Innovation in Motion

Key Figures of Success

Annual Report 2011-2012

Key Figures 2011-2012

	2011/12	2010/11	2009/10
Income Statement (in million EUR)			
Sales	592.6	437.2	311.8
Part of sales outside Austria in %	93.0	92.8	91.6
EBIT	67.0	54.5	16.4
EBT	63.1	53.3	15.5
Earnings after taxes	45.9	42.2	12.3
Balance Sheet (in million EUR)			
Balance sheet total	524.9	452.6	343.9
Non-current assets	255.5	221.8	178.3
Borrowed capital	238.2	204.1	137.1
Group equity	286.7	248.5	206.8
Group equity as % of total capital	54.6	54.9	60.1
Cash Flow and Investments (in million EUR)			
Cash flow from operations	48.3	65.8	48.1
Investments (excluding financial investments)	47.3	34.6	19.5
Depreciation and amortization	34.8	30.5	29.2
Employees			
Number of employees, yearly average	3,730	3,064	2,613
Personnel costs (in million EUR)	160.3	130.9	108.8
Stock Exchange Data (in EUR)			
Earnings per share	33.48	33.99	9.93
Dividend per share	8.0*	7.0	2.5
Dividend yield in %	4.2	3.3	3.1
Share quotation at closing of business year (1/31/)	192.0	210.0	81.0

* Subject to approval by the Annual General Meeting on June 29, 2012

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Preface by the Chief Executive Officer

Ladies and Gentlemen,
Dear Shareholders:

Miba is on the right path toward the next milestone in our Company's history: in Miba 2015, we envision achieving revenues of EUR 750 million in the 2015-2016 business year. During the years of global financial crisis, we knew that it would be tough to stand by this goal. But to me, it appears to be within our grasp today. Brimming with appreciation and deep respect for the accomplishment of the entire team, in this report we proudly present you with the best business year in the Company's history.

Tremendous growth in all divisions was the hallmark of the 2011-2012 business year. Miba augmented its consolidated sales by 35.6 percent to EUR 592.6 million, an achievement that is also clearly reflected by earnings before interest and taxes, which surged to EUR 67.0 million. As of January 31, 2012, Miba had a workforce in excess of 3,900 employees, which corresponds to an almost 20 percent expansion over the start of the business year.

In the past business year, a lot has been going on at Miba. Our main focus remained on making sure that our customers received efficient, flexible and reliable supply at all times. The welcome developments in our markets – and consequently, the remarkable boost in demand – have led to full capacity utilization at our plants. Therefore, we invested in the corresponding capacity expansion at nearly all Miba sites. We worked intensively on achieving further progress with our sites in China, India and the USA. These are Miba's growth markets, and they are the key to the success of our European sites. By investing five percent of our revenues in research and development, we have also consolidated and further enhanced Miba's technology leadership in 2011-2012.

It is our employees who make up the heartbeat and the strength of Miba; they are the underlying foundation of our success. I am truly impressed by the enthusiasm, dedication and strong work ethic that each employee contributes to the growth of Miba. At 20 different locations strewn across the world, it is a shared vision that binds us together, that keeps us moving ahead and that inspires us to devote our efforts: No power train without Miba technology.

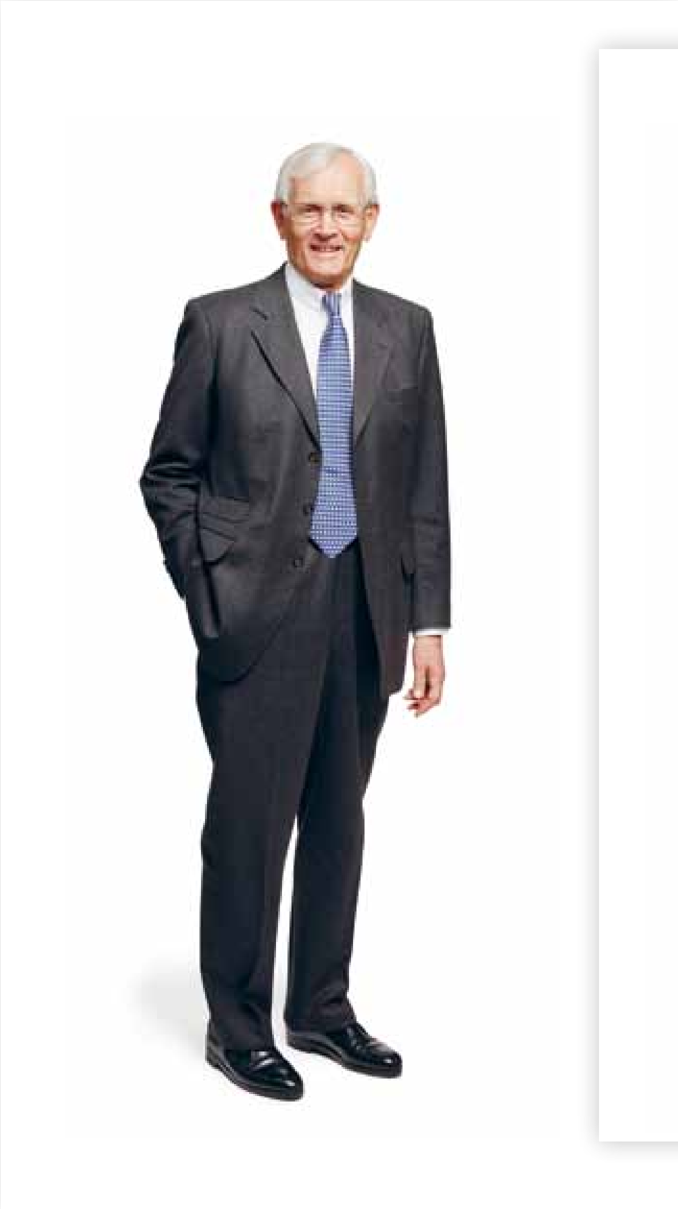
We foster and promote the principle of lifelong learning, in order to give our employees the freedom for their own development and to retain and cultivate the most capable hands – and the best minds – from our own ranks. We engineer sophisticated solutions after intensive consultation with our customers, and thus, we continue to expand Miba's technology leadership. With passion for success, each day we fulfill our mission: Innovation in Motion. All of this empowers Miba, and gives us our edge over competitors.

Positive market developments are not the only prerequisite to growth: so are investments. For this reason as well, in February 2012, Miba issued the first bullet bond ever in the Company's history, equal to EUR 75 million. By doing so, we are additionally securing our independence from volatile developments in the financial markets over the long term, and we can also sustain our mobility and our flexibility. It also signifies that even in the 85th year of our Company's history, we stay on the cutting edge of business and technology. I wish to convey my sincere gratitude to our customers, shareholders and all of our partners for their confidence in us; I look forward to being able to share our drive with you.

P. Mitterbauer.

Key Factor of Success

Management Board



DI DDr. h. c. Peter Mitterbauer,
CEO and CFO Miba Group
Born in 1942, married with two children
1969: Joined Miba, head of sales, head of various affiliated companies
Since 1973: Member of the Management Board of Miba AG
Since 1986: Chairman of the Management Board of Miba AG

Dr. Wolfgang Litzlbauer,
CEO Miba Bearing Group and Coatings
Born in 1969, married with one child
1994: Joined Miba AG as assistant to the Management Board
1996: Miba Gleitlager GmbH, aftermarket, head of sales for the NAFTA region
1999: Mahle Metal Leve Miba Sinterizados Ltda., Brazil, commercial managing director
Since 2004: CEO Miba Bearing Group, member of the Management Board of Miba AG

DI F. Peter Mitterbauer, MBA,
CEO Miba Friction Group
Born in 1975, married
2001: Joined Webasto AG as product manager
2003: Joined Stölzle Oberglas GmbH as sales manager Asia Pacific
2006: Joined Miba Sinter Group, business development leader Asia (China)
2008: Joined Miba Friction Group as managing director, sales & marketing
Since 2011: CEO Miba Friction Group, member of the Management Board of Miba AG

Dr.-Ing. Harald Neubert,
CEO Miba Sinter Group
Born in 1956, married with three children
1988: Krebsöge GmbH, quality and plant manager
1996: Joined Sintermetallwerk Lübeck GmbH as managing director
1998: Joined GKN Sinter Metals, most recently President Asian Pacific and South American Operations (APSA)
2007: Joined Miba Sinter Group as CTO & CEO
Since 2009: Member of the Management Board of Miba AG

Dr.-Ing. Norbert Schrüfer,
CEO New Technologies Group
Born in 1959, married with two children
1991: Joined Gildemeister Drehmaschinen GmbH as production manager
1996: Joined Miba Gleitlager AG as COO
2001: CEO Miba Bearing Group, member of the Management Board of Miba AG
2004: CEO Miba Sinter Group
2008: CEO Miba Friction Group
Since 2011: CEO New Technologies Group

Supervisory Board of Miba AG

Elected members

Dr. Theresa Jordis (Chairwoman of the Supervisory Board), independent; commercial attorney, Dorda Brugger Jordis Rechtsanwälte GmbH; first elected on July 9, 1993; Chairwoman of the Supervisory Board of Miba AG since 2005, with term ending at the 2013 Annual General Meeting; member of the Audit Committee; member of the Compensation Committee
Positions on other supervisory boards: Mitterbauer Beteiligungs-AG (Chair), Wolford AG (Chair), Erste Group Bank AG (Deputy Chair), Austrian Airlines AG, Prinzhorn Holding GmbH (Chair)

Dipl. -Bw. Alfred Heinzel (Deputy Chairman), independent; CEO of Heinzel Holding GmbH; first elected on July 4, 2003; Deputy Chairman of the Supervisory Board of Miba AG since 2005, with term ending at the 2013 Annual General Meeting; member of the Audit Committee
Positions on other supervisory boards: Mitterbauer Beteiligungs-AG, Allianz Elementar Versicherungs-AG, Verbund AG, Wilfried Heinzel AG (Chair), Heinzel NSB Beteiligungs-AG (Chair), Zellstoff Pöls AG (Chair), Europapier AG (Chair), Biocel Paskov a.s. and AS Estonian Cell

Dr. Robert Büchelhofer, independent; former member of the management board of Volkswagen AG; first elected on July 4, 2003; member of the Supervisory Board of Miba AG, with term ending at the 2013 Annual General Meeting
Positions on other supervisory boards: Mitterbauer Beteiligungs-AG, Polytec Holding AG, SWARCO AG (Chair)

Dkfm. Dr. Wolfgang C. Berndt, independent; former President & CEO Global Fabric & Homecare, The Procter & Gamble Company; first elected on June 27, 2008; member of the Supervisory Board of Miba AG, with term ending at the 2014 Annual General Meeting; member of the Compensation Committee
Positions on other supervisory boards: GfK AG, OMV AG, BAST AG, Mitterbauer Beteiligungs-AG

Delegated members

Hermann Aigner
Member of the Supervisory Board of Miba AG since 1994,
member of the Audit Committee since 2009

Johann Forstner
Member of the Supervisory Board of Miba AG since 2009,
member of the Compensation Committee

Miba 2015

Technology Leadership
Lifelong Learning
Entrepreneurship
Passion for Success

Our Mission: Innovation in Motion – Miba technology enables resource-efficient mobility
Miba is an international group producing high-performance and technologically demanding power train components. We support our customers worldwide from development to implementation of individual solutions. Miba technology and our wealth of experience make motor vehicles, trains, ships, aircraft and power plants more efficient, more powerful and more environmentally friendly.

Our strategy: Global No. 1 in economically attractive and technologically demanding market segments
We are an owner-oriented listed company with a presence in the world's economic growth centers. All our actions are based on our commitment to financial independence, social responsibility and sustainability. Our four divisions focus on attractive niches, in which we continue to constantly strengthen our worldwide number one position. Our outstanding employees are the engine of our success. We constantly improve our processes and strive for business excellence.

Our Vision: No power train without Miba technology
We ensure our competitive edge by investing approximately six percent of sales in research and development and in training and education. Our profitable core business growth enables us to build up a new business area in future-oriented key technologies. This is the basis for reaching and exceeding one billion euros in sales.

Key Factor of Success

Our Global Network

Miba Bearings US LLC
McConnelsville, OH, USA
Miba Bearing Group

Miba HydraMechanica Corp.
Sterling Heights, MI, USA
Miba Friction Group

ABM Advanced Bearing Materials LLC
Greensburg, IN, USA
Miba Bearing Group

Miba Sinter USA LLC
McConnelsville, OH, USA
Miba Sinter Group

Miba Bearings Sales Corp.
McConnelsville, OH, USA
Sales Office, Miba Bearing Group

EBG LLC
Middletown, PA, USA
Sales Office, New Technologies Group

EBG Resistors LLC
Middletown, PA, USA
Sales Office, New Technologies Group

DAU Thermal Solutions North America Inc.
Macedon, NY, USA
New Technologies Group

Mahle Metal Leve Miba Sinterizados Ltda.
São Paulo, Brazil
Miba Sinter Group

Miba Gleitlager GmbH
Laakirchen, Austria
Miba Bearing Group

Miba Sinter Austria GmbH
Vorchdorf, Austria
Miba Sinter Group

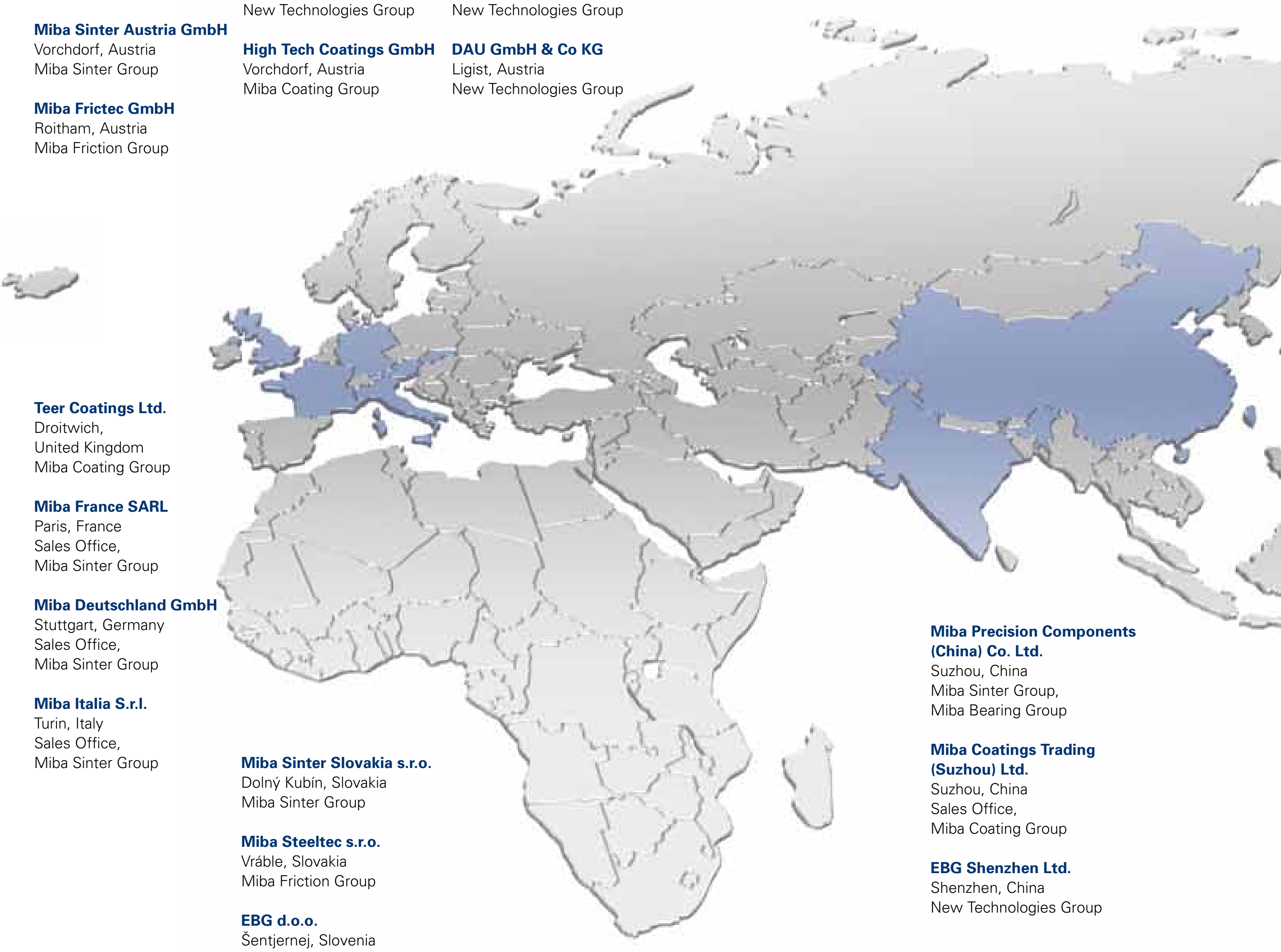
Miba Frictec GmbH
Roitham, Austria
Miba Friction Group

Miba Automation Systems Ges. m.b.H.
Laakirchen, Austria
New Technologies Group

High Tech Coatings GmbH
Vorchdorf, Austria
Miba Coating Group

EBG Elektronische Bauelemente GmbH
Kirchbach, Austria
New Technologies Group

DAU GmbH & Co KG
Ligist, Austria
New Technologies Group



Teer Coatings Ltd.
Droitwich,
United Kingdom
Miba Coating Group

Miba France SARL
Paris, France
Sales Office,
Miba Sinter Group

Miba Deutschland GmbH
Stuttgart, Germany
Sales Office,
Miba Sinter Group

Miba Italia S.r.l.
Turin, Italy
Sales Office,
Miba Sinter Group

Miba Sinter Slovakia s.r.o.
Dolný Kubín, Slovakia
Miba Sinter Group

Miba Steeltec s.r.o.
Vráble, Slovakia
Miba Friction Group

EBG d.o.o.
Šentjernej, Slovenia
New Technologies Group

Miba Precision Components (China) Co. Ltd.
Suzhou, China
Miba Sinter Group,
Miba Bearing Group

Miba Coatings Trading (Suzhou) Ltd.
Suzhou, China
Sales Office,
Miba Coating Group

EBG Shenzhen Ltd.
Shenzhen, China
New Technologies Group

Miba Far East PTE Ltd.
Singapore
Sales Office, Miba Bearing Group

Miba Drivetec India Pvt. Ltd.
Pune, India
Miba Friction Group

Sintercom India Pvt. Ltd.
Pune, India
Miba Sinter Group

Key Factor of Success

Miba Product Portfolio

Miba is an international group producing high-performance and technologically demanding power train components. We support our customers worldwide from development to implementation of individual solutions. Miba technology enables resource-efficient mobility.

Miba sintered components
Miba sintered components are used in car engines, transmissions and steering systems of passenger vehicles. Their sophisticated design, which integrates several functions into one component, as well as their high precision, durability and lightweight structure sets them apart from the competition. Thus, Miba technology is contributing to greater efficiency and is helping save on fuel consumption.

Miba engine bearings
Engine bearings are crucial components that significantly affect engine function and service life. They help position the crank- and camshafts, minimize friction during operation and protect the engine against damage and breakdown. They are used in diesel and gas engines in ships, heavy-duty vehicles, locomotives and power stations. The bearings produced by Miba Bearing Group withstand higher ignition pressures, thus increasing engine efficiency.

Miba friction materials
Friction materials are the decisive performance elements in vehicle clutches and brakes, optimizing speed and power. Miba Friction Group components reduce weight and the size of transmissions and axels. They are used in construction machinery, tractors, cars, trucks, high-speed trains, motorcycles, airplanes and wind power stations.

Miba power electronics components
Power electronics components are key to more efficient powertrains and the continuously growing use of renewable energy resources. Resistors are among the Miba power electronics components. They are used in the conversion and transmission of energy. Miba resistors can be found, for instance, in the high-voltage electronics of modern medical equipment or in the power electronics of frequency converters in wind turbines. Heat sinks and heat pipes are further power electronics components. They protect electronic components from overheating and are used, for instance, in drive train control units, converters for electric motors and wind turbines.

Miba special machinery
Miba's special machinery is used for high-precision and efficient machining of small to very large components. Miba Automation Systems is leading in engine bearing technology, robotics and automation as well as stationary and mobile special machinery. Apart from power electronics, the core segment, special machinery is also part of the New Technologies Group.

Miba coatings
Miba develops customized coating solutions for refining functional surfaces. Miba coatings are used in components for engines, transmissions and other highly sophisticated applications. The Company's technologies include low-friction coatings for functional surfaces, electroplated overlays and PVD coatings. These coatings ensure maximum service life and optimum functionality.

