SCHOELLER
BLECKMANN
OILFIELD
EQUIPMENT

LETTER TO OUR SHAREHOLDERS 1-3 / 2015

HIGHLIGHTS

- Sound result despite unfavourable market environment
- SBO takes consistent countermeasures
- Very strong balance sheet structure: Liquid funds exceed MEUR 200

„NUMBER OF GLOBAL DRILLING RIGS DOWN BY 30 %“

MARKET ENVIRONMENT

Similar to the fourth quarter of 2014, the crude oil market was characterised by excess supplies in the first quarter of 2015. From February to March 2015 alone, worldwide crude supply went up by 1 million barrels per day (mb/d). This circumstance was mainly due to OPEC reporting the highest rise in monthly oil output in close to four years. The strikingly strong growth of global oil production of 3.5 mb/d within one year was attributable both to OPEC and non-OPEC countries to the same extent. Year-on-year, however, OPEC's spare capacity[1] fell by more than 1 mb/d, as it arrived at 2.47 mb/d in March 2015 (March 2014: 3.53 mb/d).[2]

Global demand for oil in the first quarter of 2015, according to the International Energy Agency (IEA), came to 93.1 mb/d, reflecting a year-on-year growth of 1.4 mb/d, or 1.6 % (1-3/2014: 91.7 mb/d). Contributing factors of this rise were the relatively lower temperatures in most larger OECD countries in the first quarter and continuously stabilising global economic activity.[3]

Initially, the drop in oil prices seen since mid-2014 continued early in 2015, due both to excess supplies and constantly building US crude inventories. Prices[4] of both crudes WTI and Brent fell to their 6-year lows in the first quarter of 2015 (Brent: USD 45.13 on 13 January 2015; WTI: USD 43.39 on 17 March 2015).

European crude Brent traded at USD 55.38 per barrel at the beginning of the year. At the end of the first quarter of 2015, the price arrived at USD 53.69, slightly down by 3.1 % during the quarter. Compared to the previous year reading at the end of the first quarter (31 March 2014: USD 105.95) the price of one barrel almost halved – down by 49.3 %. The price of one barrel of US crude WTI was dropping by 9.5 % over the first quarter of 2015, from USD 52.72 (2 January 2015) to USD 47.72 (31 March 2015). Year-on-year, the price fell more than half, down by 53.0 % (31 March 2014: USD 101.57). Early in April 2015 oil prices started to pick up slightly again.

Finally, decreasing oil prices had massive repercussions on global drilling activity in the first quarter of 2015: The number of globally active drilling rigs (= rig count[5]) within one year was curtailed by 1,040 rigs, or by 28.9 %, to an average of 2,557 drilling rigs in March 2015 (March 2014: 3,597 drilling rigs). This decline took place almost exclusively in the first quarter of 2015: In that period, the number of drilling rigs went down by 1,013 units, or 28.4 % (December 2014: 3,570 drilling rigs). Except for the Middle East (+1.0 % or 4 rigs since December 2014), the rig count decreased in all regions of the world.

The largest rig count decline by far was recorded in the US and in Canada. The Canadian rig count was almost halved in the first quarter of 2015, from 375 rigs in December 2014 to 196 rigs in March 2015 (down 179 rigs or 47.7 %), and, compared to the same period last year, by as many as 253 rigs (-56.3 %). In part, this decline was also due to the seasonal spring break-up in Canada, which had set in somewhat earlier than last year because of the mild winter.

1 „EIA defines spare capacity as the volume of production that can be brought on within 30 days and sustained for at least 90 days. [...] OPEC spare capacity provides an indicator of the world oil market's ability to respond to potential crises that reduce oil supplies. “, www.eia.gov
2 International Energy Agency (IEA), Oil Market Report, April 2015
3 International Energy Agency (IEA), Oil Market Report, May 2015
4 U.S. Energy Information Administration (EIA): Spot Prices for Crude Oil and Petroleum Products
5 Baker Hughes Inc. Rig Count

„CONSISTENT COUNTERMEASURES INITIATED AT AN EARLY STAGE“

The number of US drilling rigs had been reduced by 772 units, or by 41.0 %, since the end of the year, from 1,882 rigs in December 2014 to 1,110 rigs in March 2015, or by 693 rigs or 38.4 % year-on-year. This drop was caused by the currently low oil price which was one of the reasons why production from unconventional sources - extremely costly and challenging in technological terms, and the preferred type of oil production in the US - became partly unprofitable.

