



# Key Figures of Success

Miba Shareholder Information  
Quarters 1–3, 2014–2015  
February 1 to October 31, 2014





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# Report on the first three quarters of 2014–2015

## Economic conditions

Global economic risk has increased in recent months. Geopolitical tensions have intensified further, the situation in the financial markets continues to be unstable and major problem areas are unsolved; growth projections for industrial nations remain low and those for emerging market economies have been marked down. According to the latest report by the International Monetary Fund (IMF), these and other factors are slowing down global economic growth. In its October 2014 World Economic Outlook Update, the IMF thus continued to mark down its growth forecast for the world economy to 3.3 percent (–0.1 percentage points compared with the July 2014 World Economic Outlook Update). Due to the stagnating recovery in the eurozone, the IMF marked down the forecast economic growth in this region from the July forecast of 1.1 percent to 0.8 percent. GDP growth of 4.4 percent is expected in emerging market economies, which corresponds to a markdown of 0.1 percentage points from previous forecasts. While China continues to be heading for GDP growth of 7.4 percent which is unchanged from previous forecasts, expectations for Brazil, the former growth engine, had to be marked down by 1.0 percentage point to 0.3 percent. The Russian economy continues to suffer from the effects of geopolitical tensions on foreign investments and domestic production. The IMF is expecting growth there to be 0.2 percent. For 2015, the IMF is expecting global economic growth to be 3.8 percent, which corresponds to a markdown of 0.2 percentage points from the July forecasts. The weakening eurozone is also given as a reason for reduced growth expectations.<sup>1</sup>

The growth slowdown in the global economy in recent months has also been apparent in some of Miba's sales markets. However, their performance during the first three quarters of 2014–2015 was largely satisfactory. Global markets for passenger vehicles and trucks again continued to perform positively during the third quarter. In Europe, 6.1 percent more passenger vehicles were registered from January to October than in the prior-year comparative period; in North America it was 5.5 percent more passenger vehicles and vans.<sup>2</sup> With an increase of 12 percent compared to the prior-year comparative period, new registrations in China continued to rise.<sup>3</sup> In the heavy truck segment (over 16 t), Europe recorded 3 percent more registrations in the first three quarters of 2014 compared to the first three quarters of 2013.<sup>4</sup> The USA order books for heavy trucks recorded an increase of 32.4 percent in the first nine months of 2014 compared to the prior-year comparative period.<sup>5</sup> The truck market in China performed contrary to expectations in the third quarter. Although, overall, 6 percent more heavy trucks were manufactured there in the first three quarters than in the same prior-year period, there was an unexpected and marked downturn in recent months. For example, production numbers in September 2014 were 13 percent below the prior-year amount.<sup>6</sup> Performance in the locomotive and compressor markets continued to be very encouraging, especially in the USA. There were, however, no indications of any positive developments in the shipbuilding or mining markets in the first nine months of 2014; performance in the agricultural commercial vehicle market continued to be relatively restrained and is being badly affected by the tensions between Russia and the Ukraine. The downturn in the power electronics market persisted in the third quarter.

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

<sup>2</sup> cf. ACEA, New Passenger Car Registrations, November 2014; Automotive News, October, 17, 2014

<sup>3</sup> cf. LMC Automotive, October 2014

<sup>4</sup> cf. ACEA, New Commercial Vehicle Registrations, October 2014

<sup>5</sup> cf. The Rhein Report, October 2014

<sup>6</sup> cf. LMC Automotive, October 2014

## Revenue and performance analysis

Miba was able to slightly increase revenue and profit in the reporting period compared with the first three quarters of the previous year. For the period from February to October 2014, Miba generated revenue of EUR 498.3 million, which equates to an increase of 8.3 percent compared to the prior-year comparative period. Negative foreign currency effects (−0.6 percentage points) and positive effects from acquisitions (+0.5 percentage points) offset each other, so that organic growth amounted to about 8.4 percent.