Manag
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eport

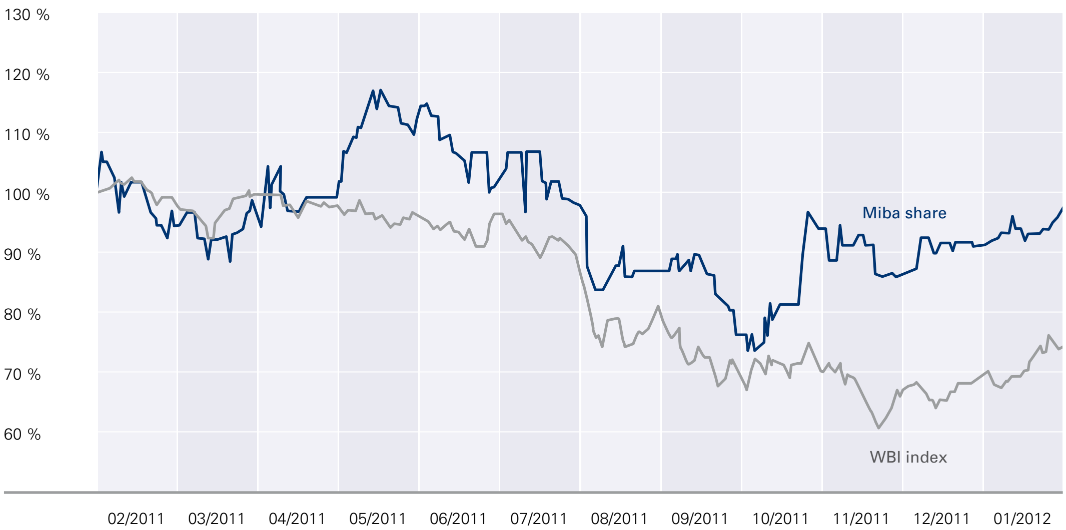
The Miba Share

Sustainable performance in the 2011-2012 business year: Miba preferred share holds its ground in challenging market environment

Miba's preferred share delivered a lasting, solid performance, even in the challenging stock exchange environment of the 2011-2012 business year. The insecurity prevailing in the financial markets led to deterioration in the capital markets. Consequently, the reference index of the Vienna Stock Exchange, WBI, experienced a 26 percent decline between February 1, 2011, and January 31, 2012. In contrast to this, Miba shares sustained steady progress and by year-end closed at EUR 192.00, which is merely EUR 5.50 or 2.8 percent below the price on February 1, 2011.The share price reached an apex of EUR 230.00 on May 17, 2011.

With a price-earnings ratio of 5.74 (as of January 31, 2012), the Miba share earns a relatively conservative rating. Earnings per share for the past business year totaled EUR 33.48, which represents a 1.5 percent decline over the prior year (EUR 33.99).

The Miba share
ISIN: AT0000734835
Stock exchange: Vienna Stock Exchange, Standard Market Auction
Securities ID: MBV
Class of share: Preferred stock
Number of shares: 300,000
Index: WBI



Development of the Miba share during the 2011-2012 business year (Quotation as of February 2, 2011 = 100%)

Share buyback program
At the Annual General Meeting for the 2010-2011 business year on July 1, 2011, the shareholders authorized the Company to purchase company shares (preferred category B shares) equal to a maximum ten percent of share capital, for a duration of 30 months starting on July 2, 2011, in accordance with Section 65 (1) 8 as well as (1a) and (1b) of the Austrian Stock Corporation Act (Aktiengesetz).

In the past business year, a total of 6,566 shares were repurchased under the share buyback plan. An up-to-date overview of all share buyback programs is available to all interested parties through the Company website: www.miba.com. As of the balance sheet date (January 31, 2012), a total of 72,947 company shares had been repurchased (previous year: 66,381). The average purchase price was EUR 126.16 per share. This represents about 5.6 percent of share capital.

Miba's share capital totals EUR 9.5 million and is divided into 1.3 million no-par value shares. The no-par-value shares are broken down into 870,000 common shares, 130,000 preferred shares (Issue A) and 300,000 preferred shares (Issue B). The preferred Issue A shares do not carry any voting rights but are convertible to common shares upon relinquishment of preferential rights. The preferred Issue B shares do not carry voting rights and are not convertible to common shares. Mitterbauer Beteiligungs-Aktiengesellschaft holds 76.92 percent of the shares. As of the balance sheet date, institutional and private investors held 17.47 percent. Miba AG holds 5.61 percent of the share capital in the form of treasury stock.

Dividend for 2011-2012
The Management Board of Miba AG will propose a dividend of EUR 8.00 per common and preferred share at the Annual General Meeting on June 29, 2012. Since the rate prevailing on the reporting date (January 31, 2012) was EUR 192.00, this represents a dividend yield of 4.2 percent. The dividends equal to EUR 8.00 per share correspond to a payout ratio (projected dividend payment divided by earnings after taxes (EAT)) of 21.4 percent and are thus consistent with the long-term average ratio. Based on earnings per share, the payout ratio equals 23.9 percent (previous year: 20.6 percent). Through this, Miba is providing its shareholders with continuity in its dividend payment policy and a desirable return on invested capital.

General Economic Setting

In its applications divisions, Miba matches the pace of global growth

The economy in the most important economic centers of the world continued to progress on a solid basis in the first half of 2011, despite a myriad of geopolitical contingencies. The second half was characterized by an elevated level of uncertainty and insecurity on the global markets.

According to the International Monetary Fund (IMF), economic growth in 2011 remained at a high level both in China, at +9.2 percent, and in India, at +7.4 percent; however, this performance was significantly weaker than in recent past years. The growth rates in mature markets such as Europe and the USA were still positive; nonetheless, the rates were low and stagnant, at +1.6 percent and +1.8 percent, respectively. For Miba, collectively the positive growth signified a sharp rise in demand that was shaped in particular by the expansion in China and India.

With respect to raw materials, the year 2011 as a whole was marked by extreme volatility. Specifically, copper represents the most important raw material. The trends in LME prices ranged from a peak of USD 9,629/t in the first quarter of 2011 to a low of USD 7,850/t. A similar pattern was exhibited among steel prices, which rose sharply in the first six months of 2011, and then levelled off at a moderate level from the third quarter onward. From a global viewpoint, the IMF is projecting a weak – but positive – economic growth of 3.3 percent worldwide for the year 2012. This projection is just below the rate for the preceding calendar year.

Growth by sector

In 2011, global production of passenger vehicles and light commercial vehicles expanded 3.8 percent, to 75.8 million vehicles. With an addition of just under six percent, production in Europe increased at an above-average pace when viewed against the comparison period. In Europe overall, roughly 18.4 million vehicles were manufactured during this period. The primary benefactors of this gain were German automotive manufacturers, who recorded the best year in their collective history. Production in the USA rose even more sharply – by 9.6 percent, to just under 13 million vehicles. The number of newly registered passenger vehicles and light commercial vehicles, totaling just under 12.7 million vehicles, is almost at parity with new production. In China, the number of sold passenger vehicles and light commercial vehicles rose to 18.9 million units.

In comparison to the preceding business year, the production of medium-sized and heavy commercial vehicles increased by over 3.5 tons in Europe and the USA. In Europe, the registration figures also reflected the course of growth. According to the ACEA, in 2011 about 29 percent more trucks over 3.5 tons were registered than in 2010. China, currently the largest producer of heavy trucks, experienced stagnation in this segment: Overall, almost 15 percent fewer heavy trucks were produced than in 2010.

Demand for new ships continued on the path of recovery. Nonetheless, by the middle of last year, shipbuilders' order logs were not as full as in 2010. In the shipbuilding industry, overcapacities from the crisis years intensified the competition in 2011. Subsequent to the recession of the last few years and market volume stagnation, the shipyard market ultimately consolidated.

The construction equipment industry reported positive trends for the preceding year, despite the economically tense situation in markets like Europe and the USA. Growth in the construction industry is primarily driven by the continuously improving welfare of the world's growing middle class, and the impetus toward urbanization. In this respect, China plays an especially vital role, with new and greater demands.

The global market for agricultural machinery has almost recovered to 2008 levels since the crisis period. These trends are specifically driven by the Indian market for tractors, which has reached double-digit rates of growth over the past few years.

Investments in the systems and facilities of the productive industry were somewhat restrained due to the uncertain financial situation in Europe and the weak budgetary situation in the USA. The driving powers of this industry were primarily the emerging nations as well. These nations are simultaneously placing tremendous investments in further development of alternative energies. For example, China's latest five-year plan – approved in 2011 – envisions investments in renewable energy exceeding EUR 421 billion, as well as an intelligent and stable power grid.

The market for wind energy continues to grow, based on data from the Global Wind Energy Council. In 2011, global capacity reached 239 gigawatts. Overall, this year 42 gigawatts were newly installed, which corresponds to an increase of twelve percent over 2010. Just under 43 percent of new capacities were installed in China in 2011.

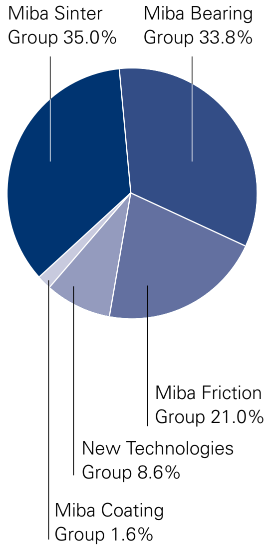
Performance Analysis and Balance Sheet

Growth in all divisions

Sales and earnings position

Miba, a strategic partner to the international engine and automotive industry, consistently and successfully implemented its core strategy of profitable growth in the preceding business year. Miba can look back on the best business year in the history of the Group. While the 2010-2011 business year already proved that the Group had emerged from the crisis even stronger than before, the preceding business year showed that the level of sales could continue on a seemingly unstoppable rise, and that the Group can benefit tremendously from the growing markets. The greatest proportion of this sales increase came from organic growth, with concurrent successful integration of the acquired companies and business areas. Despite the challenging conditions of the market environment, the quality of earnings was held at a commensurate level, and in the second half of the year in particular, it had markedly improved.

Share of sales by core segment



In the 2011-2012 business year, the Miba Group achieved sales amounting to EUR 592.6 million. This corresponds to an increase of EUR 155.4 million, or 35.6 percent over the prior year. In the past two business years (i.e., compared to the 2009-2010 business year), the Miba Group has thus grown by 90 percent. Of the 35.6 percentage points of growth in the 2011-2012 business year, 21.6 percentage points are directly related to organic growth, and 14.9 percentage points reflect acquisitions; at the same time, the effects of foreign currency diminished the gain in sales revenue by 0.9 percentage points. All divisions contributed to Miba's growth: Miba Sinter Group (+19.8 percent) and Miba Bearing Group (+25.6 percent) achieved their growth entirely from organic growth, whereas growth in Miba Friction Group (+65.5 percent) and New Technologies Group (+145.9 percent) was also substantially based on acquisitions.

Miba divisions

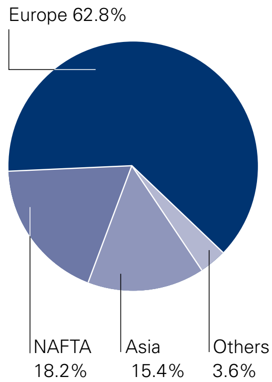
Miba Sinter Group posted sales of EUR 207.6 million in the past business year, which is equivalent to 35.0 percent of Group sales. At that level, it remains the largest division in the Miba Group. Miba Bearing Group generated sales of EUR 200.5 million. This corresponds to 33.8 percent of Group sales. The sales volume of Miba Friction Group in the past business year totaled EUR 124.1 million and contributed 21.0 percent to Group sales. In the first full year since its consolidation, New Technologies Group generated sales of EUR 50.7 million or 8.6 percent of total sales volume. The remaining EUR 9.7 million are attributed to the "Other" division.

Miba operates 20 production sites on three continents and is thus close to its customers in the world's most important business centers. The growth in sales over the past year can be distributed equally over Miba's three main target markets. Europe continues to be the largest market of the Miba Group. The Group realized 62.8 percent of sales there. The North American Free Trade zone (NAFTA), and the USA specifically, account for 18.2 percent of sales. In Asia's growth markets, Miba achieved 15.4 percent of Group sales.

In view of the quality of earnings, the 2011-2012 business year was positively encouraging. Consolidated earnings before interest and taxes (EBIT) soared by 23 percent compared to the prior year, equaling EUR 67.0 million (previous year: EUR 54.5 million). Clear strategic positioning on technologically challenging products, combined with the largely successful integration of profitable acquisitions, form the basis for this sustained quality of earnings. The EBIT margin of the preceding business year equaled 11.3 percent. This figure was slightly below that of the year before (12.5 percent), which benefitted from the post-crisis growth. Still, this figure not only exceeded the industry-wide average, it also exceeds our expectations and our goals. Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled EUR 101.9 million in the past year.

Consolidated earnings before taxes (EBT) in the amount of EUR 63.1 million likewise represents a substantial gain when compared to the previous year (EUR 53.3 million). After deducting EUR 17.2 million in taxes on income and earnings, consolidated earnings after taxes (EAT) equal EUR 45.9 million (previous year: EUR 42.2 million). The markedly higher tax rate is ultimately explained by a higher proportion of Group's profit achieved in countries with a higher tax burden, the USA being foremost among them.

Sales volume by market



Financial position

The balance sheet total rose in the past business year from EUR 452.6 million to EUR 524.9 million due to the acquisitions transacted, among other reasons. Non-current assets escalated by EUR 33.7 million, or 15.2 percent, to EUR 255.5 million; the business combination in the Friction Group alone triggered a rise in property, plant and equipment by EUR 7.1 million. Regardless, there was only a negligible change in the proportion of non-current assets to total assets, from 49.0 percent to 48.7 percent, while the asset coverage ratio (i.e., the ratio of equity to total fixed assets) showed negligible improvement, from 113.8 percent to 113.9 percent.

The funds disbursed from all investment activity cash flows (property, plant and equipment, financial investments and equity investments) amounted to EUR 67.1 million (previous year: EUR 59.3 million). In the 2011-2012 business year, Miba invested EUR 47.3 million in the expansion of production capacities in all divisions (previous year: EUR 34.6 million). These investments were funded almost entirely out of cash flow from operations amounting to EUR 48.3 million (previous year: EUR 65.8 million).

The reduction in cash flow from operations, when compared to the previous year, was in part due to the build-up of working capital and higher tax payments.

Indeed, current assets advanced 16.7 percent, from EUR 230.8 million to EUR 269.4 million; however, when considering this increase as a whole, it is an insubstantial rise compared to the increase in sales. This is also true for the individual factors under working capital that are classified as assets (such as inventories, trade and other receivables, etc.).

Miba is focused on maintaining its financial independence by consistently reinforcing the liquidity position within the Group. With cash and cash equivalents of EUR 61.1 million (previous year: EUR 66.7 million), this item remains at a level that safeguards the Group's financing at all times. The Group continues to move at a level approaching zero net debt, and as of January 31, 2012, it reported a net debt of EUR 12.4 million (previous year: net cash in the amount of EUR 15.3 million), or 2.4 percent of the balance sheet total.

Also in the past business year, Group equity (including shares of outside shareholders) significantly increased by 15.4 percent, or EUR 38.2 million, to EUR 286.7 million (previous year: EUR 248.5 million). Treasury stock valued at EUR 9.2 million was included directly in equity (previous year: EUR 8.1 million). Consolidated earnings after taxes (EAT) equal to EUR 45.9 million and currency translation gains of EUR 4.0 million, reported directly in equity, were offset by EUR 3.8 million in financing expenses for limited partnership minority shareholders, the negative effects from cash flow hedges amounting to EUR 1.1 million and actuarial losses reported directly in equity totaling EUR 1.1 million as well as dividend payments totaling EUR 9.0 million.

The equity ratio equals 54.6 percent. This figure is an expression of the solid capital and financial structure of the Miba Group. Compared to the previous year (54.9 percent), it remains virtually unchanged despite the sharply increasing balance sheet total.

Free cash flow (cash flow from operations, less cash flow from investment activities, taking into account the acquisition of newly consolidated companies) equaled EUR –18.8 million in the past business year, which is attributed to the payments for the acquisition of newly consolidated and associated companies of EUR 20.2 million.

EUR million	**2011-12**	**2010-11**
Sales	592.6	437.2
EBT	63.1	53.3
Cash flow from operations	48.3	65.8
Equity	286.7	248.5
Equity ratio in %	54.6	54.9

Changes in the Corporate Structure

The 25th Annual General Meeting of Miba AG on July 1, 2011, passed a resolution authorizing the Management Board, under section 65 (1) 8 and section 65 (1a) and (1b) of the Austrian Stock Corporation Act (AktG), to purchase treasury shares (preferred Category B shares) totaling a maximum ten percent of the Company's share capital over a period of 30 months from July 2, 2011.

The Management Board of Miba AG resolved on October 14, 2011, to implement a new share buyback program for 30,000 preferred Category B shares. Through this share buyback program, 6,566 treasury shares had been repurchased as of January 31, 2012. As of the balance sheet date of January 31, 2012, Miba AG holds 72,947 treasury shares (previous year: 66,381).

Other changes in the corporate structure:

- On February 1, 2011, DI Franz Peter Mitterbauer, MBA, was appointed to the Management Board of Miba AG.
- Through an agreement dated January 19, 2011, and conveyance of ownership on February 21, 2011 (acquisition date), Miba acquired a 26 percent minority share in Maxtech Sintered Product Pvt. Ltd., Pune, India, which was subsequently renamed Sintercom India Pvt. Ltd.
- On February 1, 2011, Miba Energy Holding LLC, McConnelsville, Ohio, USA, purchased a 70 percent share in EBG Resistors LLC, Middletown, Pennsylvania, USA. Furthermore, Miba Energy Holding LLC, McConnelsville, Ohio, USA, purchased a 70 percent share in EBG LLC, Middletown, Pennsylvania, USA. EBG LLC, Middletown, Pennsylvania, USA, holds 25 percent of the shares in EBG Shenzhen Ltd., Shenzhen, China.
- On June 15, 2011, Miba Tyzack Ltd., Sheffield, GB, was legally liquidated.
- DAU GmbH & Co. KG, Ligist, Austria, acquired the remaining shares (25 percent) in EBG & DAU GmbH, Graz, Austria, on June 30, 2011.
- On August 1, 2011, Miba Energy Holding LLC, McConnelsville, Ohio, USA, purchased a 100 percent share in DAU Thermal Solutions Inc., Middletown, Pennsylvania, USA, which was renamed DAU Thermal Solutions North America Inc.
- Miba purchased the friction business for off-road applications of Hoerbiger drive technology through the agreement dated December 17, 2010. The conveyance of ownership through gradual relocation was completed on October 31, 2011 (acquisition date).

Global network
An overview of all Miba sites can be found on page 10.

Information as Required Under Austrian Business Enterprise Code (UGB) Section 243a (1)

Section 243a (1) 1 UGB

The share capital of Miba AG totals EUR 9,500,000. The share capital is divided into 1,300,000 no-par-value shares. This total includes 870,000 common shares (66.92 percent of share capital), 130,000 non-voting preferred shares convertible to common shares by relinquishment of preferential rights (ten percent of share capital) and 300,000 non-voting, nonconvertible preferred shares (23.08 percent of share capital). A stock certificate with a nominal amount of EUR 7.27 is considered the stock certificate for one no-par-value share. Each voting share entitles the holder to one vote at the General Meeting. As of January 31, 2012, Miba AG held treasury stock totaling 72,947 shares (previous year: 66,381).

Section 243a (1) 2 UGB

Miba AG is not aware of any limitations or restrictions on voting rights and their transfer, including limitations based on agreements between shareholders, other than those relating to preferred shares.

Section 243a (1) 3 UGB

As of January 31, 2012, Mitterbauer Beteiligungs-AG had a 76.92 percent directly held interest in Miba AG. The Miba shares in free float totaled 17.47 percent. As of the balance sheet date, Miba AG held treasury stock totaling 5.61 percent of share capital.

Section 243a (1) 4 UGB

There are no Miba shares with special rights of control.

Section 243a (1) 5 UGB

There are no employee profit-sharing plans in the Miba Group.

Section 243a (1) 6 UGB

There are no provisions in the Articles of Incorporation that go beyond the legal regulations governing either nomination and appointment of members of the Management Board and Supervisory Board or amendments to the Articles of Incorporation.

Section 243a (1) 7 UGB

As of January 31, 2012, the Management Board of Miba AG possessed no authority beyond the scope of law to issue or buy back shares of Miba AG.

Section 243a (1) 8 UGB

The 76.92 percent interest held by Mitterbauer Beteiligungs-AG precludes any change in control based on shares in free float.

Section 243a (1) 9 UGB

Because of the preceding paragraph, no compensation agreements exist between Miba AG and the members of its Management Board and Supervisory Board relating to public takeover bids.

Branches

No branches were maintained in the period under review.

Risk Report

As an international company, Miba serves different industrial markets and customers and is exposed to general and industry-specific risks in the course of its daily operations.

We handle these risks with the help of existing risk management solutions and their corresponding risk management instruments. The main task is the early detection of emerging risks, in order to introduce countermeasures swiftly and effectively.

