

Consolidated numbers (in € millions)	2001	2002	2003	2004
Balance sheet total	70.5	67.1	63.6	75.7
Equity	5.2	16.0	16.4	25.1
Sales revenues	119.7	106.8	116.7	123.5
EBIT	-1.0	13.7	3.8	7.3
EBITDA	3.7	17.7	7.9	11.5
Result of ordinary business activities	-4.0	11.2	2.0	6.2
Cash flow	-0.8	13.6	4.0	8.0
Profit/loss for the year	-5.6	9.6	-0.1	3.8
Investments in fixed assets	5.6	3.3	3.2	6.3
Depreciation of fixed assets	4.3	3.8	3.7	3.4
Personnel (employees)	823	731	764	779
Share figures (in €)	2001	2002	2003	2004
Dividend	0.0	0.0	0.0	0.0*
Result (DVFA/SG)	-11.8	0.2	-1.18	4.4
Cash flow (DVFA/SG)	-1.7	6.4	6.5	10.1
Number of shares issued (No.)	450,000	450,000	539,997	800,000

* Suggested by Supervisory Board and Management Board

MDB AG		
Hausprofi Group	DIMEX Group	MDB France Group
HAUSprofi Bausysteme GmbH Freudenstadt	DIMEX GmbH Nehren	PANAGET Bourgarré France
HOME pro France S.A.R.L. Hoerd France	DIMEX ACCORD PROFILE GMBH Alkoven Austria	Armor Panneaux La Chapelle-Caro France
HOMEpro Benelux B.V. Woerden The Netherlands	DIMEX (Taicang) window profile Co., Ltd. Taicang P.R. China	Chêne de l'Orne Bellême France
UNI-Bausysteme GmbH Ansfelden Austria	DIMEX profil system s.r.o. Blovice Czech Republic	
Hausprofi-Hungaria Kft. Mosonmagyaróvár Hungary	DIMEX Polska Sp. zo.o. Torun Poland	
HPI-CZ spol. s.r.o. Hradec Králové Czech Republic		
MAGE-SK s.r.o. Šal'a Slovakia		
MAGE-POLSKA Sp. zo.o. Warsaw Poland		

Companies without operating business are not shown in the diagram

As at May 2005

Status report for the AG and the Group for the 2004 business year

Statement on corporate development

Market development

The building industry has been in recession for ten consecutive years. No industrial sector in Germany ever had to cope with such a situation.

The hopes of the German building industry were again not fulfilled in 2004. Thus, about 60 % of the market participants assumed a consolidation, if not even a slight improvement of the market development.

These expectations were not met. The total sales decreased by 5.5 % as against the previous year with a decline of -5 % in the old and -6.5 % in the new German states.

While domestic building was at -3 % in the old and -5 % in the new German states, the drop in public buildings was -6 % in the old and -8 % in the new German states.

The reason for this repeated drop is easily found.

Despite historically low interest there are still high overcapacities, especially in office real estate. The low growth rates of the gross domestic product do not give impulses.

In fact, in 2003 and 2004 the discussion about the owner-occupied home premium caused advanced effects in the beginning and therefore a seemingly but not lasting stabilisation.

An important aspect are the far-reaching structural economical changes in the Federal Republic of Germany. Thus, office relocations to foreign countries already cause a decrease of -7 % in demand of construction works in non-residential buildings.

Thus, we can say that the sales in Germany decreased by about 20 % since the year 2000 and by approximately 30 % since 1995.

Both, in our Western and Eastern European markets a consolidation is taking place. Especially the German suppliers present themselves on a high level in these markets, leading with an increasingly degree of saturation to overcapacities and therefore to a beginning price decline.

Corporate development AG

For the first time since 1999 a significantly positive result before and after tax was earned.

This results from cost allocations, interest income and reversal of accruals.

Due to the remedy clause in the purchase agreement of the DIMEX-shares, provisions in the total amount of € 2.4 million were made during the years 2002 and 2003.

These shares were repurchased until the end of the year 2004 without reversing the provisions.

Through the proportionately effective transfer of the shares, provisions in the amount of € 1.3 million were reversed with a positive result in the AG and the Group.

As in the previous year the AG has bridged a liquidity squeeze during the first quarter of 2004, especially at HAUSprofi Bausysteme GmbH.