The Miba Sinter Group generated the largest proportion of consolidated revenue with 37.7 percent, followed by the Miba Bearing Group with 30.1 percent, the Miba Friction Group with 21.4 percent and the New Technologies Group with 8.2 percent. Revenue amounting to EUR 12.6 million was attributable to the “Other” segment.

In the first three quarters of 2014–2015, Miba achieved profit before interest and tax (EBIT) of EUR 62.9 million (previous year: EUR 54.1 million).

The EBIT margin was 12.6 percent and had thus risen by 0.8 percentage points compared to the prior-year comparative period (11.8 percent). The rise in revenue was converted into an increase in earnings quality, with positive performances in almost all cost areas. Personnel costs continue to be the only exception, though at least they did not rise further as a percentage of revenue compared to the previous year.

## Financial position, assets and liabilities

Total assets of EUR 711.1 million increased by EUR 71.0 million compared to the January 31, 2014, reporting date (EUR 640.1 million). The initial consolidation (step acquisition) of the subsidiary EBG Shenzhen (EUR +16.8 million) and the increase in total assets resulting from stronger foreign currencies (+approx. EUR 18,9 million) had the largest single effect.

Cash outflow for investments in property, plant and equipment and intangible assets amounted to EUR 34.7 million (previous year: EUR 37.3 million) and was again fully covered in this period by cash flow from operating activities, which amounted to EUR 67.8 million (previous year: EUR 58.6 million).

Consolidated equity increased in the first three quarters of the current fiscal year by EUR 48.2 million and amounted to EUR 397.7 million as of October 31, 2014 (January 31, 2014: EUR 349.6 million). The increase includes a positive currency effect of EUR 10.8 million. The equity ratio as of October 31, 2014, was, at 55.9 percent, above the level as of the reporting date (January 31, 2014: 54.6 percent) and markedly above the October 31, 2013, comparative (53.6 percent). Combined with a robust financing structure, it safeguards the financial autonomy and independence of the Miba Group.

As of October 31, 2014, the Miba Group continued to report a solid financing structure with an 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 65.2 million.

### **Order backlog**

At EUR 302.2 million, the order backlog as of October 31, 2014, was higher than the order backlog as of January 31, 2014 (EUR 282.4 million), with volatility and short-termism in the ordering patterns of our customers once again increasing markedly.

### **Employees**

As of the October 31, 2014, reporting date, the Miba Group had 4,859 employees worldwide (excluding agency staff), which equates to an increase of 11.3 percent, or 493 employees, compared to October 31, 2013 (4,366 employees). Increases in staff numbers occurred mainly in China; on the one hand, this was attributable to the strong growth at the Miba Suzhou site, and on the other to the consolidation of EBG Shenzhen from the end of the first half of 2014–2015 onwards. But in Europe too, Miba created more than 150 additional jobs compared with the prior-year period. Including agency staff, Miba employed 5,154 members of staff globally as of October 31, 2014 (previous year: 4,634 employees).

As of October 31, 2014, Miba was training 216 apprentices. A third of the apprentices come from the two Slovakian Miba sites, where for some years now Miba has already been using its own training model. Since October, Miba, as a youngSTAR pilot project partner, has even been offering dual vocational training wholly along Austrian lines at its Vrábľe site (Slovakia). youngSTAR is a Slovakian government initiative which is being supported by the Austrian Economic Chamber and companies like Miba.

### **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 newly formed Miba Asia Holding Pte. Ltd. for a purchase price of one Singapore dollar. Miba Asia Holding Pte. Ltd. is being consolidated.

### **Settlement for the acquisition of Shenzhen Rui Xi Si Te Industry Co., Ltd. / accounting for the step acquisition of EBG Shenzhen 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. The step acquisition took place on July 31, 2014, after important contractual conditions had been met.