The Management Board bears the entire responsibility for risk management. Corporate Controlling and Corporate Finance regularly apprise the Board of the risk situation. Risk management is further integrated into the management structure via the planning system, and detailed reporting and information systems based on appropriately delegated competencies.

Significant risks and uncertainties
The following were identified as significant risks for Miba (partial list):

Economic risks
The divisions of Miba Group with the strongest sales engineer and produce components that are essentially used in the drive trains of motor vehicles, trucks, ships, trains, wind power plants and construction and agricultural equipment. Accordingly, the demand for products from the Miba Group is contingent to a significant degree on the products from these divisions – which are strongly influenced by the economic cycle. Other relevant factors include the currently volatile overall economic cycle and the financial markets. After the general economic crisis of 2009, the 2010-2011 and the 2011-2012 business years for Miba were characterized by recovery and upswing. The decisions made during the period of general crisis – to continue the pursuit of high tech and to continue the strong investment in internal research and development – showed and still show positive outcomes today, through the launch of new products and applications, and the increase in relevant market shares. The tendency for customers to cancel or call-off orders at the last minute demands a high degree of organizational flexibility, so that we can respond to these requests accordingly.

Competitive and portfolio risks

By expanding its product portfolio, Miba is pursuing the long-term strategy of markedly reducing its dependence on individual industries. On the one hand, this has already happened with the expansion of Miba's divisions: upon establishing its fourth division – the New Technologies Group – in 2010-2011, the Group opened up and cultivated new business areas that are used primarily in end applications for energy production, storage and transmission. On the other hand, the Group strives for this by tapping into new fields of application within the individual divisions.

Product and quality risks

Miba Group's products require a high level of expertise in the materials used, and in application and process technologies. Miba practices standard, consistent quality management on a Group-wide basis, which is embedded in the Group's Business Excellence and Zero-Defect initiatives. Despite systematic and efficient design, liability cases cannot be ruled out entirely. A defective design of products and components or defects in the materials used, the use of an unsuitable material or production errors may result in damages compensation or product liability claims filed against companies within the Miba Group. Miba has comprehensive insurance coverage customary for the industry; however, a residual risk of inadequate insurance coverage remains.

Human capital risks

The success of the Miba Group to a great extent depends on key individuals with long-term experience in the divisions of the Miba Group. A consistent human capital development and a performance-oriented remuneration system are critical tools to retain qualified and motivated employees in the Group. Internal programs to foster and promote top performers, such as the Miba Management Academy, Miba Leadership Academy or the Miba apprenticeship program, ensure the preservation and enhancement of our employee's expertise. Improvement potential is also cultivated from an employee survey, conducted periodically. In order to satisfy changed market conditions, flexible organizational structures are needed as are the corresponding work schedule models.

Financial risks

The sufficient and cost-effective securing of liquidity and the concomitant financial independence has always been a key strategy of the Miba Group, and precisely in the past few years of increasing volatility in the financial markets, has proven itself to be a competitive advantage. Despite the excellent creditworthiness of Miba customers, the risk of payment default cannot be dismissed outright; however, this is basically limited by the credit insurance coverage obtained by the Group (with few exceptions, mostly due to geographic location). In this connection, the creditworthiness of new and existing customers is continuously reviewed. In order to limit and control interest rate, currency and raw materials price risks, we are using both conventional forward transactions as well as derivatives.

The Miba Group has branches and subsidiaries outside of eurozone countries, specifically in Great Britain, the USA, China, Brazil and India. A considerable proportion of sales and costs are not settled in euro, but instead in the currencies of the respective national companies, or in US dollars. The Group was able to counterbalance currency exchange fluctuations with currency exchange losses in the consolidated financial statements (transaction risk). Beyond this, converting the separate financial statements of foreign branches into the Group currency (euro) is also associated with risk (currency translation risk). The foreign currency risk within the Group is concentrated primarily on the euro-US dollar exchange relationship, although an intensified, natural hedge is evolving from the gradual expansion of the North American business.

Risk of damage

The assets of the individual companies are insured through uniform group policies. Damage arising from business interruptions caused by natural disasters is also covered. In addition to this coverage, Group-wide liability and transportation insurance policies largely protect against any remaining risk exposure.

Overall risk

The Miba Group's identified risks are manageable and are being appropriately hedged. Current analysis confirms that the continued existence of the Company is not at risk.

Essential characteristics of the accounting-related internal control and risk management system

In accordance with Section 82 of the Austrian Stock Corporation Act (AktG), the Management Board is responsible for the establishment and development of an internal control and risk management system for the financial reporting process, appropriate to the Company's requirements.

General principles

The following statements apply equally to the individual financial statements and the Consolidated Financial Statements of Miba AG. Miba's accounting-related internal control and risk management system serves to ensure proper and reliable financial reporting.

The Management Board and the Audit Committee created by the Supervisory Board are regularly informed about the accounting-related internal control and risk management system. Once a year, a Group-wide risk management and ICS report is brought before these bodies. In the event that considerable controlling weaknesses or significant effects of these weaknesses on the Consolidated Financial Statements are identified, these problems are communicated to the Management Board and Supervisory Board, and the commensurate countermeasures are introduced.

Organization of financial reporting

The Corporate Finance department at the Laakirchen site, which reports directly to the Management Board, is responsible for the Consolidated Financial Statements of the Miba Group. In Laakirchen, the individual companies are consolidated; the IFRS reporting packages of the foreign subsidiaries are reviewed in the respective countries and then transmitted to the central Corporate Finance department. Using established consolidation software, the central Corporate Finance department conducts the consolidation measures and processes the Consolidated Financial Statements for external reporting.

Consistent Group-wide requirements such as binding financial statements schedule of deadlines, a Group-wide Accounting Manual, signature policies, regulations about separation of functions, etc., are issued centrally by the holding company. Those responsible at local sites implement these requirements in a decentralized manner. Compliance with these regulations is monitored by responsible parties at the local sites, by holding through the audit and by external auditors in the course of auditing the financial statements of individual companies.

The Consolidated Financial Statements of the Miba Group are prepared in compliance with the IFRSs and interpretations of the International Financial Reporting Interpretations Committee (IFRICs), which have been accepted by the European Commission for incorporation into EU law by the end of the reporting period and are considered mandatory as of the reporting date. Employees entrusted with the application and implementation of currently valid IFRSs attend IFRS training sessions and updates over the course of the year in order to ensure financial reporting that conforms to IFRSs.

All significant consolidated Group entities prepare their individual financial statements within the centrally maintained "Group SAP" in accordance with uniform organizational requirements. The automated as well as manual requirements and controls, when integrated Group-wide, ensure that transactions are recorded and documented in a complete, timely, correct and accrued basis, beginning at the level of the individual company.

In order to guarantee the complete reporting of material financial statement items, an ongoing exchange of information with the relevant departments takes place. When necessary, external experts are consulted in order to avoid faulty estimations.

The Management Board, Supervisory Board and management are responsible for Company-wide oversight of financial reporting. Control measures range from the review of the periodic income and financial reports made available monthly and quarterly by Controlling and Corporate Finance to the critical evaluation by the Management Board and the Supervisory Board of documents intended for publication.

Research & Development

Sustainable technologies for sustainable success

Miba's technology leadership creates the basis for the Group's profitable growth. The basic prerequisite for leading technologies in all segments is the intensive research activities, driven by our own motivation. Through heavy investment in research and development, Miba ensures its competitive ability and reinforces its position in selected market segments. The Group engineers technologically demanding power train components in close collaboration with its clients.

In-house R&D operations are enhanced by collaboration with universities and other research institutions. Miba researches materials and processes for the development and production of components for more efficient power trains. Alternative power trains and new trends in the areas of energy production, conversion and use create future opportunities for Miba.

Our mission
Innovation in Motion – Miba technology enables resource-efficient mobility.

In the 2011-2012 business year, Miba invested EUR 31.3 million in R&D (previous year: EUR 22.6 million). This represents a research ratio of approximately five percent of total sales volume. On a Group-wide level, a total of 218 employees worked in this area; in many cases, these technological activities were centered at the Austrian sites. In the business year just ended, the findings and deliverables from these development efforts have been protected by 20 new patent applications. Currently, Miba Group holds 195 valid patents.

New challenges for bearing types

Leading engine and automotive manufacturers trust the know-how of Miba Bearing Group in the areas of materials, applications technology and processing. Decades of experience and close collaboration on development with our customers make it possible to configure the optimal bearing design for any area of application.

Further details
on Miba Bearing Group can be found on page 38.

The focus of R&D at Miba Bearing Group in the 2011-2012 business year was on the development of a new generation of bearings for heavy oil-operated motors, based on an improved babbitt metal alloy, on bearing developments for applications in wind gearboxes and on advances in materials and surface technology.

In the heavy oil-operated motors sector – especially for ships and stationary motors – new approaches to basic motors, and thus the challenges to bearing types, is contingent on future environmental legislation. The new generation of motors enables a higher load-bearing capacity, longer service life and a diminished risk of motor failure. The initial engine tests with the new generation of bearings are slated to be administered in the 2012-2013 business year.

Engine bearing technology should also be able to find uses beyond the field of combustion engines. For example, manufacturers of wind gearboxes are searching for potential for long-term stable bearings. Miba's developments in this area are proving to have a higher load-bearing capacity, longer service life and a diminished risk of motor failure than alternative bearings.

In the materials area, Miba Bearing Group is working on alternative production methods for aluminum-based and bronze-based materials. In the area of surface technology, the emphasis was placed on a corrosion-resistant SYNTHEC® coating for lead-free bearings used in trucks and high-speed engines.

Sinter technology in new power train designs

Customized solutions for sinter products and modules turn Miba Sinter Group into the preferred development partner for international automotive manufacturers.

Further details
on Miba Sinter Group
can be found on page 36.

A focal point of the development activities at Miba Sinter Group in the 2011-2012 business year was the development of low-noise gear drives for use in new three-cylinder and four-cylinder engines with high demands on the acoustic environment. Another focus was on the continued development of synchronization modules for use in new manual and double-clutch transmissions as well as all-wheel drive applications. These developments allows for greater shifting comfort and lower fuel consumption.

Furthermore, sintered components and modules were engineered and tested for application in electric and hybrid vehicles. In doing so, Miba Sinter Group is creating an ideal foundation for the use of sinter technology in new power train designs.

The R&D efforts are paying off: In November 2011, Miba Sinter Austria and the Johannes Kepler University of Linz were nominated for Austria's national award for e-mobility by the Austrian Federal Ministry for Transport, Innovation and Technology. The project that was submitted deals with the use of a special sintered material (soft magnetic composites) for the manufacture of a synchronous machine. This makes the new e-machine significantly lighter than a conventional electric motor of the same capacity.

Higher specifications on friction systems

In its R&D work, Miba Friction Group is bundling application experience and established materials technologies in order to meet technologically demanding customer specifications.

In 2011-2012, one focus of research and development was on the development of clutch systems for trucks. Due to the heightened customer specifications for comfort, in addition to the friction system, the design of the clutch disk and the layout of the damper system must also be specifically optimized. The goal is to deliver the important data on the use of the products to the customer. For the development of the truck clutches, a "hardware-in-the-loop" test environment was designed that can be used to conduct system testing. In other words, in addition to the friction lining, the entire transmission activation environment can be tested from inside the vehicle.

Further details
on Miba Friction Group
can be found on page 40.

Another focus was in the development of a carbon friction material for synchronization. New synchronization technologies, such as force amplification like Miba Power Synchro (MPS) with its greater power density, place greater demands on the friction system. The new carbon friction material enables the corresponding synchronization with lower actuating force and higher power density.

Power electronics components for complex applications

Passive electronic components, such as high-power resistors and thermal solutions for power electronics, facilitate improved performance and operational safety. Customers trust the precisely coordinated layout of the products for the respective application, and the high implementation competency of the development team.

Further details
on New Technologies Group
can be found on page 42.

In the area of cooling systems, development focused on liquid coolers that are soldered in a vacuum. In this regard, the soldering creates a consistent metal bond that creates a significantly lower thermal resistance when compared to conventionally manufactured heat sinks. The advantage of these heat sinks, on the one hand, is in the optimized heat transmission characteristics. On the other hand, thanks to their geometry, they can be precisely tailored to the semiconductor elements that need cooling. Vacuum-soldered heat sinks are used in converters for HVDC power transmission systems and traction applications, among other uses.

The development work in the area of resistors focused on the further development of the existing products, technologies and production processes on the one hand. On the other hand, the Company worked on the engineering of a metallic disk resistor for pulse loads in the megawatt range. This new development is remarkable for its complex combination of metallic, ceramic and polymer materials, and is used in complex HVDC applications, as well as other uses.

Highest precision through mobile processing

Miba Automation Systems is a specialist in special machinery for high-precision and efficient mechanical production of small to very large components. Each system is based on a specific order, and is developed and constructed in close collaboration with the customer.

In the 2011-2012 business year, Miba Automation Systems developed a new design for the mobile processing of turbine housing in hydroelectric power plants. The twelve meter high machines can meticulously handle turbine housing of up to ten meters in diameter, and are capable of achieving a precision in the hundredth-millimeter range. A second focal point of Miba Automation Systems is in engineering a new design for a mobile CNC system for support bearings on large shut-off assemblies in pumped-storage power plants.

Coatings for higher efficiency

Miba Coating Group unites technological expertise with a network in various business areas. From the automotive to the energy industry, customers benefit from individual coating solutions.

In the 2011-2012 business year, Miba Coating Group continued with the development of coatings in the areas of friction minimization in the power train shaft, corrosion and wear protective coatings as well as adaptive coatings in the gearwheel drive as part of "Smart Coatings", a multi-year subsidized research project. Initial results already show highly promising potential areas of application. Coatings for increasing efficiency could be used for hydraulic applications, like high-pressure injection systems or secondary aggregates from combustion engines. The focus in the area of PVD coatings was on the development of future-oriented technologies for fuel cell applications or for catalytic coatings for energy generation.

Employees

Freedom for success

Each employee is a part of the Group's success. Through their hard work, innovative drive and commitment to quality and service, the employees make a powerful contribution to Miba's growth. In exchange, Miba provides all employees with the freedom to think above and beyond their assigned tasks and in doing so, push the limits of their own abilities. Miba fosters and promotes entrepreneurial conduct, lifelong learning, passion for success and technology leadership.

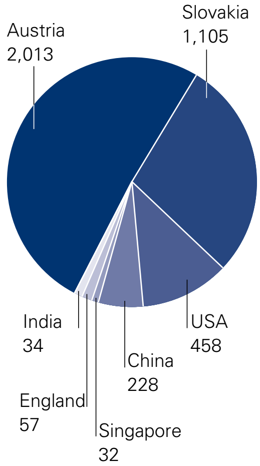
Miba encourages its employees to think and to act as entrepreneurs: We provide the opportunity to bring their own ideas to the table, to pursue them with passion and thus, to contribute to the advancement of the Group. Under the guiding principle "lifelong learning", Miba cultivates each employee – and thus opens up the freedom for personal and professional development.

Miba builds on individuals who also want to produce results, and real success, in their jobs – and Miba gives them the space they need for their passion for success. Enhancing our technology leadership is the duty of all employees. For this purpose, we cultivate and promote a thirst for knowledge, dedication and imaginativeness at every level. This creates real innovations and makes us one of the leading strategic partners to the international motors and vehicles industry.

Success through growth

In 2011-2012, the Miba Group employed an annual average of 3,730 employees at 20 sites worldwide (previous year: 3,064 employees). As of the balance sheet date on January 31, 2012, the level of employees was 3,927, and thus 629 persons, or 19 percent, above the previous year's level of 3,298 employees. The growth in personnel is attributed for the most part to capacity expansions in all divisions. In addition, the Group employed an annual average of 400 temporary staff. Personnel costs in the past business year, at EUR 160.3 million, were approximately 20 percent above that of the previous year (EUR 130.9 million).

Miba employees worldwide
as of January 31, 2012:



About ten percent of Miba's employees are college or university graduates, and more than 20 percent are women. The average Miba employee is 36.5 years old and has been with the Group for about eight years. Half of the employees work at Miba's sites in Austria.

Approximately one-third of the Austrian Miba staff started on their career paths as apprentices at the Group. In addition to a custom-tailored technical training program, the apprentices profit from an all-encompassing array of offerings. For example, Miba organizes internships abroad for them, as well as healthcare training and outdoor seminars. It also supports those apprentices who are completing their Matura (Austrian secondary school/college preparatory diploma) in addition to their regular training. With these initiatives, Miba is providing its junior staff with the optimal preparation for a career in the Group.

In the previous business year, the number of apprentices at the Austrian and Slovakian sites reached a record high level of a total 154 young people in training. Miba is training 124 apprentices at its Austrian and 30 apprentices at its Slovakian sites.

Human capital points the way to the Miba 2015 vision

In the 2011-2012 business year, the focus of human capital work was in contributing and guiding growth, and thus in the intensive recruiting and integration of new employees: between January 2011 and January 2012, 875 new employees were hired. In addition, the companies acquired in the 2010-2011 business year gradually implemented systems and measures in their human resources departments that have proven their value in the Miba Group. The continued development of employees is paramount to keeping one step ahead of the competition. Accordingly, Miba continued to expand its training activities in the previous business year at all levels and in all departments. The outlay for training and continuing education equaled EUR 1.4 million.

Furthermore, the Human Capital Department initiated a strategy process for the upcoming years: Building on Miba's corporate values and the respective corporate strategy, a Human Capital Strategy was developed for the individual sites in which the focus is being placed for the next three years. In sum, these individualized strategies yield a Human Capital Strategy for all of Miba that will contribute to achieving the goals of Miba 2015.

Miba as employer
Further details about careers at Miba can be found at www.miba.com/Jobs_and_Career,5,en.html.

In order to find and retain tomorrow's best hands and minds internationally, Miba developed and began the implementation of a comprehensive concept on positioning the Miba as employer brand (employer branding) during the 2011-2012 business year. The core brand here is the stimulating freedom that translates the understanding of our values and that our employees find in the Group – Miba promotes an ambitious corporate culture. Individuals who come to Miba are personally challenged and cultivated, are able to utilize freedom autonomously and in doing so, can soon share in shaping the Group, and put things in motion that everyone can be proud of.

Outlook

The focus of the human resources work in 2012-2013, on the one hand, is on the implementation of the employer branding concept and thus in the internal and external positioning and perception of the Miba employer brand. Measures that cover the employee's lifetime from application to retirement are prepared or have already been implemented in the first months of the business year, such as the new Miba human resources website. At the same time, Miba is transitioning with this new career portal to a web-based applicant portal, that also facilitates a more professional and efficient management of applications.

On the other hand, it is necessary to continue moving ahead with the strategy process and introduce appropriate measures, in order to be equipped for future growth in the best possible manner. This also includes the implementation of a software solution for qualification and career management. Furthermore, contributing and guiding growth, integrating new employees and conducting intensive activities in training and continuing education will be essential to the success of Miba in 2012-2013.

Corporate Social Responsibility

Responsibility for the environment, employees and society

Striving for business success in a manner that is harmonious with environmentally friendly conduct and a sense of responsibility toward our employees and society: this is what Corporate Social Responsibility (CSR) stands for at Miba. Sustainable behavior in all areas and to the benefit of all stakeholders has always been a part of corporate strategy.

Habitat for the environment

Our environment should also remain intact as a healthy habitat for the generations to come. Environmental protection and proactive environmental management therefore hold high priority at Miba. In doing so, Miba is concentrating on the optimization of its use of resources, reduction of emissions, increase in energy efficiency and the use of environmentally friendly materials.

In 2011-12, production areas were expanded and systems modernized at almost every Miba site. For all new additions and renovations, Miba took all environmental aspects into account. As a result, for example, the new cooling system at Miba Sinter Austria has already saved more than 20 percent in energy since its operational start-up in the prior year, thanks to ultramodern control engineering, new software and new hydraulics. The new production hall at Miba Gleitlager in Laakirchen is equipped with a compressor station for compressed air supply. To deliver the required heat, for the most part the system uses heat recovery, which is also used for water and space heating.

Fit at work. Fit for life.

Healthy and happy employees are an important component to our success. Following Miba Gleitlager from the preceding year, in February 2012, Miba Sinter Austria and Miba Frictec earned the Seal of Approval of Workplace Health Promotion. Miba integrates its approach to workplace health promotion through the "Fit at work. Fit for life." healthcare program. This program includes free apples for the employees, membership benefits to gyms, the health module for apprentice training and forums on healthcare for all employees. The last healthcare forums took place in autumn 2011. Over 250 employees from the sites in Upper Austria submitted to testing of their health status over a total of 13 days, and received counseling from health experts.

Miba Corporate Social Responsibility Report
The third comprehensive Miba Corporate Social Responsibility Report is scheduled for publication in fall 2012. Every two years, Miba publishes in this report key ecological and social figures in this report, and reports on its endeavors in the areas of environment, society and employees.

