Innovation in Motion

Miba

Shareholder Information 2 2007|08

Report on the First Half-Year 2007/08

General Economic Setting

Since the beginning of 2007, the world economy has continued to expand, even though the growth rate has slowed down in some regions. This positive development was also felt throughout the international engine and automotive industry. Despite increasing oil and fuel prices, world-wide production of passenger cars and light commercial vehicles (up to 6 tons) gained momentum. For the entire year, an increase in world-wide production of approximately three percent to nearly 68 million units has been forecast. For heavy commercial vehicles (over six tons), a constant market volume of approximately 2.8 million units is anticipated.

In the first half-year 2007/08 (as at the end of July), Miba benefited from this robust economic environment. Market volume remained at a high level in all target segments. This development, strengthened by the successful strategy of focusing on high technology, led to an increase in sales volume for the reporting period (February 1 to July 31).

Sales and Performance Analysis

Miba's first half-year 2007/08 was marked by continued growth. Sales volume rose by four percent to EUR 196.3 million. Miba Sinter Group generated the largest share of sales with 44.8 percent, followed by Miba Bearing Group with 37.3 percent and Miba Friction Group with 17.1 percent.

Adjusted for non-recurring effects, earnings before interest and taxes (EBIT) for the reporting period amounted to EUR 20.8 million (EUR 14.0 million in the previous year). Reported EBIT stood at EUR 12.0 million, including anticipated non-recurring expenditures of EUR 8.8 million from the sale of the Spanish sinter site as at August 1, 2007.

Earnings before taxes (EBT), including non-recurring effects, decreased to EUR 11.4 million (EUR 13.0 million in the previous year). Excluding the above-mentioned non-recurring expenditures, return on sales stood at 10.3 percent.

Financial Position

The balance sheet total increased to EUR 347.0 million (EUR 328.1 million for the corresponding period of the previous year) as a result of the increase in long-term assets. Miba Sinter Spain in Ripollet/Spain is still included in the balance sheet, since the sale of this sinter site was not yet deconsolidated in the consolidated balance sheet of July 31, 2007. The deconsolidation of the sale will be reflected in the balance sheet of October 31, 2007. However, the anticipated non-recurring expenditures are already reflected in the current numbers.

In comparison with the corresponding period of the previous year, investments (excluding financial assets) rose from EUR 15.8 million to EUR 18.2 million. This increase is mainly a result of the acquisition of new equipment to expand Miba's capacities at the Austrian sites of Laakirchen and Vorchdorf. EUR 12.3 million were invested in these two Austrian sites alone. Due to the increased investments and higher deferred tax assets, the fixed-assets-to-net-worth-ratio (equity capital in relation to fixed assets) decreased from 96 to 93 percent as compared with the corresponding period of the previous year.

The Group's equity capital rose by five percent to EUR 175.4 million (EUR 167.8 million in the previous year). The change in equity capital mainly resulted from a EUR 8.5 million increase in retained earnings. At 50.5 percent, the equity ratio is slightly lower than the previous year's figure and expresses the company's solid financial structure.

Cash-flow from operations almost doubled from EUR 16.6 million to EUR 32.1 million due to the tighter management of current assets and the rise in current accruals. Compared to the previous year, liquidity increased from EUR 11.2 million to EUR 23.8 million.

Order Situation

At the reporting date of July 31, 2007, the order situation had reached a record level of EUR 174.4 million and was thus significantly higher than in the previous year.

Employees

At the end of the first half-year, the number of Miba employees stood at 2,878, about 1.5 percent less than in the corresponding period of the previous year. Nearly half of the employees work at a Miba site outside of Austria.

Other Events

With the effective date of August 1, 2007, Miba sold its subsidiary, Miba Sinter Spain S.A., based in Ripollet/Spain, to Allegra Capital, a Munich-based investment company. This measure underscores Miba Sinter Group's clear-cut, strategic orientation towards high technology. By concentrating its sites, Miba is enhancing the high level of its productivity and quality, thus securing future growth.

Segment

Miba Sinter Group

Since the beginning of the year, automobile production in Europe has increased to 11.7 million vehicles, i.e. a five percent increase over the corresponding period of the previous year. Miba Sinter Group has benefited from this development and was able to increase its sales volume in the first six months of the current business year to EUR 87.9 million, a four percent increase over the comparative period of the previous year. In addition to the generally positive economic situation and the higher production figures for the automotive manufacturers, the growth recorded by Miba Sinter Group is a result of the start-up of challenging new projects at the Vorchdorf and Dolný Kubín sites. In the first half of the year, EUR 8.2 million was invested into expanding production capacities at the Vorchdorf site in order to be able to handle increased demand.