Miba AG already holds 25 percent of the shares in EBG Shenzhen Ltd. via EBG LLC, USA. With a total of 55 percent of the voting rights attributable to Miba AG, Miba AG now controls EBG Shenzhen Ltd. The company is therefore being consolidated from July 31, 2014. EBG Shenzhen Ltd. was accounted for under the equity method until the date of acquisition. The step acquisition was accounted for based on preliminary amounts.

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 about EUR 10 million; it has 181 employees.

## **Segment reporting**

### **Miba Sinter Group**

The Miba Sinter Group benefited in the first three quarters of 2014–2015 from the positive performance of the global automotive industry. At EUR 187.9 million, segment revenue in the reporting period was 11.0 percent higher than the prior-year amount of EUR 169.3 million.

In the reporting period, the Miba Sinter Group invested EUR 22.4 million to further expand capacity.

### **Miba Bearing Group**

Particularly in the third quarter, the Miba Bearing Group was well able to exploit the slightly improved market performance, with revenue in the reporting period increasing by 9.7 percent compared to the previous year (EUR 136.9 million) to EUR 150.1 million. The segment benefited especially from the positive situation in the US truck market, the high demand for locomotives and the persistently satisfactory performance of generators.

The segment's capital expenditure in the first three quarters amounted to EUR 4.7 million.



### Miba Friction Group

With a decrease of 0.3 percent, segment revenue of EUR 106.7 million for the first three quarters of 2014–2015 was slightly below the prior-year comparative (EUR 107.1 million). The slight decline is attributable to the weak demand for agricultural commercial vehicles and mining equipment which was not fully compensated by positive performances in the passenger vehicle industry and railway sector.

During the reporting period, the Miba Friction Group invested EUR 3.5 million in capacity expansion (previous year: EUR 4.7 million).

### New Technologies Group

The segment which, in addition to power electronics components, also comprises Miba's special machinery, recorded an increase in revenue in the first three quarters of 2014–2015 despite the downturn in the power electronics market which has persisted for some time. New Technologies Group revenue amounted to EUR 41.0 million in the reporting period and was therefore 11.7 percent above the prior-year level (EUR 36.7 million).

<b>Q1–Q3 2014–15</b>							
<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	188,485	150,525	107,793	42,465	37,085	–28,021	498,333
of which intersegment revenue	606	422	1,060	1,440	24,492	–28,021	0
of which external revenue	187,879	150,103	106,732	41,025	12,593	0	498,333
Capital expenditure (excluding financial assets)	22,401	4,748	3,520	1,898	4,421	–860	36,127
Employees as of the reporting date	1,959	1,216	986	437	261	0	4,859

### Segment reporting Q3 2014–15

**Q1–Q3 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	169,940	137,548	108,010	43,074	25,047	–23,584	460,036
of which intersegment revenue	607	679	956	6,330	15,011	–23,584	0
of which external revenue	169,333	136,869	107,053	36,744	10,036	0	460,036
Capital expenditure (excluding financial assets)	17,063	10,295	4,656	1,280	2,081	1,894	37,269
Employees as of the reporting date	1,783	1,184	949	233	217	0	4,366

**Segment reporting Q3 2013–14****Significant risks and uncertainties**

In the first three quarters 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**

Overall, the first three quarters of 2014–2015 have been satisfactory for Miba, which is why expectations for the whole year remain mainly positive.

We are much more guarded and skeptical in our assessment of the next fiscal year. The investment climate is weak in most industry sectors – particularly in Europe – and the outlook is leaning more toward a negative trend.<sup>7</sup> The tensions arising from geopolitical risks are tangible and could have a further negative effect on the outlook for 2015.

When preparing its Miba 2020 strategy, the Company defined three focal points for the coming years; it will therefore be working on developing the Global Growth, Innovation and Technology and People subject areas and thus move another step closer to achieving its vision of “No power train without Miba technology”.