The cash receipts from the capital increase in December 2004 amount to € 2.2 million and serve especially the financing of the Group's internal growth.

Status report for the AG and the Group for the 2004 business year

While the other operating expenses are approximately € 300,000 below the previous year level – in 2003 we had to make additional provisions to cover the payment obligation for DIMEX – the personnel costs have increased due to a new employee.

The equity increased from € 16.4 to € 22.6 million due to the capital increases and the positive result. The equity quota increased to 88%.

The remaining bank liabilities from 2003 were repaid according to contract with the last purchase price payment of € 1.3 million from the sale of Franken Plastik GmbH. Thus, the banking pool of the AG expired.

Furthermore, other liabilities exist regarding unsettled purchase price commitments towards Otto Wolff Industrieberatung und Beteiligungen GmbH and Rettenmaier GmbH from the repurchase of DIMEX shares in the total amount of € 1.2 million.

In order to be able to pay a dividend the retained earnings in the amount of € 7.6 million were settled with the net loss in the amount of € 8.5 million. Therefore the current loss carried forward amounts to only € 763,000.

Share price

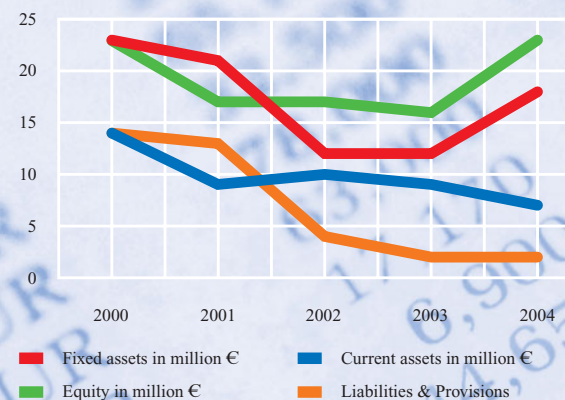
Due to our positive business development, the share price increased from € 9.90 to € 24.50 with even a peak value in December 2004 of € 33 at the Frankfurt stock exchange.

At still lower sales during the first three months in 2005 the share price has settled down at approximately € 27. Therefore the stock exchange capitalisation was at about € 22 million in the first quarter.

Our last capital increase was carried by widespread shareholdings to a large extent. According to our estimation the current widely held stock is at approximately 25% and thus, in our opinion still too low.

Future appealing capital measures in the next years are to contribute in winning a higher number of potential shareholders for our company.

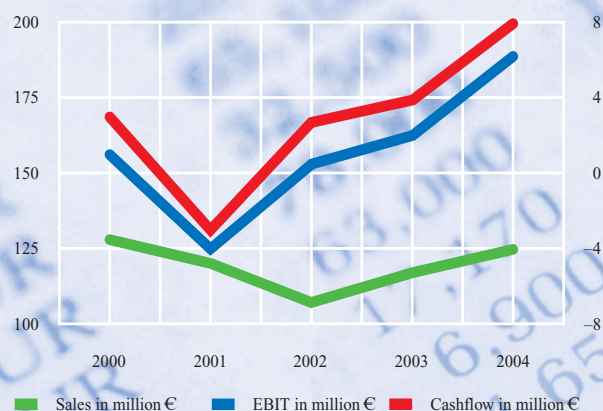
Balance sheet development of MDB AG



Share price development as of January 2004



Sales and earnings development of the MDB Group*



* without earnings from sales of participations

Status report for the AG and the Group for the 2004 business year

Consolidated corporate development

For 2004 the consolidated annual balance sheet of the Group was generated according to the guidelines of the HGB (Handelsgesetzbuch/German Commercial Code) for the last time. Due to a change in law the annual report for 2005 will be generated in accordance with IFRS (International Financial Reporting Standards) for the first time. The annual values of 2004 will have to be adjusted accordingly.

Altogether, the Group sales in 2004 increased from € 117 to € 124 million of its own accord. Contrary to the previous year the basis of consolidation was not changed.

As in the previous year all three sub-groups increased sales and results. We are glad to report, that all associate companies have gained a positive operative result for the first time.

Thus, the total EBIT increased from € 3.8 million to € 7.3 million and the result after tax before minority interest increased from € -140,000 to € 3.8 million.