Social responsibility

Miba supports international charity organizations and projects in those countries where it operates. The latest project is the building of a children's house in Kalol, Gujarat (India). At this house, children of poor families receive schooling, regular meals, clean drinking water and are given medical care. It opens up new possibilities for them, and creates the appropriate conditions to allow them to learn, and become excited about learning. The children's house was opened in January 2012.

Miba Bearings US in McConnelsville, USA, works jointly with Mary Hammond Enterprises – a local workshop for mentally or physically handicapped persons – since 2011. Through this project, they have the chance to apply their individual capabilities and skills with various hand-crafted work. In this way, Miba is contributing to the integration of people with disabilities into the workforce and into society.

Miba Sinter Group

Capacity expansion at all sites

In the preceding business year, Miba Sinter Group benefitted from the positive trends in the automotive industry. In Europe alone, production of passenger vehicles and light commercial vehicles (LCVs) rose to 18.4 million units in 2011, which corresponds to a six percent rise compared to the previous year. On a global scale, 75.8 million passenger vehicles and LCVs were produced. Accordingly, capacity utilization was high at all plants of Miba Sinter Group.

In the past year, Miba Sinter Group generated EUR 207.6 million in sales, making it the highest selling division at Miba. Compared to the previous year, this corresponds to an increase of EUR 34.3 million or 19.8 percent. The overall growth in sales is attributed to organic growth.

An overview
of the entire Miba product portfolio can be found on page 12.

The focus of investment activities in Miba Sinter Group during the previous year was on the development of production capacities at all sites. The total investment volume of the division stood at EUR 21.8 million (previous year: EUR 14.6 million). About half of the investments, in the amount of EUR 10.3 million, were transacted at the Vorchdorf site. Miba Sinter Slovakia, which celebrated its 20 year Miba anniversary in 2011, invested EUR 6.5 million. The rest of the investments went to the most recent companies to join Miba Sinter Group: Miba Sinter USA, which opened in June of 2010 and Miba Precision Components (China) in Suzhou.

Miba Sinter Group applied the success of the business year to intensive research and development work, and thus expanded its technology leadership in specific product segments. The customers of Miba Sinter Group benefitted from the outstanding application and manufacturing excellence, and came to appreciate the Group as a reliable development partner and serial production supplier for technologically demanding and qualitatively high-value products. In March 2011, Miba Sinter Group earned the distinction of “Premium Supplier” from Schaeffler GmbH and Continental AG; in April 2011, Schaeffler distinguished Miba Precision Components (China) with its “Supplier of the Year” award.

Focus on business excellence

A minor relaxation can be seen in the markets in 2012, which among other places can be seen in the slight attenuation in the order call-offs by French and Italian automotive manufacturers. The growth projections for the German and North American automotive markets, by contrast, are indicative of the prospects for continued high level capacity utilization at all Miba Sinter Group sites. In the 2012-2013 business year, Miba Sinter Group will be placing a critical focus on business excellence, in order to prepare the organization for future market developments. The goal is to review existing processes at the site-level, and where necessary, to adapt them, as well as to define and implement group-wide processes, such as in the areas of human resources, controlling, purchasing and quality. Through these measures, the organization will be well-prepared for market developments.

	2011-12	2010-11
Sales in EUR million	207.6	173.4
Investments in EUR million	21.8	14.6
Number of employees, yearly average	1,396	1,170

Miba Bearing Group

Profitable growth on an international basis

The core markets of Miba Bearing Group – from commercial vehicles to stationary large motors – exhibited satisfactory development in the 2011-2012 business year. Whereas the shipping market tended to stagnate, major growth was reported for high-speed diesel engines. Commensurate with the consistently strong demand in these segments, the capacity utilization was very high at all of the division's sites.

Miba Bearing Group generated sales of EUR 200.5 million in the 2011-2012 business year. This corresponds to a rise of EUR 40.8 million or 25.6 percent. At this level, the division contributed 33.8 percent to Miba Group's total sales.

Miba Bearing Group's total investments equaled EUR 13.8 million. Of this figure, EUR 8.8 million was invested in building out the production capacities at Laakirchen. This expansion is tied to an optimization of the flow of materials, product quality and workplace safety.

Miba Bearing Group
Miba Bearing Group operates at sites in Austria, the USA and China.

The rest of the investments were placed at the sites in China and the USA. At Miba Bearings US, which celebrated its 10-year Miba anniversary in 2011, a new production line for the manufacture of bearings for a new generation of high-performance truck engines went into serial production.

At its Suzhou location in China, Miba Bearing Group began to build and develop a technology center. With this center, Miba Bearing Group is responding to the market development in the Far East, and can thereby guarantee professional on-site customer support.

Anticipating market requirements

In order for Miba Bearing Group to respond sufficiently in the future to the strong demand in its core markets and the increasingly complex customer requirements, Miba Bearing Group is focusing on intensive R&D work in the 2012-2013 business year. At the same time, market developments demand a further expansion of production capacities at the sites in Austria and China. So that it can be better equipped to handle further growth, Miba Gleitlager GmbH in Laakirchen started an organization development process in the spring of 2011, which the team will also carry out in the 2012-2013 business year.

	2011-12	2010-11
Sales in EUR million	200.5	159.7
Investments in EUR million	13.8	9.0
Number of employees, yearly average	1,124	998

Miba Friction Group

Spotlight on best customer service

For Miba Friction Group, a hallmark of the 2011-2012 business year was the integration of the friction lining business of a competitor that Miba acquired. The shift of this business from locations in Germany and Poland was concluded at the end of October 2011. Collectively, approximately 80 machines were subsumed between October 2010 and October 2011. This corresponds to an increase to Miba Friction Group's property, plant and equipment of EUR 7.1 million. The machinery was relocated and put into operational service at Miba Frictec's production hall extension (recently constructed for this purpose) at the Roitham site, and at the Slovakian site of Miba Friction Group in Vráble.

During this transitional phase, the main point of focus was on maintaining timely deliveries to the recently acquired customers. In doing so, Miba Friction Group specifically focused on the stabilization and optimization of the supply chain. In addition, recruitment, training and integration of a large number of new employees was an essential component of the integration process.

An overview
of the sales volume of the individual groups can be found on page 20.

Miba Friction Group recorded sales of EUR 124.1 million in the 2011-2012 business year and thus achieved an increase of EUR 49.1 million or 65.5 percent over the previous year. Of this figure, EUR 40.8 million is attributed to the acquired friction lining business. Tremendous special effects arose due to start-up problems and consequently lessened productivity, as well as a number of small-volume units and higher transfer costs; these are reflected in the EBIT of EUR –2.3 million (previous year: EUR +2.5 million).

In addition to the expansion taking place as part of the integration process, in the 2011-2012 business year, Miba Friction Group conducted investments in the range of EUR 5.3 million. These essentially supported the build-out of Miba HydraMechanica in Sterling Heights, USA. Thanks to capacity expansion at the Sterling Heights site, Miba Friction Group is preparing itself for a major project for the construction equipment industry in the North American market.

Intensified presence in growth markets

For the 2012-2013 business year, Miba Friction Group is anticipating the continued steady development of its sales markets. To manage the sharply increasing demand as best as possible in the growth markets of China, India and the USA, the organizational structure of Miba Friction Group will be further developed. In this regard, one particular focus – in addition to the expansion of the site in the USA – will be on Miba Drivetec India that was acquired in January 2011. This company achieved highly satisfactory progress in the preceding business year, and contributed to the strong growth of Miba Friction Group. Furthermore, Miba Friction Group intends to lay the foundation stone for a local production in the Chinese market at the Miba site in Suzhou. At its European sites, the focus remains on the improvement to operational excellence.

	2011-12	2010-11
Sales in EUR million	124.1	74.9
Investments in EUR million	5.3	11.8
Number of employees, yearly average	844	575

New Technologies Group

Growth in the energy sector

With the foundation of the New Technologies Group, Miba stepped into a new field of technology and products in 2010. The division has essentially been occupied with energy conversion, transmission and storage, and it encompasses the development and production of power electronics components as well as Miba's special machinery manufacture. The New Technologies Group develops new business areas for Miba, and establishes the basis for further sales growth.

The preceding 2011-2012 business year is characterized by a highly satisfactory order status that led to record sales, both in the area of power electronics components as well as special machinery.
Sales of New Technologies Group in the reporting period equaled EUR 50.7 million. With sales at this level, the group was able to generate earnings before interest and taxes (EBIT) equal to EUR 5.1 million; this corresponds to an EBIT margin of 10.1 percent.

New Technologies Group
The New Technologies Group is made up of the two manufacturers of power electronics components, EBG and DAU, as well as the special machinery manufacturer, Miba Automation Systems.

Investment at the New Technologies Group in the 2011-2012 business year totaled EUR 1.4 million. These investments were essentially used for the purchase of technical systems and equipment as well as the expansion of production space at the Styrian-based sites of EBG GmbH and DAU GmbH & Co. KG.

Focus on optimal customer care

Beside demanding technologies, individualized and optimized customer care is a crucial factor to success at Miba. This is exemplified by the two distinctions that were awarded to EBG in 2011. The company was named "Supplier of the Year" by ABB Drives, a subsidiary of the leading technology corporation for energy and automation technology. This distinction is bestowed on suppliers who obtain the best evaluations in areas like quality, availability and collaboration for at least three consecutive years. Also in May, EBG was nominated for the "Motion Control Star" in two categories by Siemens Division Drive Technologies. Through this nomination, Siemens confirmed that EBG was considered to be among the five best suppliers – out of more than 10,000 suppliers – in the categories of "Best Key Account" and "Best Logistics".

With a production and distribution network that reaches from Europe across the USA and through to Asia, the New Technologies Group is well-prepared for additional growth, and makes an important contribution to the Miba 2015 vision.

	2011-12	**2010-11 ***
Sales in EUR million	50.7	20.6
Investments in EUR million	1.4	0.8
Number of employees, yearly average	194	164

* The business figures include data on all of the past 2010-2011 financial year of Miba Automation Systems, as well as those numbers for the EBG and DAU companies since initial consolidation on September 1, 2010.

Outlook

Equipped for the future

The projections on the economic development are getting increasingly complicated. For 2012, the International Monetary Fund (IMF) estimates a global economic growth of 3.25 percent in its World Economic Update of January 2012, and is thereby correcting its projections from September 2011 downward by 0.75 percentage points. The difficulties in the eurozone explain this deterioration on the one hand, but on the other hand, it is also attributed to the slower growth in emerging and developing countries.

Despite these prognostications, the 2012-2013 business year started off quite well for the Miba Group as a whole, and the volume of new orders remains at a consistently high level. For the remainder of the business year, Miba anticipates further growth, although the high growth rates of the past two years are not to be expected.

Miba is moving forward with its international growth strategy. In doing so, it is placing its strategic focus on China, India and the USA, where substantial investments are planned. Thus, for example, Miba Precision Components (China) in Suzhou will triple in terms of its size five years after its opening. The completion of the construction work is expected in the 2012-2013 business year. Miba will also expand its capacities in the USA: Miba HydraMechanica in Sterling Heights is thus preparing for a major order from the construction equipment industry.

During the 2010-2011 and 2011-2012 business years, the integration of the acquisitions and the filling of increasingly (and at times very short-term) customer requirements were at the center of attention at the entire Miba Group. In the 2012-2013 business year, the focus will be on operational excellence. Organization and processes within the entire Group must be adjusted to the increased capacities, and operational discipline must be reinforced. In this manner, Miba is gearing itself at the right time for continued and above-average, rapidly growing customer demands within a market environment that is becoming increasingly complex and short-term.

With all developments, the definitive key factor to success, even in the future, will be a strong and highly-motivated team that pursues a common vision: No power train without Miba technology.

Events after the balance sheet date

- In February 2012, Miba AG issued a seven year corporate loan with a volume of EUR 75 million.
- As of April 3, 2012, Maxtech Sintered Product Pvt. Ltd. was renamed Sintercom India Pvt. Ltd.

Corporate Governance Report

In September 2002, the Austrian Working Group for Corporate Governance established the Code of Corporate Governance, a framework for transparent and responsible corporate management. The Miba Group strongly believes that carefully executed corporate governance plays a key role in strengthening shareholder and investor trust as well as that of the capital market.

These principles have long been a part of the Miba Group. Our vision, mission and strategy are sustainable and oriented to the long term, and are communicated to all our shareholders.

Miba AG has been committed to the principles of the Code since it was introduced and has pledged to follow the Code. This acknowledgment is evaluated in accordance with legal provisions by an external auditor. The audited, evaluated questionnaire is available to all interested parties on the corporate homepage at www.miba.com.

The Austrian Code of Corporate Governance in the prevailing version can be retrieved on the Internet at www.corporate-governance.at. With the present report, Miba AG is meeting its legal obligation per section 243b of the Austrian Business Enterprise Code (UGB) to compile a corporate governance report.

The Company deviates from the following C Rules (comply or explain) of the Code, explained as follows:

Rule 2 One share – one vote
Miba's share capital is divided into 1.3 million no-par-value shares, 130,000 of which are non-voting preferred shares convertible to common shares in return for relinquishment of preferential rights and 300,000 of which are non-voting preferred shares that are not convertible to common shares.

Rule 18 Internal auditing
Internal auditing is not established as a separate staff unit nor is it outsourced to an external firm or institution. These responsibilities are currently being assumed by the Controlling, Corporate Finance and Business Excellence departments. For the 2012-2013 business year, the Group plans to introduce an Internal Audit sub-department that will be housed within the Corporate Finance department.

Rule 26 External board memberships of the Management Board
The Chairman of the Management Board holds six board memberships (two of them chairmanships) in corporations external to the Group.

Rule 27 Fixed and performance-based compensation of the Management Boards
The compensation of the Management Board members responsible for operational areas includes a performance-linked component.

Rules 31 and 51 Individual reporting of Management Board and Supervisory Board compensation
Miba believes that individual reporting provides neither shareholders nor other Company stakeholders with relevant additional information. Furthermore, individual reporting does not lead to any additional economically relevant knowledge.

Rule 34 Internal rules of procedure of the Supervisory Board
Due to its size, the Supervisory Board does not have internal rules of procedure but is required to comply with general responsibilities. The disclosure and reporting obligations of the Management Board are set out in the Internal Rules of Procedure of the Management Board.

Rule 38 Procedure for the appointment of a Management Board member
The appointment of a Management Board member is based on the professional and personal qualifications of the candidate.

Executive Bodies of the Company

The Management Board

DI DDr. h. c. Peter Mitterbauer, born in 1942
Chairman of the Management Board
Management Board responsibilities: Accounting, Controlling, Human Capital, Investor Relations and Corporate Communications
First appointment: Chairman of the Management Board: October 20, 1986
End of current term: January 31, 2013
Supervisory board memberships in other domestic or international companies: Andritz AG, Oberbank AG, Österreichische Industrie Holding AG (Chair), Prinzhorn Holding GmbH, Rheinmetall AG, Teufelberger Holding AG, Österreichische Forschungsförderungsgesellschaft mbH (Chair)

Dr.-Ing. Norbert Schrüfer, born in 1959
Management Board responsibilities: New Technologies Group, Corporate Technology, IT and New Business Development
First appointment: February 1, 2001
End of current term: January 31, 2013
Supervisory board memberships in other domestic or international companies: none

Dr. Wolfgang Litzlbauer, born in 1969
Management Board responsibilities: Bearing Group and Coating Group, Corporate Marketing and Corporate Purchasing
First appointment: June 15, 2004
End of current term: January 31, 2013
Supervisory board memberships in other domestic or international companies: none

Dr.-Ing. Harald Neubert, born in 1956
Management Board responsibilities: Sinter Group, Business Excellence and Zero Defect.
First appointment: February 1, 2009
End of current term: January 31, 2017
Supervisory board memberships in other domestic or international companies: none

DI Franz Peter Mitterbauer, MBA, born in 1975
Management Board responsibilities: Friction Group
First appointment: February 1, 2011
End of current term: January 31, 2014
Supervisory board memberships in other domestic or international companies: none

The Supervisory Board

The Supervisory Board of Miba AG consists of four shareholders' representatives and two representatives of the employee council:

Shareholders' representatives

Dr. Theresa Jordis, born in 1949
Chairwoman of the Supervisory Board, independent
First appointment: July 9, 1993
End of current term: Date of the Annual General Meeting which deals with the granting of discharge for the 2012-2013 business year
Supervisory board memberships in other listed domestic or international companies: Wolford AG (Chair), Erste Group Bank AG (Deputy Chair)

Dipl.-Bw. Alfred Heinzel, born in 1947
Deputy Chairman, independent
First appointment: July 4, 2003
End of current term: Date of the Annual General Meeting which deals with the granting of discharge for the 2012-2013 business year
Supervisory board memberships in other listed domestic or international companies: Verbund AG

Dr. Robert Büchelhofer, born in 1942
Independent
First appointment: July 4, 2003
End of current term: Date of the Annual General Meeting which deals with the granting of discharge for the 2013-2014 business year
Supervisory board memberships in other listed domestic or international companies: Polytec Holding AG

Dkfm. Dr. Wolfgang C. Berndt, born in 1942
Independent
First appointment: June 27, 2008
End of current term: Date of the Annual General Meeting which deals with the granting of discharge for the 2013-2014 business year
Supervisory board memberships in other listed domestic or international companies: GfK AG, OMV AG

Independence of Supervisory Board members

The members of the Supervisory Board determined their criteria for independence with reference to the guidelines of the Austrian Code of Corporate Governance. The Supervisory Board of Miba AG identifies the following criteria:

- A member of the Supervisory Board shall only be considered independent when he/she does not have any business or personal relationship to the Company or its Management Board which would present a material conflict of interest and could therefore influence the behavior of the Supervisory Board member.
- No member shall hold a business relationship with the Company or any of its subsidiaries of a significant proportion for the Supervisory Board member, nor shall any member have maintained such a relationship in recent years. This also applies to business relationships with companies in which the Supervisory Board member has a substantial business interest.
- No member of the Supervisory Board shall have been an auditor of the Company or a shareholder or employee of the auditing firm during the last three years.
- No Supervisory Board member shall be a member of the Management Board of another company in which a member of the Company's Management Board is a member of the Supervisory Board.

All members of the Supervisory Board shall fulfill the criteria for independence set out by the Supervisory Board as well as the criteria of C Rule 54.

Delegated by the Employee Council

Hermann Aigner, born in 1954
First appointment: May 19, 1994

Johann Forstner, born in 1964
First appointment: December 17, 2009

Functioning of the Management Board and Supervisory Board
The Management Board of Miba AG holds monthly Management Board meetings dealing with topics relevant to the Group as a whole as well as topics relevant to particular divisions.

Supervisory Board committees
The Supervisory Board of Miba AG established an Audit Committee, which held two meetings during the 2011-2012 business year on the financial statements and Consolidated Financial Statements for the 2010-2011 business year, the review of the internal control system, the implementation of risk management and matters related to the Miba Group audit. The members of the Audit Committee are: Dr. Theresa Jordis (Chairwoman), Dipl. Bw. Alfred Heinzel (Deputy Chairman, Financial Expert) and Hermann Aigner.

The Compensation Committee of the Supervisory Board of Miba AG held five meetings during the 2011-2012 business year and dealt with matters including the appointment of a new Management Board and issues related to succession planning. Members of the Compensation Committee are: Dr. Theresa Jordis (Chairwoman), Dr. Wolfgang C. Berndt and Johann Forstner.

The Supervisory Board of Miba AG held five meetings in the 2011-2012 business year. These meetings focused on the oversight of business development in the Miba Group, strategic goals and special agenda items such as acquisitions of companies and other business dealings subject to approval.

Compensation of Management Board and Supervisory Board

- The goal of the compensation system for Management Board members is to adequately compensate members based on their scope of activities and responsibilities, and their personal performance, in a manner that is in line with domestic and international compensation standards. A significant part of this compensation is a highly variable component that takes into account the Company's success, including both positive and negative developments. The annual bonus is a variable cash payment, with short-term, medium-term and long-term incentive effects, the amount of which is determined on the basis of individual goals and performance-based targets. Regarding the composition of the earnings of the Management Board of fixed and variable components, please refer to the Notes to the Consolidated Financial Statements.
- Management Board members have individual pension arrangements; the Company pays defined amounts to the Management Board members. The Chairman of the Board has an additional "old" pension plan, which provides a fixed value-protected pension.
- All members of the Management Board, with the exception of the Chairman, are entitled to severance payments in accordance with the relevant legal provisions upon the conclusion of their duties if this also represents a termination of contract.
- Miba AG holds a directors' and officers' liability insurance policy (D & O liability); the costs are borne by the Company. This policy costs approximately EUR 8,000 per year.
- The total compensation of the Supervisory Board is determined annually at the Annual General Meeting, whereby the distribution of compensation to individual members of the Supervisory Board is carried out by the Board itself.

