



## QUARTERLY REPORT

### as at 31 March 2005

- **Sale of shares in Wiener Börse AG**
- **Positive development of investments**
- **Net profit substantially above previous year's figure**

Ladies and Gentlemen,  
Dear Shareholders,

#### **BUSINESS PERFORMANCE**

UIAG posted an income of € 602,000 in the first quarter of 2005. This income is mainly derived from the disposal of the investment in Wiener Börse AG as well as from interest received and similar income. Expenses amounting to € 483,000 include operating and personnel expenses.

The profit on ordinary activities of € 119,000 was substantially above the figure of € 57,000 for the reference period. Taking into account the profit carried forward from 2004 net profit for the first quarter of 2005 amounted to € 5.49 million (first quarter 2004: € 5.41 million). Fixed assets for the first quarter amounted to € 31.93 million, current assets came to € 13.92 million resulting in total assets of € 45.85 million and thus a decrease of about 7.3 % compared to the reference period of the previous year (total assets as at 31 March 2004: € 49.48 million).

#### **PERFORMANCE OF THE UIAG SHARES**

On 31 March 2005 UIAG shares closed at € 9.6, and on 27 May 2005 the price of the UIAG shares was € 10.29.

## DEVELOPMENT OF THE INVESTMENT PORTFOLIO

As at 31 March 2005 UIAG had investments in the following companies:

▪ Bene AG	26.9%
▪ ET Multimedia AG	22.7%
▪ JCK Holding GmbH Textil KG	2.0%
▪ Preh GmbH	3.6%
▪ CM Versicherungsmakler Ges.m.b.H.	49.0%
▪ IDENTEC SOLUTIONS AG	0.3%
▪ INFONIQ Informationstechnik GmbH	0.7%

## BENE GROUP

After a successful fiscal year 2004, the investment in the Bene Group, the leading integrated supplier of office furniture and office equipment with direct distribution in Europe, also developed favourably in the first two months of the current fiscal year (February 2005 to January 2006) in spite of difficult domestic and international market conditions.

Accumulated group sales increased slightly compared to the previous year. Accumulated incoming orders are in line with the budget, and the number of projects in the pipeline for the first two months is at very satisfying levels. This should show up in the sales figures over the next couple of months.

The operating profit was increased in spite of the difficult environment and continuous pressure on the price side on the international markets. This increase was generated by the disproportionately high increase in exports and the high level of in-house production of Bene products.

The preliminary result after two months is clearly above the previous year's result.

The market is still characterised by a strongly competitive situation resulting from the pressure on prices that goes hand in hand with it. Therefore management does not expect the market to help business during the current fiscal year, either.

## ET MULTIMEDIA AG

In the first quarter of the year 2005 consolidated sales of the ETM Group amounted to around € 7 million which was slightly below plan.

As opposed to the improvement in the advertising market that can frequently be observed at the beginning of the year, the turn of 2004/2005 did not bring a significant change for ET Multimedia AG. The tense situation on the print media ad market seems to affect magazines more than daily newspapers. This was also true for the ETM Group: on one hand the WirtschaftsBlatt exceeded both this year's budget and the previous year's actual figures, but at the same time even magazines with well-established brand names were suffering from the lacklustre advertising market and are only moving in the direction of the expected revenues after markedly increasing their sales efforts.

The cost-cutting programme initiated by the Board of Management of ET Multimedia AG in the fourth quarter of 2004 and scheduled to continue until the end of the first quarter of 2005 was completed in all essential areas. Regardless of that, further cost adjustments and optimisations were initiated to safely stay on the consolidation track. In order to be able to deal with the rising input required in handling the ad accounts and to secure the planned revenues for the remaining quarters of 2005, ET Multimedia AG has cut overhead as well as IT and other internal expenses and has signed on new sales representatives since the beginning of the year in order to strengthen the company's sales units. The operating result was under budget in the first quarter of 2005 due to the fact that the company did not reach its sales target.