While in Germany mainly the results of restructuring measures effected the stabilisation of the Group, the foreign countries delivered growth impulses as in the previous years.

Therefore, as in the previous year, the earned inland sales share is approximately 22% due to a shrinking domestic market demand.

Consolidated balance sheet development

Both, in the AG and the Group the capital measures, the debt-relief and the balance sheet relations have further positively changed due to the results development.

The equity capital increased from € 16 to € 25 million, which means an increase of the Group's equity quota from 25% to 33%.

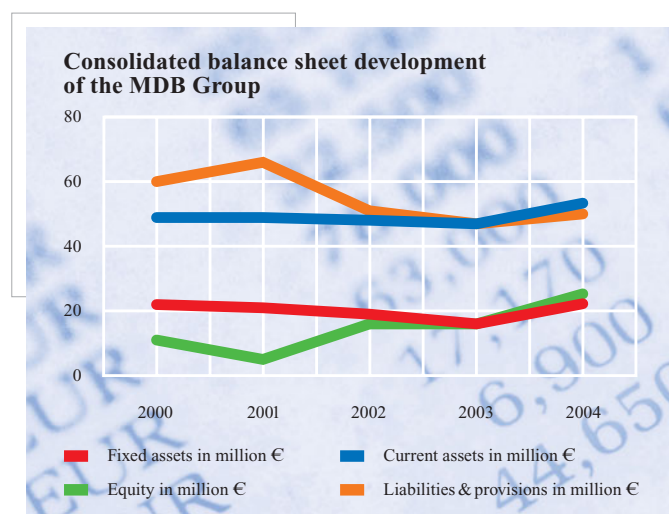
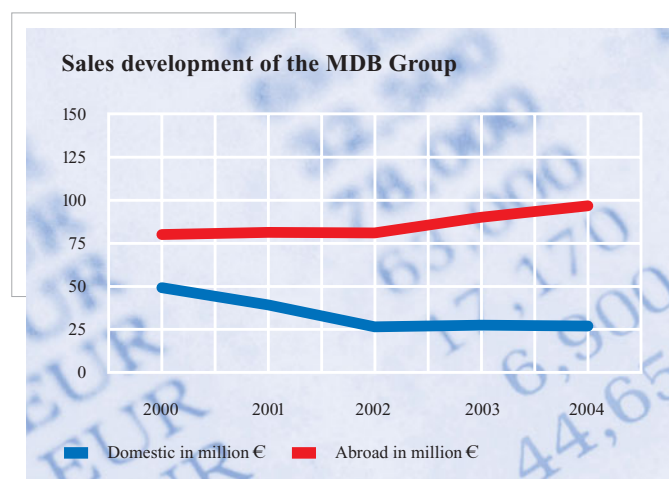
Investments

Our main investment focus during the business year 2004 was both, at home and abroad. For the first time we have again invested in replacement and capacity increase likewise. Thus, we have invested in a new profile system line at the DIMEX-Group and in a new production site at MDB France.

Contrary to the previous years the investments of € 6.3 million in fixed assets were nearly double the depreciations of € 3.4 million.

Employees

Altogether, the headcount in the Group has increased only slightly from 764 to 779.



Status report for the AG and the Group for the 2004 business year

The structures within the sub-groups have shifted slightly through capacity adjustments.

Thus, the headcount of the Hausprofi-Group per 31st December 2004 was 198 compared to 205 in the previous year. The headcount at the DIMEX-Group slightly increased to 279 and at MDB France the headcount increased from 268 to 298 due to the new production site in Redon. As in the previous year there are four employees at the Holding company.

Associated companies

For the third consecutive year our three sub-groups gained continuous sales growth.

This effect is sustained by the positive impulses from abroad. However, we also register positive business trends in Germany and already recognize a decoupling from the market development. The high attractiveness of our product range and the high commitment of the associate companies are to an increasing degree an advantage in competition.

The highest result of € 3 million before tax (EBT) was delivered by the MDB France-Group, followed by Hausprofi and DIMEX.

HAUSprofi Bausysteme GmbH

At € +128,00 the company has gained a positive EBIT after four years.

