

*Innovation in Motion*



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Shareholder Information 1

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## 2009-2010

### General Economic Setting

The global economy has been in a deep recession since the end of the previous fiscal year, but economists have widely differing opinions about its scope and duration. The International Monetary Fund (IMF) revised its 2009 projections again in April and is now expecting the global economy to shrink by 1.3 percent. China and India, the previous engines of growth, are also losing significant momentum. A recovery of the global economy is not expected until 2010 at the earliest.

Despite the billions in economic stimulus packages in the industrialized countries, Miba's core markets are not yet reinvigorated. Current call-off volumes are significantly below the prior-year level, depending on target market and customer. From today's perspective, it is not possible to give a reliable estimate of growth during the current fiscal year due to shorter-term customer call-offs and the general uncertainty in the markets.

### Sales and Performance Analysis

Miba was particularly affected in the first quarter of 2009-2010 by a decline in demand in its important target markets. Sales during the reporting period (February 1 to April 30) totaled 74.3 million euros, about 27.3 percent or about 27.9 million euros below the comparable period a year earlier. Miba Bearing Group accounted for the largest portion of group sales with 47.4 percent, followed by Miba Sinter Group with 35.6 percent and Miba Friction Group with 16.7 percent.

Despite the massive decline in sales, the company reported positive earnings before interest and taxes (EBIT) totaling 1.2 million euros (compared with 13.3 million euros the previous year) due to the early implementation of countermeasures at all locations. Earnings before taxes (EBT) tota-

led 0.6 million euros and were down significantly from the previous year (12.8 million euros).

### Financial Position

In the first quarter the balance sheet total (total assets) continued to decrease since the last reporting date and as of April 30 totaled 337.0 million euros. This is due to a restrained investment policy and strategic management of working capital.

The strengthening of liquidity is especially important in times like these. Cash and cash equivalents rose significantly during the reporting period to 30.6 million from 24.6 million euros. At the same time, net debt (cash and cash equivalents minus current and non-current interest-bearing liabilities) was lowered to 13.3 million from 19.3 million euros. The decisive factor in this regard was primarily cash flow from operations, which totaled 10.9 million euros and was thus much higher than in the prior-year period (0.6 million euros). Capital expenditures totaled 5.1 million euros (compared with 11.3 million euros a year earlier) and focused strategically on strengthening Miba's competitive position in high-tech and economically attractive market segments.

Group equity at 196.2 million euros was affected by negative currency fluctuations totaling 0.9 million euros. Nonetheless, the equity ratio climbed to 58.2 percent from 57.9 percent on the last reporting date. This growth guarantees the financial autonomy and independence of the Miba Group.



### Order Situation

The sharp 29.2 percent decline in order level compared with the first quarter of 2008-2009 – to 128.8 million euros as of April 30, 2009 – indicates very clearly the extent of the shrinkage in demand on Miba's target markets. The company also reported a decline of 18.3 percent since the last reporting date on January 31, 2009. For this reason, we do not yet foresee the recession bottoming out any time soon.

### Employees

As of the reporting date (April 30, 2009), the Miba Group had 2,633 employees worldwide. This represents a decrease of 180 employees or 6.4 percent compared with the same date the previous year. The reduction in employees affected the Slovakian locations primarily. At the Austrian plants, comprehensive human resources adjustments were made. They range from the systematic reduction of vacation time and working time accounts to a reduction in the workforce, especially in the number of temporary workers. Because of the continuing market weakness, short-time working hours were introduced at all the Austrian locations. As of the quarterly reporting date, there were 1,650 employees at the Austrian sites.

### Other Events

As of February 1, Dr.-Ing. Harald Neubert was appointed to the Miba AG Management Board, where he is responsible

for Miba Sinter Group. Neubert, born in 1956, has been with Miba since May 2007.

The U.S. dollar became much stronger in the first quarter of 2009-2010 compared with the prior-year period. As of April 30, 2009, the USD/EUR exchange rate was 1.32 (vs. 1.58 a year earlier).

### Segments

#### Miba Bearing Group

Sales at Miba Bearing Group totaled 35.3 million euros in the reporting period, down 11.5 percent from the previous year, the result of the sharp decline in demand for transport capacities. Nonetheless, a negative trend in all of Miba Bearing Group's target markets is expected in the course of the year. Capital expenditures totaled 2.4 million euros and were approximately at the same level as a year earlier. They are directed primarily at expansion of the plant in China.

#### Miba Sinter Group

In spite of government "scrap premiums" in many European countries designed to encourage people to buy new cars, the demand for automobiles in Europe has not recovered since the beginning of the year. This affected Miba Sinter Group: sales in the reporting period totaled 26.4 million euros and were 36.0 percent below the prior-year level. Capital expenditures were sharply reduced compared with the previous year and totaled about 2.5 million euros in the first quarter. However, the construction of the

new sintering plant in McConnelsville, Ohio (USA) continued. In the future, this plant will supply the demand for sintered components for smaller and more fuel-efficient engines and transmissions in the U.S.