Measured by the total number of US drilling rigs, the year-on-year share of directional and horizontal drilling rigs continued to rise to 86 %. The share of vertical drilling rigs fell to 14 % (end of March 2014: 79 % directional & horizontal and 21 % vertical drilling rigs). The share of oil wells in the overall number of US drilling rigs was decreasing in recent months, for the first time in years of continuing growth: at the end of March 2014 as much as 82 % of the rigs were drilling for oil and only 18 % for gas, while at the end of March 2015, 78 % were used for oil wells, and 22 % for gas wells.[6]

BUSINESS DEVELOPMENT

The entire oilfield service industry was hit by the expected contraction of drilling activity in the first quarter of 2015. Schoeller-Bleckmann Oilfield Equipment AG (SBO) could not escape this development either.

SBO posted a drop in bookings from the same quarter of the previous year, by 49.9 % to MEUR 57.1 (1-3/2014: MEUR 114.0). Sales went down by 4.4 %, to MEUR 107.5, reaching almost the same level as last year (1-3/2014: MEUR 112.4), and here SBO still profited from the strong bookings volume in the third and fourth quarter of 2014. As a result, the order backlog dropped by 17.2 % , to MEUR 91.7 (31 March 2014: MEUR 110.7).

Customer restraint in ordering went hand in hand with mounting pressure on prices. SBO started at an early point to take a set of measures to counter this tendency, but they could not fully absorb the effects of the downturn. Earnings before interest, taxes, depreciation and amortisation (EBITDA) shrank by 8.9 %, to MEUR 29.0 (1-3/2014: MEUR 31.8). Earnings before interest and taxes (EBIT) arrived at MEUR 16.1, down by 26.3 % from last year's reading (1-3/2014: MEUR 21.9). Profit before tax fell by 27.4 %, to MEUR 14.5 (1-3/2014: MEUR 20.0), and profit after tax by 28.2 %, to MEUR 10.4 (1-3/2014: MEUR 14.5). Earnings per share in the first quarter were EUR 0.65 (1-3/2014: EUR 0.91).

Margins also went down, but remained in the double-digit range. Despite the unfavourable environment SBO generated respectable profitability. The EBITDA margin came to 27.0 % (1-3/2014: 28.3 %), the EBIT margin to 15.0 % (1-3/2014: 19.5 %) and the pre-tax margin to 13.5 % (1-3/2014: 17.8 %).

[6] Baker Hughes Inc. North America Rotary Rig Count

As at 31 March 2015, SBO had a net cash position of MEUR 1.0 (31 December 2014: net debt of MEUR 35.6; 31 March 2014: net debt of MEUR 14.1). Liquid funds grew by 27.4 %, to MEUR 203.6 (31 March 2014: MEUR 159.8), mainly attributable to a decrease of the net working capital of MEUR 19.0 and new borrowing amounting to MEUR 36.0. Spending for property, plant and equipment and for intangible assets was reduced by 31.1 %, from MEUR 11.6 in the first quarter 2014 to MEUR 8.0. Total purchase commitments for expenditures in property, plant and equipment amounted to MEUR 4.4 as at 31 March 2015 (MEUR 7.0 as at 31 March 2014)

SBO has a very sound balance sheet structure which, despite the current downturn, allowed distributing an unchanged high dividend of EUR 1.50 per share for the financial year 2014 to shareholders.

DEVELOPMENT OF THE SEGMENTS

As of the second quarter of 2014, SBO has subdivided business activities into two segments: High Precision Components (manufacture of high-precision drillstrings) and Oilfield Equipment (non-magnetic drill collars, drilling motors, circulation tools and other components including after-sales and repair).

In the first quarter of 2015, the segment of High Precision Components developed in line with considerably curtailed capex spending by customers. Segment sales went down by 14.8 %, to MEUR 50.1 (pro forma 1-3/2014: MEUR 58.8). Operating income in the segment fell by 50.5 %, to MEUR 5.1 (pro forma 1-3/2014: MEUR 10.2).