The result before tax is still negative, however, by approximately € 1.2 million higher than in the previous year. Besides the mere operative improvement of about € 850,000 these costs reduced by € 330,000 due to lower interest rates.

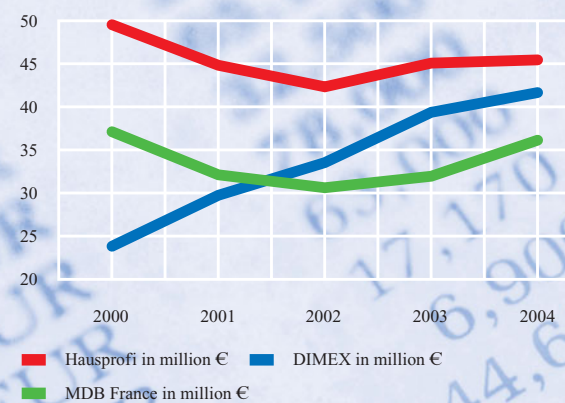
Sales and earnings development 2004/2003*

Divisions	Sales in € '000		Pretax earnings in € '000	
	2004	2003	2004	2003
Hausprofi Group	45,519	45,137	1,569	490
DIMEX Group	41,718	39,463	939	293
MDB France Group	36,237	32,013	3,794	2,598
Total amounts	123,474	116,613	6,302	3,381

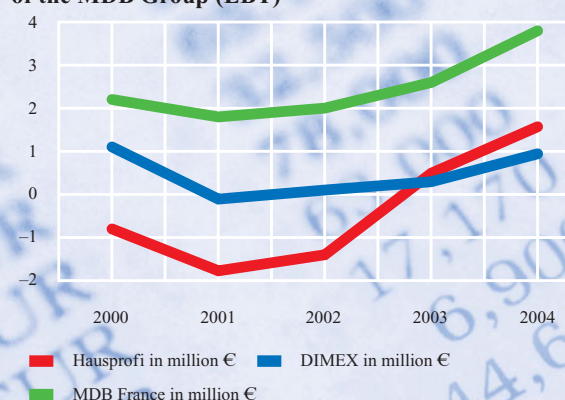
*without MDB AG

The basic credit lines of the banking pool were renegotiated in 2004. Due to the improved situation of the company the credit institutions have prolonged the loans until 31st December 2005 and retained the granted reduction of interest rates under the condition of annual minimum back payments and development of the company according to plan.

Consolidated sales development of the MDB Group



Consolidated earnings development of the MDB Group (EBT)



Status report for the AG and the Group for the 2004 business year

The increase of the result was gained despite an again by € 1 million lower previous years' sale, which was more than a total of € 17 million.

The situation of the company has further stabilised by many individual measures. Thus, not only the consumer acceptance was improved, but also the average costs were reduced by improvement of delivery accuracy and reduction of the error ratio.

The new structurally adjusted internal procedures were further improved and thus lead to additional cost reductions as planned.

Further new customer groups were acquired, which will lead to a consolidation of the domestic market middle-term.

Likewise, our Hausprofi associated companies in Western and Eastern Europe are developing positively.

Although the best margins are still reached in the Eastern European markets, a lasting trend towards saturation of consumption is showing. We have met these trends in the past with product innovation and acquisition of related business segments.