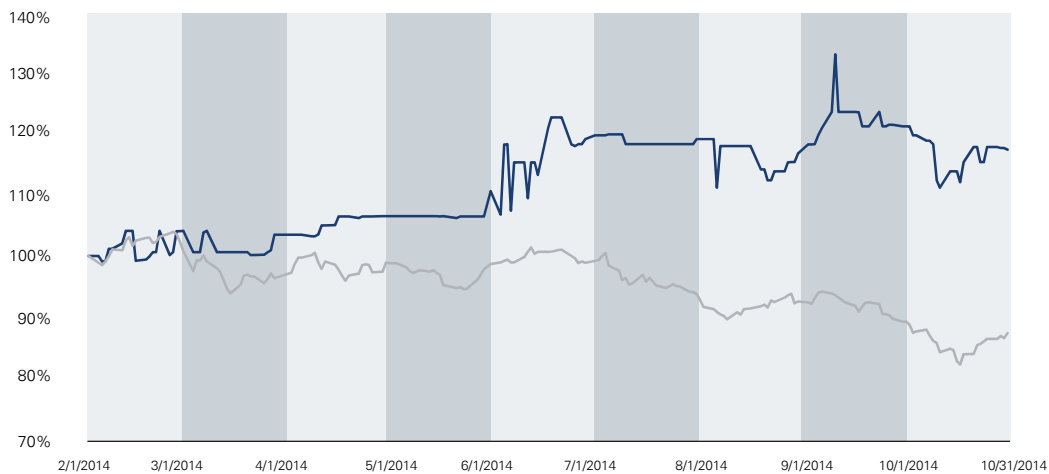
<sup>7</sup> cf. <http://www.oecd.org/eco/outlook/Advance-G20-release-of-OECD-Economic-Outlook.pdf>, and <http://derstandard.at/2000007789163/Weltwirtschaft-OECD-sieht-weiter-Flaute> and <http://www.spiegel.de/wirtschaft/oecd-senkt-konjunkturprognosen-fuer-euro-zone-und-usa-a-991656.html>, retrieval date: November 21, 2014

**Miba shares**

Miba preferred shares rose once again during the period from February to October 2014; the closing price at the end of the third quarter (October 31, 2014) was EUR 398.45, i.e., 18 percent above the February 1, 2014, price, although trading volumes continued to be very low. In September 2014, Miba preferred shares peaked at EUR 450.00. The positive share performance must however also be viewed against the background of a global rise in share prices. This trend is being supported by the expansionary monetary policy of the central banks coupled with the persistently low interest rate environment.

5,535 shares were bought back during the reporting period. As of the October 31, 2014, reporting date, Miba AG therefore held 97,979 treasury shares, which equates to around 7.5 percent of share capital.

The share buyback program that had commenced in 2011 was terminated by the resolution passed at the 27<sup>th</sup> 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).



**Miba share price performance in the first three quarters of 2014–15** (share price as of 2/1/2014 = 100%) — Miba shares — WB Index

# Consolidated interim financial statements

## IFRS consolidated balance sheet

in TEUR	10/31/2014	1/31/2014	10/31/2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	46,097	40,272	41,363
Property, plant and equipment	249,302	235,117	211,468
Investments in associates	6,669	9,438	7,820
Financial assets	24,179	25,325	26,137
Deferred tax assets	4,961	3,296	5,332
	<b>331,208</b>	<b>313,449</b>	<b>292,121</b>
<b>Current assets</b>			
Inventories	92,517	78,236	87,949
Trade receivables	100,040	84,311	89,398
Other assets	23,289	21,848	27,682
Current financial assets	27,418	22,724	20,003
Cash and cash equivalents	136,611	119,523	113,596
	<b>379,874</b>	<b>326,642</b>	<b>338,628</b>
<b>Total assets</b>	<b>711,083</b>	<b>640,091</b>	<b>630,748</b>

