

**Power unlimited**

First Quarter Report 2003



# At a Glance

## Key Figures for the CEAG Group

		1-3/2003	1-3/2002
CEAG Revenue	in millions of EUR	<b>40.1</b>	<b>49.3</b>
FMP Revenue	in millions of EUR	30.4	37.8
FPS Revenue	in millions of EUR	9.7	11.5
CEAG EBIT	in millions of EUR	0.5	-0.7
Operating margin EBIT	in %	1.3	-1.4
FMP EBIT	in thousands of EUR	625	-280
FPS EBIT	in thousands of EUR	-94	-413
Net profit (prior year: net loss)	in millions of EUR	0.2	-0,4
Capital expenditure	in millions of EUR	2.4	1.2
Employees (as of March 31, 2003)		<b>7,685</b>	<b>8,109</b>
Germany		254	423
Abroad		7,431	7,686
Earnings per share	EUR	0.02	-0.05

# Contents

## 4 First Quarter

Market Development  
Performance of the Company  
Unit Sales  
Revenue  
EBIT  
Capital Expenditure  
Employees  
Outlook

## 6 CEAG AG's Share

## 7 CEAG Group Quarterly Financial Statements

---

### Corporate Calender 2003

Fiscal year	January 1 – December 31
First quarter report	May 15, 2003
Annual shareholders' meeting	May 20, 2003, 14:00 (Kurhaus, Bad Homburg v.d.H.)
Semi-annual report	August 14, 2003
Third quarter report	November 13, 2003

---

### Addresses

#### CEAG AG

Headquarters: Bad Homburg v.d.H.

#### Business address

Von-Liebig-Straße 11  
D-48346 Ostbevern, Germany  
Tel.: +49 (0) 25 32 - 81 -111  
Fax: +49 (0) 25 32 - 81 -129  
info.ceag@friwo.de  
Internet:  
<http://www.ceag-ag.com>

#### Public Relations/Investor Relations

Ms. Gudrun Richter  
Tel.: +49 (0) 25 32 - 81 -158  
Fax: +49 (0) 25 32 - 81 -129  
richter@friwo.de

#### WKN 620 110

ISIN DE 0006201106

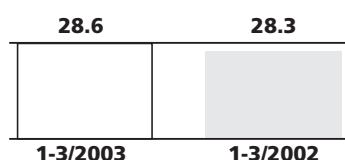
#### CEA

CEAG AG, Bad Homburg v.d.H

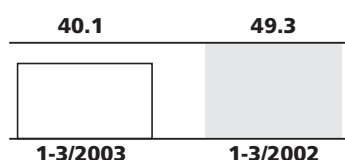
The annual report is also available in German.

# First Quarter

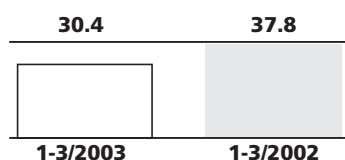
## Sales in millions of units



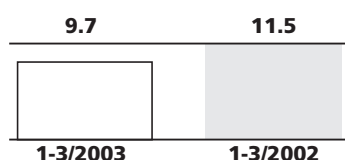
## Group revenue in millions of EUR



## FMP revenue in millions of EUR



## FPS revenue in millions of EUR



## Market Development

The general situation on the market continued to be affected by the ailing economy in the first quarter of the new year.

## Performance of the Company

### Unit Sales

In the first quarter of 2003, CEAG achieved total unit sales of 28.6 million FRIWO power supplies and chargers, almost 1% more than in the equivalent prior-year quarter (28.3 million units).

In the FRIWO Mobile Power (FMP) business unit, which has our core business of mobile telephone chargers, sales rose by 1.6% from 26.6 million in the prior year to some 27 million units.

In the FRIWO Power Solutions (FPS) business unit, 1.6 million FRIWO power supplies and chargers were sold in the period under review. This was almost 5% lower than sales in the equivalent prior-year quarter.

### Revenue

At EUR 40.1 million, consolidated revenue was almost 19% down on the prior-year period (EUR 49.3 million); 17 percentage points of this change is due to currency effects. Revenue breaks down between the two business units as described below.

The FMP business unit's revenues for the quarter dropped by EUR 7.4 million in comparison to the prior-year period, totaling EUR 30.5 million (prior year: EUR 37.8 million). This drop is solely due to currency effects. The FPS business unit generated revenue of EUR 9.7 million, which was EUR 1.9 million or 16% lower than in the prior-year quarter (EUR 11.6 million). Net of currency effects, the decrease in revenue was 10%.

## EBIT

Despite the fall in revenue, CEAG closed the first quarter of 2003 with positive consolidated EBIT of more than EUR 0.5 million. This is due to the steps taken in 2002 to lower the breakeven point and the cost management project carried out across the entire Group. In the first quarter of the prior year, the Company incurred a loss of EUR 0.7 million. Earnings before tax for the first quarter of 2003, however, stand at EUR 0.2 million.

