Three months' statement 2009

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Group interim management report

Brüder Mannesmann Aktiengesellschaft is a holding company for its operating subsidiaries. The holding combines two independently operating divisions, "Tools Trading" and "Valves 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 decades and which is mostly still used for the company's own business operations.

Tools Trading

The Tools Trading division recorded quarterly sales as at 31 March 2009 of € 9.4 million, after € 13.6 million in the same period of the previous year. Thus, the division is feeling the recession's bite particularly keenly. However, it generated EBIT of € 0.24 million in spite of declining business volume. This corresponds to a return on sales based on EBIT of more than 2.5%. The international share of sales declined on a quarterly basis from 48.8% to 44.3%.

Valves Trading

The Valves Trading division recorded quarterly sales as at 31 March 2009 of € 7.5 million, after € 8.1 million in the same period of the previous year. Thus, the division continued the positive development of the previous year. Return on sales based on EBIT reached approximately 3.2%.

Group business performance

Consolidated sales as at 31 March 2009 amounted to € 17.1 million, down from€ 21.9 million in the same period of the previous year. Thus, the recession is clearly having an effect. While Tools Trading was hit particularly hard, sales in Valves Trading were very close to the level achieved in the same quarter of the previous year. Thus, the strategic concept of offsetting risk within the Group with two operative divisions has again proven successful. Both divisions made a positive contribution to consolidated EBIT, which amounted to € 0.5 million after € 0.9 million. Consolidated net profit for the period declined from € 0.17 million to € 0.13 million.

Outlook

At the present time it is extraordinarily difficult to forecast the further progress of the financial year. In the Tools Trading division, effects from pent-up demand over the course of the year could still help stabilise business volume. Given the long-term contracts already in place, Valves Trading should still contribute significantly to internal risk offsetting over the next two quarters as well. Overall, the Group is still aiming to maintain its profitability, even at lower sales levels.

One potential risk lies in the fact that a possible economic recovery and further political aid packages would remain limited to just a few branches of industry and the company's business either would not benefit from such developments or would only benefit after a delay.

Remscheid, 29th May 2009
Brüder Mannesmann Aktiengesellschaft,
The Board of Management

Jürgen Schafstein
Chairman of the
Board of Management

Bernd Schafstein

Consolidated Balance Sheet

Assets in TEUR	Notes	31.03.2009	31.12.2008
Non-current assets			
Goodwill		3,845	3,845
Other intangible assets	3.1.	414	458
Property, plant and equipment	3.2.	7,265	7,037
Investment property		8,377	8,377
Financial assets	3.3.	1,687	1,577
Deferred tax assets	3.4.	2,777	2,717
Other assets		102	110
		24,467	**24,121**
Current assets			
Inventories		15,651	14,219
Trade receivables		11,379	12,545
Other receivables and other assets		1,638	2,176
Assets for current tax		390	357
Investments		1,004	1,004
Cash and cash equivalents		13,928	12,469
		43,990	**42,770**
Balance sheet total		**68,457**	**66,891**

Liabilities in TEUR	Notes	31.03.2009	31.12.2008
Equity	3.5.		
Share capital		9,000	9,000
Reserves		770	770
Accumulated losses brought forward		-1,883	-1,363
Net consolidated income		-128	-520
		7,759	**7,887**
Non-current liabilities			
Mezzanine subordinate loans		17,073	17,048
Provisions for pensions and similar liabilities		10,160	9,848
Financial liabilities		14,140	14,361
Other liabilities		4,151	4,159
Deferred tax liabilities		679	667
		46,203	**46,083**
Current liabilities			
Other provisions		1,049	894
Financial liabilities		890	893
Trade liabilities		8,409	7,432
Other liabilties		4,147	3,702
Current income tax liabilities		0	0
		14,495	**12,921**
Balance sheet total		**68,457**	**66,891**

Consolidated Statement of Earnings

in TEUR	Notes	01.01.-31.03.2009	01.01.-31.03.2008
Sales revenue	4.1.	17,060	21,910
Other operating income		187	77
Costs of materials		-12,526	-16,634
Staffing costs		-2,241	-1,992
Other operating expenses		-1,864	-2,303
EBITDA		**616**	**1,058**
Amortisation and depreciation of intangible assets and property, plant and equipment		-105	-123
EBIT (operating result)		**511**	**935**
Financial earnings		-688	-585
Earnings before tax		**-177**	**350**
Income taxes	4.2.	49	-182
Net consolidated income		**-128**	**168**
Earnings per share (undiluted) in EUR	**4.3.**	**-0.04**	**0.06**
Earnings per share (diluted) in EUR	**4.3.**	**-0.04**	**0.06**

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

in TEUR		01.01.-31.03.2009	01.01.-31.03.2008
Net consolidated income		-128	168
Transactions recognised directly in equity		0	0
Total comprehensive income		**-128**	**168**