The legal firm Dorda Brugger Jordis Rechtsanwälte GmbH, whose managing partner Dr. Theresa Jordis is a member of the Supervisory Board of Miba AG, advises the Company in legal matters. The fee paid for these legal services is customary for the market and invoiced based on actual time and material costs incurred, and approved in advance by the Supervisory Board.

Promotion of women in the Management Board, Supervisory Board and executive positions

Miba promotes the development of women in leadership positions for all functions, specifically by intensifying the involvement of women in internal executive management training programs.

Laakirchen, April 2012

The Management Board of Miba AG

DI DDr. h. c. Peter Mitterbauer
Dr.-Ing. Norbert Schrüfer
Dr. Wolfgang Litzlbauer
Dr.-Ing. Harald Neubert
DI Franz Peter Mitterbauer, MBA

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Consolidated Income Statement for the 2011-2012 Business Year

	Note	2011-12 TEUR	2010-11 TEUR
1. Sales revenue	(1)	592,630	437,156
2. Changes in inventory of finished goods and work in progress		6,944	6,915
3. Internally produced and capitalized assets		7,700	6,108
4. Operating result		**607,274**	**450,178**
5. Other operating income	(2)	15,623	15,786
6. Cost of materials and other purchased manufacturing services	(3)	–278,574	–183,526
7. Personnel costs	(4)	–160,251	–130,852
8. Other operating expenses	(5)	–82,210	–66,619
9. Earnings before interest, taxes, depreciation and amortization (EBITDA)		**101,862**	**84,967**
10. Scheduled depreciation and amortization	(6)	–34,813	–30,485
11. Earnings before interest, taxes and amortization of goodwill (EBITA) = earnings before interest and taxes (EBIT)		**67,049**	**54,482**
12. Profit or loss attributed to associated companies	(7)	–1,326	1,350
13. Net interest income	(8)	–2,714	–2,481
14. Other financial results	(9)	136	–34
15. Financial results		**–3,904**	**–1,164**
16. Earnings before taxes (EBT)		**63,145**	**53,318**
17. Income taxes	(11)	–17,247	–11,092
18. Earnings after taxes (EAT)		**45,898**	**42,226**
19. Financing expenses for LP minority shareholders		–3,836	0
20. Earnings after taxes, after deduction of financing expenses for LP minority shareholders (EAT after LPMS)		42,062	42,226
Attributable to non-controlling interests		800	298
Attributable to parent company shareholders		41,263	41,928
Weighted average number of shares issued (shares)		1,232,528	1,233,619
Earnings per share in EUR		33.48	33.99
Diluted earnings per share in EUR = undiluted earnings per share in EUR		33.48	33.99
Planned or paid dividend per share in EUR		8.00	7.00

Consolidated Statement of Recognized Income and Expenses for the 2011-2012 Business Year

	2011-12 TEUR	2010-11 TEUR
Earnings after taxes (EAT)	**45,898**	**42,226**
Financing expenditures for LP minority shareholders	–3,836	0
Earnings after taxes, after deduction of financing expenses for LP minority shareholders (EAT after LPMS)	42,062	42,226
Unrealized gains (+) or losses (–) from foreign currency translation	3,979	2,147
Actuarial losses	–1,412	–1,948
Resulting deferred taxes	353	490
Cash flow hedge	–1,135	1,135
Total other earnings	**1,785**	**1,825**
Total comprehensive income	**43,848**	**44,052**
Attributable to Shareholders of Miba Aktiengesellschaft only	43,019	43,740
Non-controlling interests only	829	312

Consolidated Balance Sheet as of January 31, 2012

	Note	1/31/12 TEUR	1/31/11 TEUR
Assets:			
A. Non-current assets:			
I. Intangible assets	(12)	53,807	46,111
II. Property, plant and equipment	(13)	183,590	159,110
III. Investments in associated companies	(14)	8,911	8,543
IV. Other financial investments	(14)	5,487	4,536
V. Deferred tax assets	(15)	3,732	3,524
		255,527	**221,825**
B. Current assets:			
I. Inventories	(16)	84,858	66,869
II. Trade and other receivables	(17)	123,443	97,237
III. Cash and cash equivalents	(18)	61,057	66,691
		269,357	**230,798**
		524,884	**452,622**

	Note	1/31/12 TEUR	1/31/11 TEUR
Equity and liabilities:			
A. Group equity:			
I. Share capital	(19)	9,500	9,500
II. Capital reserves	(20)	18,089	18,089
III. Retained earnings	(21)	265,324	227,776
IV. Treasury stock	(19)	–9,203	–8,074
V. Non-controlling interests		2,989	1,161
		286,698	**248,452**
B. Non-current liabilities:			
I. Provisions for severance payments and pensions	(22)	19,319	17,223
II. Provision for deferred taxes	(15)	6,362	6,977
III. Other non-current provisions	(25)	9,231	6,358
IV. Financial liabilities	(23)	64,633	43,954
V. Other non-current liabilities	(24)	12,129	13,526
		111,675	**88,038**
C. Current liabilities:			
I. Current provisions	(25)	39,315	39,285
II. Trade payables	(26)	51,544	44,852
III. Current portion of financial liabilities	(27)	9,846	7,397
IV. Other current liabilities	(28)	22,679	19,686
V. Income tax liabilities	(28)	3,127	4,911
		126,511	**116,132**
		524,884	**452,622**

Statement of Changes in Group Equity for the 2011-2012 Business Year

	Share capital TEUR	Capital reserves TEUR	Treasury stock TEUR
Balance as of February 1, 2010	9,500	18,089	–8,060
Reclassification	0	0	0
Total comprehensive income	0	0	0
Dividend payments	0	0	0
Changes in treasury stock	0	0	–14
Changes in non-controlling interests	0	0	0
Changes in non-controlling interests per IAS 32	0	0	0
Balance as of January 31, 2011 = balance as of February 1, 2011	**9,500**	**18,089**	**–8,074**
Total comprehensive income	0	0	0
Dividend payments	0	0	0
Changes in treasury stock	0	0	–1,129
Addition/deletion of non-controlling interests/deconsolidation	0	0	0
Balance as of January 31, 2012	**9,500**	**18,089**	**–9,203**

Currency translation reserve TEUR	Retained earnings TEUR	Hedging provision TEUR	Shares held by Miba AG shareholders TEUR	Non-controlling interests TEUR	Total TEUR
–9,354	196,264	0	206,438	347	206,787
1,712	–1,712	0	0	0	0
2,147	40,458	1,135	43,740	312	44,052
0	–3,084	0	–3,084	0	–3,084
0	0	0	–14	0	–14
0	209	0	209	425	635
0	0	0	0	77	77
–5,495	**232,136**	**1,135**	**247,290**	**1,161**	**248,452**
3,949	40,205	–1,135	43,019	829	43,848
0	–8,635	0	–8,635	–357	–8,992
0	0	0	–1,129	0	–1,129
3,280	–116	0	3,163	1,356	4,519
1,734	**263,590**	**0**	**283,709**	**2,989**	**286,698**

Consolidated Cash Flow Statement for the 2011-2012 Business Year

		2011-12 TEUR	2010-11 TEUR
1.	**Consolidated cash flow from operations:**		
	Earnings before taxes (EBT)	63,145	53,318
+ (–)	Depreciation and amortization of (and additions to) assets and at-equity changes	39,379	29,686
– (+)	Changes in non-current provisions	674	–169
– (+)	Gains (losses) from the disposal of assets	–522	–416
=	**Consolidated cash flow from earnings**	**102,676**	**82,420**
– (+)	Increase (decrease) in inventories	–16,971	–13,504
– (+)	Increase (decrease) in trade receivables, other receivables and intragroup receivables	–25,367	–20,819
+ (–)	Increase (decrease) in trade payables, intragroup liabilities and other liabilities	3,256	18,190
+ (–)	Increase (decrease) in current provisions and deferred tax liabilities	891	2,675
+	Dividends from investments in associated companies	2,346	866
– (+)	Foreign currency translation and other changes	367	–1,777
–	Taxes paid	–18,856	–2,234
		–54,334	**–16,602**
=	**Consolidated cash flow from operations**	**48,343**	**65,818**
2.	**Consolidated cash flow from investment activities:**		
–	Investments in tangible and intangible assets –	47,272	–34,555
–	Investments in other financial assets (excluding equity investments)	–1,243	–195
–	Acquisition of shares in associated companies	–2,553	0
–	Acquisition of subsidiaries, less available cash resources	–17,638	–26,027
+	Payments from disposal of assets	1,567	1,515
=	**Consolidated cash flow from investment activities**	**–67,139**	**–59,262**

		2011-12 TEUR	2010-11 TEUR
3.	**Consolidated cash flow from financing activities:**		
–	Dividend of parent company	–8,635	–3,084
–	Dividends for non-controlling interests	–867	0
+	Payments from limited partners of non-controlling interests	0	5,100
–	Repayment of loans and other long-term credit from credit institutions	–7,494	–4,361
+	Taking out of loans and other long-term credit from credit institutions	29,395	11,209
– (+)	Purchase of treasury stock	–1,129	–14
+ (–)	Change to other financial liabilities	993	0
=	**Consolidated cash flow from financing activities**	**12,262**	**8,850**
+ (–)	Consolidated cash flow from operations	48,343	65,818
+ (–)	Consolidated cash flow from investment activities	–67,139	–59,262
+ (–)	Consolidated cash flow from financing activities	12,262	8,850
=	**Change in cash and cash equivalents and consolidated marketable securities**	**–6,534**	**15,406**
+ (–)	Currency translation-related change to cash and cash equivalents	900	471
+	Opening balance of cash and cash equivalents	66,691	50,814
=	**Closing balance of cash and cash equivalents**	**61,057**	**66,691**

Notes to the Consolidated Financial Statements of Miba AG, Laakirchen, Austria, for the 2011-2012 Business Year

A. General disclosures

1. Information on the Group

Miba Aktiengesellschaft (also: "Miba AG" or "Company") is an Austria-based Group with international operations. The Group's head office is located at Dr.-Mitterbauer-Str. 3, 4663 Laakirchen, Austria. The Company is registered under Record No. FN 107386 x at the local Austrian court (Landes- als Handelsgericht Wels).

The focus of the Group's business activities is comprised of the following segments:

- Engine bearings (Bearing)
- Sintered components (Sinter)
- Friction materials (Friction)
- Passive electronic components (New Technologies).

The Company is included in the group of fully consolidated companies of Mitterbauer Beteiligungs-Aktiengesellschaft, Laakirchen, Austria.

2. Basis for the preparation of the statements

These Consolidated Financial Statements of Miba Aktiengesellschaft for the 2011-2012 business year (February 1, 2011, to January 31, 2012) were prepared under the supervision of the Management Board on the basis of section 245a of the Austrian Business Enterprise Code (UGB) in accordance with the International Financial Reporting Standards (IFRSs) applicable on the balance sheet date and the interpretations of the International Financial Reporting Interpretation Committee (IFRICs), as adopted by the European Union (EU).

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

The balance sheet date for all companies included in the Consolidated Financial Statements is January 31, except for seven companies (December 31 in each case) and another company (March 31 in this case), for which no interim accounts were prepared. The different balance sheet dates are required by law in some cases.

3. New accounting standards

The IASB (International Accounting Standards Board) and the IFRIC (International Financial Reporting Interpretations Committee) approved the following changes to existing IFRSs and adopted a few new IFRICs that also have already been adopted by the EU Commission, and which must be applied for the first time in the Consolidated Financial Statements dated January 31, 2012.

IAS 24 Related Party Disclosures (amended)	1/1/11
IFRIC 14 Amendment regarding Voluntary Prepaid Contributions	1/1/11
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1/7/10
Amendments to various IFRSs resulting from the IASB's 2010 annual improvement process	7/1/10 or 1/1/11

The initial application of the listed IFRSs and IFRICs had negligible effects on the Consolidated Financial Statements of Miba AG as of January 31, 2012, since these changes applied only in isolated cases. There were no changes to the accounting and measurement methods used.

Future changes to accounting standards

The IASB and the IFRIC have approved additional standards and interpretations that are, however, not yet obligatory in the 2011-2012 business year or have not yet been incorporated into EU law. They include the following standards and interpretations:

	Applicable to business years beginning on or after the date specified (according to IASB)	**Applicable to business years beginning on or after the date specified (according to EU endorsement)**
IFRS 7 Disclosures – Transfers of Financial Assets	7/1/11	7/1/11
IAS 1 (Amendment) Presentation of Items of Other Comprehensive Income	7/1/12	not yet adopted
IAS 12 (Amendment) Deferred Taxes on Real Estate Held as Financial Investment	1/1/12	not yet adopted
IAS 19 (revised 2011) Employee Benefits	1/1/13	not yet adopted
IAS 27 (revised 2011) Separate Financial Statements	1/1/13	not yet adopted
IAS 28 (revised 2011) Investments in Associates and Joint Ventures	1/1/13	not yet adopted
IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities	1/1/14	not yet adopted
IFRS 1 (Amendment) Severe Hyperinflation and Removal of Fixed Dates for IFRS First-Time Adopters	7/1/11	not yet adopted
IFRS 1 (Amendment) Government Loans	1/1/13	not yet adopted
IFRS 7 (Amendment) Notes on Offsetting Financial Assets and Financial Liabilities	1/1/13	not yet adopted
IFRS 9 Financial Instruments	1/1/15	not yet adopted
IFRS 10 Consolidated Financial Statements	1/1/13	not yet adopted
IFRS 11 Joint Operations	1/1/13	not yet adopted
IFRS 12 Disclosures of Interests in Other Entities	1/1/13	not yet adopted
IFRS 13 Fair Value Measurement	1/1/13	not yet adopted
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1/1/13	not yet adopted

The effects of the above amendments on the Consolidated Financial Statements of Miba AG are currently under review.

No early application of the new standards and interpretations is planned.

B. Consolidation

1. Principles of consolidation

In accordance with IFRS 3, the acquired subsidiaries are reported in the balance sheet using the acquisition method. In doing so, the purchase price – plus the market value of currently held shares and the value of shares held by non-controlling shareholders, in all cases – is compared to the subsidiary’s remeasured equity. The purchase price includes cost considerations that are contingent on the presumed worth. The additional costs of acquisition are reported as expenses. Any remaining differences in the assets are capitalized as goodwill, subjected to an annual impairment test and only amortized in the event of unscheduled impairments. Subsequent to repeated audit of the amounts stated, any differences in liabilities under first-time consolidation are reported as affecting net income on the Consolidated Income Statement for the year in which they occur.

Shares of non-controlling shareholders represent that share of earnings and net assets that are not attributed to the Group. Earnings resulting from these shares are shown in the Income Statement and in the Statement of Recognized Income and Expenses separately from the share of earnings that is attributable to the shareholders of the parent company. These are shown under equity in the Balance Sheet, separated from the equity attributable to the shareholders of the parent company.

Shares of non-controlling companies in the Austrian limited partnerships do not satisfy the conditions for reporting under equity pursuant to IAS 32 (since the limited partners possess the right to tender their shares to the general partner). These shares are reported under other liabilities as “Liabilities to affiliated companies,” since these shares are held by controlling corporate units. The “financing expenditure” resulting from the allocation of earnings to these limited partnership minority shareholders is reported separately.

Intragroup receivables and liabilities, income and expenses as well as intragroup profits are eliminated during the preparation of the Consolidated Financial Statements as part of the consolidation process.

The required tax deferrals are made for consolidation procedures that affect net income.

Changes in the investment rate that cause no loss of control over the subsidiary are treated like transactions with the equity owners of the Group.

The equity method is used in the accounting and valuation of associated companies, i.e. shares with which the Company may exercise substantial influence on the financial and business policies, although no controlling interest is held.

2. Scope of consolidation

Summary

An overview of the significant companies included in the Miba AG Group and details regarding their consolidation can be found in Appendix 3 to the Notes.

The scope of consolidation was defined in accordance with the principles of IAS 27. Accordingly, the consolidated entity includes 16 Austrian subsidiaries (previous year: 16) and 16 foreign subsidiaries (previous year: 16) in which Miba AG holds, directly or indirectly, the majority of voting rights.

Although a less than 50% indirect capital share is held in the companies of the New Technologies division, Miba AG is nonetheless the controlling partner and they are likewise fully consolidated, since the general partner is a 100% subsidiary of Miba AG.

In the Consolidated Financial Statements of Miba AG, the equity method was used to report the shares held in five associated companies (previous year: three) in the balance sheet.

The four non-consolidated subsidiaries (previous year: four) and the three associated companies (previous year: three) that are not reported using the equity method are all immaterial, even as a collective total.

Changes to the scope of consolidation in the 2011-2012 business year

Through an agreement dated January 19, 2011, and conveyance of ownership on February 21, 2011 (acquisition date), Miba acquired a 26 percent minority share in Maxtech Sintered Product Pvt. Ltd., Pune, India, which was subsequently renamed Sintercom India Pvt. Ltd. The company is included in the Consolidated Financial Statements as an associated company accounted for using the equity method.

On February 1, 2011, Miba Energy Holding LLC, McConnelsville, Ohio, USA, purchased a 70 percent share in EBG Resistors LLC, Middletown, Pennsylvania, USA.

Furthermore, Miba Energy Holding LLC, McConnelsville, Ohio, USA, purchased a 70 percent share in EBG LLC, Middletown, Pennsylvania, USA. EBG LLC, Middletown, Pennsylvania, USA, holds 25 percent of the shares in EBG Shenzhen Ltd., Shenzhen, China.

On August 1, 2011, Miba Energy Holding LLC, McConnelsville, Ohio, USA, acquired DAU Thermal Solutions Inc., Middletown, Pennsylvania, USA, which subsequently was renamed DAU Thermal Solutions North America Inc.

With the exception of EBG Shenzhen Ltd., which is included in the Consolidated Financial Statements as an associated company according to the equity method, all of the aforementioned companies were fully consolidated.

Miba acquired the friction business for off-road applications from Hoerbiger drive technology through the purchase agreement dated December 17, 2010. Ownership was conveyed through the gradual relocation of contractually defined assets from Hoerbiger in Schongau to the Miba sites. This process was completed on October 31, 2011 (acquisition date).

The aforementioned acquisitions were initially included on the basis of preliminary figures.

DAU GmbH & Co. KG, Ligist, Austria, acquired the remaining shares (25 percent) in EBG & DAU GmbH, Graz, Austria, effective June 30, 2011.

During the period under review, three companies were deconsolidated. The legal liquidation of assets has already transpired with two companies, whereas this process is still underway for the third company.

The estimated fair value of the material assets acquired and liabilities assumed can be illustrated as follows:

	Hoerbiger TEUR	EBG USA TEUR	DAU USA TEUR	Total TEUR
Non-current assets:				
Goodwill	2,069	82	0	2,151
Intangible assets	8,820	1,950	0	10,770
Property, plant and equipment	7,114 [1)]	28	0	7,142
Financial investments	0	2,324	0	2,324
	18,003	**4,383**	**0**	**22,386**
Current assets:				
Inventories	0	231	0	231
Receivables	0	725	103	827
Cash and cash equivalents	0	647	33	679
	0	**1,603**	**135**	**1,738**
Current liabilities:				
Financial liabilities	0	252	0	252
Liabilities	0	662	114	777
	0	**914**	**114**	**1,029**
Net assets	**18,003**	**5,071**	**21**	**23,096**

[1)] Includes TEUR 1,615 in payments that were remitted in the previous year.

In these Consolidated Financial Statements, the companies consolidated for the first time contributed TEUR 17,520 to sales revenues and TEUR 2,595 to consolidated EBIT. If the company acquisitions and the attendant initial consolidation had transpired on February 1, 2011, then the contribution to consolidated sales would have equaled TEUR 45,584, and the contribution to consolidated EBIT would have equaled TEUR 1,761.

In allocating the purchase price, performance-based shares were taken into account beside the minimum purchase prices, on the basis of the future results of the acquired divisions. The performance-based shares are scheduled for payment in 2013 and 2014.

The purchase price for these acquisitions totaled TEUR 21,561; of this figure, TEUR 14,257 was disbursed in the 2011-2012 business year. The Company acquired cash and cash equivalents amounting to TEUR 679.

For business acquisitions in the preceding business years, earn-out payments equal to TEUR 3,294 were disbursed in the 2011-2012 business year.

3. Foreign currency translation

Translation of the currency of foreign financial statements is handled in accordance with IAS 21 based on the concept of functional currency. This is their respective national currency for all companies, since these companies operate independently from a financial, economic and organizational perspective.

Assets and liabilities are therefore translated at the average currency exchange rate on the balance sheet date (closing rate). Income and expenses are translated at the average exchange rates for the year (except for depreciation and amortization).

Currency translation differences between the closing rate used for the Consolidated Balance Sheet and the average rate used for the Consolidated Income Statement are netted against retained earnings.

The translation difference resulting from the revaluation of equity as compared with first-time consolidation is also recognized directly in retained earnings.

In the 2011-2012 business year, reporting date translation differences of TEUR 3,949 (previous year: TEUR 2,147) were recognized in Group equity.

