



# Key Figures of Success

Miba Shareholder Information  
Quarter 1, 2014–2015  
February 1 to April 30, 2014





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# Report on the first quarter of 2014–2015

## Economic conditions

In the past few months, the global economy has been showing early signs of recovery which is also filtering through to advanced economies. Further improvements are expected for the whole of 2014 and 2015, with industrial nations expected to be markedly stronger compared to previous years. Growth forecasts for 2014 and 2015 are 3.6 percent and 3.9 percent, and thus slightly above the 2013 growth rate (3 percent). For the euro area, the IMF is forecasting a positive GDP of 1.2 percent for 2014 and 1.5 percent for 2015. Although the risk that the eurozone might slip back into recession is continuing to recede, the IMF is warning of potential negative consequences from the very low level of inflation in the euro area. Economic growth in industrialized nations is estimated overall at 2.2 and 2.3 percent for 2014 and 2015, which would equate to a rise of one percentage point compared to 2013. In addition to the positive growth forecasts for the euro area, strong growth of 2.8 and 3.0 percent is expected for the USA in particular. Predictions for the development of emerging economies are a little more negative, which is, among other things, attributable to receding or reversing capital flows, and, in the case of Russia, to political uncertainties in relation to the Ukraine. The forecasts were corrected downward from the January 2014 WEO update by 0.2 percentage points for 2014 and 0.1 percentage points for 2015 to 4.9 and 5.3 percent respectively. For China, the IMF is continuing to forecast positive GDP of 7.5 percent for the current year and 7.3 percent for next year.<sup>1</sup>

The economic upturn also had a positive effect on some of Miba's sales markets in the first quarter of 2014–2015. From a geographic perspective, the USA and China continue to be the growth drivers. Global markets for passenger vehicles and trucks performed very positively. The passenger vehicle market registered a very positive start to 2014 in all relevant markets. Passenger vehicle production figures in Europe rose in the first quarter of 2014 compared to the prior-year comparative period by 6.6 percent; in the USA and Canada they increased by 8.5 percent. Other significant growth rates could be observed particularly in the Chinese passenger vehicle market with a rise of 9 percent compared to the first quarter of 2013.<sup>2</sup> However, the performance of the automotive industry in India and Brazil in the first months of 2014 was disappointing. The strong performance of the global heavy truck market seen in the last months of 2013 continued into 2014. In this segment too, all markets relevant to Miba demonstrated marked increases in the first quarter of 2014 compared with the prior-year comparative period. Compared to the previous year, 11.9 percent more heavy trucks were registered in Europe during the first quarter of 2014, and in the USA the order books rose by 35.2 percent. China recorded an increase in production of 25 percent.<sup>3</sup> On the other hand, there were once again no indications of any positive developments in the shipbuilding or mining markets in the past few months; performance in the agricultural light commercial vehicle market was relatively restrained.

<sup>1</sup> cf. International Monetary Fund (IMF), World Economic Outlook Update, April 2014

<sup>2</sup> cf. LMC Automotive, April 2014; Automotive News, April 23, 2014

<sup>3</sup> cf. ACEA, New Commercial Vehicle Registrations, April 2014; The Rhein Report, April 2014; LMC Automotive

## **Revenue and performance analysis**

Miba was able to slightly increase revenue and profit in the reporting period compared with the first quarter of the previous year. For the period from February to April 2014, Miba generated revenue of EUR 163.5 million, which equates to an increase of 6.5 percent compared to the prior-year comparative period. Without the deduction of negative foreign currency effects, growth would have been around 8 percent.

The Miba Sinter Group generated the largest proportion of consolidated revenue with 38.0 percent, followed by the Miba Bearing Group with 28.6 percent, the Miba Friction Group with 23.2 percent and the New Technologies Group with 7.9 percent. Revenue amounting to EUR 3.7 million was attributable to the "Other" segment.

In the first quarter of 2014–2015, Miba achieved profit before interest and tax (EBIT) of EUR 19.3 million, which equates to a rise of 8.0 percent compared to the prior-year comparative period (EUR 17.8 million).