Miba Bearing Group

Following its positive performance in the previous year, Miba Bearing Group continued its dynamic development in the first half of the current business year. With EUR 73.1 million, sales volume slightly exceeded that of the previous year. Market volume in all target segments, from commercial vehicles up to and including locomotives, was at a high level. The construction project launched at Miba's Laakirchen site to expand production capacities for diesel engines for ship drives was completed in the first half of the year.

Miba Friction Group

The favorable economic situation also had a positive effect on the business development of Miba Friction Group. In the first half-year, Miba Friction Group recorded a sales volume increase of nine percent to EUR 33.7 million. Miba Friction Group benefited from growth in all target segments, in particular for brake pats for wind turbines. The new friction plant in Vráble will be officially inaugurated in September and the relocation of Miba's steel plate production from England to Slovakia will thus be completed in the third quarter.

Significant Risks and Uncertainties in the Second Half-Year

In the first half of the current business year, no significant changes in the risk categories listed in the annual report of January 31, 2007 were recorded. In light of the information currently available, Management does not foresee any significant individual risks which could pose a threat to the Miba Group's financial position or the results of the Miba Group's operations.

Segment Reports

Primary segments (segment information according to business segment)

	Sinter		Bearing		Friction		Consolidation		Total group	
TEUR	Q1–Q2 2007/08	Q1–Q2 2006/07	Q1–Q2 2007/08	Q1–Q2 2006/07	Q1–Q2 2007/08	Q1–Q2 2006/07	Q1–Q2 2007/08	Q1–Q2 2006/07	Q1–Q2 2007/08	Q1–Q2 2006/07
Revenue from sales	87,904	84,402	73,171	72,814	33,676	30,946	1,591	1,190	196,341	189,352
EBITDA	-320	4,669	20,871	20,520	3,378	1,255	964	755	24,893	27,198
EBIT	-6,372	-2,216	16,981	16,683	1,548	-160	-195	-275	11,963	14,032
Investments (excluding financial assets)	10,521	6,201	5,408	4,381	1,693	4,267	576	990	18,199	15,839
Number of employees (07/31)	1,363	1,472	903	849	520	515	92	84	2,878	2,920

Outlook

In light of the excellent order situation and the continued robust economic environment, Miba expects consolidated sales volume for the 2007/08 business year to remain at the previous year's level, despite the sale of the Spanish sinter site. The management board anticipates that the company's focus on high-tech products will lead to increased margins, thereby offsetting any expected cost increases.

The Miba Share

During the first half-year 2007/08, the astounding performance of the Miba share widely exceeded the performance of the WBI index. Starting out at EUR 103.55 at the beginning of February, the Miba share reached EUR 146 in July, a 41 percent increase and a record for the year so far.

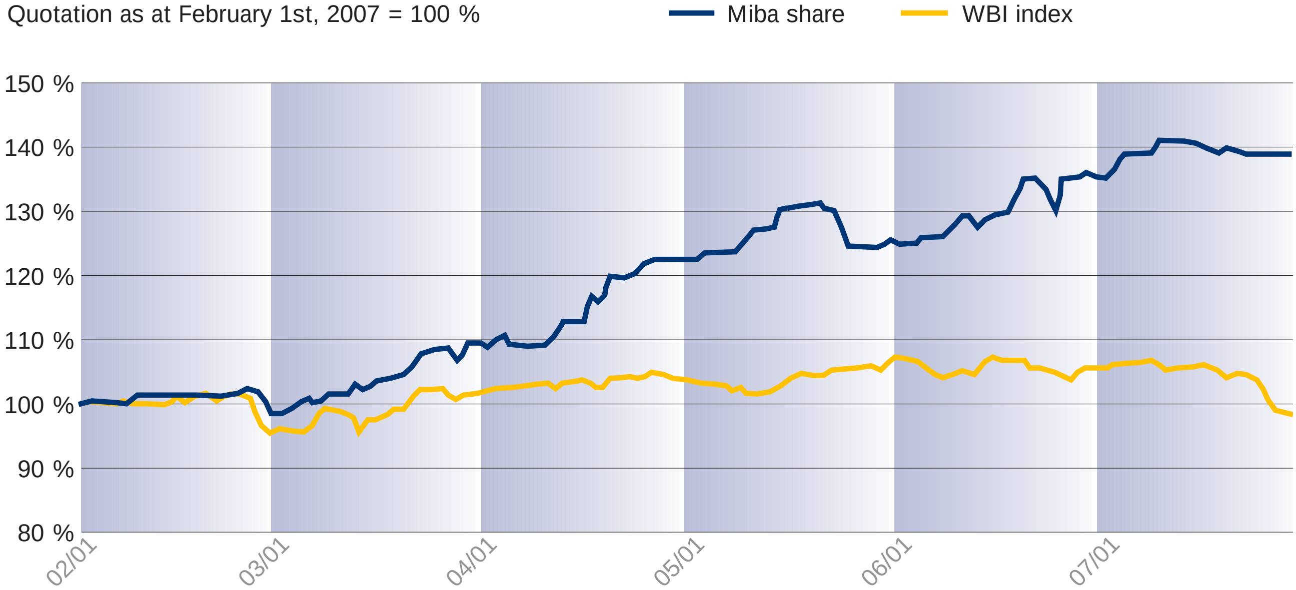
At the annual general meeting of July 6, 2007, a dividend of EUR 2.80 per common share and a dividend of EUR 2.80