	Closing rate		Average annual rate	
Currency in EUR	**1/31/12**	**1/31/11**	**2011-12**	**2010-11**
Brazilian real, on 12/31/	0.41450	0.45300	0.43122	0.43072
British pound	1.19360	1.16560	1.15466	1.17018
Renminbi, on 12/31/	0.12090	0.11450	0.11221	0.11166
Indian rupee	0.01519	0.01605	0.01525	0.01661
Singapore dollar	0.60520	0.57240	0.57407	0.56107
US dollar	0.76040	0.73510	0.72123	0.75902

C. Accounting and measurement principles

The financial statements of all consolidated companies were prepared in accordance with uniform accounting and measurement principles. In the case of companies that are consolidated according to the equity method, adjustment to the uniform Group measurement guidelines is carried out for material items.

1. Non-current assets

Intangible assets are measured, according to IAS 38, at acquisition cost minus scheduled straight-line amortization (useful life of 3 to 15 years). According to IAS 38.54, research expenses are not capitalized. Company development costs do not meet all criteria required by IAS 38.57 and are therefore not capitalized either. During the 2011-2012 business year, research and development costs of EUR 31.3 million (previous year: EUR 22.6 million) were charged as expenses.

For goodwill, an impairment test is carried out as defined in IAS 36. This is done at least once a year and whenever internal or external indicators signify an impairment.

In order to determine if an impairment is required and to be recognized as an expense, any cash-generating units (CGU) that will profit from the anticipated synergy potential of the company merger are allocated to goodwill. In the Miba AG Group, the legally independent company units each form a CGU.

If the carrying amount exceeds the value in use as determined using the discounted cash flow method (DCF), based on future financial planning forecast by the Management Board, a corresponding impairment is recognized.

The discount interest rate used in the DCF calculation corresponds to the interest rate that reflects the current market assessments of the interest rate effect as well as the specific risks to which the assets are subjected. For the 2011-2012 business year, a discount rate of 8.0 percent was uniformly applied to the entire consolidated group (previous year: 6.9 percent).

Based on the impairment test conducted in the business year, no impairments in goodwill were reported (previous year: TEUR 0).

In accordance with IAS 16, **property, plant and equipment** are valued at acquisition or production cost, less scheduled straight-line depreciation or at the attributed value at acquisition, whichever is lower. There were no borrowing costs incurred for property, plant and equipment manufactured or acquired over a longer period of time.

If there are any indications of impairment of assets, unscheduled depreciation on the lower attributable value is required. If the reasons for the unscheduled depreciation cease to exist, the asset value will be restated accordingly.

In the case of self-produced assets, the cost comprises not only the cost directly related to the units of production but also the pro rata fixed and variable production overheads. These also include the pro rata costs for retirement benefit plans and voluntary benefits.

The scheduled straight-line depreciation is based primarily on the following depreciation rates:

Asset group	Depreciation rate
Buildings	3.0–10.0%
Plant and equipment	10.0–25.0%
Other furniture and fixtures, tools and office equipment	10.0–25.0%

Pursuant to IAS 17, leased property, plant and equipment, for which essentially all risks and benefits arising from the ownership of an asset are conveyed to the lessee (finance leases) must be capitalized at their attributable fair value or at the present value of the minimum future lease rates, whichever is lower.

The items surrendered under all other lease agreements are treated like items leased under operating leases and are therefore attributed to the lessor.

During the 2011-2012 business year, **investment allowances** or grants totaling TEUR 47 were reported as liability items (previous year: TEUR 72). These will be reversed in accordance with the useful life of the asset and pertain solely to property, plant and equipment.

During the 2011-2012 business year, **government grants and subsidies** amounting to TEUR 4,706 (previous year: TEUR 4,376) were received for research and development activities and for job creation programs and were reported as income. Reporting occurs when there is sufficient certainty that the related requirements are met and the funding granted.

The **associated companies** included in the Consolidated Financial Statements reported, on their respective reporting dates, assets totaling TEUR 65,924 (previous year: TEUR 48,880), liabilities totaling TEUR 28,438 (previous year: TEUR 25,839), sales revenues totaling TEUR 92,978 (previous year: TEUR 73,095), and a combined net income of TEUR 4,710 (previous year: TEUR 2,255).

Investments in affiliated companies, unless consolidated, are reported under other financial investments at acquisition cost or at their attributed fair value.

Long-term securities are reported at their acquisition cost as of the date recognized and are measured in subsequent periods at current fair values. Changes in market value are recognized as affecting net income and are included in the Consolidated Income Statement.

Deferred taxes reflect temporary measurement differences between the balance sheet under IFRSs and the tax accounts of the individual companies, as well as consolidation measures, through which temporary taxable differences may arise. Tax deferral is determined using the balance sheet liability method in accordance with IAS 12. Deferred tax assets on losses carried forward are impaired if their utilization cannot be projected within a reasonable period.

2. Current assets

Inventories are measured at their acquisition or production cost, or at the net recoverable price, whichever is lower on the balance sheet date. In general, allowances for limited usability are included. Utilization is basically determined by means of the sliding average price method.

The cost of conversion includes all directly attributable expenses plus pro rata variable and fixed production overheads. These also include the pro rata costs for retirement benefit plans and voluntary benefits. Borrowing costs are not reported as assets, because the conditions of IAS 23 are not present.

Trade receivables, loans and other financial liabilities and assets are classified as "Loans and Receivables" and are reported in the balance sheet at amortized cost using the effective interest method, if applicable. If there is any doubt about collectability, receivables are recognized at the lower recoverable value. The conclusion of a bankruptcy proceeding leads to the write-off of the relevant receivable. Valuation allowances are taken using a valuation allowance account. For other financial assets, the positive market values of derivatives classified as held for trading are also recognized.

Tax receivables are netted against tax liabilities if they involve the same tax authority, and if the company is entitled and intends to offset them.

3. Payments to employees

The Group's Austrian companies recognize appropriate provisions for future **compensation obligations**, since Austrian law requires employers to pay employees a one-time severance payment upon termination by the employer or upon retirement. The amount of the severance payment is based on years of service and the respective income at the time of termination or retirement.

For personnel employed within Austria whose employment started after January 1, 2003, this obligation is transferred to a contribution-based system. The law requires that an amount totaling 1.53 percent of gross salary be paid into an employee benefit fund. These contributions are recorded as personnel costs.

Provisions for severance payments and service bonuses for personnel employed within Austria are determined as of the balance sheet date according to the projected unit credit method at an assumed interest rate of 4.75 percent p.a. (previous year: 5.0 percent) and including a salary increase of 2.50 percent p.a. for salaried employees (previous year: 2.50 percent) and 2.50 percent p.a. for hourly employees (previous year: 2.50 percent). The assumed pension age is the earliest possible age for the retirement pension and under consideration of the transitional regulations. A company-specific allowance for fluctuations was applied.

The calculation bases for the AVÖ-P08 GEM pension insurance plan were used to calculate the provisions.

Provisions for pensions are only required for the Austrian companies. These are calculated based on recognized actuarial principles using the projected unit credit method at an assumed interest rate of 4.75 percent p.a. (previous year: 5.0 percent) and a 1.00 to 1.50 percent salary adjustment rate (previous year: 1.00 to 1.50 percent), 0.00 percent for fixed pension commitments. A fluctuation allowance was not applied.

The calculation bases for the AVÖ-P08 GEM pension insurance plan were used to calculate the provisions.

As of the 2005-2006 business year, any actuarial gains or losses resulting from changes in actuarial assumptions (demographic and financial assumptions) are reported uniformly, in accordance with the provisions of IAS 19.93A, as part of other earnings in the Statement of Recognized Income and Expenses for the year in which they occurred.

Contribution-based pension obligations have been assumed by two foreign subsidiaries. In these cases, the employer is making contributions to external funds. The contributions to the funds represent expenses for the current period. Expenses reported in the 2011-2012 business year total TEUR 909 (previous year: TEUR 694).

4. Provisions

Provisions are reported under other non-current or current liabilities, and include all legal or constructive obligations toward third parties that resulted from past events and that can be identified by the time the balance sheet is prepared, provided these obligations will likely lead to a future outflow of resources, and they can be determined reliably. They are reported at the most probable value, based on careful examination.

5. Financial assets and liabilities

Pursuant to IAS 39, financial assets and liabilities are classified upon initial recognition either as "held for trading", "loans and receivables", "available for sale" or as "hedging".

Unless associated companies (as defined by IAS 28) or consolidated subsidiaries (as defined by IAS 27) are involved, financial assets are recognized on the balance sheet in accordance with IAS 39 and measured either at cost or at fair value, depending on classification.

Investments in non-consolidated companies are always included in the available-for-sale category. They are measured at fair value at the time they are first reported. As no active markets for these investments exist and fair values cannot be reliably determined, financial assets are recognized at cost. Value fluctuations of financial assets in the available-for-sale category are recognized as part of the revaluation reserve (revaluation surplus) and are not included in the income statement. Deferred taxes are also recognized if they are material. Amounts recognized on the balance sheet are not included in net profit or loss for the period until the date of disposal or in the event of a material and permanent impairment in the corresponding financial assets.

Investment securities are recognized at their acquisition cost at the time they are recognized and are measured in subsequent periods at current fair values. Changes in market value are recognized as affecting net income and are included in the Consolidated Income Statement.

No company in the Miba Group currently holds any held-to-maturity investments.

Interest-bearing loans, trade payables and other financial liabilities are recognized as financial liabilities at amortized cost, which may be calculated using the effective interest method, if applicable. Liabilities arising from finance leases must always be recognized as liabilities at the present value of the future leasing rates.

The negative market values of derivatives that are classified as held for trading and that fail to meet the criteria of IAS 39 for hedging are also reported under "Other liabilities," among other items.

If the derivative is incorporated into a designated hedge pursuant to IAS 39, then the provisions for the accounting of hedging measures (hedge accounting) are applied per IAS 39. At the Miba Group, future payment streams from scheduled transactions deemed to have a high probability of closing are hedged against fluctuations by means of cash flow hedges. The effective portion of the change in value of the hedge is stated in equity (hedging provision) as having no effect on net income, until reporting of the results from the underlying hedged transaction; the ineffective portion of the hedge's change in value is reported as affecting net income. They are reversed with an effect on net income in correlation to the proceeds realized.

The fair values of the financial assets and liabilities generally correspond to the market prices on the balance sheet date. If prices in active markets are not immediately available, they are calculated – unless they are only of minor importance – by using recognized actuarial valuation models and current market parameters (especially interest rates, exchange rates and credit ratings of contracting parties). The cash flows of financial instruments are discounted to the balance sheet date for this purpose.

All financial assets and liabilities are measured as of the settlement date. The financial assets and liabilities are derecognized when the rights to payment from this investment have expired or have been transferred, and Miba has essentially transferred all the risks and rewards incidental to ownership of the asset.

6. Recognition of revenue

Revenue from the sale of products and goods is recognized at the time the risks and benefits are transferred to the buyer.

Revenues from long-term construction contracts are recognized in accordance with IAS 11 on the basis of the stage of completion of the contract activity.

The percentage of completion is determined by the ratio between the contract cost incurred by the balance sheet date and the estimated total contract cost.

Interest income is recognized in proportion to time based on the effective interest rate of the asset. Dividend income is reported at the time the legal claim arises.

7. Estimates and uncertainties in discretionary evaluations and assumptions

To a certain degree, the Consolidated Financial Statements must rely on estimates and assumptions that impact the stated assets and liabilities, the disclosure of other liabilities on the balance sheet date and the recognition of income and expenses for the reporting period.

The amounts that actually result in the future may differ from these estimates. The principle of presenting a "true and fair view" has also been unconditionally followed when using estimates.

Furthermore, the preparation of the Consolidated Financial Statements requires the assessment of future developments. The valuation of existing capital commitments for benefits, for example, requires assumptions regarding discount rates, retirement age, life expectancy, and future salary and pension increases.

Intangible assets and property, plant and equipment are amortized/depreciated on a straight-line basis over the estimated useful life of the asset.

Furthermore, estimated allowances for usability are used in the measurement of inventories.

Underlying these assumptions and estimates are certain premises that reflect the level of knowledge available on the date the Annual or Consolidated Financial Statements were issued. Due to developments that are unforeseeable or exist beyond the scope of management's influence, discrepancies may arise between actual amounts later reported and the original estimates. In this case, a commensurate adjustment is made to the premises and, if necessary, the carrying amounts of the assets and liabilities to which they pertain. An adjustment is made in the accounting period when the change occurs and in subsequent accounting periods, provided such change is relevant to both that reporting period and the ensuing periods.

D. Notes to the Consolidated Income Statement and the Consolidated Balance Sheet

The Consolidated Income Statement is presented using the nature of expense method.

(1) Sales revenue

Sales revenue for the 2011-2012 business year includes revenues from contract manufacturing totaling TEUR 2,224 (previous year: TEUR 442).

For a breakdown of sales revenue by product and region, please refer to segment reporting.

(2) Other operating income

in TEUR	2011-12	2010-11
Government grants and subsidies	4,706	4,376
Unrealized exchange gains	1,966	1,976
Income from disposal of and additions to assets, excluding financial investments	549	436
Income from the reversal of provisions	672	940
Realized exchange gains	301	722
Other income	7,428	7,336
Total	**15,623**	**15,786**

(3) Cost of materials and other purchased manufacturing services

TEUR	2011-12	2010-11
Cost of materials	203,829	134,748
Cost of other purchased manufacturing services	74,745	48,778
Total	**278,574**	**183,526**

(4) Personnel costs

TEUR	2011-12	2010-11
Wages	71,720	56,293
Salaries	52,011	44,960
Expenses for severance payments and contributions to company employee benefit funds	1,489	1,280
Expenses for retirement benefits	1,155	897
Expenses for statutory social security and payroll-related taxes and mandatory contributions	29,935	23,973
Other social benefits	3,942	3,449
Total	**160,251**	**130,852**

During the 2011-2012 business year, a total of TEUR 640 (previous year: TEUR 433) was paid into the employee benefit fund.

(5) Other operating expenses

TEUR	2011-12	2010-11
Taxes other than income taxes	990	734
Temporary personnel	14,452	9,349
Repair, maintenance and service agreements	12,137	10,454
Freight and storage	10,743	8,073
Advisory services	8,069	7,436
Rent and leasing	4,955	4,150
Travel expenses	4,033	3,103
Commissions	3,936	2,110
Insurance	3,363	2,245
Realized exchange losses	688	979
Unrealized exchange losses	76	221
Other	18,768	17,765
Total	**82,210**	**66,619**

Auditor fees and expenses in the 2011-2012 business year totaled TEUR 216 (previous year: TEUR 204), of which TEUR 180 (previous year: TEUR 170) covered the auditing of the Consolidated Financial Statements (including the financial statements of affiliated companies) and TEUR 36 (previous year: TEUR 34) was applied to other consulting services.

(6) Scheduled depreciation and amortization

TEUR	2011-12	2010-11
Scheduled amortization: intangible assets	6,040	5,589
Scheduled depreciation: property, plant and equipment	28,773	24,896
Total	**34,813**	**30,485**

(7) Profit or loss attributed to associated companies

TEUR	2011-12	2010-11
Share of profit	1,301	1,350
Share of loss and impairment charge	–2,627	0
Total	**–1,326**	**1,350**

(8) Net interest income

TEUR	2011-12	2010-11
Other interest and similar interest income	384	425
Thereof affiliated companies	13	4
Income from other securities	95	94
Interest and similar interest expense	–1,891	–1,763
Thereof affiliated companies	–17	–5
Interest on social capital	–1,301	–1,237
Total	**–2,714**	**–2,481**
Thereof affiliated companies	–5	–1

(9) Other financial result

TEUR	2011-12	2010-11
Income from the disposal of financial investments	136	5
Expenses for financial investments	0	–39
Total	**136**	**–34**

(10) Net result from financial instruments

The net result from financial instruments by class or measurement category in the 2011-2012 and 2010-2011 business years in accordance with IAS 39 is broken down as follows:

2011-2012 business year TEUR	From interest	From subsequent measurement At fair value	Valuation allowance	Total
Loans and receivables	384	0	–323	61
Financial assets at fair value through profit or loss	95	0	0	95
Financial liabilities at amortized cost	–1,891	0	0	–1,891
Total	**–1,413**	**0**	**–323**	**–1,736**

2010-2011 business year TEUR	From interest	From subsequent measurement At fair value	Valuation allowance	Total
Loans and receivables	425	0	–133	292
Financial assets at fair value through profit or loss	94	–39	0	55
Financial liabilities at amortized cost	–1,763	0	0	–1,763
Total	**–1,244**	**–39**	**–133**	**–1,416**

The interest from financial instruments is reported in the financial results. The valuation allowances on receivables are reported under other operating expenses.

(11) Income taxes

TEUR	2011-12	2010-11
Expenses for current taxes	17,716	11,186
Thereof non-recurrent taxes	1,774	17
Changes in deferred taxes	–469	–94
Total	**17,247**	**11,092**

The difference between the calculated income tax expenses (earnings before taxes multiplied by the Austrian tax rate of 25 percent) and the income tax expenses for the 2011-2012 business year according to the Consolidated Income Statement is explained by the following:

TEUR	2011-12	2010-11
Earnings before taxes	63,145	53,318
Thereof 25% (previous year: 25%) calculated income tax expenses	15,786	13,330
Effect of foreign tax rates	–62	–1,231
Tax credits or payment of back taxes for previous periods	1,774	17
Deferred taxes from consolidation	267	–182
Other items	–518	–841
Income tax expenses for the period	**17,247**	**11,092**
Consolidated tax rate in %	**27.31**	**20.80**

(12) Intangible assets

A detailed breakdown and overview of the changes in intangible assets is presented in the section entitled "Consolidated Statement of Changes in Fixed Assets" (Appendix 1 to the Notes).

Goodwill

Changes in goodwill can be illustrated as follows:

TEUR	1/31/12	1/31/11
Opening balance	6,357	6,240
Currency translation differences	219	117
Additions	2,151	0
Closing balance	**8,726**	**6,.357**

Of the changes to the consolidation group, TEUR 2,069 apply to the Friction segment, and TEUR 82 to the New Technologies segment.

The reported goodwill applies to the following segments:

TEUR	1/31/12	1/31/11
Bearing	6,576	6,357
Friction	2,069	0
New Technologies	82	0

Customer relationships and technologies

Intangible assets essentially include customer relationships and technologies. The main additions during the 2011-2012 business year pertain to intangible assets obtained through the takeover of the friction business from Hoerbiger totaling TEUR 8,820 and from the acquisition of the EBG USA companies amounting to TEUR 1,950. Scheduled amortization is carried out over a maximum period of ten years.

(13) Property, plant and equipment

A detailed breakdown and overview of changes in property, plant and equipment is provided in the section entitled "Consolidated Statement of Changes in Fixed Assets" (Appendix 1 to the Notes).

Property, plant and equipment includes finance lease agreements for buildings, pursuant to IAS 17:

TEUR	1/31/12	1/31/11
Acquisition costs	14,332	14,173
Depreciation (accumulated)	–4,595	–4,063
Carrying amount	**9,738**	**10,110**

Obligations from finance lease agreements as of January 31, 2012, and January 31, 2011, can be depicted as follows:

	Minimum lease payments		Present value of minimum lease	
in TEUR	**1/31/12**	**1/31/11**	**1/31/12**	**1/31/11**
With a remaining term of up to one year	1,062	1,064	866	845
With a remaining term between one and five years	4,164	4,184	3,627	3,549
With a remaining term of more than five years	3,155	4,197	3,034	3,978
	8,381	9,445	7,526	8,372
Minus:				
Future financing costs	–855	–1,073	0	0
Present value of minimum lease payments	**7,526**	**8,372**	**7,526**	**8,372**
Thereof recognized as:				
current lease liabilities	866	845		
non-current lease liabilities	6,661	7,527		

In the 2011-2012 business year, the use of property, plant and equipment not shown on the balance sheet resulted in expenses totaling TEUR 4,118 (previous year: TEUR 3,632).

Commitments based on lease and rental agreements for buildings and equipment for future years are shown below:

TEUR	**1/31/12**	**1/31/11**
Term of up to one year	2,623	3,413
Term between one and five years	7,403	10,341
Term of more than five years	10,884	9,839

Commitments to purchase items of property, plant and equipment totaled TEUR 14,668 as of January 31, 2012 (previous year: TEUR 8,126).

Property, plant and equipment totaling TEUR 11,864 was pledged as collateral for liabilities (previous year: TEUR 8,566). There are no restraints on disposal rights.