The EBIT margin was 11.8 percent and had thus risen by 0.2 percentage points compared to the prior-year comparative period (11.6 percent). Internal efficiency improvements made a material contribution to this improvement in margin and were once again more than able to compensate for the increases in personnel expenses in this reporting period. Personnel expenses – as a percentage of revenue – rose by 0.1 percentage points compared to the prior-year comparative period, and by 2.5 percentage points compared to the comparative period for the year before last, to 30.4 percent of revenue. Personnel costs, which have been rising for a number of years now, represent one of the most significant challenges for the Company. Finding possible solutions by optimizing internal processes and having more flexible working patterns in all countries is the basis for continued profitable growth.

## **Financial position, assets and liabilities**

Total assets of EUR 653.4 million increased by EUR 13.3 million compared to the January 31, 2014, reporting date (EUR 640.1 million). The rise is mainly attributable to an increase in the asset side of working capital (inventories and trade receivables)(+EUR 10 million) due to revenue growth and an increase in cash and cash equivalents (+EUR 7 million).

Cash outflow for investments in property, plant and equipment and intangible assets amounted to EUR 11.5 million (previous year: EUR 8.0 million) and was again fully covered in this period by cash flow from operating activities, which amounted to EUR 12.4 million (previous year: EUR 23.8 million).

Consolidated equity increased in the first quarter of the current fiscal year by EUR 6.7 million and amounted to EUR 356.3 million as of April 30, 2014 (January 31, 2014: EUR 349.6 million). The increase includes a negative currency effect of EUR 4.4 million. The equity ratio as of April 30, 2014, was, at 54.5 percent, roughly at the level as of the reporting date (January 31, 2014: 54.6 percent) and markedly above the April 30, 2013,

comparative (52.6 percent). Combined with a robust financing structure, it safeguards the financial autonomy and independence of the Miba Group.

As of April 30, 2014, the Miba Group continued to report a solid excess of financial assets over net debt (net debt less (current and non-current) financial assets, excluding securities to cover pension provisions) in the amount of EUR 46.6 million.

### **Order backlog**

For the first time, the order backlog exceeded EUR 300 million: as of April 30, 2014, it amounted to EUR 301.2 million and was thus markedly above the order backlog as of the January 31, 2014, reporting date (EUR 282.4 million).

### **Employees**

As of the April 30, 2014, reporting date, the Miba Group had 4,539 employees worldwide, which equates to an increase of 7.8 percent, or 330 employees, compared to April 30, 2013 (4,209 employees). Increases in staff numbers occurred mainly in China, Slovakia, and Austria. Including agency staff, Miba employed 4,752 members of staff globally as of April 30, 2014 (previous year: 4,451 employees).

As of April 30, 2014, Miba was training 154 apprentices, of which 97 in Austria. 27 apprentices successfully completed their training in the spring of 2014; they are continuing their careers at Miba. In September 2014, more than 30 new apprentices will again start their training at Austrian sites.

In May 2014, Miba was awarded the Felix Familia prize, an award which recognizes particularly family-friendly projects in Upper Austria. In addition to various part-time working models for employees, the option to work from home and special offerings for apprentices, it was above all the Company's own day care center which won it first place in the category for businesses with more than 100 employees.

### **Other events**

#### **Increase in shareholding in EBG LLC**

On March 28, 2014 (signing and settlement date), Miba Energy Holding LLC, McConnelville, Ohio, USA (wholly owned subsidiary of Miba Energy Holding GmbH & Co KG, Laakirchen, Austria) acquired the remaining 30 percent of EBG LLC, Middletown, Pennsylvania, USA. Miba Energy Holding LLC already owned 70 percent of the shares. The acquisition did not change the company's status (increase in shareholding), so EBG LLC continues to be consolidated.

### **Acquisition of Miba Asia Holding Pte. Ltd.**

On March 28, 2014, Miba China Holding GmbH, Laakirchen, Austria, acquired 100 percent of the newly formed Miba Asia Holding Pte. Ltd. for a purchase price of one Singapore dollar.

### **Agreement signed for acquisition of Shenzhen Rui Xi Si Te Industry Co., Ltd.**

On March 28, 2014 (signing date), Miba Asia Holding Pte. Ltd., Singapore, (wholly owned subsidiary of Miba China Holding GmbH, Laakirchen, Austria) entered into an agreement to acquire 100 percent of the shares in Shenzhen Rui Xi Si Te Industry Co., Ltd., Shenzhen, China. Shenzhen Rui Xi Si Te Industry Co., Ltd. holds 30 percent of the shares in EBG Shenzhen Ltd. Settlement is expected to take place in June or July 2014 once important conditions in the agreement have been met.