In the segment of Oilfield Equipment the marked downturn in global drilling activity had a dampening effect on business. Due to the first-ever inclusion of subsidiary Resource acquired in the fourth quarter of 2014 and the rise of the US dollar versus the Euro, sales revenues generated in the segment nevertheless grew by 7.1 %, to MEUR 57.4 (pro forma 1-3/2014: MEUR 53.6). By contrast, the operating income went down by 36.0 %, to MEUR 8.8 (pro forma 1-3/2014: MEUR 13.8).

MEASURES TO COMBAT THE DOWNTURN

SBO has gained vast experience in managing the cycles in the oilfield service industry and has promptly responded to the current downturn in order to combat deteriorating market conditions at an early stage. The company launched initial corrective measures already in the second half of 2014 and systematically continued to pursue that course in the first quarter of 2015:

- SBO initiated a programme as early as in the third quarter of 2014 to streamline cost structures of its UK activities. In view of the prevailing business environment it was decided to merge business activities of the two neighbouring subsidiaries „Techman Engineering Ltd.“ and „Darron Tool & Engineering Ltd.“ at the site of Techman by the end of 2015. As a result, structural and sustainable cost benefits will be created after the programme has been completed.

- Also in 2014, SBO started to internationalise the successful drilling motor business of BICO. Apart from initial successes in Russia and the Far East, drilling motors will be marketed henceforth both by our existing branch office in Dubai and the newly established distribution company in Saudi Arabia.

- Expenditure for plant, property and equipment (capex) was largely reduced to maintenance investments in the first quarter of 2015. Spending for research and development were not curbed.

- SBO adjusted personnel capacities to the expected decline in demand already in the first quarter. The headcount at the end of the first quarter of 2015 was 1,534 (1,720 as at 31 December 2014 and 1,625 as at 31 March 2014).

RISK REPORT

The business risks of SBO did not change substantially in the first three months of 2015 over the risks mentioned in the 2014 annual financial statements. However, the entire oilfield service industry, at the moment, is confronted with considerable cuts on capital expenditure due to lower oil prices and large quantities of crude available in the market. Regardless of the corrective measures implemented, this may have a significant influence on the assets and financial position of Schoeller-Bleckmann Oilfield Equipment AG. Additionally, we refer to all risks described in the Annual Report 2014. We recommend to read this report on the first quarter of 2015 in conjunction with the risk report contained in the Annual Report 2014.

SBO SHARE

The share of Schoeller-Bleckmann Oilfield Equipment AG started the year 2015 at a price of EUR 60.00 (2 January 2015). On 30 January 2015, the SBO share went to its quarterly low of EUR 51.02. The share climbed to its quarterly high of EUR 61.96 on 8 January 2015. The share completed the quarter at a price of EUR 59.52 on 31 March 2015. This closing price represented a decline of 29.9 % year-on-year (31 March 2014: EUR 84.88).

„SBO PREPARING FOR CHALLENGING FINANCIAL YEAR 2015"

OUTLOOK

In its most recent forecast the International Monetary Fund (IMF) upheld its growth projections for the global economy in 2015 at 3.5 % (2014: 3.4 %). According to the experts, 2015 should see stabilising economic development in the industrialised nations, involving a growth of 2.4 % (2014: 1.8 %). The growth engine will again be the United States: In 2015, growth is anticipated to total 3.1 % (2014: 2.4 %) there. The eurozone is set to grow by 1.5 % in 2015 (2014: 0.9 %). In addition, the likelihood of recession in the eurozone has fallen from 40 % to 25 %, according to the IMF.

By contrast, growth in the emerging markets and developing countries should be weaker than before. For 2015, the IMF now expects a growth rate of 4.3 % (2014: 4.6 %), one of the reasons being the slowdown in the key markets: China's economy is set to grow by 6.8 % in 2015, less than last year (2014: 7.4 %). At the same time, the low oil price level has an impairing effect on the economies of the oil exporting countries. Nevertheless, the emerging markets and developing countries will still account for more than 70 % of global economic growth in 2015. Overall, however, lower oil prices should have a positive effect on global economic development leading to a surge in growth.[7]

According to current expectations of the International Energy Agency (IEA), global oil consumption for full 2015 will arrive at 93.6 mb/d. This means another increase of 1.1 mb/d or 1.2 % year-on-year (2014: 92.5 mb/d).[8] However, it cannot be predicted at the moment how long the present oversupply in the crude oil market and the resulting low oil price will last.

