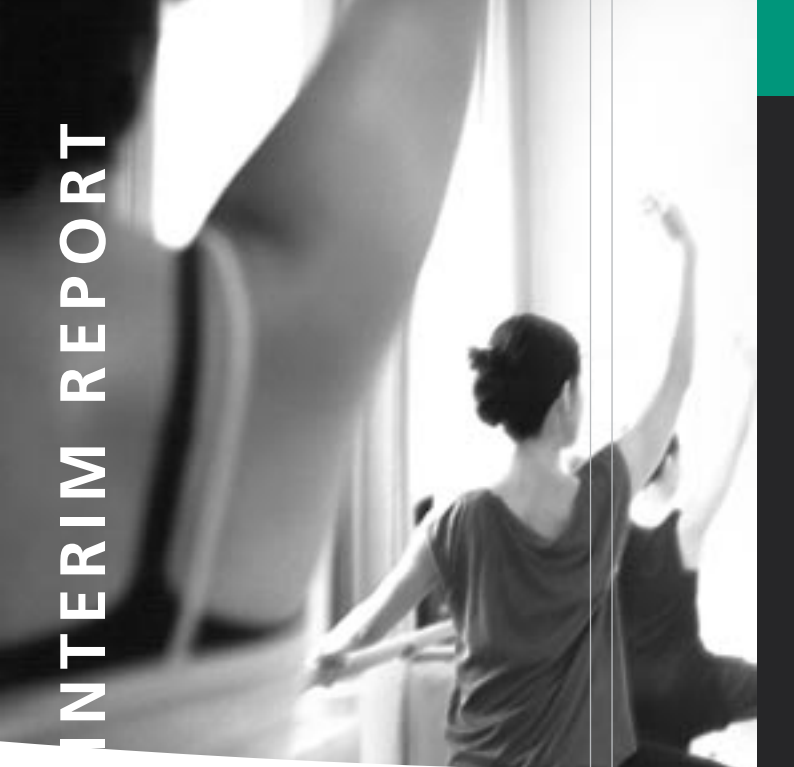


INTERIM REPORT



1 April to 30 June 2003

The first quarter of financial year 2003/2004 at a glance

- Good start to new financial year
- Sales rise by around 9 %
- Targets for the year as a whole confirmed



Tradition
Innovation
Vision

The GESCO Group at a glance

01.04.-30.06.

| | | 1 st quarter 2003/2004 | 1 st quarter 2002/2003 | Change |
|--|-----------|--------------------------------------|--------------------------------------|--------|
| Incoming orders | (EUR'000) | 39,977 | 35,071 | 14.0 % |
| Sales revenues | (EUR'000) | 39,871 | 36,681 | 8.7 % |
| EBITDA | (EUR'000) | 3,707 | 3,607 | 2.8 % |
| Earnings before tax | (EUR'000) | 1,598 | 1,553 | 2.9 % |
| Group net income | (EUR'000) | 786 | 702 | 12.0 % |
| Earnings per share | (EUR) | 0.33 | 0.28 | 17.9 % |
| Earnings per share according to DVFA/SG | (EUR) | 0.33 | 0.28 | 17.9 % |
| Employees | (No.) | 1,193 | 1,153 | 3.5 % |

GESCO Group portfolio structure

GESCO AG

Segment
Tool manufacture and
mechanical engineering

Segment
Plastics technology

Dear shareholders,

The GESCO Group has had a successful start to financial year 2003/2004. Despite continuing adverse economic conditions, the Group companies recorded a pleasing level of incoming orders as demand began to pick up in the first quarter of the year (01.04.-30.06.2003). Almost all companies increased their sales compared with the first quarter of the previous year.

Scope of consolidation

Compared with the same period in the previous year, there have been a number of changes to the scope of consolidation. Hubl GmbH and SVT GmbH were not yet consolidated in the first quarter of the previous year. Paroll Doppelboden-Systeme GmbH & Co. KG, which was still included as a fully consolidated company in the Group profit and loss account for the same period in the previous year, is included at equity in the Group accounts for the period under review, as GESCO AG reduced its shareholding in the company to 40 % as at 31.03.2002.