Cash flow from operating activities in the first quarter (-EUR 3.0 million) was affected by utilization of provisions (EUR 1.4 million) and higher expenses for import VAT (EUR 1.8 million). The import VAT item will cancel itself out in the course of the year. As planned, capital expenditure exceeded amortization and depreciation by EUR 0.5 million.

## Capital Expenditure

In the first quarter of the current fiscal year, CEAG invested EUR 2.4 million in non-current assets (prior year: EUR 1.2 million). About EUR 2.0 million was channeled into the FMP business unit and EUR 0.4 million into the FPS business unit.

## Employees

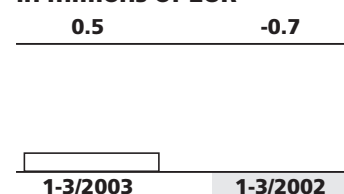
Out of the 7,685 staff (prior year: 8,109) employed by the Group as of March 31, 2003, 254 were employed in Germany (prior year: 423).

## Outlook

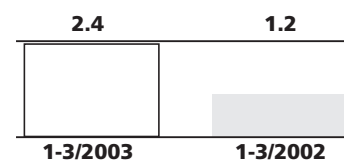
CEAG expects to be clearly in the black in 2003, backed up by the Group's strategic realignment, the significant decrease in the breakeven point and the continuation of the cost-cutting program.

The positive forecasts made by leading mobile telephone manufacturers present opportunities, while the volatile currency markets, SARS and economic uncertainty pose risks. A good deal of project work and an encouraging level of orders support the positive forecast for the second half of the year in the FPS business unit.

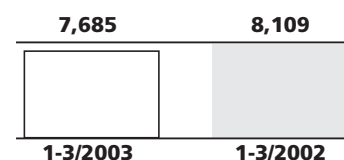
## EBIT in millions of EUR



## Capital expenditure in millions of EUR



## Total employees

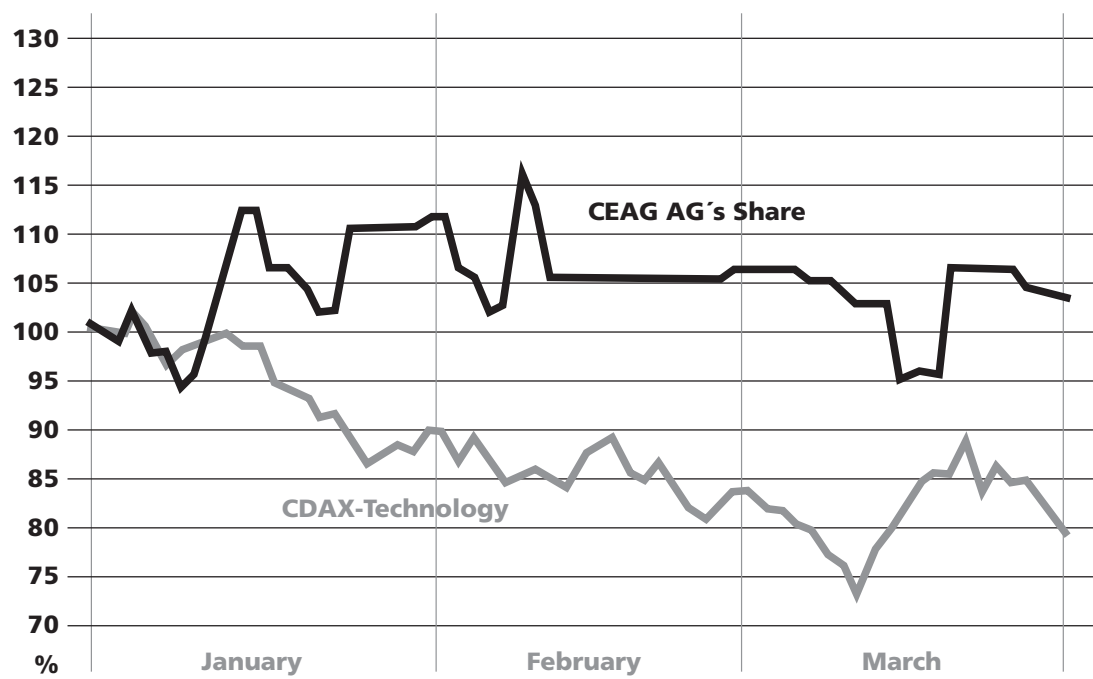


# CEAG AG's Share

## CEAG AG's Share

CEAG AG's Share

The CEAG share started 2003 at a price of EUR 4.80, reached a high of EUR 5.49 on February 10, 2003, and was listed at EUR 4.85 at the end of the quarter on March 31.