The persistent decline in global drilling activity by more than 50 % in North America (as of early May 2015 compared to last year)[9] and 11 % internationally (as of April 2015 compared to last year) has considerably impaired the economic environment for the oilfield service industry. At the moment, there are no signs that the downturn has bottomed out yet. Our assumption is that SBO's customers will continue their reduced spending policy in the coming months. Moreover, the forthcoming merger of Halliburton and Baker Hughes and the associated divestiture of Halliburton' directional drilling services has led to continued restraint in placing new orders. Following completion of this transaction, SBO expects ordering behaviour to go back to normal.

As a result, SBO is preparing for a difficult financial year in 2015. The reduced volume of bookings will confront us with further challenges in the future. The measures initiated in the second half of 2014 to respond appropriately were continued consistently in the first quarter of 2015. SBO will further adjust capacities to the market situation and, as in the past, respond timely and flexibly to changing market conditions in the cyclical oilfield service industry.

Nevertheless, medium to long-term growth perspectives for the oilfield service industry remain absolutely intact: the IEA expects the global demand for oil to rise by around 30 % until 2040. Daily crude consumption, as calculated by the IEA, will rise from 90.1 mb/d in 2013 to 116.6 mb/d in 2040.[10] Cutbacks on capital expenditure at present always serve as a basis of dynamic growth of the industry in the future. Being a technology leader, SBO has an optimal strategic position for sustainably benefiting from such long-term growth.

[7] IMF World Economic Outlook (WEO), April 2015
[8] International Energy Agency (IEA), Oil Market Report, May 2015
[9] Baker Hughes Inc. Rig Count
[10] International Energy Agency (IEA), World Energy Outlook 2014, Current Policy Scenario

CONSOLIDATED PROFIT AND LOSS STATEMENT

in TEUR	3 months period ended 31.03.2015	31.03.2014
Sales	**107,516**	**112,446**
Cost of goods sold	-79,446	-76,476
Gross profit	**28,070**	**35,970**
Selling expenses	-6,003	-5,501
General and administrative expenses	-8,421	-7,998
Other operating expenses	-9,360	-2,971
Other operating income	11,836	2,375
Profit from operations	**16,122**	**21,875**
Interest income	100	118
Interest expenses	-2,392	-2,375
Other financial income	717	421
Financial result	**-1,575**	**-1,836**
Profit before tax	**14,547**	**20,039**
Income taxes	-4,172	-5,581
Profit after tax	**10,375**	**14,458**
Average number of shares outstanding	15,976,000	15,912,239
Earnings per share in EUR (basic = diluted)	**0.65**	**0.91**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	3 months period ended 31.03.2015	31.03.2014
Profit after tax	**10,375**	**14,458**
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Foreign exchange adjustment - subsidiaries	44,080	177
Foreign exchange adjustment - other items	2,726	15
Income tax effect	-681	-4
Other comprehensive income, net of tax	**46,125**	**188**
Total comprehensive income, net of tax	**56,500**	**14,646**

CONSOLIDATED BALANCE SHEET

ASSETS in TEUR	31.03.2015	31.12.2014
Current assets		
Cash and cash equivalents	203,572	130,220
Trade accounts receivable	93,289	107,311
Other accounts receivable and prepaid expenses	5,029	5,419
Inventories	182,753	164,694
TOTAL CURRENT ASSETS	**484,643**	**407,644**
Non-current assets		
Property, plant & equipment	217,871	203,688
Goodwill	106,637	100,417
Other intangible assets	61,242	59,735
Long-term receivables and assets	18,796	18,962
Deferred tax assets	13,257	9,990
TOTAL NON-CURRENT ASSETS	**417,803**	**392,792**
TOTAL ASSETS	**902,446**	**800,436**

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDER´S EQUITY in TEUR	31.03.2015	31.12.2014
Current liabilities		
Bank loans and overdrafts	34,685	35,744
Current portion of bonds	19,997	19,993
Current portion of long-term loans	16,294	11,673
Finance lease obligations	87	92
Trade accounts payable	21,326	24,050
Government grants	132	37
Income taxes payable	12,855	10,524
Other payables	40,178	36,629
Other provisions	7,013	7,013
TOTAL CURRENT LIABILITIES	**152,567**	**145,755**
Non-current liabilities		
Long-term loans	131,396	98,196
Finance lease obligations	79	91
Government grants	344	437
Employee benefit obligations	6,921	6,831
Other payables	72,187	70,807
Deferred tax liabilities	26,425	22,644
TOTAL NON-CURRENT LIABILITIES	**237,352**	**199,006**
Shareholder´s equity		
Share capital	15,976	15,976
Contributed capital	67,912	67,560
Legal reserve - non-distributable	785	785
Other reserves	21	22
Currency translation reserve	59,959	13,834
Retained earnings	367,874	357,498
TOTAL SHAREHOLDER´S EQUITY	**512,527**	**455,675**
TOTAL LIABILITIES AND SHAREHOLDER´S EQUITY	**902,446**	**800,436**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER´S EQUITY