per preferred share (Emission A and Emission B) were decided for the 2006/07 business year.

During its meeting of July 14, 2007, the management board decided to exercise its authorization to buy back company shares. The buy-back program is subject to a time limit, namely from July 23, 2007 up to July 31, 2008, and pertains solely to Miba preferred shares of Category B. The repurchase price lies between EUR 80 and EUR 180. The intended repurchase volume is up to 15,000 shares, corresponding to approximately 1.15 percent of the share capital.

Development of the Miba share from 02/01/2007 to 07/31/2007

Quotation as at February 1st, 2007 = 100 %



Consolidated Balance Sheet

TEUR	07/31/2007	01/31/2007	07/31/2006
Assets			
A. Fixed assets			
Intangible assets	27,124	30,045	31,314
Property, plant and equipment	134,442	126,497	127,555
Equity interests in associated companies	7,919	7,478	6,749
Other financial investments	6,851	7,053	3,804
Deferred tax assets	11,292	9,393	4,826
	187,628	**180,465**	**174,249**
B. Long term assets intended for disposal	**26**	**27**	**385**
C. Current assets			
Inventories	54,077	49,656	56,710
Accounts receivable and other receivables	81,465	81,550	85,588
Cash and cash equivalents	23,785	15,059	11,183
	159,327	**146,265**	**153,481**
	346,981	**326,757**	**328,115**
Liabilities			
A. Consolidated shareholder´s equity			
Share capital	9,500	9,500	9,500
Additional paid-in capital	18,089	18,089	18,089
Retained earnings	147,701	144,722	140,067
Minority interests	89	77	100
	175,379	**172,388**	**167,755**
B. Long-term liabilites			
Post-retirement benefits and severance payments	17,684	17,119	19,841
Deferred taxes	1,022	861	962
Interest-bearing liabilities	33,663	39,106	27,473
Other long-term liabilities	15,644	14,565	14,576
	68,012	**71,650**	**62,853**
C. Current liabilities			
Current accruals	44,107	30,773	29,703
Accounts payable	35,462	31,278	33,465
Current portion of interest-bearing liabilities	12,847	9,506	19,676
Other current liabilities	11,173	11,161	14,663
	103,590	**82,719**	**97,507**
	346,981	**326,757**	**328,115**

The use of automatic data processing equipment can lead to rounding differences.

Consolidated Income Statement

TEUR	Q2 2007/08	Q2 2006/07	Q1–Q2 2007/08	Q1–Q2 2006/07
Revenue from sales	100,749	96,980	196,341	189,352
Changes in inventory of finished and unfinished products	131	1,049	729	2,073
Internally produced and capitalized assets	1,178	521	1,852	931
Operating result	**102,058**	**98,550**	**198,921**	**192,355**
Other operating income	2,522	1,621	5,973	4,278
Expenses for materials and other purchased manufacturing services	-40,070	-38,880	-75,840	-74,726
Personnel expenses	-31,655	-32,555	-62,241	-64,651
Other operating expenses	-25,630	-14,488	-41,921	-30,057
Earnings before interest, taxes and depriciation (EBITDA)	**7,225**	**14,248**	**24,893**	**27,198**
Depreciation	-6,753	-6,513	-12,930	-12,916
Earnings before interest, taxes and goodwill amortization (EBITA)	**472**	**7,735**	**11,963**	**14,282**
Goodwill amortization	0	-125	0	-250
Earnings before interest and taxes (EBIT)	**472**	**7,610**	**11,963**	**14,032**
Income and losses from investments in associated companies	438	383	798	698
Net interest income	-733	-792	-1,427	-1,450
Other financial income	59	-266	59	-266
Financial results	**-236**	**-676**	**-570**	**-1,019**
Earnings before taxes (EBT)	**237**	**6,934**	**11,393**	**13,014**
Taxes on income and earnings	-340	-2,020	-3,106	-3,659
Earnings after taxes	**-103**	**4,914**	**8,286**	**9,354**
Earnings participation of minority shareholders	-6	13	-12	16
Consolidated net income for the mid-year	**-109**	**4,927**	**8,275**	**9,370**
Earnings per share in EUR	-0.08	3.79	6.37	7.21
Diluted earnings per share in EUR = undiluted earnings per share in EUR	-0.08	3.79	6.37	7.21
Weighted average number of shares	1,300,000	1,300,000	1,300,000	1,300,000

The use of automatic data processing equipment can lead to rounding differences.