DIMEX GmbH

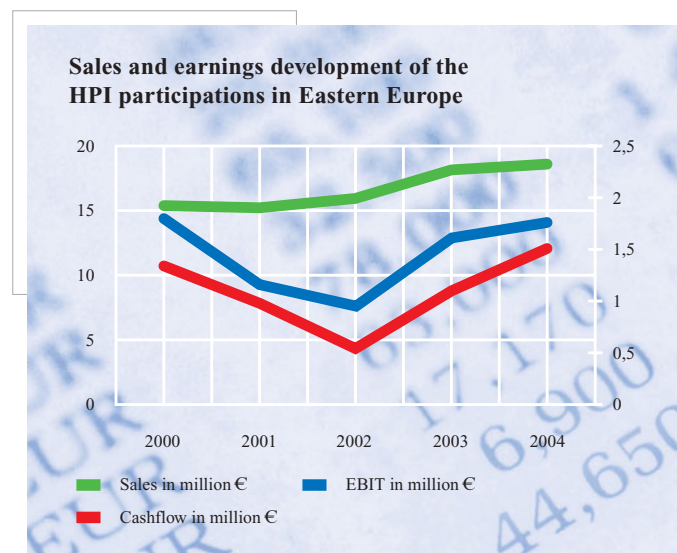
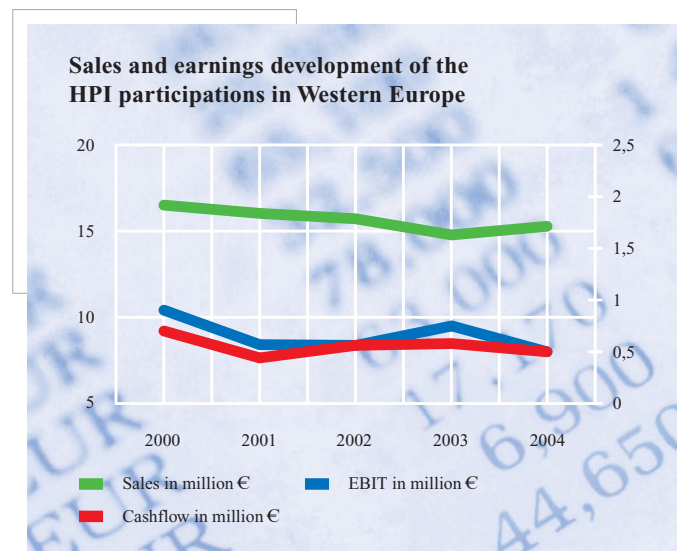
The company and its associate companies have suffered like no other company in the MDB-Group from a strong increase in raw material prices. Thus the PVC-prices increased by more than 30%, steel by more than 50% and the electricity costs by approximately 10%. Despite increasing the sales prices these raises were not compensated significantly.

An additional burden in 2004 and the following years was the merger between the intermediate holding

DIMEX window profile GmbH and the mother company DIMEX GmbH. Though a one-time tax refund of approximately € 158.000 in 2004 was gained by offsetting losses of the previous years, however, this refund is confronted with annual debiting of € 170,000. These costs result from travel expenses, administration costs and interest. Foreign activities of the DIMEX-Group were summarised under the DIMEX window profile GmbH. In the past company law was the reason for the company structure chosen. For the future there are economic considerations, which largely justify this step.

In addition to fixed investments in the amount of € 534,000 the company has made additional lease financing in extruders and tools for more than € 2.5 million.

The company is expanding in Germany despite shrinking markets. Customer-oriented product development, a high



Status report for the AG and the Group for the 2004 business year

degree in service and delivery reliability are the main success factor.

The broad range of products with production locations in the strategically important sites round off this concept.

The increasing factors in material costs will again be the main challenge in 2005.

MDB France Group

PANAGET as well as Armor Panneaux have developed again very positively during the past business year. Thus, PANAGET again increased sales by approximately 15% and the results after tax by nearly 40%.

As the plant was used far above its capacity limit and customer demand was continuously strong, an investment release for a further production site was granted. The new plant is situated in Redon – a region lacking in infrastructure – and at a distance of approximately 45 km to the current production site Bourgbarré.

The investment volume is approximately € 4.5 million, whereof about € 1 million were already used in 2004. The complete start-up of the factory is planned for the second half of 2005. At the new production site mainly customer-oriented orders, especially for the North American area, will be manufactured.

During the last business year Armor Panneaux regained lost markets through a consistent pricing and product policy. Thus, sales were only 6% above the previous year, however, the results more than doubled.

As the activities of the company are limited to a defined business area, it is not planned to expand these capacities, however, to further increase attractiveness through a larger product variety.

Anticipated development in the Group

Due to the long winter and a lot of snow, which for the first time in many years has influenced our business negatively from the West of France to Russia in February and March, our planned targets were not reached. Presently we are gaining up, however, were not able to compensate this shortfall so far.

Furthermore, our financial planning considers high expenditures due to the implementation of the factory in France and capacity increase at DIMEX GmbH, which cannot be compensated during the start-up year.

Thus, a sales increase to approximately € 130 million, however, a reduced result is budgeted. The compensation will be effected in the following years as planned.

Additional cost increasing factors in 2005 will be material costs, which also can influence the result quality.