1 - 3 / 2015 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total parent company	Non-controlling interests	Total
1. January 2015	15,976	67,560	785	22	13,834	357,498	455,675	0	455,675
Profit after tax						10,375	10,375		10,375
Other comprehensive income, net of tax					46,125		46,125		46,125
Total comprehensive income, net of tax	0	0	0	0	46,125	10,375	56,500	0	56,500
Share-based payment		352					352		352
Changes in reserves				-1		1	0		0
31. March 2015	15,976	67,912	785	21	59,959	367,874	512,527	0	512,527

1 - 3 / 2014 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total parent company	Non-controlling interests	Total
1. January 2014	15,912	61,567	785	26	-30,203	332,257	380,344	1,843	382,187
Profit after tax						14,458	14,458		14,458
Other comprehensive income, net of tax					188		188		188
Total comprehensive income, net of tax	0	0	0	0	188	14,458	14,646	0	14,646
Dividend							0	-997	-997
Disposal of non-controlling interests						-2,012	-2,012	-846	-2,858
Change in reserves				-1		1	0		0
31. March 2014	15,912	61,567	785	25	-30,015	344,704	392,978	0	392,978

CONSOLIDATED CASHFLOW STATEMENT

in TEUR	3 months period ended 31.03.2015	31.03.2014
Cash and cash equivalents at the beginning of the period	130,220	158,366
Cashflow from profit	16,701	25,390
Cashflow from operating activities	35,688	15,169
Cashflow from investing activities	-7,044	-10,986
Cashflow from financing activities	36,019	-2,755
Effects of exchange rate changes	8,689	0
Cash and cash equivalents at the end of the period	203,572	159,794

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

Basis of preparation

The interim report as at 31 March 2015 has been prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), rules for interim financial reporting (IAS 34), to be applied in the European Union.

This report on the first quarter of 2015 of the SBO group has neither been audited nor reviewed by independent accountants.

NOTE 2

Accounting Policies

The accounting and valuation methods of 31 December 2014 have been applied basically unchanged, with the exception of the standards which came into force in 2015. The new regulations do not have a significant implication on the consolidated financial statements. In this context, we refer to the consolidated financial statements for the year ended 31 December 2014.

NOTE 3

Scope of consolidation

During the first three months of 2015 no changes occurred in the scope of consolidation.

NOTE 4

Seasonality

Business development of SBO is not subject to seasonal influences.

NOTE 5

Segment information

Starting from the second quarter 2014 manufacturing and service sites are combined to the segments „High Precision Components“ and „Oilfield Equipment“ in accordance with product groups and services offered and existing customer groups, respectively. Therefore comparative prior year figures were adjusted accordingly.

The segment „High Precision Components“ includes complex machining of high precision components with utmost high dimensional accuracy which are ordered by the engineering divisions of our customers. The segment „Oilfield Equipment“ covers non-magnetic drill collars, drilling motors, circulation tools, completion tools and other components including service and repair work directly ordered by the operating oilfield organizations of our customers.

Internal management of the group as well as the allocation of resources is based on the financial performance of these segments.

Results in the total column correspond to the amounts in the income statement.

Jan-March 2015 in TEUR	**High Precision Components**	**Oilfield Equipment**	**SBO-Holding & Consolidation**	**Group**
External sales	50,083	57,433	0	107,516
Intercompany sales	15,653	21,251	-36,904	0
Total sales	65,736	78,684	-36,904	107,516
Operating Profit	5,066	8,813	2,243	16,122
Profit before taxes	5,149	8,902	496	14,547

Jan-March 2014 in TEUR	**High Precision Components**	**Oilfield Equipment**	**SBO-Holding & Consolidation**	**Group**
External sales	58,813	53,633	0	112,446
Intercompany sales	12,194	15,397	-27,591	0
Total sales	71,007	69,030	-27,591	112,446
Operating Profit	10,226	13,776	-2,127	21,875
Profit before taxes	10,221	13,641	-3,823	20,039

NOTE 6

Related Party Transactions

With respect to business transactions with related parties there were no substantial changes compared to 31 December 2014. All transactions with related parties are carried out at generally acceptable market conditions. For further information on individual business relations please refer to the consolidated financial statements of SBO AG for the year ended 31 December 2014.

