal be concluded, UIAG as lead investor will invite additional finance partners as co-investors.

The strategic target behind the investment is to further strengthen Bene's position as market leader and to improve the existing distribution network in Western and Eastern Europe, the Middle East, and Asia. UIAG expects family-held Bene to stand a good chance for a future IPO on the Vienna Stock Exchange – similar to Palfinger AG, which floated its shares on the stock exchange with the help of UIAG.

Both parties agreed not to disseminate any additional information ahead of the final decision.

Share price development: UIAG vs Vienna Stock Index ATX

As of 30 June 2004 the price of UIAG shares was EUR 9,90.



Development of the investment portfolio

As of 30 June 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%
▪ Preh GmbH	2.0%
▪ Wiener Börse AG	10.4%
▪ CM Versicherungsmakler Ges.m.b.H.	49.0%
▪ IDENTEC SOLUTIONS AG	0.2%
▪ INFONIQA Informationstechnik GmbH	0.7%

Andritz AG: Successful development of business continues

The international technology group Andritz reported a favourable business development for the first half of 2004 with significant increases in all major financial figures.

In the first half of 2004, sales of Andritz Group amounted to EUR 685.8 million, an increase of 18.9% compared to the reference period for last year (first half of 2003: EUR 577.0 million). This was mainly due to the favourable development of the core business and the continuation of its complementary acquisition policy, which further enhances the Group's competitive position and provides the basis for future organic growth. Fiedler and Bird Machine, which were not included in last year's consolidated financial statements, added ca. EUR 46 million to Group sales in the first half of 2004.

Group order intake reached EUR 775.6 million, a 16.3% increase over the reference period for last year (EUR 667.1 million). Order backlog as of 30 June 2004 set a new record value at EUR 1,159.8 million, a marked increase of 16.9% compared to the previous year's comparable figure of EUR 992.3 million.

As far as results are concerned Andritz Group also recorded a solid increase in the first half of 2004. EBITA increased from EUR 24.3 million in the first half of 2003 to EUR 41.3 million, i.e. by 70.0%. The EBITA margin improved from 4.2% to 6.0%. EBIT increased from EUR 17.4 million to EUR 33.0 million, net income excluding minority interests rose to EUR 25.5 million and thus more than doubled the amount of last year's reference period (EUR 9.8 million).

With an equity ratio of 23.0% as of 30 June 2004, the Andritz Group has a solid net worth position and capital structure. Net liquidity (cash plus marketable securities minus interest bearing borrowings) as at 30 June 2004 amounted to EUR 112.5 million (31 December 2003: EUR 55.0 million).

Following an agreement with the Austrian Takeover Commission, in summer 2003 UIAG still held a 0.8% share in Andritz AG after the secondary public offering (SPO). For these remaining shares Certus Beteiligungs-GmbH has been granted the right to purchase these shares after a qualifying period of one year, with the purchase price being similar to the net SPO price. Certus exercised this right at the end of August 2004 and acquired a total share of about 10% in Andritz AG from all financial investors. Therefore UIAG will post a small book profit in the third quarter of 2004.

Dorotheum GmbH & Co KG

Dorotheum GmbH & Co KG is looking back on a good first half of 2004. Total gross sales amounted to ca. EUR 52.3 million. The average headcount was 414.

In the auctions area, sales were increased by around 11.1% on the previous comparable figure. Sales in retail increased by around 8.9% in the first half of 2004. In pawn-broking, the average pawn loans outstanding in the first quarter of 2004 increased by about 4.5% as compared to the balance of the first half of 2003. Revenues from pawn-broking in the first half of 2004 exceeded those from the first half of 2003.

Altogether the operating profit (EBIT) was increased by around 30% on top of the budgeted figure.

The high expectations for the result of the second auction week from 24 to 28 May 2004 were entirely fulfilled – the best second auction week result of the past five years was achieved. Expectations were exceeded in the areas of Silver, Classical Contemporary Art, 19th Century Paintings, and Jewellery.

Both sales and results increased as a consequence of the new edition of the annual catalogue and the realignment of Dorotheum Jewellery. The advertising efforts already planned for the “point of sale” area will be implemented in the second half of the year.

The intensive work of establishing the pawn-broking business in the retail outlets will be continued. By the end of the year pawn-broking will be set up in additional branches that are already operating.

ET Multimedia AG

ET Multimedia AG (ETM) failed to escape the ongoing difficult situation in the Austrian media industry. The majority of the ETM business media – starting with WirtschaftsBlatt – fell substantially short of their sales targets in the first half of 2004. In contrast, the magazines of the lifestyle group, such as “Wiener”, “Wienerin”, and “Diva”, managed to defy the market trend and developed favourably.

The investment of Styria Medien AG and the substantial restructuring of the management at ETM and in some of its resultant subsidiaries were the key issues in the first half of 2004. Michael Geringer resigned as CEO of ETM AG as of 30 June 2004 and was followed by Dr. Friedrich Radinger; Dieter Seidl became CFO. On the other hand, the investment in TIV (TV station GoTV), for example, was sold.

The consolidated group sales of the ETM Group amounted to approx. EUR 15.7 million, which is slightly below plan. Due to low sales volumes the planned income targets could not be met.

The outlook of ETM’s management with regard to the sales targets in the section of well-established media for the 2004 fiscal year is positive. Analyses of the results of Focus Media Research revealed a 1.25% increase in advertisements sold by the ETM Group in the first half of 2004, whereas some competitors had to record a decline in this area. Marketing measures and the launch of new products have been lined up to generate noticeable increases in sales and to strengthen sustainable profitability. These both require additional funds, regardless of the already tight liquidity situation. Discussions are being held in this regard.

