Innovation in Motion

# Key Figures of Success

Miba Half-Year Financial Report
2012-2013

February 1 - July 31, 2012

# Contents

# Management Report
# First Half-Year 2012-2013

## General Economic Setting

The global economy in the first six months of 2012 was characterized by restraint in growth, with an increasing trend toward attenuation. In its most recent issue of the World Economic Outlook Update of July 2012, the International Monetary Fund (IMF) once again lowered its forecast for global economic development, and at the same time warned of major risks to the global economy. Based on a potential escalation of the debt crisis in Europe, fiscal risks in the USA and the economic cycle in emerging markets, the global economy is at risk of losing further momentum. For the current year, the IMF lowered its projections of global economic growth by 0.1 percentage points to 3.5 percent. For 2013, the IMF reduced its forecast by 0.2 percentage points to 3.9 percent. The expansion of the global economy continues to be seen in emerging markets and developing countries, where GDP growth in the current year is estimated at 5.6 percent. Nevertheless, these growth rates are markedly lower than the prior year's figures, and the IMF is expecting a further attenuation. For China, the IMF lowered its forecast to 8.0 percent, a decline of 0.2 percentage points; India's projected growth was lowered by as much as 0.7 percentage points, and is now forecast to be 6.1 percent. Brazil faired about the same, with its growth forecast revised to 2.5 percent, a decline of 0.6 percentage points. Industrialized countries clearly lagged behind, with forecast growth at 1.4 percent. The shrinkage originally projected for the eurozone of 0.3 percent for the current year remains unchanged.

On the financial markets a broader escalation of the European national debt crisis has thus far remained in check; however, the number of nations in crisis is on the rise. The tension in the financial markets reflects the European Central Bank's lowering of the prime lending rate in July by 0.25 percentage points, to 0.75 percent. The countries in the European Monetary Union have reached a historic nadir.

Most of Miba's relevant markets also exhibited either restrained or even negative developments in the first half of 2012: In the automotive industry, the image of a faltering European market for passenger vehicles persists, showing a decline in new acquisitions (–6.3 percent compared to the first six months of 2011)[1] and production figures (–5.4 percent).[2] South European and French carmakers were the most seriously affected, with these figures in double-digit decline. By contrast, the passenger vehicle market in North America continued to exhibit favorable progress – indeed, more positive than expected. The sales figures in the first half of 2012 rose by 13.9 percent; production even soared by 21.6 percent.[3]
In the truck segment, the initial weakening could be observed in China, which now has also reached into Europe and the USA. The number of registered trucks (3.5 metric tonnes and above) in Europe declined in the first six months of 2012 by 5.2 percent compared to the same period in 2011.[4]
Following a solid lead into the business year, the market for construction and agricultural equipment showed a general weakening over the past few weeks. Whether and to what extent this shift signals a change in trends will become evident in the upcoming months. In the capital equipment market – an important sales segment for the New Technologies Group – a decided attenuation had already set in since the beginning of the calendar year. So for example, in its Analyst Call Q3/2012, Siemens AG revealed substantial declines in the volume of incoming orders (–27 percent), primarily in Europe and the USA, which led to the institution of a major savings program.

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[1] cf. ACEA (European Automobile Manufacturers' Association); http://www.acea.be (accessed September 3, 2012)

[2] cf. LMC Automotive; http://lmc-auto.com (accessed September 3, 2012)

[3] cf. Automotive News; http://www.autonews.com (accessed September 3, 2012)

[4] cf. ACEA; http://www.acea.be (accessed September 3, 2012)

## Sales and Performance Analysis

Despite the challenging market environment, Miba recorded a strong performance in the first six months. The positive progress in sales and earnings from the first quarter continued onward also in the second quarter. Sales during the reporting period (February 1 to July 31, 2012) totaled EUR 319.9 million, which represents an increase of 13.7 percent, or EUR 38.6 million, over the same period the previous year (EUR 281.3 million). About half of this growth (seven percentage points) is organic; the acquisitions that took place in the prior year contributed four percentage points to the total increase in sales – while two percentage points were related to positive effects of currency translation.

Miba Sinter Group accounted for 34.4 percent of Group sales, followed by Miba Bearing Group at 32.8 percent, Miba Friction Group at 23.0 percent and New Technologies Group at 7.6 percent. Sales amounting to EUR 6.9 million are attributed to Miba Coating Group.