Changes in Shareholders' Equity

TEUR	Share capital	Additional paid-in capital	Currency translation gain/loss	Retained earnings	Minority shares	Total
As of February 1, 2006	**9,500**	**18,089**	**-8,844**	**145,901**	**116**	**164,762**
Dividend payment	0	0	0	-3,640	0	-3,640
Foreign currency translation	0	0	-2,721	0	0	-2,721
Other neutral changes	0	0	0	0	0	0
Actuarial profits/ losses according to IAS 19	0	0	0	0	0	0
Annual consolidated net income	0	0	0	9,370	-16	9,354
As of July 31, 2006	**9,500**	**18,089**	**-11,565**	**151,631**	**100**	**167,755**
As of February 1, 2007	**9,500**	**18,089**	**-9,945**	**154,667**	**77**	**172,388**
Dividend payment	0	0	0	-3,640	0	-3,640
Foreign currency translation	0	0	-1,655	0	0	-1,655
Other neutral changes	0	0	0	0	0	0
Actuarial profits/ losses according to IAS 19	0	0	0	0	0	0
Annual consolidated net income	0	0	0	8,275	12	8,286
As of July 31, 2007	**9,500**	**18,089**	**-11,601**	**159,302**	**89**	**175,379**

Consolidated Cash Flow Statement

TEUR	Q1–Q2 2007/08	Q1–Q2 2006/07
Consolidated cash flow from operations	32,117	16,585
Consolidated cash flow from investment activities	-16,211	-9,728
Consolidated cash flow from financing activities	-7,181	-6,201
Change in cash and cash equivalents and consolidated marketable securities	**8,725**	**656**

The use of automatic data processing equipment can lead to rounding differences.

Notes on the Interim Consolidated Financial Statements as at July 31, 2007

Information on the Company and Basis for the Preparation of the Statements

Miba Aktiengesellschaft is an internationally active Group with headquarters in Austria. The Group's core business is composed of the product segments sintered components, engine bearings and friction materials. The Group's head office is located at Dr.-Mitterbauer-Strasse 3, 4663 Laakirchen, Austria. The company is registered under FN 107386 x at the regional court Wels as commercial court.

The present interim statements of July 31, 2007 (February 1, 2007 to July 31, 2007) were prepared in accordance with the guidelines of the International Financial Reporting Standards (IFRS) applicable on the balance sheet date, in particular IAS 34 (Interim Financial Reporting). The reporting and valuation principles of January 31, 2007 are applied unchanged. For additional information on the reporting and valuation methods, please consult the consolidated financial statements of January 31, 2007, which constitute the basis for the present interim statements.

For the purpose of clarity, all figures are exclusively shown in thousands of Euro (TEUR).

Consolidated Group

The consolidated group was established according to the principles of IAS 27 (Consolidated and Separate Financial Statements). The consolidation has remained unchanged and, accordingly, includes 10 domestic and 14 foreign subsidiaries in which Miba Aktiengesellschaft directly or indirectly holds a controlling interest.

With the effective date of August 1, 2007, the subsidiary Miba Sinter Spain S.A., Ripollet, Spain was sold. In the present interim report, the subsidiary is still fully consolidated; however, anticipated non-recurring expenditures related to the sale, amounting to EUR 8.8 million, are already reflected in the statements.

Business Seasonality

The sales of the Miba Group are approximately equally divided over the four quarters of the business year.

Events Occurring after the Balance Sheet

Any events occurring after the balance sheet date which are relevant to the valuation 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 report 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 at January 31, 2007.

Statement by the Management Board

To the best of our knowledge, the abbreviated consolidated financial statements of Miba Aktiengesellschaft of July 31, 2007, compiled in accordance with the International Financial Reporting Standards (IFRS), truly represent the Group's financial position and the results of the Group's operations.

The interim report truly represents the Group's financial position and the results of the Group's operations with respect to the information required as per article 87, paragraphs 2 and 4 of the Austrian stock exchange act. For the present report, the implementation of an audit or an audited examination by an auditor was waived.

Laakirchen, September 2007

The Management Board

DI DDr. h. c. Peter Mitterbauer (Chairman), hon.
KR Siegfried Dapoz, hon.
Dr.-Ing. Norbert Schrüfer, hon.
Dr. Wolfgang Litzlbauer, hon.
Ing. Alfred Hörtenhuber, hon.

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