# CEAG Group

## Quarterly Financial Statements

### Consolidated Balance Sheet of CEAG AG as of March 31, 2003

#### Assets

In thousands of EUR	Mar. 31, 2003	Mar. 31, 2002
<b>Non-current assets</b>		
Goodwill	221	239
Other intangible assets	998	1,039
Property, plant and equipment	17,115	16,797
Financial assets	5	5
	<b>18,339</b>	<b>18,080</b>
Deferred taxes	97	101
<b>Current assets</b>		
Inventories	33,334	37,812
Trade receivables	21,782	21,793
Other assets	9,652	7,671
Prepaid expenses	207	222
Cash and cash equivalents	2,981	1,102
	<b>67,956</b>	<b>68,600</b>
<b>Total assets</b>	<b>86,392</b>	<b>86,781</b>

# CEAG Group

## Quarterly Financial Statements

### Consolidated Balance Sheet of CEAG AG as of March 31, 2003

#### Equity and liabilities

In thousands of EUR	Mar. 31, 2003	Mar. 31, 2002
<b>Equity</b>		
Subscribed capital	20,020	20,020
Capital reserve	993	15,440
Revenue reserves		12,181
Consolidated net profit (prior year: consolidated net loss)	181	-25,064
	<b>21,194</b>	<b>22,577</b>
<b>Debt</b>		
<b>Non-current debt</b>		
Provisions for pensions and similar obligations	2,152	2,118
Other non-current provisions	663	725
Deferred taxes	141	147
	<b>2,956</b>	<b>2,990</b>
<b>Current debt</b>		
Provisions for taxes	527	527
Other current provisions	3,448	4,923
Current financial liabilities	29,039	21,966
Trade payables	21,561	27,289
Other liabilities	7,667	6,509
	<b>62,242</b>	<b>61,214</b>
	<b>65,198</b>	<b>64,204</b>
<b>Total equity and liabilities</b>	<b>86,392</b>	<b>86,781</b>



## Consolidated Income Statement of CEAG AG as of March 31, 2003

In thousands of EUR	1-3/2003	1-3/2002
<b>Revenue</b>	<b>40,113</b>	<b>49,346</b>
Cost of sales	-34,673	-42,196
<b>Gross profit</b>	<b>5,440</b>	<b>7,150</b>
Research costs	-172	
Selling expenses	-2,413	-3,591
General administrative expenses	-2,300	-4,168
Other operating income	734	836
Other operating expenses	-758	-920
<b>Profit/loss from operations</b>	<b>531</b>	<b>-693</b>
<b>Financial result</b>	<b>-345</b>	<b>-304</b>
<b>Earnings before income taxes</b>	<b>186</b>	<b>-997</b>
Income taxes	-5	647
<b>Consolidated net profit (prior year: consolidated net loss)</b>	<b>181</b>	<b>-350</b>
<b>Earnings per share (EUR)</b>	<b>0.02</b>	<b>-0.05</b>

## Statement of Changes in Equity for the CEAG Group

In thousands of EUR	1-3/2003	1-3/2002
Consolidated equity as of January 1	<b>22,577</b>	<b>53,586</b>
Consolidated net profit (prior year: consolidated net loss)	181	-350
Currency translation differences	-1,564	438
<b>Consolidated equity as of March 31</b>	<b>21,194</b>	<b>53,674</b>

# CEAG Group

## Quarterly Financial Statements

The present report of the CEAG Group for the first quarter of 2003 complies with the International Accounting Standard 34. The same accounting and valuation principles are applied as used for preparation of the consolidated financial statements for 2002.

### Segment Report

By business segment in thousands of EUR	FMP	FPS	Group
<b>1 - 3/2003</b>			
External sales	30,420	9,693	40,113
Segment result (EBIT)	625	-94	531
<b>1 - 3/2002</b>			
External sales	37,796	11,550	49,346
Segment result (EBIT)	-280	-413	-693

### Cash Flow Statement of the CEAG Group

In thousands of EUR	1-3/2003	1-3/2002
Earnings before income taxes	186	-997
Depreciation of non-current assets	1,444	1,323
Change in provisions	-1,503	-398
Change in inventories	4,478	1,987
Change in trade receivables and other assets that cannot be allocated to investing or financing activities	-1,955	6,164
Change in trade payables and other liabilities that cannot be allocated to investing or financing activities	-4,570	-13,765
Income taxes paid	-7	-134
Other non-cash expenses and income	-1,085	267
<b>Cash flow from operating activities</b>	<b>-3,012</b>	<b>-5,553</b>
Cash received from disposals of property, plant and equipment/intangible assets	231	197
Cash paid for investments in property, plant and equipment/intangible assets/financial assets	-2,413	-1,231
<b>Cash flow from investing activities</b>	<b>-2,182</b>	<b>-1,034</b>
Change in financial liabilities	7,073	5,087
<b>Cash flow from financing activities</b>	<b>7,073</b>	<b>5,087</b>
<b>Net change in cash and cash equivalents</b>	<b>1,879</b>	<b>-1,500</b>
Cash and cash equivalents at beginning of fiscal year	1,102	4,593
<b>Cash and cash equivalents at end of quarter</b>	<b>2,981</b>	<b>3,093</b>