EBG Shenzhen Ltd. produces high-power resistors which are, for example, used in the power electronics of frequency converters or in modern medical equipment. From January 1, 2013, until December 31, 2013, the company generated annual revenue of EUR 10 million; it has 200 employees.

## **Segment reporting**

### **Miba Sinter Group**

At EUR 62.2 million, Miba Sinter Group revenue in the reporting period was 8.8 percent higher than the prior-year amount of EUR 57.1 million. The performance of production and sales figures for passenger vehicles and light commercial vehicles was consistently positive during the first quarter of 2014–2015.

In the reporting period, the Miba Sinter Group invested EUR 8.5 million to further expand capacity. Miba Sinter Slovakia is being built up in stages into the second Miba Sinter Group competence center in Europe. The work to extend the site at Miba Sinter USA, which was only opened in 2010, is nearly complete. With the doubling of the production area, Miba is reacting to the positive developments and forecasts for the North American automotive industry.

### **Miba Bearing Group**

In the reporting period, Miba Bearing Group revenue rose slightly compared to the previous year (EUR 45.0 million) by 3.8 percent to EUR 46.7 million. This positive performance is mainly attributable to the upturn in the truck market which has persisted for some time, especially in the USA, and the positive performance in the diesel locomotive market, also particularly in the USA. The global shipping and mining industries are, however, still not performing satisfactorily.

Capital expenditure in this segment in the first quarter, just as in the prior-year comparative period, was EUR 1.7 million.



### Miba Friction Group

At EUR 38.0 million, segment revenue for the first quarter of 2014–2015 was 7.4 percent above the prior-year comparative (EUR 35.4 million). Since acquiring a competitor's off-road business in 2010, the Miba Friction Group has more than doubled its revenue and is now the global number 2 in its sector.

During the reporting period, the Miba Friction Group invested EUR 1.2 million in capacity expansion (previous year: EUR 0.6 million).

### New Technologies Group

The segment which, in addition to power electronics components, also comprises Miba's special machinery, generated a slight increase in revenue in the first quarter of 2014–2015. New Technologies Group revenue amounted to EUR 12.9 million in the reporting period and was therefore 2.7 percent above the prior-year level (EUR 12.6 million).

<b>Q1 2014–15</b>							
<b>in TEUR</b>	<b>Sinter</b>	<b>Bearing</b>	<b>Friction</b>	<b>New Tech- nologies</b>	<b>Other</b>	<b>Consoli- dation</b>	<b>Group</b>
Revenue	62,400	46,834	38,299	13,483	11,509	–9,041	163,485
of which intersegment revenue	242	110	314	584	7,790	–9,041	0
of which external revenue	62,158	46,725	37,985	12,899	3,719	0	163,485
Capital expenditure (excluding financial assets)	8,526	1,744	1,183	511	1,234	–857	12,341
Employees as of the reporting date	1,884	1,208	962	247	238	0	4,539

### Segment reporting Q1 2014–15

**Q1 2013–14**

<b>in TEUR</b>	<b>Sinter</b>	<b>Bearing</b>	<b>Friction</b>	<b>New Technologies</b>	<b>Other</b>	<b>Consolidation</b>	<b>Group</b>
Revenue	57,289	45,170	35,836	13,173	8,213	-6,201	153,480
of which intersegment revenue	154	175	470	607	4,794	-6,201	0
of which external revenue	57,135	44,995	35,366	12,565	3,418	0	153,480
Capital expenditure (excluding financial assets)	4,603	1,737	580	362	187	510	7,979
Employees as of the reporting date	1,681	1,172	928	224	204	0	4,209

**Segment reporting Q1 2013–14****Significant risks and uncertainties**

In the first quarter of the current fiscal year, there were no material changes in the risk categories listed in the 2013–2014 Annual Report. For further information, please refer to the risk report in the 2013–2014 Annual Report.

**Outlook**

Expectations for the whole year remain cautiously optimistic despite sustained volatility in Miba's sales markets. The Company is expecting sustainable growth in the medium to long term. The Company is well prepared for this with its state-of-the-art machinery, leading technological components and, not least, its highly-qualified team.

China and the USA are still regarded as the markets of the future for Miba's products and technologies which is why the Company is continuing to strengthen its activities in these regions. The Austrian sites are also benefiting from these investments.