NOTE 7

Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have significant effects on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at balance sheet date, the Group held the following classes of financial instruments measured at fair value:

in TEUR	Balance sheet item	31 March 2015	Level 2	Level 3
Liabilities				
Derivates	Other liabilities	-46,887	-2,389	-44,498

in TEUR	Balance sheet item	31 Dec 2014	Level 2	Level 3
Liabilities				
Derivates	Other liabilities	-43,865	-1,055	-42,810

During the reporting period 2015 there were no transfers between level 1 and level 2 fair value measurements. In general, if required, transfers are carried out at the end of each reporting period.

Derivatives shown under level 3 consist only of contingent liabilities for purchase price payments and the option commitments relating to cancelable non-controlling interests to purchase the offered shares from the minority shareholders. The development in the reporting period 2015 was as follows:

in TEUR	Contingent purchase price payments	Option commitments
As at 1 Jan 2015	-8,975	-33,836
Addition of accrued interest	-108	-438
Gains from revaluation	689	0
Disposals from settlements	0	0
Currency adjustment	-1,128	-702
As at 31 March 2015	**-9,522**	**-34,976**

The foreign currency forward contracts are measured based on observable spot exchange rates. The fair value of interest swaps has been determined using a discounted cash flow model based on interest curves observable on the market.

The contingent purchase price payments from business combinations and the option commitment relating to cancelable non-controlling interests are measured at balance sheet date according to the underlying agreements based on the expected discounted payments using the most recent sales forecast. The contingent purchase price payments determined as a certain percentage of achieved sales (to a certain extent when sales are exceeding a contractually agreed upon amount) are to be paid on a yearly basis with a residual term of further 1-4 years. The exercise price of the option commitment relating to cancelable non-controlling interests is based on the achieved financial results of the acquired entity. The liabilities are discounted using a risk adequate discount rate for the duration of each liability. Gains from revaluation refer to unrealized profits and are reported within „other financial income“ in the income statement.

The sensitivity analysis for significant, non-observable input factors is as follows:

in TEUR	Assumption	Change in assumption	If assumption increases, liability changes by	If assumption decreases, liability changes by
Option commitment relating to cancelable non-controlling interests	Net results	+/- 10 %	+3,304	-3,436
	Interest rate 32.5 %, 1.8 %	+/- 10 %, +/- 1%	-1,050	+2,327
Contingent purchase price payments from business combinations	Sales	+/- 10 %	+907	-832
	Interest rate 32.5 %, 14.3 %, 4 %	+/- 10 %, +/- 1 %, +/- 1 %	-44	+46

For each category of financial instruments which are amortized at acquisition costs, both the carrying value and the deviating fair value are provided in the table below:

in TEUR	Level	31 March 2015 Carrying value	31 March 2015 Fair value	31 Dec 2014 Carrying value	31 Dec 2014 Fair value
Liabilities					
Bonds	1	-19,997	-20,240	-19,993	-20,480
Borrowings from banks, finance lease obligations and other loans	2	-182,541	-186,072	-145,796	-148,832

For assessing the fair value of lendings, borrowings and leasing obligations, the expected cashflows have been discounted using market interest rates. The fair value for bonds was derived from the stock exchange price. Regarding bank and other long-term loans with variable interest, the interest rates charged are current market rates, resulting in the fact that the carrying values equal the fair values to a large extent. Cash and cash equivalents, trade receivables and payables and all other items have mostly short residual lives. Therefore, the carrying values equal the fair values at the balance sheet date.

NOTE 8

Events after the balance sheet date

In April 2015 6,000 SBO shares were transferred to the Chief Executive Officer based on the share based payment program introduced in 2014. No other important events have occurred after the balance sheet date.

Statement of all legal representatives

We confirm to the best of our knowledge that the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the interim financial statements, and of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Ternitz, 18 May 2015

Gerald Grohmann **Franz Gritsch**

Executive Board

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