(14) Investments in associated companies and other financial investments

Equity developed as follows:

TEUR	2011-12	2010-11
Balance as of February 1	8,543	7,971
Additions	4,876	180
Disposals	0	–397
Impairment charge	–2,553	0
Pro rata net income	1,283	1,350
Foreign currency translation (no effect on profit or loss)	–535	306
Foreign currency translation (with effect on profit or loss)	–135	53
Dividend	–2,568	–919
Balance as of January 31	**8,911**	**8,543**

Other financial investments comprise the following:

TEUR	1/31/12	1/31/11
Investments in affiliated companies	261	261
Loans to third parties	3,058	2,107
Investment securities (book-entry securities)	2,169	2,169
Total	**5,487**	**4,536**

Through an agreement dated January 19, 2011, and conveyance of ownership on February 21, 2011 (acquisition date), Miba acquired a 26 percent minority share in Maxtech Sintered Product Pvt. Ltd., Pune, India, which was subsequently renamed Sintercom India Pvt. Ltd. Miba AG also holds a contractually stipulated call option to acquire the remaining 74 percent. This option may be exercised during the period from May 1 to June 29, 2012.

(15) Deferred taxes

The differences in amounts recognized for tax purposes and in the IFRS consolidated balance sheet are the result of the following differences and/or have the following effect on deferred taxes:

	1/31/12		1/31/11	
TEUR	**Asset**	**Liability**	**Asset**	**Liability**
Total balances				
Assets				
Fixed assets	5,332	16,250	4,420	13,733
Inventories	1,247	0	1,193	0
Other assets	88	177	69	77
Liabilities				
Untaxed reserves	0	530	0	562
Provisions	1,489	15	1,102	31
Other liabilities	1,033	9	474	147
Subtotal	**9,187**	**16,982**	**7,258**	**14,551**
Losses carried forward	4,726	0	3,056	0
Valuation allowances for deferred tax assets	–959	0	–880	0
Deferred tax assets/liabilities	**12,954**	**16,982**	**9,435**	**14,551**
Consolidation				
Fixed assets	1,053	0	719	0
Elimination of intercompany profits	262	0	275	0
Other	82	0	671	0
Balance	–10,620	–10,620	–7,575	–7,575
Deferred taxes	**3,732**	**6,362**	**3,524**	**6,977**

Deferred taxes in the amount of TEUR 353 (previous year: TEUR 491) were reported in the 2011-2012 business year in other earnings in the Statement of Recognized Income and Expenses, and exclusively affect actuarial profits or losses.

In accordance with IAS 12.39, no deferred taxes for differences resulting from investments in subsidiaries were reported on the Consolidated Balance Sheet.

Due to improved capacity utilization, deferred tax liabilities on losses carried forward amounting to TEUR 2,919 (previous year: TEUR 1,650) were recognized as recoverable despite tax losses in the past.

(16) Inventories

Inventories comprise the following:

TEUR	1/31/12	1/31/11
Raw and auxiliary materials and supplies	25,717	20,981
Semi-finished products	26,931	20,675
Finished products	23,169	18,732
Goods and merchandise	8,814	6,423
Advance payments made on inventories	227	58
Total	**84,858**	**66,869**

The inventories include accumulated write-downs totaling TEUR 9,086 (previous year: TEUR 7,737). The write-down amount in the current year is reported in the Consolidated Income Statement under cost of materials.

(17) Trade and other receivables

TEUR	1/31/12	1/31/11
Trade receivables	106,402	83,026
Receivables from contract manufacturing (PoC)	2,305	442
Advance payments received on receivables from contract manufacturing	–1,838	–417
Receivables from affiliated companies	888	5
Other receivables and assets	14,419	13,446
Prepaid expenses	1,266	735
Total	**123,443**	**97,237**
Thereof financial receivables	112,414	87,433

Non-current receivables in the amount of TEUR 2,094 (previous year: TEUR 0) are shown under the item "Other receivables and assets".

The remaining trade and other receivables reported as of January 31, 2012, and January 31, 2011, were reported as having a remaining term of less than one year.

Contract manufacturing

TEUR	1/31/12	1/31/11
For all orders not invoiced as of the balance sheet date:		
Contract revenue reported as sales revenue	2,224	442
Contract costs incurred as of the reporting date	1,646	356
Profits (losses) accrued by the balance sheet date	578	86
Advance and partial payments received	2,136	417

The carrying amounts for trade and contract manufacturing receivables as of January 31, 2012, and January 31, 2011, are as follows:

			Portion of which is unimpaired and past due in the following periods				
TEUR	Carrying amount 1/31/12	Portion of which is neither impaired nor past due on reporting date	less than 60 days	between 60 and 180 days	between 180 and 360 days	more than 360 days	Valuation allowance and discounting
Trade and contract manufacturing receivables	106,869	87,895	16,095	4,052	710	529	–2,412

			Portion of which is unimpaired and past due in the following periods				
TEUR	Carrying amount 1/31/11	Portion of which is neither impaired nor past due on reporting date	less than 60 days	between 60 and 180 days	between 180 and 360 days	more than 360 days	Valuation allowance and discounting
Trade and contract manufacturing receivables	83,051	69,598	10,378	2,430	988	1,662	–2,005

With regard to the balance of trade and contract manufacturing receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtor entities will not meet their payment obligations.

With regard to loans and other financial receivables, there were no defaults or delays in payment nor any significant impairments as of the balance sheet date.

The valuation allowances for trade receivables experienced the following changes in the 2011-2012 and 2010-2011 business years:

TEUR	2011-12	2010-11
Balance as of February 1	**1,836**	**1,642**
Reversal or utilization	–1,597	–437
Additions	1,920	631
Balance as of January 31	**2,159**	**1,836**

In the 2011-2012 business year, the expenses for complete write-offs of trade receivables totaled TEUR 278 (previous year: TEUR 3).

(18) Cash and cash equivalents

This item essentially includes cash on hand and bank balances, as well as short-term marketable securities available for sale.

As of the balance sheet date, there were no restraints on the disposal of the amounts included in this item.

(19) Share capital

The share capital of Miba Aktiengesellschaft totaled TEUR 9,500 as of January 31, 2012. It comprises 1,300,000 no-par-value shares. The total includes 870,000 common shares, 130,000 non-voting convertible preferred shares (Issue A) and 300,000 non-voting non-convertible preferred shares (Issue B).

The Miba Aktiengesellschaft Issue B preferred share is listed on the "Standard Auction Market" of the Vienna Stock Exchange (Wiener Börse).

Treasury stock

By resolution of the 25th Annual General Meeting of July 1, 2011, the shareholders authorized the Management Board, for a 30 month period to commence on July 2, 2011, to purchase treasury stock, up to a maximum volume of 10% of the share capital, without a special purpose – excluding the trading of Company shares – with the intention of acquiring treasury stock at a rate of between EUR 100.00 and EUR 300.00. The Management Board was further authorized to set the repurchase terms and conditions. At the same Annual General Meeting, the shareholders furthermore granted authorization, for a period of five years from the date of resolution, to realize the shares thus acquired for the purpose of issuing shares as a counter-performance for the acquisition of companies, factories, partial factories or participations in one or more corporations within or outside of Austria, with the consent of the Supervisory Board, by means other than stock markets or public offerings, except for the subscription rights of the shareholders.

At its meeting of October 14, 2011, the Management Board of Miba AG resolved to use the shareholder authorization from the Annual General Meeting in order to repurchase Company shares and to purchase up to 30,000 Miba Category B preferred shares on the stock market.

In the 2011-2012 business year, the Company repurchased 6,566 of its own shares (previous year: 152) under the share buyback program.

As of the January 31, 2012, balance sheet date, a total of 72,947 Company shares had been repurchased (previous year: 66,381) at an average price-per-share of EUR 126.16. This corresponds to approximately 5.6 percent of share capital.

As of the reporting date, no shareholder authorization from the Annual General Meeting was granted for the corresponding disposal of treasury stock.

(20) Capital reserves

The capital reserves consist solely of appropriated reserves (premium reserves) and, as in the previous business year, total TEUR 18,089.

(21) Retained earnings

The recognition of actuarial gains and losses, including deferred taxes on those amounts, resulted in a cumulative decrease in capital reserves of TEUR 1,059 (previous year: TEUR 1,457).

A decrease in capital reserves in the amount of TEUR 1,135 resulted from the recognition of the hedging provision (previous year: increase of TEUR 1,135).

(22) Provisions for severance payments and pensions

Provisions for severance payments

TEUR	1/31/12	1/31/11
Present value of severance obligations (defined benefit obligations, DBO) = opening balance	**16,345**	**14,128**
Change in the scope of consolidation	0	4
Current service cost	826	725
Interest cost	810	746
Severance payments	–950	–1,002
Actuarial gains	1,123	1,744
Present value of severance obligations (DBO) = closing balance	**18,154**	**16,345**

The following table shows the actuarial gains and losses resulting from experience-based adjustments:

TEUR	1/31/12	1/31/11	1/31/10	1/31/09
Present value of severance obligations (DBO) = closing balance	**18,154**	**16,345**	**14,128**	**17,812**
Experience-based adjustments (+) gain/(–) loss	–608	–1,282	1,078	536

The payments of severance obligations for the 2012-2013 business year are projected to equal TEUR 233.

Provisions for pensions

TEUR	1/31/12	1/31/11
Present value of pension obligations (DBO) = opening balance	**7,065**	**7,006**
Current service cost	250	0
Interest cost	330	361
Pension benefits paid out	–720	–502
Actuarial gains	289	199
Present value of pension obligations (DBO) = closing balance	**7,214**	**7,065**
Value of plan assets (reinsurance)	–6,049	–6,186
Provisions for pensions	**1,165**	**878**

The following table shows the actuarial gains and losses resulting from experience-based adjustments:

TEUR	1/31/12	1/31/11	1/31/10	1/31/09
Present value of pension obligations (DBO) = closing balance	**7,214**	**7,065**	**7,006**	**7,133**
Experience-based adjustments (+) gain/(–) loss	–128	–39	–27	224

The projected payments from pension obligations for the 2012-2013 business year equal TEUR 516.

The following table illustrates the performance of plan assets:

TEUR	1/31/12	1/31/11
Value of plan assets at beginning of business year	**6,186**	**6,128**
Projected earnings	296	488
Plan curtailments or settlements	–433	–430
Value of plan assets at end of business year	**6,049**	**6,186**

(23) Financial liabilities

This item includes all financial liabilities with a remaining term of more than one year. Details are taken from the financial liabilities table in Note 31 on financial instruments, financial risk management and capital management.

TEUR	1/31/12	1/31/11
Liabilities to banks	63,015	42,460
Thereof with a remaining term of more than five years	1,780	563
Liabilities from loans extended by non-banking institutions	1,618	1,494
Thereof with a remaining term of more than five years	81	0
Total	**64,633**	**43,954**
Thereof with a remaining term of more than five years	1,861	563

(24) Other non-current liabilities

This item includes other non-current liabilities with a remaining term of more than one year.

TEUR	1/31/12	1/31/11
Provisions for service bonuses	3,668	3,307
Thereof with a remaining term of more than five years	3.668	3.307
Other non-current provision [1]	0	0
Thereof with a remaining term of more than five years	0	0
Advance payments received on orders	225	0
Thereof with a remaining term of more than five years	0	0
Liabilities from finance leases	6,661	7,527
Thereof with a remaining term of more than five years	3.034	3.978
Other non-current liabilities	1,528	2,620
Thereof with a remaining term of more than five years	0	0
Investment allowances or grants	47	72
Thereof with a remaining term of more than five years	0	0
Total	**12,129**	**13,526**
Thereof with a remaining term of more than five years	6,702	7,285
Thereof financial liabilities	8,189	10,147

[1] Reclassification to non-current provisions

(25) Changes in provisions

TEUR	Balance as of 2/1/11	Currency translation differences	Change in scope of consolidation	Reclassifi-cations	Utilization	Reversal	Addition	Balance as of 1/31/12
Provisions for pensions and severance payments	17,223	12	0	0	885	0	2,970	19,319
Deferred taxes	6,977	90	0	0	4,534	0	3,830	6,362
Other non-current provisions	6,358	0	0	–3,158	0	0	6,031	9,231
Non-current provisions	**30,558**	**102**	**0**	**–3,158**	**5,420**	**0**	**12,831**	**34,912**
Provision for taxes	12,751	19	0	0	10,293	0	9,787	12,264
Other personnel provisions	13,965	83	0	0	13,988	0	16,873	16,932
Other provisions	12,569	18	16	3,158	9,666	672	4,696	10,118
Current provisions	**39,285**	**119**	**16**	**3,158**	**33,948**	**672**	**31,356**	**39,315**
Total provisions	**69,843**	**221**	**16**	**0**	**39,368**	**672**	**44,187**	**74,227**

Other non-current provisions primarily apply to purchase price components from business combinations that are not yet due and payable.

(26) Trade payables

TEUR	1/31/12	1/31/11
Trade payables to third parties	50,475	42,650
Liabilities to affiliated companies	1,068	2,202
Total	**51,544**	**44,852**

(27) Current portion of financial liabilities

This item comprises all financial liabilities falling due in less than one year. Details are taken from the financial liabilities table in Note 31 on financial instruments, financial risk management and capital management.

TEUR	1/31/12	1/31/11
Liabilities to banks	7,959	6,477
Trade payables to affiliated companies	1,017	25
Liabilities from loans extended by non-banking institutions	869	895
Total	**9,846**	**7,397**

(28) Other current liabilities and income tax liabilities

TEUR	1/31/12	1/31/11
Advance payments received on orders	1,468	1,349
Liabilities from finance leases	866	845
Other liabilities	5,782	7,183
Other liabilities to affiliated companies	8,364	5,023
Other tax liabilities	2,457	2,238
Other liabilities from social security obligations	3,103	2,706
Deferred income	639	341
Total	**22,679**	**19,686**
Thereof financial liabilities	4,007	6,334

The item "Other liabilities to affiliated companies" includes those shares in Miba Energy Holding GmbH & Co. KG (capital and income shares) that are held by controlling corporate units.

TEUR	1/31/12	1/31/11
Income tax liabilities	**3,127**	**4,911**

(29) Other obligations and risks

Existing contingencies exist to the extent indicated below:

TEUR	1/31/12	1/31/11
Guarantees	**2,726**	**2,981**

In connection with the construction of the new building in Vorchdorf, Austria, for High Tech Coatings GmbH (based in Laakirchen, Austria), a guarantee was given to the lessor in the amount of EUR 2.22 million (previous year: EUR 2.47 million).

There are no other obligations or risks other than those duly reported in these Consolidated Financial Statements or listed in the Notes.

E. Other disclosures

(30) Consolidated cash flow statement

The Consolidated Cash Flow Statement was prepared using the indirect method. Cash and cash equivalents are comprised solely of cash on hand, checks, bank balances and short-term marketable securities available for sale. Interest received in the amount of TEUR 384 (previous year: TEUR 425) and interest paid in the amount of TEUR 1,891 (previous year: TEUR 1,763) are attributed to operating activities. Dividend payments are reported under financing activity. The effects of currency translation and changes in the scope of consolidation are eliminated under the applicable items in each of the three segments.

(31) Financial instruments, financial risk management and capital management

Carrying amounts, fair values and recognition based on measurement categories

The carrying amounts, fair values and recognition of financial assets (financial instruments classified as assets) as of January 31, 2012, and January 31, 2011, are divided into classes and measurement categories per IAS 39, and can be illustrated as follows:

TEUR	Measurement category per IAS 39	Carrying amount 1/31/12	Carrying amount 1/31/11	Fair value 1/31/12	Fair value 1/31/11	Recognition per IAS 39: Acquisition cost	At amortized cost	At fair value not through profit or loss	At fair value through profit or loss
Cash and cash equivalents	Loans and receivables	61,057	66,691	61,057	66,691	–	✓	–	–
Investments in affiliated companies (not consolidated)	Available for sale	261	261	261	261	✓	–	–	–
Loans	Loans and receivables	3,058	2,107	3,058	2,107	–	✓	–	–
Trade receivables	Loans and receivables	109,596	83,474	109,596	83,474	–	✓	–	–
Other financial receivables	Loans and receivables	2,818	2,824	2,818	2,824	–	✓	–	–
Securities (held for trading)	At fair value through profit or loss (fair value option)	2,169	2,169	2,169	2,169	–	–	–	✓
Derivatives with hedging relationship	Hedging	0	1,135	0	1,135	–	–	✓	–
Total		**178,958**	**158,661**	**178,958**	**158,661**				

The preponderance of cash and cash equivalents, trade receivables and other financial receivables have short remaining terms. Therefore, their carrying amounts as of the balance sheet date correspond approximately to the fair value. The fair value of loans, if material, corresponds to the present value of the payments associated with the assets based on the current market inputs.

The financial assets in the available-for-sale measurement category include unlisted equity instruments for which the fair value could not be reliably determined and which were recognized at cost as totaling TEUR 216 (previous year: TEUR 261).

The carrying amounts of the financial assets represent the maximum credit risk as of the balance sheet date.

The following table represents the composition of the carrying amounts, fair values and assigned values for financial liabilities (financial instruments classified as liabilities) as of January 31, 2012, and January 31, 2011, according to class or measurement category per IAS 39 or IAS 17, respectively:

						Recognition per IAS 39			
TEUR	Measurement category per IAS 39	Carrying amount 1/31/12	Carrying amount 1/31/11	Fair Value 1/31/12	Fair Value 1/31/11	Amortized cost	At fair value not through profit or loss	At fair value through profit or loss	Recognition per IAS 17
Financial liabilities	Financial liabilities measured at amortized cost	74,479	51,352	74,524	51,438	✓	–	–	–
Liabilities from finance leases	Not applicable	7,526	8,372	7,526	8,372	–	–	–	✓
Trade payables	Liabilities measured at amortized cost	51,544	44,852	51,544	44,852	✓	–	–	–
Other financial liabilities	Financial liabilities measured at amortized cost	4,670	5,489	4,670	5,489	✓	–	–	–
Derivatives with negative market value and no hedging relationship	At fair value through profit or loss (held for trading)	116	53	66	53	–	–	✓	–
Total		**138,335**	**110,119**	**138,329**	**110,205**				

Trade payables and other financial liabilities have regular, brief remaining terms. The values shown on the balance sheet represent the approximate fair values.

Determination of fair value

The fair value of securities (held for trading) is based on current prices and represents the fair value on the balance sheet date.

The fair values of financial liabilities are determined, if material, as present values of the payments associated with the debts based on currently observable market parameters (yield curves, exchange rates and credit ratings of contracting partners).

The market prices determined by banks on the reporting date are used to measure derivatives. If no market prices are used, the fair value is calculated using recognized financial models. The recognized fair values correspond in each case to the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The table provided below presents the financial instruments which undergo subsequent measurement at fair value. They are classified at Levels 1 through 3 depending on the extent to which fair value is observable:

Level 1: Market prices for identical financial assets and liabilities listed on active markets.

Level 2: Fair values determined using listed prices or measurement methods. Parameters essential to determining value are based on observable market data.

Level 3: Fair values resulting from models in which parameters essential to determining value are based on non-observable data.

Liabilities measured at fair value on January 31, 2012:

TEUR	Level 1	Level 2	Level 3	Total
Copper forward transaction (not hedged)	116	0	0	116

Assets measured at fair value on January 31, 2012:

TEUR	Level 1	Level 2	Level 3	Total
Securities	2,169	0	0	2,169
Investments in affiliated companies and subsidiaries[1)]	0	0	261	261
Cash and cash equivalents	61,057	0	0	61,057
	63,226	**0**	**261**	**63,487**

1) Since market values could not be determined reliably, investments in affiliated companies and subsidiaries with a carrying amount of TEUR 261 (previous year: TEUR 261) are measured at amortized cost less impairment, in accordance with IAS 39.

Liabilities measured at fair value on January 31, 2011:

TEUR	Level 1	Level 2	Level 3	Total
Copper forward transaction (not hedged)	54	0	0	54

Assets measured at fair value on January 31, 2011:

TEUR	Level 1	Level 2	Level 3	Total
Securities	2,169	0	0	2,169
Investments in affiliated companies and subsidiaries [1)]	0	0	261	261
Raw materials forward contract (hedged)	1,135	0	0	1,135
Cash and cash equivalents	66,691	0	0	66,691
	69,995	0	261	70,256

[1)] Since market values could not be determined reliably, investments in affiliated companies and subsidiaries with a carrying amount of TEUR 261 (previous year: TEUR 261) are measured at amortized cost less impairment, in accordance with IAS 39.