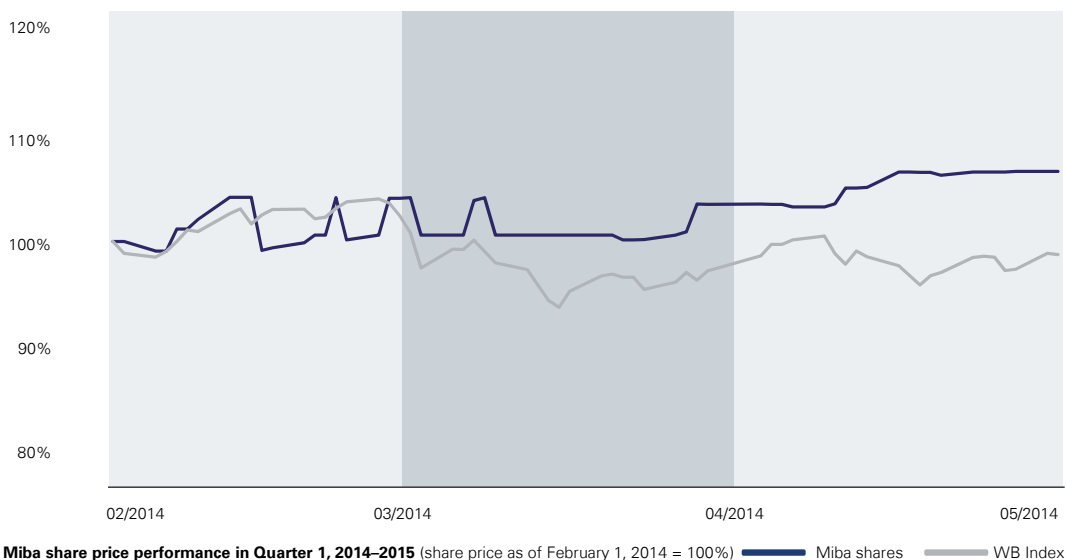
In addition to its focus on expansion, Miba is continuing to work on measures to improve efficiency and quality as well as on intensive product and technology development in all areas in order to once again move a step closer to achieving its vision of "No power train without Miba technology".

**Miba shares**

Miba preferred shares rose once again during the period from February to April 2014; the closing price at the end of the first quarter (April 30, 2014) was EUR 360.20, i.e., 7 percent above the February 1, 2014, price. In December 2013, Miba preferred shares peaked at EUR 374.00. The positive share performance must however also be viewed against the positive overall picture of the global equity markets. These are being supported by the expansionary monetary policy of the central banks, even though this support of the equity markets will, in Miba’s view, come to an end at the latest after the most recent interest rate reduction by the ECB.

534 shares were bought back during the reporting period. As of the April 30, 2014, reporting date, Miba AG therefore held 92,978 treasury shares, which equates to around 7.2 percent of share capital.

The share buyback program that had commenced in 2011 was terminated by the resolution passed at the 27th Annual General Meeting on June 28, 2013. A new share buyback program for up to 45,000 category B preferred shares was started following the resolution passed by the Management Board of Miba AG on August 21, 2013. For more detailed information about the share buyback program, please refer to [www.miba.com](http://www.miba.com).



# Consolidated interim financial statements

## IFRS consolidated balance sheet

in TEUR	4/30/2014	1/31/2014	4/30/2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	38,495	40,272	44,767
Property, plant and equipment	234,870	235,117	202,606
Investments in associates	9,584	9,438	9,229
Financial assets	24,400	25,325	26,532
Deferred tax assets	3,412	3,296	5,013
	<b>310,760</b>	<b>313,449</b>	<b>288,147</b>
<b>Current assets</b>			
Inventories	81,421	78,236	85,275
Trade receivables	91,439	84,311	88,589
Other assets	20,796	21,848	19,824
Current financial assets	22,643	22,724	18,003
Cash and cash equivalents	126,351	119,523	132,664
	<b>342,650</b>	<b>326,642</b>	<b>344,355</b>
<b>Total assets</b>	<b>653,410</b>	<b>640,091</b>	<b>632,502</b>

Rounding differences may arise due to the use of accounting software.