Earnings before interest and taxes (EBIT) equal to EUR 36.6 million (previous year: EUR 28.5 million) improved by 28.3 percent. In comparison to the prior year, the markedly improved quality of earnings also reflects the successful integration of new acquisitions and the reach of investments to relieve capacity bottlenecks that were instituted last year. Moreover, special effects had a positive impact on earnings in the first six months. Nonetheless, these will no longer be effective in the last six months of the year.

## Financial Position

The balance sheet total of EUR 649.2 million, which rose by EUR 124.3 million, reflects a substantial increase over the balance sheet date of January 31, 2012 (EUR 524.9 million). Beside volume-related additions to property, plant and equipment and to inventories, this rise is essentially attributed to the issuance of a seven year corporate bond in the amount of EUR 75 million in February 2012.

The outflow of funds from cash flow from investment activities in property, plant and equipment and intangible assets amounted to EUR 29.5 million; these investments were financed entirely from cash flow from operations of EUR 46.8 million. The cash flow from financing activities, in the amount of EUR 82.7 million, was likewise specifically marked by the issuance of the bond.

The Group reported a EUR 25.7 million increase to Group equity, which now equals EUR 312.4 million (previous year: EUR 286.7 million). This expansion is essentially attributed to after-tax income from the first six months, and the positive changes to currency exchange rates in the amount of EUR 10.8 million, which specifically resulted from the weakness of the euro to the dollar. In contrast to this, a dividend distribution of EUR 9.8 million, approved at the Annual General Meeting of June 29, 2012, was recognized.

The equity rate of 48.1 percent (previous year: 54.6 percent) was reduced by the increase in the balance sheet total (related to the bond issuance); however, this figure continues to remain at a high level, and when combined with the Group's outstanding liquidity position, secures the financial autonomy and independence of the Miba Group. If the escalating effect of the bond issuance on the balance sheet was eliminated, the equity rate would have remained unchanged, despite the growth in business.

Net debt (cash and cash equivalents minus current and non-current financial liabilities) as of July 31, 2012, equaled EUR 17.8 million (January 31, 2012: EUR 13.4 million). This increase resulted from recently concluded long-term investments in the amount of EUR 10 million for reducing non-current liabilities. The key figure of greater relevance for Miba is the net credit debt (net debt minus investment securities), which improved to EUR 6.3 million (January 31, 2012: EUR 11.9 million).

## Level of Orders

As of July 31, 2012, the level of orders – at EUR 265.2 million – was below the level of orders as of January 31, 2012 (EUR 284.7 million). This reversal in development is attributed to the rather bleak economic climate and the uncertainty this circumstance instilled in customers.

## Employees

As of the reporting date of July 31, 2012, employee headcount for the Miba Group worldwide was 4,132 employees. This represents an increase of almost 11 percent, or 417 employees, in comparison with July 31, 2011 (3,715 employees). Most of this growth took place at the Austrian sites as well as in Slovakia and the USA.

Miba pays particular attention to securing its junior staff from its own ranks. Thanks to a tailor-made apprentice training program in place for decades, the Group is considered to be a reliable provider of apprenticeship training. On September 3, 2012, 36 new apprentices began their training at the Austrian Miba sites. As of that date, Miba is training a total of 122 apprentices at its Austrian facilities. At Miba Sinter Slovakia, there are 18 young adults in training; about 15 additional youths will begin their training in the fall.

At Miba, each employee is a key factor of the Group's success. Miba promotes and fosters its employees, and gives them the freedom and opportunity to help shape the company. In recognition of these efforts, Miba was bestowed the Trigos award in the Workplace category on May 30, 2012. The Trigos Award is Austria's most renowned distinction in recognition of corporate social responsibility.

## Other Events

On February 27, 2012, Miba issued a seven year bullet bond with a nominal value of EUR 75 million at an interest rate of 4.5 percent p.a.

On April 3, 2012, Maxtech Sintered Product Pvt. Ltd., in which Miba holds a 26 percent share, was renamed Sintercom India Pvt. Ltd.

On March 26, 2012, Metalaxis Precision Machining LLC was established as a wholly-owned subsidiary of Miba Sinter USA LLC.