Risks of the future development

Market risks

As last years' anticipated stimulation in domestic buildings due to advance effects caused by discussions about the owner-occupied home premium did not initiate significant impact, a sales decline of –5% will be expected again in Germany during the current business year.

The amount of completed flats, however, will exceed the previous year level due to the amount of uncompleted flats at the turn of the year 2004 (owner-occupied home premium tax credit).

While the exchange rate development and especially the high dollar rate do not have a significant influence on the

Status report for the AG and the Group for the 2004 business year

business development of the MDB Group, the increasing shortage in raw materials and purchasing costs bear additional risks.

Although pricing pressure decreased during the first quarter we still do not assume a sustained easing of tension regarding purchasing and supply.

Risk management

In the year under review, the management board was informed adequately and quickly about arising risks by regular reports coming from an early risk warning system that has been installed.

Apart from the still tense liquidity situation in HAUSprofi Bausysteme GmbH, no existential risks are to be reported.

Dependency report

For the business year 2004 a dependency report according to § 312 clause 3 AktG (Aktengesetz/German Stock Companies Act) was issued. It is concluded that "our company has received adequate payment regarding any legal transactions, mentioned in the report about relationships with associated companies, which under the circumstances were known to us at the time the legal transactions were made.

No measures were taken or defaulted at Otto Wolff Industrieberatung und Beteiligungen GmbH's and Rettenmaier GmbH's instance as the dominant company by which the MDB AG and the associated companies were disadvantaged against the associated companies of the dominant companies."

Influence on earnings and significant incidents

On 3rd December 2004 a contract regarding the assignment of shares in the amount of 36% of the DIMEX business shares was concluded with Otto Wolff Zwei GmbH.

The assignment will be done in two steps. The first assignment has been made. The purchase price amounts to € 4.997.633. The first tranche in the amount of € 3.820.000 was almost entirely paid in real capital and the amount of € 1.177.633 will be due for payment on 31st December 2005. This amount was accrued accordingly. The second assignment will be made in 2005 until 31st December 2005 latest. A purchase price instalment of € 2.102.367 will be due upon assignment.

Due to the repurchase of the DIMEX business shares an amount of € 1.250.000 was released successfully in the annual report 2004. The second assignment will be made under fulfilment of the contractual condition of payment of a second purchase price instalment. Subsequently the remaining accrual of € 1.100.000 can be reversed.

Upon Supervisory Board decision of 29th November 2004 and the approval of the amendment of the capital increase decision of 10th December 2004 the MDB AG has made a capital increase in December 2004. Altogether, MDB AG has issued 260.003 new shares, whereof 165.871 shares account for real capital increase. The company has received € 2.165.036 and the capital stock has increased from € 539.997 to € 800.000.

Munich, May 2005

The Board of Management



Peter Freiherr von Jungenfeld

Group Balance Sheets at 31 December 2004

Assets	Annex Figure	31. 12. 2004 1000 €	31. 12. 2003 1000 €
A. Fixed assets			
I. Intangible assets	(1)	4,109	1,069
II. Tangible/fixed assets		17,542	15,017
III. Financial assets	(2)	297	237
		21,948	16,323
B. Current assets			
I. Inventories	(3)	23,944	20,359
II. Receivables and other assets	(4)		
1. Trade receivables		18,059	17,887
2. Other receivables and assets		3,196	3,133
		21,255	21,020
III. Securities	(5)	432	15
IV. Cash	(6)	6,679	4,444
		52,310	45,838
C. Deferred expenses		1,434	1,406
Total assets		75,692	63,567

Equities and liabilities	Annex Figure	31. 12. 2004 1000 €	31. 12. 2003 1000 €
A. Equity	(7)		
I. Subscribed capital		800 ^{a)}	540
II. Revenue reserves		0	1,072
III. Retained earnings		22,263	12,351
IV. Currency translation adjustment		-357	-207
V. Minority interest		2,369	2,675
		25,075	16,431
B. Differences arising from the consolidation of capital	(8)	828	828
C. Provisions	(9)		
1. Pension provisions and liabilities		1,237	1,207
2. Tax provisions		57	419
3. Other provisions		4,195	6,642
		5,489	8,268
D. Liabilities	(10)		
1. Liabilities to credit institutions		23,299	24,012
2. Other trade liabilities		8,647	6,512
3. Other liabilities		12,304	7,434
		44,250	37,958
E. Deferred income		50	82
Total equity & liabilities		75,692	63,567

^{a)} € 260,000,- from the capital increase agreed on 29th November 2004;
entered into the commercial register on 17th February 2005.