Group sales and earnings

In the first quarter, incoming orders amounted to EUR 40.0 million compared to EUR 35.1 million in the previous year. This represents an increase of 14.0 %. Group sales increased by 8.7 % to EUR 39.9 million (previous year EUR 36.7 million). Organic sales growth net of the effects resulting from changes to the scope of consolidation stood at around 3.8 %.

Earnings before interest, tax, depreciation and amortisation, or EBITDA, was up by 2.8 % to EUR 3.7 million (EUR 3.6 million).

Depreciation and amortisation increased as scheduled as a result of an increase in amortisation on goodwill and depreciation on tangible assets totalling around EUR 300 thousand. Financial results improved by approx. EUR 240 thousand compared with the previous year.

At EUR 1.6 million, pre-tax profits were up 2.9 % on the figure for the same period in the previous year of EUR 1.5 million.

A slightly higher tax rate and lower minority interests resulted in an increase in Group net income of 12.0 % to EUR 786 thousand (EUR 702 thousand), which corresponded to earnings per share of EUR 0.33 (EUR 0.28). DVFA/SG earnings per share also amounted to EUR 0.33 (EUR 0.28).

Segment report

In the same period of the previous year, the tool manufacture and mechanical engineering segment did not include Hubl GmbH and SVT GmbH. Following their inclusion, the expansion of the segment resulted in a clear sales increase of 22.6%. Organic sales growth on the basis of the previous year's portfolio amounts to 5.4%.

The plastics technology segment still comprised Paroll Doppelboden-Systeme GmbH & Co. KG as a fully consolidated company in the previous year's period. The deconsolidation of Paroll was the main cause for the decline in sales of 30.7% in this segment. Excluding the effects of changes to the scope of consolidation, the segment saw a slight reduction in sales. This was due to the situation in the commercial vehicle construction sector, which continues to be difficult.

Employees

As at the reporting date, the GESCO Group employed a staff complement of 1,193 compared with 1,153 in the previous year. The increase of 3.5% mainly results from the changes to the scope of consolidation.

Outlook

Economic indicators continue to be contradictory, however, there are no signs of an economic recovery across the board. By contrast, the GESCO Group's optimistic outlook for financial year 2003/2004 has been confirmed by developments in the first quarter of the year. Following the reticence to buy on the part of customers experienced last year, the Group companies are now recording a higher number of enquiries and greater willingness to award contracts. GESCO is therefore confident that it will achieve its targets for the year as a whole. The targets presented at the balance sheet press conference, which was held on 26 June 2003, include Group sales of EUR 166 million and Group net income of EUR 3.2 million.

Following the end of the reporting period, on 30 July 2003 the Annual General Meeting of GESCO AG resolved payment of a dividend of EUR 0.50 per share for financial year 2002/2003. The distribution took place on 31 July 2003.

Yours sincerely

GESCO AG

The Executive Board

Wuppertal, August 2003

GESCO Group - Profit and Loss Account

| | 01.04.2003 -30.06.2003 EUR | 01.04.2002 -30.06.2002 EUR |
|--|----------------------------------|----------------------------------|
| Sales Revenues | 39,870,782 | 36,680,968 |
| Change in stocks of finished and unfinished products | 2,807,143 | 2,319,377 |
| Other company produced additions to assets | 12,287 | 57,600 |
| Other operating income | 315,958 | 432,634 |
| Total performance | 43,006,170 | 39,490,579 |
| Expenditure on materials | -20,586,816 | -20,075,338 |
| Personnel expenditure | -14,050,744 | -11,625,643 |
| Other operating expenditure | -4,661,068 | -4,182,113 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 3,707,542 | 3,607,485 |
| Depreciation on tangible and intangible assets | -1,845,426 | -1,551,201 |
| Earnings before interest and tax (EBIT) | 1,862,116 | 2,056,284 |
| Earnings from investments in associated companies | 147,345 | -37,228 |
| Earnings from lending the Group's financial assets | 0 | 11,516 |
| Other interest and similar income | 128,041 | 78,629 |
| Interest and similar expenditure | -539,792 | -555,870 |
| Financial result | -264,406 | -502,953 |
| Earnings before tax (EBT) | 1,597,710 | 1,553,331 |
| Taxes on income and earnings | -674,186 | -603,887 |
| Earnings after tax | 923,524 | 949,444 |
| Share of the profit attributable to minority interests | -137,148 | -247,735 |
| Group net income | 786,376 | 701,709 |
| Earnings per Share (EUR) | 0.33 | 0.28 |