## Segment Reporting

### Miba Sinter Group

At EUR 110.2 million, sales of Miba Sinter Group during the reporting period were EUR 6.5 million or 6.2 percent higher than last year's figure of EUR 103.7 million.

Investments in this division were kept at a consistently high level in the first six months in the amount of EUR 12.1 million. Of this figure, EUR 5.1 million went to increasing production capacities at the Austrian sites, and EUR 3.5 million were invested in increasing production capacities and expanding the production area at the Slovakian plant.

### Miba Bearing Group

Miba Bearing Group sales for the reporting period totaled EUR 104.9 million, an increase of EUR 12.9 million or 14.0 percent over the same period the previous year.

The division transacted investments in the first six months equaling a total EUR 7.3 million. Of this figure, EUR 3.5 million were applied to the build-up of production capacities at the Laakirchen plant, and EUR 1.9 million at the American site.

Miba Bearing Group and Miba Sinter Group are jointly investing in a substantial build-out of the site in Suzhou, China, where both divisions intend to pursue investments in a magnitude of EUR 20 million over the coming years. The construction work to expand production and office spaces started in March 2012. In the first six months, the investments from both divisions at the Suzhou plant equaled a total of EUR 3.9 million.

| | Sinter | | Bearing | | Friction | | New Technologies | | Other | | Consolidation | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TEUR | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 |
| Sales revenue | 110,686 | 104,045 | 105,288 | 92,294 | 74,066 | 56,123 | 27,062 | 27,619 | 15,347 | 11,745 | -12,573 | -10,554 | 319,877 | 281,272 |
| There of intercompany sales | 537 | 367 | 369 | 240 | 503 | 397 | 2,743 | 2,515 | 8,421 | 7,036 | -12,573 | -10,554 | 0 | 0 |
| External sales | 110,148 | 103,678 | 104,919 | 92,054 | 73,563 | 55,726 | 24,320 | 25,105 | 6,927 | 4,709 | 0 | 0 | 319,877 | 281,272 |
| Investments (excluding financial investments) | 12,113 | 12,192 | 7,322 | 2,015 | 4,266 | 2,359 | 1,097 | 459 | 3,159 | 3,435 | 1,518 | 1,909 | 29,475 | 22,369 |
| Employees (as of reporting date) | 1,560 | 1,385 | 1,212 | 1,120 | 953 | 843 | 211 | 192 | 196 | 175 | 0 | 0 | 4,132 | 3,715 |

**Segment Information by Division**

### Miba Friction Group

Sales of Miba Friction Group, at EUR 73.6 million, were 32.0 percent higher than the same period in the previous year (EUR 55.7 million).

One-third of this growth in sales was organic, and up to two-thirds were supported by the integration of a competitor's friction linings business, which had not yet been closed in the same period last year.

Altogether, the division invested EUR 4.3 million. Of this figure, EUR 2.3 million was applied to Miba HydraMechanica in Sterling Heights, Michigan, USA. This site will double its production space to accommodate a major order from the North American construction equipment industry.

### New Technologies Group

Sales of New Technologies Group, amounting to EUR 24.3 million (previous year: EUR 25.1 million), reflect a minor attenuation of –3.2 percent during the reporting period. The market-related restraint – both for resistors and heat sinks – explains this decline.

Investments equal to EUR 1.1 million were applied primarily to Dau GmbH & Co KG (at EUR 0.6 million).

### Significant Risks and Uncertainties

In the first six months of the current business year, there were no significant changes in the risk categories listed in the 2011-2012 Annual Report. In light of the information currently available, management does not foresee any significant individual risks that could pose a threat to the Miba Group's financial position and earnings situation.

### Outlook

The indicators for the global economy proved to be noticeably discouraging over the past few months. The intensification of the debt crisis and the regressive economic growth pattern in the eurozone caused insecurity in market participants. The outlook for Miba in the second half-year is restrained and characterized by uncertainty in several markets. Nonetheless, Miba anticipates a moderate pace of growth for the year as a whole. The Group benefits from its global network, which can compensate for the decline in sales declines in Europe through growth in other geographic regions. Moreover, fluctuations that vary by industry may be offset by Miba's broad product portfolio, which can account for the business cycles of various industries.

To largely secure its independence from geographic and industry-related developments in the future as well, Miba is consistently pursuing its strategy of targeted investment in international growth markets and strategic business areas.

