



## Three months' statement 2010

Group interim management report	2
Consolidated Balance Sheet	4
Consolidated Statement of Earnings	6
Consolidated Capital Finance Account	7
Statement of Changes to Shareholders' Equity	8
Notes to the Consolidated Financial Statements	9

## Group interim management report

Brüder Mannesmann Aktiengesellschaft is a holding company whose operating subsidiaries are active in the international trading of tools and valves. The holding combines two independently operating divisions, "Tools Trading" and "Valve Trading", under a single umbrella. The subsidiary Brüder Mannesmann Grundbesitz GmbH acts solely as a leasing company for property and is not involved in market operations. These properties are industrial and office property which has been held for decades and which is mostly still used for the company's own business operations.

### Tools Trading

Tools Trading reported quarterly sales of € 9.2 million as of 31 March 2010 after € 9.4 million in the same period of the previous year. Thus, the drop in sales driven by the recession in past quarters has been halted. Operating earnings (EBIT) increased to € 0.49 million after € 0.24 million. This corresponds to a return on sales based on EBIT of more than 5.4% after 2.5%. The international share of sales was 53.8% after 44.3%.

### Valves Trading

Valves Trading generated quarterly sales of € 6.7 million as of 31 March 2010 after € 7.5 million in the same period of the previous year. This reflects the delay in the effects of the economic situation. Operating earnings amounted to € 0.08 million after € 0.24 million. The return on sales based on EBIT was around 1.2% after 3.2%.

### Group business performance

Consolidated sales totalled € 16.0 million as of 31 March 2010 after € 17.1 million in the same period of the previous year. Thus, the depression in business volume caused by the recession over the past few quarters left a tangible but ultimately only relatively weak impression. Both divisions contributed positively to consolidated operating earnings (EBIT), which amounted to € 0.6 million after € 0.5 million. Net consolidated income for the period developed from € -0.13 million to € 3 thousand.

### Outlook

The further development of economic trends and therefore the Group's business volumes remains extremely difficult to assess. Just as the global recession appears to be over, the European debt crisis triggers further massive disruption to the economy and consumers. Given these overall conditions, our goal for both divisions is to stabilise business volumes with a rising trend and to maintain the Group's profitability.

Remscheid, 31 May 2010  
Brüder Mannesmann Aktiengesellschaft,  
The Board of Management



Jürgen Schafstein  
Chairman of the  
Board of Management



Bernd Schafstein

## Consolidated Balance Sheet

Assets in TEUR	Notes	31.03.2010	31.12.2009
Non-current assets			
Goodwill		3,845	3,845
Other intangible assets	3.1.	397	429
Property, plant and equipment	3.2.	7,493	7,480
Investment property		8,377	8,377
Financial assets	3.3.	2,074	2,140
Deferred tax assets	3.4.	2,186	2,177
Other assets		70	137
		<b>24,442</b>	<b>24,585</b>
Current assets			
Inventories		13,298	11,542
Trade receivables		9,958	9,891
Other receivables and other assets		3,533	1,309
Assets for current tax		54	82
Investments		2,006	1,303
Cash and cash equivalents		12,489	14,229
		<b>41,338</b>	<b>38,356</b>
<b>Balance sheet total</b>		<b>65,780</b>	<b>62,941</b>

Liabilities in TEUR	Notes	31.03.2010	31.12.2009
Equity	3.5.		
Share capital		9,000	9,000
Reserves		770	770
Accumulated losses brought forward		-1,819	-1,883
Net consolidated income		3	64
		<b>7,954</b>	<b>7,951</b>
Non-current liabilities			
Mezzanine subordinate loans		17,173	17,148
Provisions for pensions and similar liabilities		11,062	10,890
Financial liabilities		13,373	13,462
Other liabilities		3,603	3,674
Deferred tax liabilities		520	508
		<b>45,731</b>	<b>45,682</b>
Current liabilities			
Other provisions		878	740
Financial liabilities		919	1,044
Trade liabilities		8,045	5,627
Other liabilities		2,231	1,891
Current income tax liabilities		22	6
		<b>12,095</b>	<b>9,308</b>
<b>Balance sheet total</b>		<b>65,780</b>	<b>62,941</b>

## Consolidated Statement of Earnings

in TEUR	Notes	01.01.-31.03.2010	01.01.-31.03.2009
Sales revenue	4.1.	16,019	17,060
Other operating income		188	187
Costs of materials		-11,625	-12,526
Staffing costs		-2,102	-2,241
Other operating expenses		-1,760	-1,864
<b>EBITDA</b>		<b>720</b>	<b>616</b>
Amortisation and depreciation of intangible assets and property, plant and equipment		-96	-105
<b>EBIT (operating result)</b>		<b>624</b>	<b>511</b>
Results from equity investments		0	0
Financial income		8	23
Financial expense		-622	-711
<b>Earnings before tax</b>		<b>10</b>	<b>-177</b>
Income taxes	4.2.	-7	49
<b>Net consolidated income</b>		<b>3</b>	<b>-128</b>
<b>Earnings per share (undiluted) in EUR</b>	4.3.	<b>0.00</b>	<b>-0.04</b>
<b>Earnings per share (diluted) in EUR</b>	4.3.	<b>0.00</b>	<b>-0.04</b>