**GESCO Group balance sheet as at 30 June 2003
and 31 March 2003 under IFRS**

| | 30.06.2003 | 31.03.2003 |
|---|--------------------|--------------------|
| | EUR | EUR |
| Assets | | |
| A. Fixed Assets | | |
| I. Intangible Assets | | |
| 1. Industrial property rights and similar right and assets as well as licenses to such rights and assets | 620,703 | 693,286 |
| 2. Goodwill | 12,294,634 | 12,483,600 |
| 3. Prepayments made | 48,392 | 48,392 |
| 4. Negative difference | -535,031 | -539,728 |
| | 12,428,698 | 12,685,550 |
| II. Tangible Assets | | |
| 1. Land and building | 23,830,170 | 24,073,097 |
| 2. Technical plant and machinery | 11,132,520 | 11,963,421 |
| 3. Other plant, fixtures and fittings | 10,995,887 | 10,804,306 |
| 4. Prepayments made and plant under construction | 262,230 | 134,627 |
| 5. Property held as financial investments | 6,287,486 | 6,373,203 |
| | 52,508,293 | 53,348,654 |
| III. Financial Assets | | |
| 1. Shares in affiliated companies | 1 | 1 |
| 2. Investments in associated companies | 807,664 | 1,005,063 |
| 3. Investments | 239,076 | 238,124 |
| 4. Securities held as fixed assets | 2,080,923 | 2,449,240 |
| | 3,127,664 | 3,692,428 |
| | 68,064,655 | 69,726,632 |
| B. Current Assets | | |
| I. Stocks | | |
| 1. Raw materials and supplies | 7,632,955 | 8,019,211 |
| 2. Unfinished goods, unfinished services | 11,199,424 | 7,870,615 |
| 3. Finished products and goods | 11,683,455 | 11,570,394 |
| 4. Prepayments made | 398,880 | 328,799 |
| | 30,914,714 | 27,789,019 |
| II. Receivables and other Assets | | |
| 1. Trade receivables | 23,447,887 | 21,689,068 |
| 2. Claims on affiliated companies | 514,110 | 811,283 |
| 3. Claims on companies with which a shareholding relationship exists | 1,125,202 | 1,162,734 |
| 4. Other Assets | 5,139,922 | 6,364,026 |
| | 30,227,121 | 30,027,111 |
| III. Securities | 25,170 | 25,170 |
| IV. Cash in hand, credit balances with the Bundesbank, credit balances with financial institutions and cheques | 11,306,689 | 8,646,593 |
| | 72,473,694 | 66,487,893 |
| C. Prepaid expenses | 338,530 | 116,832 |
| D. Deferred taxes | 2,155,427 | 2,184,018 |
| | 143,032,306 | 138,515,375 |

| | 30.06.2003 EUR | 31.03.2003 EUR |
|--|--------------------|--------------------|
| Liabilities | | |
| A. Shareholders' Capital | | |
| I. Shareholders' Capital | 6,500,000 | 6,500,000 |
| II. Capital reserves | 21,142,226 | 21,142,226 |
| III. Revenue reserves | 2,754,227 | 1,967,851 |
| IV. Own shares | -954,999 | -954,999 |
| V. Revaluation IAS 39 | -1,827,358 | -1,459,041 |
| | 27,614,096 | 27,196,037 |
| VI. Minority interests | 1,972,941 | 2,248,449 |
| | 29,587,037 | 29,444,486 |
| B. Provisions | | |
| 1. Provisions for pensions | 8,355,805 | 8,256,215 |
| 2. Other provisions | 6,155,605 | 5,452,325 |
| | 14,511,410 | 13,708,540 |
| C. Liabilities | | |
| 1. Liabilities to financial institutions | 65,766,711 | 65,346,542 |
| 2. Trade creditors | 7,580,810 | 6,359,252 |
| 3. Prepayments received on orders | 3,752,338 | 2,849,626 |
| 4. Liabilities from accepting bills drawn | 2,507,556 | 960,574 |
| 5. Liabilities to companies with which a shareholding relationship exists | 231,306 | 264,334 |
| 6. Other liabilities | 15,664,771 | 16,146,651 |
| | 95,503,492 | 91,926,979 |
| D. Prepaid income | 716 | 716 |
| E. Deferred taxes | 3,429.651 | 3,434.654 |
| | 143.032.306 | 138.515.375 |