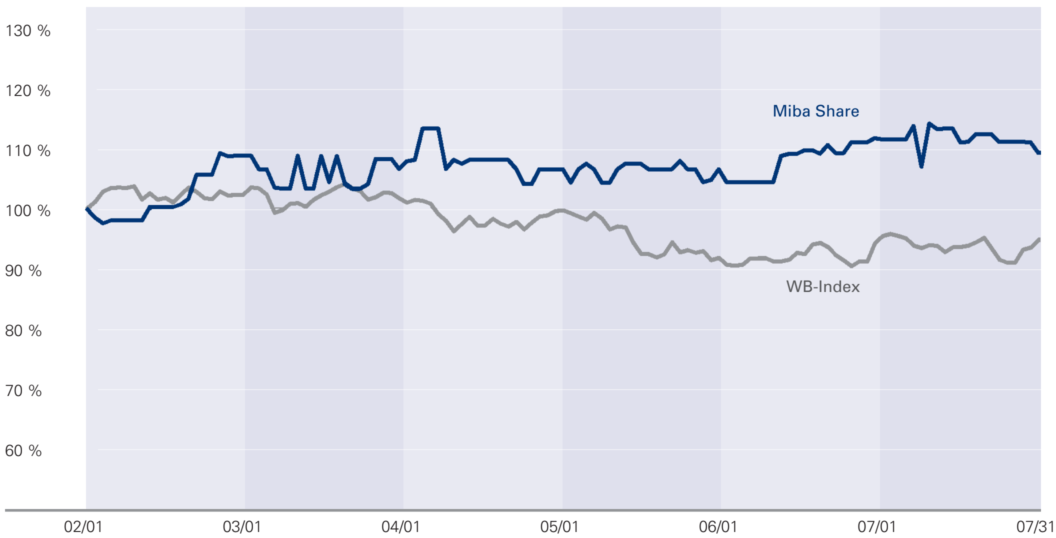
In the 2012-2013 business year, Miba concentrated on operational excellence. Organization and processes essentially must be adjusted to the increased capacities of the past two years, and operational discipline must be reinforced. In this manner, Miba is gearing itself at the right time for continued and above-average, rapidly growing customer demands within a market environment that is becoming increasingly complex and short-term.

## The Miba Share

The price of the Miba share evolved considerably better in the second quarter than those of the reference index, the Vienna Stock Exchange (WBI). Miba shares launched the new business year at a price of EUR 195.00 per share and by the end of the second quarter closed at EUR 216.05 per share.

During the reporting period, the Group bought back 1,711 shares of its own stock. As of July 31, 2012, Miba AG holds 74,658 treasury shares. This corresponds to 5.7 percent of share capital.

At the 26th Annual General Meeting on July 29, 2012, a resolution was adopted to distribute a dividend in the amount of EUR 8.00 per common share and a preferred dividend of EUR 0.59 plus a bonus of EUR 7.41 per preferred share. Through this, Miba is providing its shareholders with continuity in its dividend payment policy and a desirable return on invested capital. The dividend was disbursed on July 9, 2012.




**Development of the Miba Share in the first half-year 2012-2013**
(Quotation as at February 1, 2012 = 100 %)

## Statement by the Management Board

We hereby confirm that the condensed Interim Consolidated Financial Statements of Miba Aktiengesellschaft dated July 31, 2012, prepared in accordance with authoritative accounting standards – namely, the IFRSs – as applicable in the European Union, provide a true and fair view of the Group's assets, financial position and performance and that the Consolidated Management Report of Miba Aktiengesellschaft dated July 31, 2012, provides a true and fair view of the Group's assets, financial position and performance regarding significant events during the first six months of the current business year and their effects on the condensed Consolidated Financial Statements, regarding important risks and uncertainties in the remaining six months of the business year as well as regarding significant business relations with related parties, which are subject to disclosure.

The present Interim Financial Report for the first six months of the business year was neither audited nor subjected to review by an auditor.