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

in TEUR	10/31/2014	1/31/2014	10/31/2013
<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	-16,305	-14,221	-13,623
Retained earnings	374,784	332,596	320,829
Non-controlling interests	11,658	3,606	3,306
	<b>397,725</b>	<b>349,569</b>	<b>338,100</b>
<b>Non-current liabilities</b>			
Termination benefit and pension provisions	24,589	24,199	23,288
Deferred tax liabilities	8,261	6,799	6,221
Other non-current provisions	1,620	1,969	220
Financial liabilities	105,377	100,088	113,824
Other non-current liabilities	17,331	13,170	10,900
	<b>157,177</b>	<b>146,224</b>	<b>154,453</b>
<b>Current liabilities</b>			
Current provisions	35,495	23,705	36,108
Tax provisions	19,224	12,600	21,704
Trade payables	57,240	63,925	46,352
Current financial liabilities	13,496	14,102	8,648
Income tax liabilities	0	694	0
Other current liabilities	30,725	29,271	25,383
	<b>156,180</b>	<b>144,297</b>	<b>138,195</b>
<b>Total equity and liabilities</b>	<b>711,083</b>	<b>640,091</b>	<b>630,748</b>

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

# IFRS consolidated income statement

in TEUR	Q3 2014-15	Q3 2013-14	Q1-Q3 2014-15	Q1-Q3 2013-14
Revenue	169,285	151,839	498,333	460,036
Change in inventories of finished goods and work in progress	-1,130	1,954	3,711	6,199
Own work capitalized	1,307	2,977	3,458	7,150
<b>Gross operating revenue</b>	<b>169,462</b>	<b>156,769</b>	<b>505,502</b>	<b>473,385</b>
Other operating income	7,861	2,175	16,403	8,950
Cost of materials and other manufacturing services purchased	-69,302	-65,249	-206,666	-197,973
Personnel expenses	-49,818	-44,283	-148,768	-137,350
Other operating expenses	-26,664	-21,229	-73,187	-62,915
<b>Profit before interest, tax, depreciation and amortization (EBITDA)</b>	<b>31,539</b>	<b>28,184</b>	<b>93,284</b>	<b>84,096</b>
Depreciation and amortization	-10,525	-9,764	-30,403	-29,962
<b>Profit before interest and tax (EBIT)</b>	<b>21,014</b>	<b>18,420</b>	<b>62,881</b>	<b>54,134</b>
Share of profits and losses of associates	-393	136	504	667
Net interest income	-1,014	-1,406	-3,319	-3,879
Other financial result	0	-1	0	11
<b>Financial result</b>	<b>-1,406</b>	<b>-1,271</b>	<b>-2,816</b>	<b>-3,200</b>
<b>Profit before tax (EBT)</b>	<b>19,608</b>	<b>17,149</b>	<b>60,065</b>	<b>50,934</b>
Income tax expense	-4,871	-4,505	-14,817	-13,042
<b>Profit after tax (EAT)</b>	<b>14,737</b>	<b>12,644</b>	<b>45,248</b>	<b>37,892</b>
Financing costs for LP minority shareholders	-709	-361	-2,247	-1,136
<b>Profit after tax and financing costs attributable to LP minority shareholders (EAT after LPMS)</b>	<b>14,028</b>	<b>12,283</b>	<b>43,001</b>	<b>36,756</b>
of which attributable to				
Shareholders of Miba Aktiengesellschaft	13,379	12,033	41,964	36,130
Non-controlling interests	649	251	1,037	627
Weighted average number of shares issued	1,202,021	1,213,200	1,204,476	1,215,442
Earnings per share in EUR	11.13	9.92	34.84	29.73
Diluted earnings per share in EUR = basic earnings per share in EUR	11.13	9.92	34.84	29.73