Segment reporting by the GESCO Group for the period 1 April 2003 to 30 June 2003 under IFRS

| EUR'000 | Tool manufacture and mechanical engineering | | Plastics technology | | New Techn |
|--|--|-----------|------------------------|-----------|--------------|
| | 2003/2004 | 2002/2003 | 2003/2004 | 2002/2003 | 2003/2004 |
| Incoming orders | 33,181 | 24,929 | 6,711 | 10,041 | - |
| Sales revenues | 33,222 | 27,107 | 6,561 | 9,473 | - |
| of which with other segments | 0 | 0 | 0 | 0 | - |
| EBIT | 2,304 | 2,086 | 409 | 682 | - |
| EBITDA | 3,414 | 3,078 | 806 | 1,107 | - |
| Financial results | -269 | -209 | -41 | -154 | - |
| of which income from associated companies | 0 | 0 | 96 | 0 | - |
| Depreciation | 1,110 | 992 | 397 | 425 | - |
| of which unscheduled | 0 | 0 | 0 | 0 | - |
| of which on goodwill | 0 | 0 | 0 | 0 | - |
| Segment assets | 86,374 | 86,122 | 23,654 | 22,848 | - |
| of which shares in consolidated companies | 0 | 0 | 313 | 290 | - |
| Segment assets | 33,716 | 39,650 | 5,528 | 6,979 | - |
| Investments | 516 | 437 | 113 | 1,012 | - |
| Employees (No.) | 963 | 907 | 220 | 236 | - |

¹⁾ The Segment New Technologies discontinued as at 31.03.2003.

Changes in the shareholders' equity of the GESCO Group for the period 1 April 2003 to 30 June 2003 under IFRS

| EUR'000 | Subscribed capital | Capital reserves | Revenue reserves |
|--|-----------------------|---------------------|---------------------|
| As at 01.04.2002 | 6,500 | 21,142 | 6,973 |
| Revaluation of securities not impacting on income | | | |
| Acquisition of own shares | | | |
| Disposal of own shares | | | |
| Dividends | | | |
| Other neutral changes | | | |
| Results for the period | | | 702 |
| As at 30.06.2002 | 6,500 | 21,142 | 7,675 |
| As at 01.04.2003 | 6,500 | 21,142 | 1,968 |
| Revaluation of securities not impacting on income | | | |
| Acquisition of own shares | | | |
| Disposal of own shares | | | |
| Dividends | | | |
| Other neutral changes | | | |
| Results for the period | | | 786 |
| As at 30.06.2003 | 6,500 | 21,142 | 2,754 |

| w ogies ¹⁾ | GESCO AG | | Others/ Consolidation | | Group | | |
|--------------------------|-----------|-----------|--------------------------|-----------|-----------|-----------|-----------|
| | 2002/2003 | 2003/2004 | 2002/2003 | 2003/2004 | 2002/2003 | 2003/2004 | 2002/2003 |
| | 0 | 0 | 0 | 85 | 101 | 39,977 | 35,071 |
| | 0 | 0 | 0 | 88 | 101 | 39,871 | 36,681 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | -53 | -896 | -654 | 45 | -5 | 1,862 | 2,056 |
| | -53 | -601 | -573 | 88 | 48 | 3,707 | 3,607 |
| | -84 | 24 | -68 | 22 | 12 | -264 | -503 |
| | -32 | 0 | 0 | 51 | -5 | 147 | -37 |
| | 0 | 295 | 81 | 43 | 53 | 1,845 | 1,551 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 268 | 54 | 0 | 0 | 268 | 54 |
| | 5,517 | 22,263 | 18,605 | 10,741 | 18,607 | 143,032 | 151,699 |
| | 112 | 0 | 0 | 495 | 893 | 808 | 1,295 |
| | 257 | 3,727 | 3,593 | 70,474 | 64,901 | 113,445 | 115,380 |
| | 0 | 96 | 0 | 18 | 8 | 743 | 1,457 |
| | 0 | 10 | 10 | 0 | 0 | 1,193 | 1,153 |