in TEUR	4/30/2014	1/31/2014	4/30/2013
<b>Equity and liabilities</b>			
<b>Consolidated equity</b>			
Share capital	9,500	9,500	9,500
Capital reserves	18,089	18,089	18,089
Treasury shares	-14,405	-14,221	-11,731
Retained earnings	340,319	332,596	313,204
Non-controlling interests	2,775	3,606	3,351
	<b>356,277</b>	<b>349,569</b>	<b>332,412</b>
<b>Non-current liabilities</b>			
Termination benefit and pension provisions	24,585	24,199	23,114
Deferred tax liabilities	6,526	6,799	6,324
Other non-current provisions	1,969	1,969	1,233
Financial liabilities	108,759	100,088	110,426
Other non-current liabilities	16,211	13,170	11,465
	<b>158,049</b>	<b>146,224</b>	<b>152,563</b>
<b>Current liabilities</b>			
Current provisions	31,271	23,705	36,489
Tax provisions	15,056	12,600	23,131
Trade payables	52,608	63,925	48,765
Current financial liabilities	13,642	14,102	15,840
Income tax liabilities	694	694	0
Other current liabilities	25,812	29,271	23,302
	<b>139,084</b>	<b>144,297</b>	<b>147,527</b>
<b>Total equity and liabilities</b>	<b>653,410</b>	<b>640,091</b>	<b>632,502</b>

Rounding differences may arise due to the use of accounting software.

# IFRS consolidated income statement

in TEUR	Q1 2014-15	Q1 2013-14
Revenue	163,485	153,480
Change in inventories of finished goods and work in progress	1,911	1,259
Own work capitalized	1,222	1,126
<b>Gross operating revenue</b>	<b>166,618</b>	<b>155,865</b>
Other operating income	2,021	4,339
Cost of materials and other manufacturing services purchased	-68,279	-64,370
Personnel expenses	-49,649	-46,432
Other operating expenses	-21,651	-21,786
<b>Profit before interest, tax, depreciation and amortization (EBITDA)</b>	<b>29,061</b>	<b>27,617</b>
Depreciation and amortization	-9,792	-9,776
<b>Profit before interest and tax (EBIT)</b>	<b>19,269</b>	<b>17,841</b>
Share of profits and losses of associates	17	288
Net interest income	-1,059	-1,166
Other financial result	0	0
<b>Financial result</b>	<b>-1,042</b>	<b>-878</b>
<b>Profit before tax (EBT)</b>	<b>18,227</b>	<b>16,962</b>
Income tax expense	-4,735	-4,428
<b>Profit after tax (EAT)</b>	<b>13,491</b>	<b>12,535</b>
Financing costs for LP minority shareholders	-601	-332
<b>Profit after tax and financing costs attributable to LP minority shareholders (EAT after LPMS)</b>	<b>12,891</b>	<b>12,202</b>
of which attributable to		
Shareholders of Miba Aktiengesellschaft	12,731	11,972
Non-controlling interests	160	230
Weighted average number of shares issued	1,207,192	1,217,204
Earnings per share in EUR	10.55	9.84
Diluted earnings per share in EUR = basic earnings per share in EUR	10.55	9.84

Rounding differences may arise due to the use of accounting software.

# IFRS consolidated statement of comprehensive income

in TEUR	Q1 2014-15	Q1 2013-14
<b>Profit after tax (EAT)</b>	<b>13,491</b>	<b>12,535</b>
Financing costs for LP minority shareholders	-601	-332
<b>Profit after tax and financing costs attributable to LP minority shareholders (EAT after LPMS)</b>	<b>12,891</b>	<b>12,202</b>
Currency translation	-4,636	4,615
Share of other comprehensive income of equity-accounted companies	230	203
<b>Total other comprehensive income for items which may be reclassified subsequently to profit or loss</b>	<b>-4,405</b>	<b>4,818</b>
<b>Total comprehensive income</b>	<b>8,486</b>	<b>17,020</b>
of which attributable to		
Shareholders of Miba Aktiengesellschaft	8,331	16,725
Non-controlling interests	155	295

Rounding differences may arise due to the use of accounting software.

