

Innovation in Motion



2007/08



Shareholder Information 1

Ladies and Gentlemen!

As a partner of the international engine and automotive industry, Miba started the 2007/08 business year on a good footing. The corporate strategy of profitable growth has definitely been accomplished for the first quarter (as at April 30, 2007): Sales volume increased to EUR 95.6 million, i.e. a 3 percent increase over the corresponding period of the previous year. During the same period, the operating result (EBT) increased by 43 percent to EUR 8.7 million.

Adjusted for the sales volume of the Naples (Italy) site, which was sold in the past business year, the consolidated sales volume increase is significantly higher, namely 10 percent. The largest share of the sales volume was generated by Miba Sinter Group with 44.8 percent, followed by Miba Bearing Group with 37.3 percent and Miba Friction Group with 17 percent. At EUR 164.1 million, the Group's order status as per April 30, 2007 exceeded the previous year's order status by 10 percent. Growth occurred throughout all of our customer markets – from cars and commercial vehicles up to and including construction equipment and ships. In the first quarter, in addition to the favorable economic situation, Miba primarily benefited from its strategic orientation towards high technology.

The sales growth in the first quarter helped push up earnings significantly, once again demonstrating Miba's earning power. Earnings before interest and taxes (EBIT)

rose from EUR 6.5 million to EUR 9.0 million. The restructuring measures, which dragged down the result for the corresponding quarter last year, are now bearing fruit. In addition, new orders for which the preliminary work, in the form of tool-making and sample production, was done during the past year have reached the series production phase. Miba's equity ratio climbed from 51.5 to 52.5 percent, reflecting Miba's firm financial basis.

Profit increase and efficient working capital management are also reflected in the cash flow, which increased from EUR 2.0 million to EUR 12.3 million. Investments totaling EUR 7.9 million (EUR 5.7 million in the previous year) were completely financed out of Miba's own resources.

As at the balance sheet date of April 30, 2007, the number of employees remained practically unchanged at 2,813.

The official inauguration of the new production facility of Miba Precision Components China (MPCC) in Suzhou was one of the main events during the first quarter of 2007/08. In the meantime, the production of bearings for commercial vehicles and of sintered components for passenger car engines and shock absorbers has started up successfully.

New products foster growth

During the first four months of the current year, automotive production in Europe increased by 5 percent to 6.6 million vehicles. Due to increased fuel prices, demand for cars with unchanged engine output, yet lower gas consumption, increased. Miba Sinter Group, with its product innovations in the field of fuel economization, benefited from this situation.

Compared to the previous year, Miba Sinter Group's sales volume increased by two percent. Adjusted for the sales volume of the Naples (Italy) site, which was sold in the past business year, the sales volume increase is significantly higher, namely 16 percent. The order status was 17 percent higher than in the previous year.

In addition to the generally favorable economic situation and the automotive manufacturers' high production figures related thereto, Miba Sinter Group's growth is primarily the result of challenging new projects for engines, transmissions, car bodies and chassis coming into full swing. Preliminary work for these new projects was carried out in the past and is now reflected in sales volume and net earnings.

In particular, the high-tech sites in Vorchdorf (Austria) and Dolný Kubín (Slovakia) benefited from these new orders. In order to be well-equipped for future growth, substantial funds are once again being invested in both plants during the current business year. The measures for streamlining the product portfolio and increasing the degree of automatization in the production of high-quantity parts, introduced at the Barcelona site, have already resulted in modest improvements in the first quarter.

Based on the high order status, Miba Sinter Group's Management believes that a sizeable growth in sales volume can be realized for the 2007/08 business year. The focus on technologically challenging products leads to further improvements in earnings quality.



Bearings in high demand

In the first quarter of 2007/08, Miba Bearing Group recorded a sustained high demand for its products throughout all of its target markets. The group especially benefited from an increased demand for bearings for commercial vehicles and ships in Asia. As was the case in the previous year, Miba Bearing Group's sales volume and order status were consistently high.