Consolidated net profits & losses for the period of 1 January–31 December 2004

	Annex Figure	2004 1000 €	2003 1000 €
1. Sales proceeds	(11)	123,509	116,660
2. Increase/decrease in stock of finished & unfinished products		1,097	-2,389
3. Capitalized costs		147	59
Overall performance		124,753	114,330
4. Other operating revenues	(12)	4,355	3,115
5. Cost of materials	(13)	71,040	62,862
Gross profit		58,068	54,583
6. Personnel costs	(14)	24,345	24,541
7. Depreciation from tangible and intangible assets	(15)	4,176	4,081
8. Other operating expenses	(16)	22,228	22,178
9. Revenues from other securities and bank loans – from associate companies : 0€ (Previous year: 0 €)		8	10
10. Write-downs of financial assets		0	2
11. Financial result	(17)	-1,117	-1,803
12. Result from ordinary activities		6,210	1,988
13. Taxes from income and revenues	(18)	1,390	1,552
14. Other taxes		972	578
15. Consolidated annual result		3,848	-142
16. Consolidated result carried forward		12,351	1,764
17. Share in profits/losses of minority interest		689	521
18. Withdrawal from other retained earnings		7,578	0
19. Earnings from capital decrease		0	11,250
20. Offset of goodwill which was offset against retained earnings in previous years		-825	0
21. Consolidated balance sheet profit		22,263	12,351

The Supervisory Board was informed regularly throughout the business year under review by means of both written and oral reports from the Board of Management on the current situation and development of the company and its partner companies, as well as on all important management issues. According to § 91 clause 2 AktG (Aktiengesetz/German Stock Companies Act) the Supervisory Board was informed about the risk management and early risk warning system that has been installed.

The Supervisory Board convened a total of four Supervisory Board meetings throughout 2004. All members of the Supervisory Board attended these meetings. No committees were formed by the Supervisory Board. In these meetings the Supervisory Board predominantly examined matter of business policy and the corporate situation of the partner companies and discussed these issues in depth with the Board of Management. The Supervisory Board was able to satisfy itself of the orderly conduct of management affairs by means of reports and the information provided by the Board of Management. The requirements of the German Law on Control and Transparency in Business (KonTraG) to the Supervisory Board were fulfilled. The recommendations of the government commission of the German Corporate Governance Codex for the work of the Supervisory Board and the activities of the Chairman of the Supervisory Board were adhered to.

The accounting and financial statements and the consolidated financial statements for the year ended 31 December 2004, including the Management Report, were audited by Ernst & Young AG chartered accountants in Heilbronn, who were chosen as auditors on 6th July 2004 during the shareholders' meeting. A qualified audit certificate was issued on 12th May 2005.

The financial statement and the Management Report for the AG and the Group, the annual report as well as the audits of the financial statement and the Management

Report for the AG and the Group for the business year 2004 were timely made available to the Supervisory Board for the Supervisory Board Meeting on 31st May 2005.

Together, the Manager of the Board and the members of the Supervisory Board have discussed in depth all questions arising from the aforementioned documents concerning the business year 2004.

The auditor participated in the Supervisory Board Meeting and provided information about the main results of the audit and was available for answering questions.

The Supervisory Board has verified the financial statements, the management report, the consolidated financial statements and the consolidated management report for the business year 2004 and agrees with the result of the audit of the financial statements and the consolidated financial statements. After the final result of the verification the Supervisory Board has no objections and approves the financial statement and the consolidated financial statement for the business year 2004 prepared by the Board of Management. The financial statement is hereby adopted.

The Supervisory Board has verified the audited report concerning the relationship to associated companies and has no final objections regarding the statement prepared by the Director of the Board.

The Supervisory Board would like to thank the Board of Management and all the personnel for the work they have performed in this financial year.

Munich, June 2005

Wolfgang Weidmann



Chairman of the Supervisory Board

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