# IFRS consolidated statement of changes in equity

in TEUR	Share capital	Capital reserves	Treasury shares
<b>Balance 2/1/2013</b>	<b>9,500</b>	<b>18,089</b>	<b>-11,139</b>
<b>Profit after tax (EAT after LPMS)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>			
Currency translation	0	0	0
<b>Net other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dividends</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in treasury shares</b>	<b>0</b>	<b>0</b>	<b>-592</b>
<b>Balance 4/30/2013</b>	<b>9,500</b>	<b>18,089</b>	<b>-11,731</b>
<b>Balance 2/1/2014</b>	<b>9,500</b>	<b>18,089</b>	<b>-14,221</b>
<b>Profit after tax (EAT after LPMS)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>			
Currency translation	0	0	0
<b>Net other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dividends</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in treasury shares</b>	<b>0</b>	<b>0</b>	<b>-184</b>
<b>Additions/disposals of non-controlling interests/deconsolidation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance 4/30/2014</b>	<b>9,500</b>	<b>18,089</b>	<b>-14,405</b>



	Retained earnings				Attributable to shareholders of Miba AG	Non-controlling interests	Total equity
	Currency translation reserve	Actuarial + gains / - losses	Equity-accounted companies	Other retained earnings			
	-2,172	-3,572	166	302,057	312,929	3,084	316,012
	0	0	0	11,972	11,972	230	12,202
	4,549	0	203	0	4,752	65	4,818
	<b>4,549</b>	<b>0</b>	<b>203</b>	<b>0</b>	<b>4,752</b>	<b>65</b>	<b>4,818</b>
	<b>4,549</b>	<b>0</b>	<b>203</b>	<b>11,972</b>	<b>16,725</b>	<b>295</b>	<b>17,020</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-28</b>	<b>-28</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-592</b>	<b>0</b>	<b>-592</b>
	<b>2,377</b>	<b>-3,572</b>	<b>370</b>	<b>314,029</b>	<b>329,061</b>	<b>3,351</b>	<b>332,412</b>
	-2,316	-4,673	-532	340,117	345,964	3,606	349,569
	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,731</b>	<b>12,731</b>	<b>160</b>	<b>12,891</b>
	-4,631	0	230	0	-4,400	-5	-4,405
	<b>-4,631</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>-4,400</b>	<b>-5</b>	<b>-4,405</b>
	<b>-4,631</b>	<b>0</b>	<b>230</b>	<b>12,731</b>	<b>8,331</b>	<b>155</b>	<b>8,486</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-26</b>	<b>-26</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-184</b>	<b>0</b>	<b>-184</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>-608</b>	<b>-608</b>	<b>-961</b>	<b>-1,569</b>
	<b>-6,947</b>	<b>-4,673</b>	<b>-301</b>	<b>352,240</b>	<b>353,502</b>	<b>2,775</b>	<b>356,277</b>

Rounding differences may arise due to the use of accounting software.

# IFRS consolidated cash flow statement

<b>in TEUR</b>	<b>Q1 2014-15</b>	<b>Q1 2013/14<sup>1)</sup></b>
Consolidated cash flow from operating activities	12,406	23,847
Consolidated cash flow from investing activities	-9,069	-7,847
Consolidated cash flow from financing activities	4,615	-2,805
<b>Change in cash and cash equivalents</b>	<b>7,951</b>	<b>13,196</b>
Change due to currency translation	-1,124	1,458
Opening balance of cash and cash equivalents	119,523	118,011
<b>Closing balance of cash and cash equivalents</b>	<b>126,351</b>	<b>132,664</b>

<sup>1)</sup>To improve comparability, the presentation of interest receipts and payments in the prior-year cash flow statement was changed.

Rounding differences may arise due to the use of accounting software.

# Notes to the consolidated interim financial statements for the period ended April 30, 2014

## **Information on the Company**

Miba Aktiengesellschaft is an international group domiciled in Austria. The Group's business activities mainly focus on engine bearings, sintered components, friction materials and passive electronic components. The Group's head office is located at Dr.-Mitterbauer-Strasse 3, 4663 Laakirchen, Austria. The Company is registered at the Wels regional and commercial court (Landes- als Handelsgericht Wels) under number FN 107386 x.

## **Accounting in accordance with International Financial Reporting Standards (IFRSs)**

The accompanying consolidated interim financial statements for the period ended April 30, 2014, (February 1, 2014, to April 30, 2014) have been prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union and applicable at the reporting date, and in particular in accordance with IAS 34 (Interim Financial Reporting).

## **Accounting policies**

The accounting pronouncements whose application is mandatory from fiscal year 2014–15 onwards do not have a material effect on the presentation of the assets, liabilities, financial position and profit or loss of the consolidated interim financial statements.