### Miba Friction Group

Miba Friction Group was the segment that was most affected by the decline in customer demand. Sales plummeted 40.7 percent to 12.4 million euros. Total orders as of the quarterly reporting date had fallen by 50% from the prior-year level. The great volatility of the market makes it impossible to make a reliable forecast about the course of business during the rest of the year.

### Significant Risks and Uncertainties

In the first quarter of the current fiscal year there were no major changes in the risk categories listed in the 2008-2009 Annual Report. In light of the information currently available, management does not see any significant individual risks that could pose a threat to the Miba Group's financial position or performance.

### Outlook

Given the current economic conditions, the beginning of fiscal year 2009-2010 has proved to be a great challenge for Miba. From the current perspective, it is not yet possible to assume that the target markets will settle down or stabilize.

In this difficult market environment, Miba will continue to rely on competitive cost structures and place great value on a solid liquidity base and a highly qualified workforce so that it will emerge from this deep recession in stronger shape. The focus in 2009-2010 will be on strengthening sales and R&D activities in order to safeguard Miba's product and technology leadership in its core sectors over the long term.

### The Miba Share

In the first quarter of 2009-2010, the Miba share price remained within the narrow range of 70 to 79 euros. The share price at the beginning of February was 70 euros and had risen to only 77.5 euros by the end of the first quarter.

## Segment Reporting

Segment information by business segment

	Bearing		Sinter		Friction		Other		Consolidation		Group	
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	
	TEUR	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10
Sales revenue												
(external sales)	35,254	39,817	26,446	41,317	12,376	20,871	3,759	4,066	3,511	3,832	74,324	102,239
EBITDA	7,499	8,321	2,669	7,769	-1,105	2,246	-33	1,294	-39	63	8,990	19,567
EBIT	5,122	6,445	-452	5,024	-2,953	1,227	-449	698	-32	63	1,236	13,331
Investments (excluding												
financial investments)	2,364	2,793	2,458	7,712	789	313	72	489	605	0	5,077	11,307
Employees												
(as of balance sheet date)	1,034	990	1,023	1,146	482	578	94	99	0	0	2,633	2,813

The company did not buy back any of its own stock during the reporting period. As of April 30, Miba AG holds 66,229 treasury shares. This represents about 5.1 percent of share capital.

### Statement by the Management Board

To the best of our knowledge, the condensed consolidated financial statements of Miba Aktiengesellschaft as per April 30, 2009, which were compiled in accordance with the International Financial Reporting Standards (IFRS), give a true and fair view of the financial position and performance of all companies in the consolidated group.

The management report gives a true and fair view of the Group's financial position and performance with respect

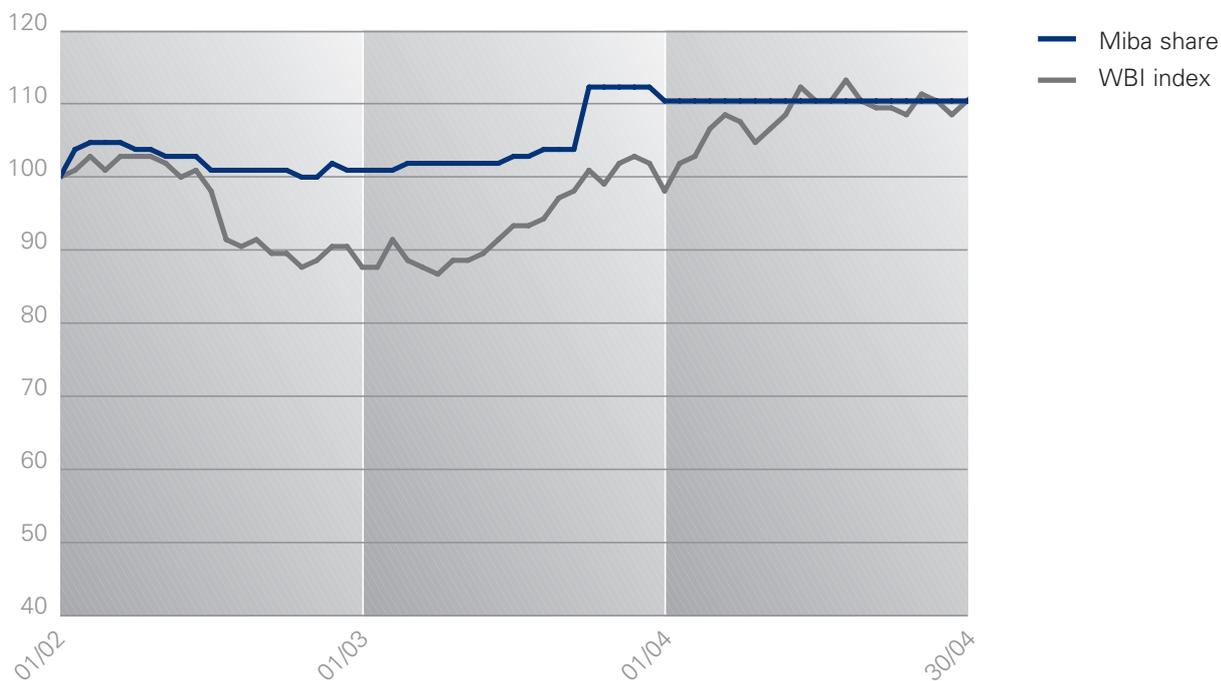
to the information required under § 87 (2) and (4) of the Austrian Stock Exchange Act. For the present report, the performance of an audit or a review by an auditor was waived.