## Reconciliation from net consolidated income for the period to total comprehensive income

in TEUR		01.01.-31.03.2010	01.01.-31.03.2009
Net consolidated income		3	-128
Transactions recognised directly in equity		0	0
<b>Total comprehensive income</b>		<b>3</b>	<b>-128</b>

## Consolidated Capital Finance Account

in TEUR		31.03.2010	31.03.2009
EBIT		623	511
Depreciation on noncurrent assets		96	105
Gains on disposal on noncurrent assets		0	0
Change of noncurrent provisions and other noncurrent liabilities		173	304
Other non-cash income and expenses		103	24
Interest payments		-6	-6
Income tax payments		-4	0
<b>Cash inflows/outflows from operating activities before change in current net assets</b>		<b>985</b>	<b>938</b>
Change of current assets / liabilities			
Inventories		-1,756	-1,432
Trade receivables		-67	1,166
Other receivables and other assets		-2,196	505
Financial liabilities		7	0
Trade liabilities		2,418	977
Other liabilities and other items		544	600
<b>Inflows/outflows from operating activities</b>		<b>-65</b>	<b>2,754</b>
Inflows from disposal of noncurrent assets		0	0
Outflow for investment properties		-288	-390
Interest received		8	23
Dividends received		0	0
Investments		-426	0
Current financial instruments		0	0
<b>Inflows/outflows from investing activities</b>		<b>-706</b>	<b>-367</b>
Change of long-term financial liabilities			
Borrowing subordinated loan		0	0
Borrowing other liabilities		0	0
Repayment long-term financial liabilities		-221	-223
Repayment other liabilities		-133	0
Interest payment		-615	-705
Distribution of profits		0	0
<b>Inflows/outflows from financing activities</b>		<b>-969</b>	<b>-928</b>
<b>Changes in cash and cash equivalents</b>		<b>-1,740</b>	<b>1,459</b>
<b>Cash and cash equivalents on 1 January</b>		<b>14,229</b>	<b>12,469</b>
<b>Cash and cash equivalents on 30 March</b>		<b>12,489</b>	<b>13,928</b>

## Statement of Changes to Shareholders' Equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Retained earnings brought forward	Net income	Total shareholders' equity
<b>Shareholders' equity as at December 31, 2008</b>	9,000	770	0	-1,363	-520	7,887
Transfer to earnings reserves from 2008 net income				-520	520	
Profit January 1, to March 31, 2009					-128	
<b>Shareholders' equity as at March 31, 2009</b>	9,000	770	0	-1,883	-128	7,759
<b>Shareholders' equity as at December 31, 2009</b>	9,000	770	0	-1,883	64	7,951
Transfer to earnings reserves from 2009 net income				64	-64	
Profit January 1, to March 31, 2010					3	
<b>Shareholders' equity as at March 31, 2010</b>	9,000	770	0	-1,819	3	7,954



# Notes to the Consolidated Financial Statements

# Notes to the Consolidated Financial Statements

## 1. General information on the consolidated financial statements

Brüder Mannesmann Aktiengesellschaft is a holding company whose operating subsidiaries are active in the international trading of tools and valves. Two independently operating divisions – Tools Trading and Valves Trading – are established on the market, while the subsidiary Brüder Mannesmann Grundbesitz GmbH acts exclusively as a rental company for the properties held by the Group and does not operate on the market.

Brüder Mannesmann Aktiengesellschaft is a listed company admitted for trading in the Prime Standard segment of the Frankfurt Stock Exchange.

## 2. Accounting policies

### 2.1. Basis of preparation of the financial statements

In accordance with section 315a of the Handelsgesetzbuch (HGB – German Commercial Code) and the International Financial Standards (IFRS) assumed by the EU the consolidated financial statements of Brüder Mannesmann Aktiengesellschaft for the year ended 31 December 2009 were prepared.

The interim financial statements of the group as at 31 March 2010 had been prepared in accordance with the International Accounting Standard (IAS) 34 (Interim Financial Reporting). The interim report was made by using the same accounting methods as in the 2009 group financial report. For more information we refer to the annual financial report 2009. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatory at 31 March 2010 have been applied. The consolidated financial statements are prepared in euro. Unless otherwise stated, all amounts are shown in thousand euro (TEUR).

The interim financial statements have neither been audited nor reviewed by the group auditor, the Morison AG, Frankfurt am Main.

## 2.2. Application of new accounting policies

The following accounting standards and interpretations are mandatory from the 2010 financial year onwards:

- IFRS 1 (Additional Exemptions for First-time Adopters)
- IFRS 1 (First-time Adoption of IFRSs)
- IFRS 2 (Share-based Payment)
- IFRS 3 (Business Combinations)
- IAS 27 (Consolidated and Separate Financial Statements)
- IAS 39 (Eligible Hedged Items)
- Improvements to IFRSs
- IFRIC 17 (Distributions of Non-cash Assets to Owners)
- IFRIC 18 (Transfers of Assets from Customers)

These accounting provisions adopted for the first time have no effect on the consolidated financial statements of Brüder Mannesmann Aktiengesellschaft.