JCK Holding GmbH Textil KG

The JCK Group has grown substantially over the past years in spite of the weak textile economy and has achieved an outstanding position in the private label business. The Group has managed to validate this development also in the current fiscal year. After an excellent first quarter 2004, however, sales fell slightly short of the previous year's comparable figures in the second quarter. The JCK Group achieved accumulated sales of more than EUR 175 million in the first half of 2004 – slightly below the first half of 2003, but noticeably above budget. As expected, the margins attained were below the previous year's outstanding level, but due to the higher than planned volumes sold, the result came in above budget.

Based on the current order backlog sales and results are expected to be above plan for the total of 2004.

New investment Preh GmbH

As partner in a consortium UIAG acquired an indirect participation in Preh GmbH through an intermediate company in May 2004. Based in Bad Neustadt an der Saale (Bavaria), Preh GmbH is a successful participant in the international automobile and industrial electronics industries. In November 2003 Preh was acquired through a management buy-out lead by Deutsche Beteiligungs AG and its parallel funds. Preh has its core competences in the automotive industry, in electronics, and in engineering.

In the first six months of the fiscal year the company recorded positive overall results that were according to plan. The strong position in driver control systems for the automotive industry is underpinned by numerous enquiries from leading European automotive producers. Along with the "driver control systems" product division, "sensors" showed a very favourable development as well. The "industrial electronics" business area is affected by mixed situations in the markets served by Preh. The slack demand of some customers due to the economic situation was offset by the upswing in business of new customers in industrial operating and control systems as well as by the positive domestic performance of the US economy, which in total led to a satisfactory result in this area. Despite the restrictive investment behaviour of the client industries, the smallest business area of the company, Preh Engineering, will achieve the targets for the year.

Wiener Börse AG: Substantial increase in income

The positive trend of the first quarter of 2004 also continued for the Wiener Börse AG in the second quarter of the year. Throughout the entire reporting period trading volumes remained high on the spot market. This development was supported by a substantial increase in the activities of domestic and new foreign traders in the market.

Gross transaction income on the spot market amounted to EUR 6.1 million in the first half of 2004, thus exceeding budgeted figures by about 88%. The "prime market" contributed 90% of the operating profits. Transaction income on the ÖTOB market amounted to EUR 1.5 million in the first half and exceeded the planned values by 67% and the comparable figure of 2003 by 51%. Income from trading in stock options accounted for an annualised average of 82%. Data sales were slightly above budget and on the same level as in the first half of 2003. The number of connected terminals increased over the first half of 2004 to 14,500 units.

In total results for the first half of 2004 were noticeably above budget and the previous year's comparable figures.

ATX values as compared to international indices are depicted below:

Index	30 June 2004	30 June 2003	Change
ATX	**1,989.40**	**1,305.71**	**+52%**
ATX prime	**1,022.06**	**687.14**	**+49%**
DAX	4,052.73	3,220.58	+26%
FTSE100	4,464.10	4,031.20	+11%
Dow Jones Index	10,435.48	8,985.44	+16%
S&P500	1,140.84	974.50	+17%
NASDAQ100	1,516.64	1,201.69	+26%

In May 2004 the Vienna Stock Exchange acquired, as a partner in a consortium, a 14% stake in the Budapest Stock Exchange (BSE). At the same time, HVB Bank Hungary and Erste Bank increased their investment to 25.2% and 12.2%, respectively. Oesterreichische Kontrollbank (OeKB) took a 11% stake, and RZB acquired 6.4%. The transaction was initiated by HVB Bank Hungary and carried out together with the Wiener Börse AG. This means an increase of importance of the Hungarian and Austrian capital markets, the development of the respective domestic potential through joint activities in the market, and the strengthening of the common competitive standing. The cooperation is of particular relevance given the current Central European expansion of the EU and the growth opportunities of the regional capital markets arising from this expansion.

In a joint effort of more than 70 partners the information platform www.unternehmensfinanzierung.at was set up in the reporting period in order to provide the maximum possible support to enterprises in their financing projects. This means that those interested have a network of 200 contact partners at their disposal.

Consortium agreement

As already announced, a consortium agreement had been concluded between the major shareholders of UIAG. Gerling-Konzern Lebensversicherungs-AG informed UIAG's Board of Management that they resigned from this shareholders' agreement as at 30 September 2004.

Outlook to the business year 2004

The upswing on the stock markets that started at the end of 2003 also maintained its momentum in the second quarter of 2004. There remains a substantial distance between the Austrian private equity sector and that of our neighbouring countries. With private equity investments of 0.07% in terms of GDP, Austria's involvement of the sector is clearly below German (0.12%) and Swiss (0.11%) private equity activities as well as markedly below the EU average of 0.28%. The often cited Basle II regulatory framework has already led to a tightening of lending terms in Austria, and should stimulate the demand for equity capital in the future. An increased demand for equity capital will also create growth opportunities for Austrian companies that want to take advantage of EU expansion to get involved in the new EU countries. UIAG does not normally invest directly in those countries, but in Austrian companies that are about to launch business operations there. Further privatisations are also expected to stimulate the capital market as a whole.

The improving market conditions for private equity investment also manifest themselves in an increased deal flow. As reported earlier, UIAG signed an exclusive negotiating mandate with Bene GmbH in May 2004. The go-ahead for the project expected at the end of August/beginning of September 2004 would be one of the most significant investment projects on the Austrian market and would underpin UIAG's role as an important Austrian financial investor for small and medium-sized companies.

In addition, intensive talks are being held with other potential investors on an ongoing basis.

With kind regards
THE BOARD OF MANAGEMENT
Vienna, August 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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