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

# IFRS consolidated statement of comprehensive income

in TEUR	Q1-Q3 2014-15	Q1-Q3 2013-14
<b>Profit after tax (EAT)</b>	<b>45,248</b>	<b>37,892</b>
Financing costs for LP minority shareholders	-2,247	-1,136
<b>Profit after tax and financing costs attributable to LP minority shareholders (EAT after LPMS)</b>	<b>43,001</b>	<b>36,756</b>
Currency translation	10,487	-1,639
Share of other comprehensive income of equity-accounted companies	299	-432
<b>Total other comprehensive income for items which may be reclassified subsequently to profit or loss</b>	<b>10,786</b>	<b>-2,071</b>
<b>Total comprehensive income</b>	<b>53,787</b>	<b>34,686</b>
of which attributable to		
Shareholders of Miba Aktiengesellschaft	52,618	34,077
Non-controlling interests	1,169	609

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>-2,484</b>
<b>Balance 10/31/2013</b>	<b>9,500</b>	<b>18,089</b>	<b>-13,623</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>-2,084</b>
<b>Additions/disposals of non-controlling interests/deconsolidation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance 10/31/2014</b>	<b>9,500</b>	<b>18,089</b>	<b>-16,305</b>



	Retained earnings				Attributable to shareholders of Miba AG	Non-controlling interests	Total equity
	Foreign 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	36,130	36,130	627	36,756
	-1,621	0	-432	0	-2,053	-18	-2,071
	-1,621	0	-432	0	-2,053	-18	-2,071
	-1,621	0	-432	36,130	34,077	609	34,686
	0	0	0	-9,727	-9,727	-387	-10,114
	0	0	0	0	-2,484	0	-2,484
	-3,793	-3,572	-266	328,459	334,794	3,306	338,100
	-2,316	-4,673	-532	340,117	345,964	3,606	349,569
	0	0	0	41,964	41,964	1,037	43,001
	10,355	0	299	0	10,654	131	10,786
	10,355	0	299	0	10,654	131	10,786
	10,355	0	299	41,964	52,618	1,169	53,787
	0	0	0	-9,616	-9,616	-376	-9,992
	0	0	0	0	-2,084	0	-2,084
	0	0	0	-815	-815	7,259	6,445
	8,039	-4,673	-233	371,650	386,067	11,658	397,725

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

# IFRS consolidated cash flow statement

in TEUR	<b>Q1-Q3 2014-15</b>	<b>Q1-Q3 2013/14<sup>1)</sup></b>
Consolidated cash flow from operating activities	67,838	58,604
Consolidated cash flow from investing activities	-40,633	-42,293
Consolidated cash flow from financing activities	-13,550	-20,549
<b>Change in cash and cash equivalents</b>	<b>13,655</b>	<b>-4,238</b>
Change due to currency translation	3,433	-177
Opening balance of cash and cash equivalents	119,523	118,011
<b>Closing balance of cash and cash equivalents</b>	<b>136,611</b>	<b>113,596</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 October 31, 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, coatings 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 October 31, 2014, (February 1, 2014, to October 31, 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 2014–2015 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 21 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. Miba Asia Holding Pte. Ltd. is being consolidated.

### **Settlement for the acquisition of Shenzhen Rui Xi Si Te Industry Co., Ltd. / accounting for the step acquisition of EBG Shenzhen 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. The step acquisition took place on July 31, 2014, after important contractual conditions had been met.

Miba AG already holds 25 percent of the shares in EBG Shenzhen Ltd. via EBG LLC, USA. With a total of 55 percent of the voting rights attributable to Miba AG, Miba AG now controls EBG Shenzhen Ltd. The company is therefore being consolidated from July 31, 2014. EBG Shenzhen Ltd. was accounted for under the equity method until the date of acquisition. The step acquisition was accounted for based on preliminary amounts.

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 around EUR 10 million; it has 181 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 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.

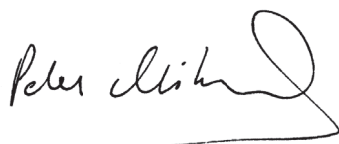
# Statement by the Management Board

We confirm that the condensed consolidated interim financial statements of Miba Aktiengesellschaft for the period ended October 31, 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 nine 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 three 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 nine months of the fiscal year have neither been audited nor reviewed by an auditor.

Laakirchen, December 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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