Laakirchen, September 2012

**The Management Board of Miba Aktiengesellschaft**

DI DDr. h. c. Peter Mitterbauer (Chairman)
Dr.-Ing. Norbert Schrüfer
Dr. Wolfgang Litzlbauer
Dr.-Ing. Harald Neubert
DI Franz Peter Mitterbauer, MBA

# Consolidated Balance Sheet

| TEUR | 7/31/2012 | 1/31/2012 | 7/31/2011 |
|---|---|---|---|
| **Assets** | | | |
| A. Non-current assets | | | |
| Intangible assets | 52,279 | 53,807 | 45,225 |
| Property, plant and equipment | 199,719 | 183,590 | 164,766 |
| Investments in associated companies | 9,001 | 8,911 | 11,043 |
| Other financial investments | 15,770 | 5,487 | 4,985 |
| Deferred tax assets | 6,025 | 3,732 | 3,466 |
| | **282,793** | **255,527** | **229,486** |
| B. Current assets | | | |
| Inventories | 96,678 | 84,858 | 88,630 |
| Trade and other receivables | 119,668 | 123,443 | 108,418 |
| Cash and cash equivalents | 150,018 | 61,057 | 54,284 |
| | **366,364** | **269,357** | **251,332** |
| | **649,157** | **524,884** | **480,818** |
| | | | |
| **Equity and liabilities** | | | |
| A. Group equity | | | |
| Share capital | 9,500 | 9,500 | 9,500 |
| Capital reserves | 18,089 | 18,089 | 18,089 |
| Retained earnings | 291,051 | 265,324 | 236,648 |
| Treasury stock | -9,570 | -9,203 | -8,074 |
| Non-controlling interests | 3,351 | 2,989 | 2,489 |
| | **312,421** | **286,698** | **258,651** |
| B. Non-current liabilities | | | |
| Provisions for severance payments and pensions | 19,771 | 19,319 | 17,876 |
| Provision for deferred taxes | 6,766 | 6,362 | 6,772 |
| Other non-current provisions | 6,056 | 9,231 | 3,253 |
| Financial liabilities | 143,913 | 64,633 | 41,889 |
| Other non-current liabilities | 11,960 | 12,129 | 13,267 |
| | **188,466** | **111,675** | **83,057** |
| C. Current liabilities | | | |
| Current provisions | 34,831 | 27,051 | 27,890 |
| Provision for taxes | 18,788 | 12,264 | 15,146 |
| Trade payables | 47,601 | 51,544 | 55,336 |
| Current portion of financial liabilities | 23,916 | 9,846 | 16,730 |
| Other current liabilities | 23,134 | 22,679 | 24,009 |
| Income tax liabilities | 0 | 3,127 | 0 |
| | **148,271** | **126,511** | **139,110** |
| | **649,157** | **524,884** | **480,818** |

The use of automatic data processing can lead to rounding differences

# Consolidated Income Statement

| TEUR | Q2 2012-13 | Q2 2011-12 | Q1-Q2 2012-13 | Q1-Q2 2011-12 |
|---|---|---|---|---|
| Sales revenue | 158,987 | 142,590 | 319,877 | 281,272 |
| Changes in inventory of finished goods and work in progress | 1,760 | 6,413 | 3,495 | 10,705 |
| Internally produced and capitalized assets | 1,701 | 1,932 | 3,776 | 3,236 |
| **Operating result** | **162,448** | **150,935** | **327,147** | **295,212** |
| Other operating income | 4,572 | 3,574 | 7,234 | 6,187 |
| Cost of materials and other purchased manufacturing services | -71,780 | -70,602 | -142,223 | -135,392 |
| Personnel costs | -46,470 | -38,886 | -91,350 | -78,654 |
| Other operating expenses | -22,781 | -21,834 | -45,334 | -42,325 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | **25,990** | **23,187** | **55,475** | **45,028** |
| Scheduled depreciation and amortization | -9,613 | -8,320 | -18,883 | -16,515 |
| **Earnings before interest and taxes (EBIT)** | **16,377** | **14,867** | **36,593** | **28,512** |
| Profit or loss attributed to associated companies | -46 | 275 | 324 | 555 |
| Net interest income | -1.053 | 11 | -2,511 | -445 |
| Other financial result | -15 | -24 | 0 | -23 |
| **Financial result** | **-1,114** | **263** | **-2,186** | **87** |
| **Earnings before taxes (EBT)** | **15,263** | **15,129** | **34,406** | **28,599** |
| Income taxes | -3,040 | -4,320 | -8,692 | -7,455 |
| **Earnings after taxes (EAT)** | **12,223** | **10,809** | **25,714** | **21,144** |
| Financing expenditures for LP minority shareholders | -221 | -159 | -558 | -762 |
| Earnings after taxes, after deduction of financing expenses for LP minority shareholders (EAT after LPMS) | 12,002 | 10,650 | 25,155 | 20,381 |
| Attributable to non-controlling interests | 210 | 268 | 284 | 392 |
| Attributable to parent company shareholders | 11,792 | 10,382 | 24,872 | 19,990 |
| Weighted average number of shares issued (shares) | 1,226,226 | 1,233,619 | 1,226,635 | 1,233,619 |
| Earnings per share in EUR | 9.62 | 8.42 | 20.28 | 16.20 |
| Diluted earnings per share in EUR = undiluted earnings per share in EUR | 9.62 | 8.42 | 20.28 | 16.20 |

