Overview:

- Record sales (+) in second quarter, EUR 2.2 billion (+13.7%), up by 60%, with business units Industries and Sports achieving strong sales growth.
- Ongoing profit for the period EUR 6.8 million (+243%) on an increase of 246%.
- The annual share of net sales on the second half-year is expected to be significantly higher than EUR 3.6 million in the first half-year.

Operating environment

There has been strong demand in current markets in Metals and Large scale and for carbon fiber based products and particularly programs by professional and amateur athletes. We expect this trend to continue in the near future. It is not clear how much demand there will be from other markets. The outlook for our sports business remains strong.

Industries division

The Industry division’s net sales increased during the first half-year by 25%, EUR 2.0 billion (+31%). The division’s sales generate the acquisition of special operations in the field of special operations (2.4 billion) and strong growth in industries, where the market remains relatively strong. Profitability as a result of a strong increase in operating profit has increased to EUR 0.3 billion. The division’s net sales, strong operating profit trend, has improved the operating profit margin and sales of finished goods and work in progress.

Product development projects continue in our profitable group, mainly in relation to applications for the automotive industry, infrastructure construction and used power.

Akkeda’s product range remains strong throughout the economic downturn due to the growth of G5 and 3G networks. Construction in Europe is still subject to a drop in the second half-year.

Sales of our airframe profiles increased during the first half-year. Dependent on the high repayment schedule and partly to our positive results, we anticipate that higher sales margins will improve the operating profit margin by 1.5 billion.

Net financial expenses

Net nil financial expenses totalled EUR 205.2 million (258.0 million). The division’s net financial expenses are expected to improve significantly on the previous year’s level due to reduced financial expenses due to the change in the division’s net sales volume.

Balance sheet, financing and liabilities

The balance sheet total as of 30 June 2004 was EUR 4.4 billion (+4.4%). The division’s net financial expenses totalled EUR 205.2 million (258.0 million). The division’s net financial expenses are expected to improve significantly on the previous year’s level due to reduced financial expenses due to the change in the division’s net sales volume.

Investments

The Group’s external in fixed asset totalled EUR 4.3 billion (3.3 billion), of which the acquisition of light aircraft production operations accounted for EUR 2.2 billion (total acquisition price approx. EUR 2.2 billion).

Equity development in special operations

The column 1-12/03 and 1-6/03 are unaudited.

- Mortgage on land and buildings
- Corporate mortgages
- Derivatives are used for hedging purposes only.

Financial income and expenses

Net forest income in the first half-year was EUR 1.5 million (2003: -0.7 million) for the period.

Profit for the period

The profit for the period was EUR 6.8 million (2003: EUR 1.5 million), equivalent to EUR 0.35 (2003: 0.01). The profit for the period is EUR 6.8 million (2003: EUR 1.5 million) for the period.

The company’s stock in profits increased by EUR 3.5 million (2003: EUR 1.5 million) for the period.

Financial statement:

The company’s stock in profits increased by EUR 3.5 million (2003: EUR 1.5 million) for the year.

Interest rate derivatives

The company’s stock in profits increased by EUR 3.5 million (2003: EUR 1.5 million) for the period.