The following accounting standard was passed by the IASB in the first quarter of 2010. However, this is not applicable to the reporting period and was not taken into account in the first quarter of 2010:

- IFRS 1 (Limited Exemption from Comparative IFRS 7 Disclosures)

Please see the comments in our annual report for details of the further content of new standards and interpretations as well as amendments to existing standards.

## 3. Disclosures on the consolidated balance sheet

### 3.1. Intangible assets

The amortisation of the other intangible assets amounted to TEUR 32 (previous year TEUR 44).

### 3.2. Property, plant and equipment

Additions to property, plant and equipment amounted to TEUR 77 (previous year TEUR 280), disposals amounted to TEUR 0 (previous year TEUR 0). Depreciation come out to TEUR 64 (previous year TEUR 61).

### 3.3. Financial assets

Additions to financial assets amounted to TEUR 212 (previous year TEUR 110).

### 3.4. Deferred tax assets

Deferred tax assets are composed as follows:

Deferred tax assets in TEUR	31.03.2010	31.12.2009
Deferred tax assets from tax loss carryforwards	1,316	1,251
Deferred taxes from timing difference	733	804
Deferred taxes from derivative financial instruments	110	104
Deferred taxes from consolidation adjustments	27	18
	<b>2,186</b>	<b>2,177</b>

### 3.5. Equity

The development of equity is presented in the statement of changes in equity.

## 4. Disclosures on the consolidated income statement

### 4.1. Sales revenue

The general principles of earnings from transactions apply to sales revenue.

Please refer to the segment reporting in section 5 for the breakdown of revenue by divisions and regions.

### 4.2. Income taxes

This item is composed as follows:

in TEUR	31.03.2010	31.03.2009
Actual tax expenses	-3	0
Deferred tax revenues	8	60
Deferred tax expenses	-12	-11
	<b>-7</b>	<b>49</b>

### 4.3. Earnings per share

Earnings per share are calculated on the basis of the net profit/loss for the period and the number of shares outstanding (which remained unchanged at 3,000,000 in both years).

There were no dilutive options, meaning that diluted and basic earnings per share are identical.

## 5. Segment Reporting

in TEUR	Tools 31.03.2010	Valves 31.03.2010	Land 31.03.2010	Reconciliation 31.03.2010	Group 31.03.2010
Revenue with third parties	9,211	6,697	111	0	16,019
Revenue with other segments	0	0	152	-152	0
<b>Total revenues</b>	<b>9,211</b>	<b>6,697</b>	<b>263</b>	<b>-152</b>	<b>16,019</b>
Revenues by region					
Germany	4,258	6,394	111	0	10,763
Outside Germany	4,953	303	0	0	5,256
Of which EU	3,448	266	0	0	3,714
<b>EBITDA</b>	<b>539</b>	<b>112</b>	<b>114</b>	<b>-45</b>	<b>720</b>
Depreciation	-45	-34	-20	3	-96
<b>EBIT (operating result)</b>	<b>494</b>	<b>78</b>	<b>94</b>	<b>-42</b>	<b>624</b>
Result from equity investments					0
Financial income					8
Financial expenses					-622
<b>EBT (earnings before tax)</b>					<b>10</b>
Income taxes					-7
<b>Net consolidated income</b>					<b>3</b>
Assets	30,118	10,443	13,338	11,881	65,780
Liabilities	16,123	4,496	115	37,091	57,825
Investments in assets	13	199	0	219	431
Non-cash expenses excluding depreciation	-154	-4	0	-223	-381
Number of employees (average figure for the year without trainees)	67	57	0	5	129

Breakdown by segments is in line with the internal reporting structure and covers the segments Tools, Valves and Land. Segment assets, segment liabilities and segment investments occur entirely in Germany.

	Tools 31.03.2009	Valves 31.03.2009	Land 31.03.2009	Reconciliation 31.03.2009	Group 31.03.2009	
	9,391	7,473	196	0	17,060	
	0	0	152	-152	0	
	<b>9,391</b>	<b>7,473</b>	<b>348</b>	<b>-152</b>	<b>17,060</b>	
	5,230	6,346	196	0	11,772	
	4,161	1,127	0	0	5,288	
	2,731	1,022	0	0	3,753	
	<b>294</b>	<b>269</b>	<b>197</b>	<b>-144</b>	<b>616</b>	
	-58	-30	-22	5	-105	
	<b>236</b>	<b>239</b>	<b>175</b>	<b>-139</b>	<b>511</b>	
					0	
					23	
					-711	
					<b>-177</b>	
					49	
					<b>-128</b>	
	31,311	12,460	13,341	11,345	68,457	
	18,617	6,367	151	35,562	60,697	
	0	278	0	112	390	
	-147	-4	0	-162	-313	
	73	56	0	5	134	

## Disclaimer

This report contains forward-looking statements which are based on certain expectations and assumptions at the time of publication of this report. They are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in these materials. Many of these risks and uncertainties relate to factors, that are beyond Brüder Mannesmann Group's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. Brüder Mannesmann Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.