Laakirchen, June 2009

The Management Board of Miba Aktiengesellschaft  
 DI DDr. h. c. Peter Mitterbauer (Chairman), hon.  
 Dr.-Ing. Norbert Schrüfer, hon.  
 Dr. Wolfgang Litzlbauer, hon.  
 Dr.-Ing. Harald Neubert hon.

### Development of the Miba Share

Quotation as at February 1, 2009 = 100%



# Consolidated Income Statement

in TEUR	Q1 2009-10	Q1 2008-09
Sales revenue	74,324	102,239
Changes in inventory of finished goods and work in process	-905	4,050
Internally produced and capitalized assets	6,579	621
<b>Operating result</b>	<b>79,997</b>	<b>106,911</b>
Other operating income	2,194	1,773
Cost of material and other purchased manufacturing services	-33,508	-42,786
Personnel costs	-29,633	-30,230
Other operating expenses	-10,060	-16,101
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>8,990</b>	<b>19,567</b>
Depreciation and amortization	-7,754	-6,236
<b>Earnings before interest, taxes amortization of goodwill (EBITA)</b>	<b>1,236</b>	<b>13,331</b>
Amortization of goodwill	0	0
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,236</b>	<b>13,331</b>
Income and losses from investments in associated companies	36	313
Net interest income	-670	-837
Other financial income	0	0
<b>Financial results</b>	<b>-634</b>	<b>-524</b>
<b>Earnings before taxes (EBT)</b>	<b>602</b>	<b>12,807</b>
Income taxes	-695	-3,478
<b>Earnings after taxes (EAT)</b>	<b>-92</b>	<b>9,328</b>
attributable to minority shareholders	-49	-12
attributable to parent company shareholders	-43	9,341
Weighted average of the number of shares issued (in units)	1,233,771	1,283,995
Earnings per share in EUR	-0.03	7.27
Diluted earnings per share in EUR = undiluted earnings per share in EUR	-0.03	7.27

## Consolidated Statement of Recognized Income and Expenses

in TEUR	Q1 2009-10	Q1 2008-09
<b>Earnings after taxes</b>	-92	9,328
Unrealized gains (+)/losses from foreign currency translation	-934	-1,890
Other changes	-180	-185
<b>Income and expenses included directly in equity</b>	-1,115	-2,074
<b>Total amount of income and expenses</b>	-1,207	7,254
Shareholders of Miba AG only	-1,158	7,266
Minority interests only	-49	-12

## Changes in Group Equity

TEUR	Share capital	Capital reserves	Currency translation differences	Retained earnings	Treasury shares	Miba AG share-holders	Minority shares	Total
<b>As of February 1, 2008</b>	9,500	18,089	-16,278	167,598	-1,315	177,594	101	177,695
Foreign currency translation	0	0	-1,890	0	0	-1,890	0	-1,890
Other neutral changes	0	0	0	-185	0	-185	0	-185
Changes in treasury shares	0	0	0	0	-1,356	-1,356	0	-1,356
Consolidated net income	0	0	0	9,341	0	9,341	-12	9,328
<b>As of April 30, 2008</b>	9,500	18,089	-18,168	176,754	-2,671	183,504	89	183,593
<b>As of February 1, 2009</b>	9,500	18,089	-7,578	185,132	-8,060	197,083	338	197,421
Foreign currency translation	0	0	-934	0	0	-934	0	-934
Other neutral changes	0	0	0	-180	0	-180	0	-180
Consolidated net income	0	0	0	-43	0	-43	-49	-92
<b>As of April 30, 2009</b>	9,500	18,089	-8,512	184,909	-8,060	195,925	289	196,214

## Consolidated Cash Flow Statement

in TEUR	Q1 2009-10	Q1 2008-09
Consolidated cash flow from operations	10,855	594
Consolidated cash flow from investment activities	-4,879	-10,732
Consolidated cash flow from financing activities	9	8,656
<b>Change in cash and investment securities</b>	5,985	-1,482

# Notes on the Interim Consolidated Financial Statements as at April 30, 2009

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

Miba Aktiengesellschaft is a group based in Austria with international operations. The core business of the Miba Group comprises the product segments engine bearings, sintered components and friction materials. The Group's head office is located at Dr.-Mitterbauer- Str. 3, 4663 Laakirchen, Austria. The company is registered with the local court, Landes- als Handelsgericht Wels, under No. FN 107386 x.