| Own Shares | Revaluation IAS 39 | Shareholders' capital | Minority interests | Total |
|---------------|-----------------------|--------------------------|-----------------------|--------|
| -324 | 0 | 34,291 | 1,815 | 36,106 |
| | -347 | -347 | | -347 |
| -148 | | -148 | | -148 |
| 118 | | 118 | | 118 |
| | | 0 | | 0 |
| | | | -359 | -359 |
| | | 702 | 248 | 950 |
| -354 | -347 | 34,616 | 1,704 | 36.320 |
| -955 | -1,459 | 27,196 | 2,248 | 29,444 |
| | -368 | -368 | | -368 |
| | | 0 | | 0 |
| | | 0 | | 0 |
| | | 0 | | 0 |
| | | 0 | -412 | -412 |
| | | 786 | 137 | 923 |
| -955 | -1,827 | 27,614 | 1,973 | 29,587 |

**GESCO Group cash flow statement for the period
1 April 2003 to 30 June 2003 under IFRS**

| | 01.04.2003 -30.06.2003 EUR'000 | 01.04.2002 -30.06.2002 EUR'000 |
|---|--------------------------------------|--------------------------------------|
| Group net income for the period (including share of income attributable to minority interests) | 924 | 949 |
| Depreciation on fixed assets | 1,845 | 1,551 |
| Earnings on investments in associated companies | -147 | 37 |
| Increase in long term provisions | 100 | 111 |
| Other non-cash income | -6 | -303 |
| Cash Flow of the period | 2,716 | 2,345 |
| Increase in stocks, trade receivables and other assets | -3,174 | -3,179 |
| Increase in trade creditors and other liabilities | 3,717 | 2,938 |
| Cash Flow from ongoing business activity | 3,259 | 2,104 |
| Disbursements for investments in tangible assets | -725 | -1,537 |
| Disbursements for investments in intangible assets | -18 | 0 |
| Disbursements for investments in financial assets | -1 | -85 |
| Incoming payments from the sale of consolidated companies | 0 | 650 |
| Disbursements for the acquisition of consolidated companies | 0 | -4,929 |
| Cash Flow from investment activities | -744 | -5,901 |
| Incoming payments from shareholders | 0 | 123 |
| Disbursements for the acquisition of own shares | 0 | -149 |
| Incoming payments from the sale of own shares | 0 | 118 |
| Disbursements to minority shareholders | -275 | -184 |
| Incoming payments from raising loans | 420 | 5,598 |
| Cash Flow from funding activity | 145 | 5,506 |
| Real change in financial means | 2,660 | 1,709 |
| Financial means as on 01.04. | 8,672 | 7,006 |
| Financial means as on 30.06. | 11,332 | 8,715 |

Accounts, accounting and valuation methods

The GESCO Group's Interim Report for the first quarter (01.04.-30.06.2003) of financial year 2003/2004 was prepared in accordance with the International Financial Reporting Standards (IFRS) pursuant to the statements by the International Accounting Standards Board IASB. All the relevant International Accounting Standards (IAS) have been applied, taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The 2002 version of the statements has been applied.

In principle, the accounting and valuation methods correspond to those used for the consolidated financial statements as at 31.03.2003. For liabilities denominated in foreign currencies, the valuation approach of the annual financial statements has been applied.

The presentation of the comparable figures for the previous year has been adjusted so as to facilitate comparison.

Financial calendar

November 2003

Announcement of figures for the first half year (01.04.-30.09.2003) and despatch of the interim report

February 2004

Announcement of figures for the first nine months (01.04.-31.12.2003)

24 June 2004

Annual Accounts Press Conference and Analysts' Meeting

August 2004

Announcement of figures for the first quarter (01.04.-30.06.2004)

9 September 2004

Annual General Meeting in the Stadthalle, Wuppertal

November 2004

Announcement of figures for the first half year (01.04.-30.09.2004) and despatch of interim report



**Tradition
Innovation
Vision**

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