The use of automatic data processing can lead to rounding differences

# Consolidated Statement of Comprehensive Income

| TEUR | Q1-Q2 2012-13 | Q1-Q2 2011-12 |
|---|---|---|
| **Earnings after taxes (EAT)** | **25,714** | **21,144** |
| Financing expenditures for LP minority shareholders | -558 | -762 |
| Earnings after taxes, after deduction of financing expenses for LP minority shareholders (EAT after LPMS) | 25,155 | 20,381 |
| Unrealized gains (+) or losses (–) from foreign currency translation | 10,798 | -1,864 |
| Cash flow hedge | 0 | -538 |
| **Total other earnings** | **10,798** | **-2,402** |
| **Total comprehensive income** | **35,953** | **17,980** |
| Attributable to | | |
| Shareholders of Miba Aktiengesellschaft only | 35,532 | 17,600 |
| Non-controlling interests | 421 | 380 |

# Statement of Changes in Group Equity

| TEUR | Share capital | Capital reserves | Treasury stock | Currency translation reserve | Retained earnings | Shares held by Miba AG shareholders | Non controlling interests | Total |
|---|---|---|---|---|---|---|---|---|
| **As of February 1, 2011** | **9,500** | **18,089** | **-8,074** | **-5,495** | **233,272** | **247,291** | **1,161** | **248,452** |
| Total comprehensive income | 0 | 0 | 0 | -1,852 | 19,452 | 17,600 | 380 | 17,980 |
| Dividend payments | 0 | 0 | 0 | 0 | -8,635 | -8,635 | 0 | -8,635 |
| Addition/deletion of non-controlling interests/deconsolidation | 0 | 0 | 0 | 0 | -93 | -93 | 947 | 854 |
| **As of July 31, 2011** | **9,500** | **18,089** | **-8,074** | **-9,060** | **245,708** | **256,162** | **2,489** | **258,651** |
| | | | | | | | | |
| **As of February 1, 2012** | **9,500** | **18,089** | **-9,203** | **1,734** | **263,590** | **283,709** | **2,989** | **286,698** |
| Total comprehensive income | 0 | 0 | 0 | 10,661 | 24,872 | 35,532 | 421 | 35,953 |
| Dividend payments | 0 | 0 | 0 | 0 | -9,805 | -9,805 | -59 | -9,864 |
| Changes in treasury stock | 0 | 0 | -367 | 0 | 0 | -367 | 0 | -367 |
| **As of July 31, 2012** | **9,500** | **18,089** | **-9,570** | **12,394** | **278,656** | **309,069** | **3,351** | **312,421** |

The use of automatic data processing can lead to rounding differences

# Consolidated Cash Flow Statement

| TEUR | Q1-Q2 2012-13 | Q1-Q2 2011-12 |
|---|---|---|
| Consolidated cash flow from operations | 46,802 | 22,683 |
| Consolidated cash flow from investment activities | -42,146 | -31,612 |
| Consolidated cash flow from financing activities | 82,735 | -2,481 |
| **Changes in cash and cash equivalents and marketable securities** | **87,391** | **-11,410** |
| Opening balance of cash and cash equivalents | 61,057 | 66,691 |
| Currency translation differences due to changes in exchange rates | 1,571 | -996 |
| **Closing balance of cash and cash equivalents** | **150,018** | **54,284** |

The use of automatic data processing can lead to rounding differences

# Notes to the Interim Consolidated Financial Statements as of July 31, 2012

### Information on the Group

Miba Aktiengesellschaft is an Austria-based Group with international operations. The focus of the Group's core business is on the engine bearings, sintered components, friction materials and passive electronic components product segments. The Group's head office is located at Dr.-Mitterbauer-Straße 3, 4663 Laakirchen, Austria. The Company is registered under Record No. FN 107386 x at the local Austrian court (Landes- als Handelsgericht Wels).