Moreover, when preparing the consolidated interim financial statements, the accounting policies applied to the year ended January 31, 2014, remained unchanged. For further information on accounting policies please therefore refer to the consolidated financial statements for the year ended January 31, 2014.

The consolidated interim financial statements have been prepared in euros (EUR). Unless stated otherwise, amounts are presented in euro thousands (TEUR) for clarity.

## **Basis of consolidation**

The basis of consolidation has been determined in accordance with the principles of IFRS 10 (Consolidated Financial Statements). As a result, the consolidated interim financial statements include 16 Austrian and 19 foreign subsidiaries in which Miba Aktiengesellschaft holds the majority of voting rights either directly or indirectly.

## **Other events**

### **Increase in shareholding in EBG LLC**

On March 28, 2014 (signing and settlement date), Miba Energy Holding LLC, McConnelsville, Ohio, USA (wholly owned subsidiary of Miba Energy Holding GmbH & Co KG, Laakirchen, Austria) acquired the remaining 30 percent of EBG LLC, Middletown, Pennsylvania, USA. Miba Energy Holding LLC already owned 70 percent of the shares. The acquisition did not change the company's status (increase in shareholding), so EBG LLC continues to be consolidated.

### **Acquisition of Miba Asia Holding Pte. Ltd.**

On March 28, 2014, Miba China Holding GmbH, Laakirchen, Austria, acquired 100 percent of newly formed Miba Asia Holding Pte. Ltd. for a purchase price of one Singapore dollar.

### **Agreement signed for acquisition of Shenzhen Rui Xi Si Te Industry Co., Ltd.**

On March 28, 2014 (signing date), Miba Asia Holding Pte. Ltd., Singapore, (wholly owned subsidiary of Miba China Holding GmbH, Laakirchen, Austria) entered into an agreement to acquire 100 percent of the shares in Shenzhen Rui Xi Si Te Industry Co., Ltd., Shenzhen, China. Shenzhen Rui Xi Si Te Industry Co., Ltd. holds 30 percent of the shares in EBG Shenzhen Ltd. Settlement is expected to take place in June or July 2014 once important conditions in the agreement have been met.

EBG Shenzhen Ltd produces high-power resistors which are, for example, used in the power electronics of frequency converters or in modern medical equipment. From January 1, 2013, until December 31, 2013, the company generated annual revenue of EUR 10 million; it has 200 employees.

## **Seasonal business trends**

The revenue of the Miba Group is distributed almost equally over the four quarters of the fiscal year.

## **Events after the reporting date**

Events after the reporting date which are significant to measurement as of the reporting date, such as ongoing litigation or claims for damages, as well as other obligations or expected losses which must be recognized or disclosed under IAS 10, have been reflected in the accompanying consolidated interim financial statements or are not known.

**Estimates and uncertainties**

For management judgments and uncertainties arising from estimates, please refer to the Miba Group's consolidated financial statements for the year ended January 31, 2014.

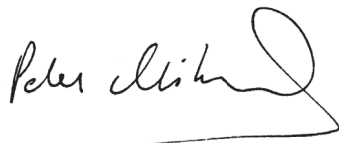
# Statement by the Management Board

We confirm that the condensed consolidated interim financial statements of Miba Aktiengesellschaft for the period ended April 30, 2014, which have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, present a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the management report in the consolidated interim financial statements presents a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in relation to the material events in the first three months of the fiscal year and their effect on the condensed consolidated interim financial statements, in relation to material risks and uncertainties in the remaining nine months of the fiscal year, and in relation to material related party transactions which require to be disclosed.

The accompanying consolidated interim financial statements for the first three months of the fiscal year have neither been audited nor reviewed by an auditor.

Laakirchen, June 2014

## The Management Board of Miba AG



### **DI F. Peter Mitterbauer, MBA**

Chairman of the Management Board, responsible for the New Technologies Group, Communications, Management Accounting, Human Capital, Strategy, Innovation & Technology and Internal Audit



### **Dr. Wolfgang Litzlbauer**

Vice Chairman of the Management Board, responsible for the Miba Bearing Group, the Miba Friction Group, the Miba Coating Group and Purchasing



### **Dr.-Ing. Harald Neubert**

Member of the Management Board, responsible for the Miba Sinter Group and Quality



### **MMag. Markus Hofer**

Member of the Management Board, Chief Financial Officer, responsible for Corporate Finance, IT and Business Excellence

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