Consolidated Capital Finance Account

in TEUR		31.03.2009	31.03.2008
EBIT		511	935
Depreciation on noncurrent assets		105	123
Change of noncurrent provisions and other noncurrent liabilities		304	150
Other non-cash income and expenses		24	30
Interest payments		-6	-162
Income tax payments		0	-65
Cash inflows / outflows from operating activities before change in current net assets		**938**	**1,011**
Change of current assets / liabilities			
Inventories		-1,432	-424
Trade receivables		1,166	-3,782
Other receivables and other assets		505	712
Financial liabilities		0	8,344
Trade liabilities		977	3,651
Other liabilities and other items		600	844
Inflows / outflows from operating activities		**2,754**	**10,356**
Inflows from disposal of noncurrent assets		0	43
Outflow for investment properties		-390	-25
Interest received		23	166
Investments		0	127
Inflows / outflows from investing activities		**-367**	**311**
Change of long-term financial liabilities			
Repayment long-term financial liabilities		-223	-210
Interest payment		-705	-589
Inflows / outflows from financing activities		**-928**	**-799**
Changes in cash and cash equivalents		**1,459**	**9,868**
Cash and cash equivalents on 1 January		**12,469**	**8,209**
Cash and cash equivalents on 31 March		**13,928**	**18,077**

Statement of Changes to Shareholders' Equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Retained earnings brought forward	Net income	Total share-holders' equity
Shareholders'equity as at December 31, 2007	**9,000**	**770**	**0**	**-1,188**	**125**	**8,707**
Transfer to earnings reserves from 2007 net income				125	-125	
Profit January 1, to March 31, 2008					168	
Shareholders'equity as at March 31, 2008	**9,000**	**770**	**0**	**-1,063**	**168**	**8,875**
Shareholders'equity as at December 31, 2008	**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	
Shareholders'equity as at March 31, 2009	**9,000**	**770**	**0**	**-1,883**	**-128**	**7,759**

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 2008 were prepared.

The interim financial statements of the group as at 31 March 2009 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 2008 group financial report. For more information we refer to the annual financial report 2008. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatory at 31 March 2009 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 statutory accounting requirements were applied for the first time in the first quarter 2009:

- IAS 1 "Presentation of Financial Statements"

This standard relates primarily to the presentation of the income and expenses recognised directly in equity.

- IFRS 8 "Operating Segments"

This new standard focuses on the company's internal management in the breakdown of business segments. In Brüder Mannesmann group, the internal reporting complies with the present exposure.

With respect to the further context on new standards and interpretations as well as amendments to existing standards, we refer to our comments in the 2008 annual report.

3. Disclosures on the consolidated balance sheet

3.1. Intangible assets

The amortisation of the other intangible assets amounted to TEUR 44 (previous year TEUR 48).

3.2. Property, plant and equipment

Additions to property, plant and equipment amounted to TEUR 280 (previous year TEUR 25), disposals amounted to TEUR 61 (previous year TEUR 75).

3.3. Financial assets

Additions to financial assets amounted to TEUR 110 (previous year TEUR 0).

3.4. Deferred tax assets

Deferred tax assets are composed as follows:

Deferred tax assets in TEUR	31.03.2009	31.12.2008
Deferred tax assets from tax loss carryforwards	1,213	1,175
Deferred tax assets from tax loss carryforwards	1,169	1,147
Deferred taxes from derivative financial instruments	374	374
Deferred taxes from consolidation adjustments	21	21
	2,777	**2,717**

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	31.03.2009	31.03.2008
Actual tax expenses	0	-64
Deferred tax expenses	49	-118
	49	**-182**

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 31.03.2009	Valves 31.03.2009	Land 31.03.2009	Reconciliation 31.03.2009	Group 31.03.2009
Revenue with third parties	9,391	7,473	196	0	17,060
Revenue with other segments	0	0	152	-152	0
Total revenues	**9,391**	**7,473**	**348**	**-152**	**17,060**
Revenues by region					
Germany	5,230	6,346	196	0	11,772
Outside Germany	4,161	1,127	0	0	5,288
Of which EU	2,731	1,022	0	0	3,753
EBITDA	**294**	**269**	**197**	**-144**	**616**
Depreciation	-58	-30	-22	5	-105
EBIT (operating result)	**236**	**239**	**175**	**-139**	**511**
Financial earnings					-688
EBT (earnings before tax)					**-177**
Income taxes					49
Net consolidated income					**-128**
Assets	31,311	12,460	13,341	11,345	68,457
Liabilities	18,617	6,367	151	35,562	60,698
Investments in assets	0	278	0	112	390
Non-cash expenses excluding depreciation	-147	-4	0	-162	-313
Number of employees (average figure for the year without trainees)	73	56	0	5	134

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 31.03.2008	Valves 31.03.2008	Land 31.03.2008	Reconciliation 31.03.2008	Group 31.03.2008
13,630	8,082	198	0	21,910
0	0	152	-152	0
13,630	**8,082**	**350**	**-152**	**21,910**
6,982	7,716	198	0	14,896
6,648	366	0	0	7,014
4,726	226	0	0	4,952
582	**471**	**240**	**-235**	**1,058**
-76	-26	-25	4	-123
506	**445**	**215**	**-231**	**935**
				-585
				350
				-182
				168
41,312	8,777	13,433	12,547	76,069
14,553	3,874	119	48,648	67,194
17	4	0	4	25
-120	-5	0	-247	-372
78	53	0	5	136

Remscheid, 29th May 2009
Brüder Mannesmann Aktiengesellschaft,
The Board of Management

Jürgen Schafstein
Chairman of the
Board of Management

Bernd Schafstein

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 publicity release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.