The present interim statements of April 30, 2009 (February 1, 2009, to April 30, 2009) were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date, in particular IAS 34 (Interim Financial Reporting).

Miba AG has applied the accounting standards that are obligatory as of fiscal year 2009-2010, in particular IAS 1 on the presentation of financial statements. The reporting on operating segments was already based on the internal management structure (management approach) and had no effect on the definition of segments upon first-time application of IFRS 8 (reporting on operating segments). The other accounting standards to be applied for the first time in fiscal year 2009-2010 have no material effect on the presentation of the financial position or financial performance of the Miba Group.

The reporting and valuation principles of January 31, 2009, are applied unchanged. For additional information on the reporting and valuation methods, please refer to the consolidated financial statements of January 31, 2009.

For the purpose of clarity, all monetary amounts are shown in thousands of euros (TEUR).

## **Scope of Consolidation**

The scope of consolidation was defined in accordance with the principles of IAS 27 (Consolidated and Separate Financial Statements). The consolidated entity accordingly includes 10 Austrian and 14 foreign subsidiaries in which Miba

Aktiengesellschaft holds, directly or indirectly, the majority of voting rights.

## **Business Seasonality**

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

## **Events After the Balance Sheet Date**

Events after the balance sheet date that are relevant for valuation on the balance sheet date such as pending legal disputes or claims for damages and any other obligations or anticipated losses that must be disclosed in accordance with IAS 10 are reflected in the consolidated 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 at January 31, 2009.

## **Statement by the Management Board**

To the best of our knowledge, the condensed consolidated financial statements of Miba Aktiengesellschaft as per April 30, 2009, which were compiled in accordance with the International Financial Reporting Standards (IFRS), give a true and fair view of the financial position and performance of all companies in the consolidated group.

The management report gives a true and fair view of the Group's financial position and performance with respect to the information required under § 87 (2) and (4) of the Austrian Stock Exchange Act. For the present report, the performance of an audit or a review by an auditor was waived.

Laakirchen, June 2009

The Management Board of Miba Aktiengesellschaft

DI DDr. h. c. Peter Mitterbauer (Chairman), hon.

Dr.-Ing. Norbert Schrüfer, hon.

Dr. Wolfgang Litzlbauer, hon.

Dr.-Ing. Harald Neubert hon.

# Consolidated Balance Sheet

in TEUR	04/30/2009	01/31/2009	04/30/2008
<b>Assets</b>			
<b>A. Non-current assets</b>			
Intangible assets	18,780	20,678	22,043
Property, plant and equipment	150,877	152,024	136,068
Investments in associates	6,508	6,302	7,729
Other financial investments	5,323	5,344	4,776
Deferred tax assets	8,247	8,576	12,858
	<b>189,736</b>	<b>192,924</b>	<b>183,475</b>
<b>B. Current assets</b>			
Inventories	56,159	59,031	59,300
Trade and other receivables	60,546	64,457	81,477
Cash and cash equivalents	30,577	24,592	21,104
	<b>147,282</b>	<b>148,080</b>	<b>161,882</b>
	<b>337,017</b>	<b>341,004</b>	<b>345,357</b>
<b>Equity and Liabilities</b>			
<b>A. Group equity</b>			
Share capital	9,500	9,500	9,500
Capital reserves	18,089	18,089	18,089
Retained earnings	176,397	177,554	158,587
Treasury shares	-8,060	-8,060	-2,672
Cash and cash equivalents	289	338	88
	<b>196,214</b>	<b>197,421</b>	<b>183,593</b>
<b>B. Non-current liabilities</b>			
Provisions for severance payments and pensions	18,825	18,732	19,155
Provision for deferred taxes	1,334	1,436	1,313
Interest-bearing liabilities	14,167	13,920	29,521
Other non-current liabilities	13,020	13,242	14,271
	<b>47,346</b>	<b>47,330</b>	<b>64,260</b>
<b>C. Current liabilities</b>			
Current accruals	31,267	30,316	35,703
Trade payables	17,757	23,244	28,566
Current portion of interest-bearing liabilities	29,695	29,950	22,194
Other current liabilities	14,738	12,743	11,041
	<b>93,458</b>	<b>96,253</b>	<b>97,504</b>
	<b>337,017</b>	<b>341,004</b>	<b>345,357</b>

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

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