### Financial Statements Prepared in Accordance with the International Financial Reporting Standards (IFRSs)

The present Interim Consolidated Financial Statements as of July 31, 2012 (February 1, 2011, to July 31, 2012), were prepared in accordance with the applicable International Financial Reporting Standards (IFRSs) prevailing at the end of the reporting period (as required in the European Union), in particular IAS 34 (Interim Financial Reporting).

### Accounting and Measurement Principles

The accounting standards that must be applied on a mandatory basis starting in the 2012-2013 business year have no material effect on the presentation of the assets, financial position and financial performance in the Interim Consolidated Financial Statements.

The accounting and measurement principles used as of January 31, 2012, have been applied unchanged in the preparation of the Interim Consolidated Financial Statements. For further information regarding accounting and measurement methods, please refer to the Consolidated Financial Statements dated January 31, 2012. The figures contained in the Consolidated Interim Financial Statements are denominated in euro (EUR). Except where otherwise noted, all monetary figures are shown in thousands of euros (TEUR) for the purpose of clarity.

### Scope of Consolidation

The scope of consolidation was defined in accordance with the principles of IAS 27 (Consolidated and Separate Financial Statements). Accordingly, the consolidated entity includes 16 Austrian and 17 foreign subsidiaries in which Miba Aktiengesellschaft, directly or indirectly, holds the majority of voting rights.

## Other Events

On February 27, 2012, Miba issued a seven year bullet bond (ISIN AT0000A0T8M1) with a nominal value of EUR 75,000,000.00, and an issue price of EUR 101,423. The bond is comprised of 150,000 partial debentures at a nominal amount of EUR 500,00 each. The interest rate equals 4.5 percent p.a. Interest is paid in arrears on February 27 of each year. The bond is shown under non-current financial liabilities. Pursuant to IFRSs, the directly attributable issue costs were netted against the bond and are reported over the bond term, based on the effective interest method.

Metalaxis Precision Machining LLC, McConnelsville, Ohio, USA, was established on March 26, 2012. Miba Sinter USA LLC, McConnelsville, Ohio, USA, holds a 100 percent share interest in Metalaxis. The company is fully consolidated.

## Business Seasonality

The sales of the Miba Group are distributed nearly equally over the four quarters of the business year.

# Statement of the Management Board

### Events After the Balance Sheet Date

Events occurring after the balance sheet date which are relevant to the measurement at the balance sheet date, such as pending legal disputes or claims for damages, and any other obligations or anticipated losses to be reported or disclosed in accordance with IAS 10, are reflected in the present Interim Financial Statements or are unknown.

### Estimates and Uncertainties

With regard to discretionary decisions and uncertainties resulting from estimates, please consult the Miba Group's Consolidated Financial Statements as of January 31, 2012.

### Statement of the Management Board

We hereby confirm that the condensed Interim Consolidated Financial Statements of Miba Aktiengesellschaft dated July 31, 2012, prepared in accordance with authoritative accounting standards – namely, the IFRSs – as applicable in the European Union, provide a true and fair view of the Group's assets, financial position and performance and that the Consolidated Management Report of Miba Aktiengesellschaft dated July 31, 2012, provides a true and fair view of the Group's assets, financial position and performance regarding significant events during the first six months of the current business year and their effects on the condensed Consolidated Financial Statements, regarding important risks and uncertainties in the remaining six months of the business year as well as regarding significant business relations with related parties, which are subject to disclosure.

The present Interim Financial Report for the first six months of the business year was neither audited nor subjected to review by an auditor.

Laakirchen, September 2012

**The Management Board of Miba Aktiengesellschaft**

DI DDr. h. c. Peter Mitterbauer (Chairman)
Dr.-Ing. Norbert Schrüfer
Dr. Wolfgang Litzlbauer
Dr.-Ing. Harald Neubert
DI Franz Peter Mitterbauer, MBA

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