Irrespective of these developments the ETM Group relaunched the magazines Business People, Skip, and Wiener in the first quarter, a move which will raise the novelty value of the magazines, start a new product life cycle and thus offer the branch a topic for conversation and new sales material.

As already reported, Styria Medien AG has held a 17% minority interest in ET Multimedia AG since the beginning of 2004. A corresponding application to the Austrian Anti Trust Commission to merge the daily newspaper "Die Presse" into ET Multimedia AG was filed at the end of 2004. The approval, which was granted at the end of May 2005 with certain conditions, will form the basis for further negotiations.

Christian Radda's Management Board mandate, originally granted for 6 months in autumn 2004, was extended by three years as at the end of the first quarter 2005.

#### **WIENER BÖRSE AG - VIENNA STOCK EXCHANGE**

As reported earlier, UIAG sold its shares to specific members of the issuers' consortium of Wiener Börse AG.

In July 1999 the Austrian government sold its fifty percent stake in the Vienna Stock Exchange to thirty companies listed on the Vienna Stock Exchange. But it was not until UIAG joined the investors that the privatisation of Wiener Börse received the decisive boost to bring it to a successful finalisation. UIAG made this strategic investment in Wiener Börse AG because of its importance for medium-sized companies at that time, becoming the largest single shareholder with 10.4%. A functioning stock exchange has always been an important exit channel for UIAG's holdings, as shown by successful floatations such as Andritz, Palfinger, and Wolford. After the very positive development of the last few years UIAG received an offer to sell its shares.

#### **PREH GMBH**

The holding in Preh acquired at the beginning of 2004 also continued its positive development in the first quarter of 2005 following a successful business year in 2004 and total sales were up by about 3.6% over the previous year's figure. Both new orders and order backlog are also slightly above plan whereby the favourable development in the automotive sector should be emphasised.

Sales of automotive products, which account for more than 80% of total group sales (driver control systems and sensors), exceeded the previous year's figures by about 13%. Activities in the automotive area, aside from project management, involved numerous product inquiries, e.g. for electronic control systems.

The electronics sector has been lagging behind expectations both in the "point of sale" product group and in industrial operating and control systems; business from new clients, however, is developing favourably.

**JCK HOLDING GMBH TEXTIL KG**

The first quarter went well for JCK; sales, revenues and operating profit were all above plan.

Güldenpfennig GmbH's private label business benefited among other things from the development of the US dollar exchange rate and was able to bring the gross margin both above plan and above the previous year's figure. Medico performed considerably better than last year due to the restructuring actions implemented. The other group companies are also on course, which is why management is not making any changes to its forecasts for the year.

**OUTLOOK FOR THE BUSINESS YEAR 2005**

We are cautiously optimistic about the 2005 fiscal year. The current economic situation leads us to expect a continuing revival of the investment market. Growth forecasts for the Central European countries and the good positioning of Austrian companies in the new EU member states and the EU candidate countries give cause for optimism. On top of that, during the first weeks of 2005, it was possible to sell the shares in Wiener Börse AG at favourable terms to the other shareholders of Wiener Börse.

UIAG is currently involved in intensive negotiations with several potential investment companies, so we look forward to a further expansion of the investment portfolio in 2005.

With kind regards  
THE BOARD OF MANAGEMENT  
Vienna, May 2005

**ANNEX**

*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.*

*UIAG's strategy is to provide equity capital to established - preferably Austrian - companies with good future prospects as well as good growth and earning 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 on the supervisory boards. As a temporary partner, UIAG's goal is to sell 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. Due to the nature of the business 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 a stable and investor friendly dividend policy and to direct its business policies and strategy towards continuity and stability.*

*The companies on the Prime Market of the Vienna Stock Exchange have committed themselves to preparing their group financial statements in accordance with the IFRS. Since UIAG does not prepare a group financial statement, but only a separate financial statement, this commitment does not apply to UIAG. At present guidelines for a pan-European, standardised procedure of accounting for private equity companies and other investment companies are being developed on an international scale. As soon as standards exist, UIAG will adhere to international practice.*

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