Construction for increasing the production capacity at Miba Bearing Group's Laakirchen site made rapid progress in the first quarter and is nearing completion. With this investment, Miba Bearing Group is expanding the high technological standard of Miba's bearing production in the segment diesel engines for ship drives. Furthermore, in the coming months, additional extensive investments are planned for the site in order to optimally cater to the increased demand.

At the outset of the year, Miba Bearings US (McConnelsville/Ohio, USA) benefited from the positive market situation in the core segments locomotives and compressors. Developments of new applications for gas turbines look promising. At the production site for input stock, Advanced Bearing Materials (Greensburg/Indiana, USA), the focus remains on further optimizing the series production of steel-lead-bronze strips.

Following the record sales volumes of previous years, Miba Bearing Group's Management is expecting a consistently high sales volume and stable earnings for the current business year.



A dynamic start

In the first quarter, Miba Friction Group benefited from the solid economic situation in its target markets and was able to increase its market share, in particular for friction linings for construction equipment and tractors. Furthermore, the production of clutch linings for the Indian market and of brake linings for trains and wind power stations was running at full speed. In the first quarter of the 2007/08 business year, Miba Friction Group's sales volume increased by ten percent as compared to the corresponding quarter of the previous year. As at the balance sheet date of April 30, 2007, the order status was 12 percent higher than in the previous year.

The price situation on the international commodity markets is slightly less tense. Price increases for copper and steel were lower than anticipated. However, the competitive pressure in the export business has continued without respite due to a renewed weakening of the US dollar in the first quarter.

At Miba Friction Group's Austrian site, Miba Frictec (Roitham, Austria), order status and sales volume exceeded projections, with a series of new orders contributing to this positive development. The relocation of the steel plate's production from Sheffield (England) to Vrábľe (Slovakia) has made further progress. The remaining equipment will be transferred to the new site in the coming weeks and, subsequently, production in Sheffield will be discontinued. Miba HydraMechanica (Sterling Heights/Michigan, USA) benefited from the US automotive industry's strong demand for friction linings for locking differential clutches for all-wheel drive vehicles.

Based on the order status, Miba Friction Group's Management is expecting a positive development of sales volume and net earnings.



Continuing on the path to growth

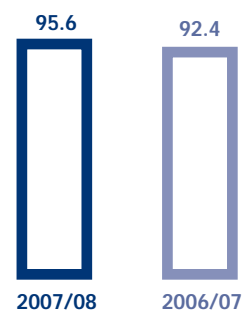
According to forecasts made by the International Monetary Fund (IMF), the world economy will show a 4.9 percent growth for the year. Based on the consistently positive economic environment in Miba's target markets, Miba is expecting to continue on its path to growth in the current business year. Against the background of stable and attractive markets, securing the Miba Group's long-term technology leadership remains one of our main priorities for 2007/08.

As a strategic partner of the international engine and automotive industry, Miba is well-positioned for rising to the challenges of the current business year. Despite the sales volume loss incurred, resulting from the sale of the Sinter Group's Naples site, Management is expecting to exceed the previous year's sales volume in the 2007/08 business year. The Management Board anticipates that the increased focus on high-tech products will lead to improved margins and thus increased profits.

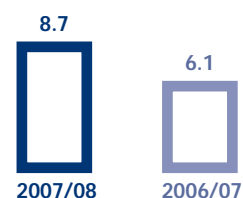
Development of the Miba Group for the 1st Quarter 2007/08

	1 st Quarter 2007/08	1 st Quarter 2006/07
Sales volume in million EUR	95.6	92.4
Order status in million EUR	164.1	149.4
EBIT in million EUR	9.0	6.5
EBT in million EUR	8.7	6.1
Cashflow from operations in million EUR	12.3	2.0
Investments in million EUR	7.9	5.7
Number of employees as at April 30, 2007	2,813	2,822

Development of Sales 1st Quarter in million EUR



Development of Earnings before Taxes 1st Quarter in million EUR



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