Analysis of contractual payments of interest and principal

The contractually stipulated (undiscounted) payments of interest and principal on primary financial liabilities and on derivative financial instruments at positive and negative fair value comprised the following categories as of January 31, 2012, and January 31, 2011:

	Carrying amount	Cash flows 2012-13		Cash flows 2013-14 through 2016-17		Cash flows from 2017-18 onward	
TEUR	**1/31/12**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**
Primary financial liabilities							
Financial liabilities	74,479	1,499	9,846	4,293	62,772	54	1,861
Liabilities from finance leases	7,526	196	866	537	3,627	121	3,034
Trade payables	51,544	0	51,544	0	0	0	0
Other financial liabilities	4,670	0	3,142	0	1,528	0	0
Total	**138,219**	**1,695**	**65,397**	**4,830**	**67,927**	**176**	**4,895**

	Carrying amount	Cash flows 2011-12		Cash flows 2012-13 through 2015-16		Cash flows from 2016-17 onward	
TEUR	**1/31/11**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**
Primary financial liabilities							
Financial liabilities	51,352	998	7,397	1,584	43,392	14	563
Liabilities from finance leases	8,372	219	845	635	3,549	219	3,978
Trade payables	44,852	0	44,852	0	0	0	0
Other financial liabilities	5,489	0	5,489	0	0	0	0
Total	**110,066**	**1,217**	**58,584**	**2,219**	**46,941**	**233**	**4,541**

This general category includes all financial instruments in existence on the balance sheet date for which payments have already been contractually stipulated. Planned or budgeted figures for future new liabilities are not included. Amounts in foreign currencies were translated at the reporting rate. Variable interest payments on the financial instruments were determined on the basis of the interest rates last set before the balance sheet date. Financial liabilities that are repayable at any time are always assigned to the earliest time band.

Derivatives not subject to hedge accounting

Any derivatives that do not meet the prerequisites on the formation of hedges per IAS 39 (hedge accounting) and that are classified in the "held for trading" category are reported at fair value. In the case of positive market values, derivative financial instruments are shown under "Other receivables and assets". In the case of negative market values, derivatives are shown under "Other liabilities".

The market prices determined by banks on the reporting date are used to measure derivatives. If no market prices are used, the fair value is calculated using recognized financial models. The recognized fair values correspond in each case to the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

In the 2011-2012 business year, the Company secured a copper hedging transaction that featured a cap, cash settlement in US dollars and a combined call/put instrument ("zero cost collar"). Future purchases of copper as a raw material were the designated underlying transaction. The purpose of this hedging measure is to convert variable procurement costs into fixed procurement costs.

Net losses amounting to TEUR 116 from derivative financial instruments (excluding hedged derivatives), shown under financial liabilities measured at fair value, are reported as affecting net income in the Consolidated Income Statement.

On January 31, 2012, the Miba Group held derivative instruments with terms of a maximum 12 months, maturing at monthly intervals.

The portfolio of open derivatives as of January 31, 2012, and January 31, 2011, comprised the following:

	2011-12			2010-11		
	Nominal	Market value		Nominal	Market value	
	amount 1/31/12 (TUSD)	Positive 1/31/12 TEUR	Negative 1/31/12 TEUR	amount 1/31/11 (TUSD)	Positive 1/31/11 TEUR	Negative 1/31/11 TEUR
Raw materials price hedge (copper)	3,378	0	66	4,847	0	53

Hedged derivatives

The Company reported cash flow hedges intended to protect future procurement transactions against raw materials price risks. Future purchases of copper as a raw material were the designated underlying transaction of the copper forward contract, with cash settlement in US dollars. The purpose of this hedging measure is to convert variable procurement costs of raw materials into fixed procurement costs.

The effective part of the change to the attributed fair value of utilized derivative transactions is reported directly under cumulative changes to equity with no effect on net income, until the hedging relationship is reversed. The ineffective part of the income or loss from a hedge is immediately posted as affecting net income.

Due to the failure to meet the effectiveness test, the forward transactions were reclassified into derivatives without application of hedge accounting.

The volume of hedged derivatives as of January 31, 2012, and January 31, 2011, can be illustrated as follows:

	2011-12			2010-11		
	Nominal amount 1/31/12 (TUSD)	Market value Positive 1/31/12 TEUR	Market value Negative 1/31/12 TEUR	Nominal amount 1/31/11 (TUSD)	Market value Positive 1/31/11 TEUR	Market value Negative 1/31/11 TEUR
Raw materials price hedge (copper)	0	0	0	4,936	1,135	0

Financial risk management and capital management

As a global corporation, the Miba Group is exposed to certain general and industry-specific risks.

It is Miba's corporate policy to closely monitor existing risk positions and market developments in order to identify emerging risks at an early stage and to enforce countermeasures swiftly.

The annual evaluation of the companies in the Miba Group did not reveal any significant new or previously undetected risks. In addition, currently available information does not indicate any individual risks that could jeopardize the Company's continued existence or adversely affect its financial position and financial performance.

Financial instruments play a key role in hedging against risks. According to IAS 32, financial instruments include primary financial instruments such as receivables and trade payables as well as financial receivables and financial liabilities. The carrying amount of the primary financial instruments presented in the Consolidated Balance Sheet essentially corresponds to the market value or the fair value.

a) Credit risk

With regard to assets, the amounts reported also represent the maximum credit risk or risk of default. The risk among receivables can be considered minor, since the credit standing of new and existing clients is continuously reviewed and since no individual customer is liable for more than 3.9 percent (previous year: 4.5 percent) of total trade receivables. Furthermore, the credit risk is largely hedged by credit insurance and bankable forms of security (guarantees and letters of credit).

b) Interest rate risk

An interest rate risk stemming from fluctuations in the market interest rate primarily applies to receivables and liabilities having a term of more than one year. These terms are not of material significance in operations, but they can play a role for financial investments and financial liabilities.

For assets, an interest rate risk exists only for securities held as financial investments. Since these securities are held principally through investment funds and may be converted into cash at any time, the interest rate risk is not deemed to be material.

Most of the amounts due to credit institutions (bank loans, etc.) involve variable interest rates.

c) Currency risk

Currency risk affecting assets apply primarily to the US dollar, and result from trade receivables from international customers. With regard to liabilities, there are no significant currency risks – with the exception of trade payables – since operations are financed by each individual Group company in its local currency.

One form of hedging results from naturally closed items, for example the balancing out of receivables in US dollars against trade payables in US dollars.

d) Default risk

The risk of default on customer receivables is considered minor, based on the customer structure. Business experience over the past several years substantiates this consideration. Furthermore, most companies in the Group hold default risk insurance with coverage that is customary for the respective market.

e) Liquidity risk

The purpose of liquidity hedging is to ensure the Group's ability to meet its financial obligations at all times. Liquidity in the Miba Group is ensured by appropriate liquidity planning at the beginning of each year, by financial resources sufficient to cover a period of less than twelve months and by short-term credit lines.

f) Capital management

Miba AG is not subject to any statutory minimum capital requirements. The objective of the Miba Group is not only to continue to increase enterprise value but to maintain an appropriate capital structure.

Capital management is based on the equity ratio, which is the ratio of equity to the total assets shown on the Consolidated Balance Sheet (balance sheet total).

	1/31/12	1/31/11
Group equity (TEUR)	286,698	248,452
Consolidated balance sheet total (TEUR)	524,884	452,622
Group equity ratio (in %)	54.6%	54.9%

g) Sensitivity analyses

Bases for the sensitivity analyses

In order to represent material market risks relating to financial instruments, IFRS 7 requires sensitivity analyses that show how profit or loss and Group equity would have been affected by hypothetical changes in relevant risk variables. The Miba Group is primarily exposed to foreign currency risk and interest rate risk. Appropriate sensitivity analyses were therefore conducted for these market risks.

The affected financial instrument holdings as of the balance sheet date were used as the basis for determining the effects caused by hypothetical changes in the risk variables. It was assumed that the particular risk on the balance sheet date essentially represents the risk during the business year.

The Austrian corporate income tax rate of 25 percent was used uniformly as the tax rate.

In the sensitivity analysis for interest rate risk, only the cash flow risk was considered, because the accounting and measurement methods used make the fair value risk irrelevant.

Sensitivity analysis for foreign currency risk

If the euro had risen by ten percent against the US dollar as of the balance sheet date, then earnings (after taxes) would have differed by the amounts listed below.

	1/31/12 Earnings (after taxes)	1/31/11 Earnings (after taxes)
USD (effect in TEUR)	–641	–954

If the euro had decreased by ten percent against the US dollar as of the balance sheet date, the effect on earnings (after taxes) would have been the same as above but with the sign (minus or plus) reversed.

In this analysis it was assumed that all other variables, particularly interest rates, remain constant.

Sensitivity analysis for interest rate risk

An increase in the market interest rate of 100 basis points as of the balance sheet date would have increased earnings (after taxes) and Group equity by TEUR 57 (previous year: TEUR 277).

A decrease in the market interest rate of 100 basis points as of the balance sheet date would have had the same effect on earnings (after taxes) and Group equity, but with the sign (plus or minus) reversed.

In this analysis it was assumed that all other variables, particularly foreign exchange rates, remain constant. The sensitivity of Group equity was affected solely by earnings (after taxes).

(32) Segment reporting

Effective January 1, 2009, segment reporting is conducted in accordance with the provisions of IFRS 8. IFRS 8 stipulates that segments be presented on the basis of internal reporting and that results be presented on the basis of internal reporting (management approach). Additional geographic data are structured to correspond with the locations of Group companies.

The Group is divided into four main divisions as well as the segment “Other”. Classification by division reflects the Group’s internal organization and management structure. The divisions are as follows:

Miba Sinter Group

Development and production of sintered components for engines and transmission components. The main products are gears, chain sprockets, belt pulleys, main bearing caps and components for variable camphasers and oil and water pumps.

Miba Bearing Group

Development and production of engine bearing products such as half shells, bushings, thrust washers, engine bearing applications and surface technologies.

Miba Friction Group

Development and production of clutches and brake components.

New Technologies Group

Development and production of passive electronic components, such as resistors and thermal solutions for power electronics. This segment also includes special machinery.

The **“Other”** segment is comprised mainly of the development and sale of coatings, specifically polymer and lubricant coatings, electroplated overlays and PVD coatings.

The main performance control metric is EBIT.

The accounting and measurement principles of the reporting segments correspond to those of the Group.

Sales between the segments are transacted at market prices and are generally equivalent to the prices used in third party transactions.

The numerical presentation of segment reporting is given in Appendix 2 to the Notes.

(33) Events after the balance sheet date

On February 27, 2012, Miba issued a seven year bullet bond (ISIN AT000A0T8M1) with a nominal value of EUR 75,000,000.00 and an issue price of EUR 101.243. The bond is comprised of 150,000 partial debentures at a nominal rate of EUR 500.00 each. The interest rate equals 4.5 percent p.a. Interest is paid in arrears on February 27 of each year.

Additional events after the balance sheet date that are relevant for measurement on the balance sheet date (such as pending legal disputes or claims for damages, other obligations or anticipated losses that must be posted or disclosed in accordance with IAS 10) are reflected in the present Consolidated Financial Statements or are unknown.

(34) Business relationships with related parties

For legal and consulting services during the year under review, net fees to Dorda Brugger Jordis Rechtsanwälte GmbH totaling TEUR 284 (previous year: TEUR 388) were incurred. The Chairwoman of the Supervisory Board of Miba AG, Dr. Theresa Jordis, is a managing partner at the law offices of Dorda Brugger Jordis Rechtsanwälte GmbH.

All business relationships with related parties (companies and individuals) and with companies consolidated at equity primarily involve service relationships and are conducted at arm's length.

(35) Information on executive bodies and employees

During the 2011-2012 business year, there were the following changes in the number of employees:

	1/31/12		1/31/11	
	Reporting date	**Average**	**Reporting date**	**Average**
Non-salaried employees	2,850	2,700	2,368	2,171
Salaried employees	1,077	1,030	930	893
Total	**3,927**	**3,730**	**3,298**	**3,064**

Expenses for severance payments and contributions to company employee benefit funds and expenses for retirement benefits are broken down as follows:

	2011-12		2010-11	
TEUR	**Severance payments and contributions to company employee benefit funds**	**Retirement**	**Severance payments and contributions to company employee benefit funds**	**Retirement**
Management Board members, managing directors and executive employees	124	645	340	565
Other employees	1,365	510	939	332
Total	**1,489**	**1,155**	**1,280**	**897**

The compensation system for Management Board members aims to adequately compensate them in accordance with their scope of activities and responsibilities and in line with domestic and international compensation packages. For the division management boards, a significant part of this compensation varies based on the company's results. The annual bonus is a variable cash payment, the amount of which is determined on the basis of individual objectives and performance-based targets.

In addition, phantom share plans were arranged for Management Board members. The phantom shares entitle the holder to obtain a cash settlement after three years. In each case, the pay-out amount depends on Group equity performance as of the balance sheet date. The Group reports the obligation from the phantom share plan under personnel provisions.

Management Board members have individual pension arrangements; the Company pays defined amounts to the Management Board members. The Chairman of the Board has an additional "old" pension plan, which provides a fixed value-protected pension. This obligation is covered through pension reinsurance.

The statutory provisions currently in effect in Austria apply to the termination of employment of Management Board members.

Compensation of Management Board members totaled TEUR 2,385 in the 2011-2012 business year (previous year: TEUR 1,972), of which TEUR 544 (previous year: TEUR 491) were variable salary components. No compensation was granted to former Management Board members or their surviving dependents.

Expenses for retirement benefits were as follows:

	2011-12 TEUR	2010-11 TEUR
Management Board members	645	565

In the 2011-2012 business year, compensation totaling TEUR 75 (previous year: TEUR 75) was paid to the members of the Supervisory Board for their services.

Members of the Supervisory Board for the 2011-2012 business year
Dr. Theresa Jordis, Vienna, Austria (Chairwoman)
Dipl.-Bw. Alfred Heinzel, Vorchdorf, Austria (Deputy Chairman)
Dr. Robert Büchlhofer, Starnberg, Germany
Dkfm. Dr. Wolfgang Berndt, Seewalchen am Attersee, Austria
Johann Forstner, Laakirchen, Austria (delegated by the employee council)
Hermann Aigner, Vorchdorf, Austria (delegated by the employee council)

(36) Earnings per share

According to IAS 33 (Earnings Per Share), basic earnings per share are calculated by dividing the net profit or loss for the period (consolidated net income) that is attributable to common shareholders by the weighted number of common shares outstanding during the period. Since the preferred shares are subject to an unrestricted residual claim on the Company's assets, they needed to be included in the number of shares:

	in	2011-12	2010-11
Annual consolidated net income	TEUR	45,898	42,226
Net income attributable to common and preferred shareholders	TEUR	41,263	41,928
Weighted average number of issued common and preferred shares	shares	1,232,528	1,233,619
Basic earnings per share [1]	EUR/share	33.48	33.99
Diluted earnings per share [1]	EUR/share	33.48	33.99

[1] for common and preferred shares

(37) Proposed distribution of profits

Pursuant to the regulations of the Austrian Stock Corporation Act (AktG), the year-end financial statements of Miba Aktiengesellschaft as of January 31, 2012, which were prepared in accordance with Austrian reporting requirements, form the basis for the distribution of dividends. The net retained profit reported in the year-end financial statements is TEUR 39,714.

The Management Board proposes to pay a dividend of EUR 8.00 per share to preferred and common shareholders and to carry the remaining amount over to the next year.

Dividend distribution:

	EUR
Preferred shareholders Issue A	1,040,000.00
Preferred shareholders Issue B	1,816,424.00
Common shareholders	6,960,000.00
Remaining amount to carry over	29,897,943.79
	39,714,367.79

Release by the Management Board

We confirm to the best of our knowledge that the Consolidated Financial Statements, which were prepared in accordance with authoritative accounting standards, present a true and fair view of the Group's financial position and financial performance, and that the Consolidated Management Report presents the Group's business developments, business results and overall situation such that it gives a true and fair view of the Group's financial position and financial performance, and that the Consolidated Management Report describes the important risks and uncertainties to which the Group is exposed.

The Management Board of Miba Aktiengesellschaft released the Consolidated Financial Statements for submission to the Supervisory Board on May 11, 2012.

Laakirchen, May 11, 2012

The Management Board
DI. DDr. h. c. Peter Mitterbauer (Chairman)
Dr.-Ing. Norbert Schrüfer
Dr. Wolfgang Litzlbauer
Dr.-Ing. Harald Neubert
DI Franz-Peter Mitterbauer, MBA

Appendix 1 to the Notes: Consolidated Statement of Changes in Fixed Assets
Appendix 2 to the Notes: Segment Reporting
Appendix 3 to the Notes: Affiliated Companies

Consolidated Statement of Changes in Fixed Assets as of January 31, 2012

Appendix 1/1 to the Notes

	Acquisition and production costs						
	Balance as of 2/1/11 TEUR	**Currency translation differences TEUR**	**Change in the scope of consolidation TEUR**	**Additions TEUR**	**Disposals TEUR**	**Reclassifi-cations TEUR**	**Balance as of 1/31/12 TEUR**
I. Intangible assets:							
1. Patents and licenses	27,476	104	957	502	0	33	29,071
2. Customer relationships	42,465	470	9,813	0	0	0	52,748
3. Goodwill	6,817	227	2,151	0	0	0	9,195
	76,758	**801**	**12,921**	**502**	**0**	**33**	**91,014**
II. Property, plant and equipment:							
1. Land and buildings	74,516	525	0	4,425	44	361	79,784
Thereof land value	5,129	8	0	425	0	0	5,563
2. Plant and equipment	286,153	1,786	4,959	25,878	7,463	10,046	321,358
3. Other furniture and fixtures, tools and office equipment	27,991	128	222	3,574	1,144	462	31,233
4. Advance payments and fixed assets under construction	12,109	180	338	12,893	140	–10,902	14,478
	400,769	**2,618**	**5,519**	**46,770**	**8,790**	**–33**	**446,853**
III. Financial investments:							
1. Investments in affiliated companies	261	0	0	0	0	0	261
2. Investments in associated companies	6,244	102	2,324	2,553	0	0	11,222
3. Loans	2,107	9	0	1 ,243	302	0	3,058
4. Investment securities (book-entry securities)	2,286	0	0	0	0	0	2,286
	10,897	**111**	**2,324**	**3,796**	**302**	**0**	**16,826**
Total	**488,424**	**3,530**	**20,763**	**51,068**	**9,092**	**0**	**554,693**

Accumulated depreciation, amortization and write-downs							Net value	
Balance as of 2/1/11 TEUR	Currency translation differences TEUR	Change in the scope of consolidation TEUR	Additions TEUR	Depreciation amortization and write-downs TEUR	Disposals TEUR	Balance as 1/31/12 TEUR	Balance as 1/31/12 TEUR	Balance as 1/31/11 TEUR
12,897	10	0	1,949	0	0	14,855	14,216	14,579
17,289	502	0	4,091	0	0	21,883	30,865	25,175
460	9	0	0	0	0	469	8,726	6,357
30,646	**521**	**0**	**6,040**	**0**	**0**	**37,207**	**53,807**	**46,111**
32,086	130	0	2,882	0	39	35,058	44,726	42,431
0	0	0	0	0	0	0	5,563	5,129
188,348	663	0	23,307	0	6,877	205,440	115,918	97,804
21,226	93	–8	2,426	0	1,131	22,606	8,627	6,765
0	0	0	159	0	0	159	14,319	12,109
241,660	**885**	**–8**	**28,773**	**0**	**8,047**	**263,263**	**183,590**	**159,110**
0	0	0	0	0	0	0	261	261
–2,300	44	0	2,553	–2,013	0	2,311	8,911	8,543
0	0	0	0	0	0	0	3,058	2,107
117	0	0	0	0	0	117	2,169	2,169
–2,182	**44**	**0**	**2,553**	**–2,013**	**0**	**2,428**	**14,398**	**13,080**
270,124	**1,450**	**–8**	**37,366**	**–2,013**	**8,047**	**302,898**	**251,795**	**218,300**

Consolidated Statement of Changes in Fixed Assets as of January 31, 2011

Appendix 1/2 to the Notes

	Acquisition and production costs						
	Balance as of 2/1/10 TEUR	Currency translation differences TEUR	Change in the scope of consolidation TEUR	Additions TEUR	Disposals TEUR	Reclassifi-cations TEUR	Balance as of 1/31/11 TEUR
I. Intangible assets:							
1. Patents and licenses	13,433	32	14,281	305	575	0	27,476
2. Customer relationships	20,482	383	21,599	0	0	0	42,465
3. Goodwill	6,488	121	207	0	0	0	6,817
	40,404	**537**	**36,087**	**305**	**575**	**0**	**76,758**
II. Property, plant and equipment:							
1. Land and buildings	67,490	519	3,669	1,833	462	1,468	74,516
Thereof land value	4,605	3	522	0	0	0	5,129
2. Plant and equipment	253,431	1,249	8,107	18,006	5,185	10,545	286,153
3. Other furniture and fixtures, tools and office equipment	27,017	149	1,511	1,408	2,232	137	27,991
4. Advance payments and fixed assets under construction	11,141	185	107	13,003	176	–12,150	12,109
	359,079	**2,103**	**13,393**	**34,250**	**8,056**	**0**	**400,769**
III. Financial investments:							
1. Investments in affiliated companies	261	0	0	0	0	0	261
2. Investments in associated companies	4,553	31	1,708	0	48	0	6,244
3. Loans	2,364	1	0	195	453	0	2,107
4. Investment securities (book-entry securities)	2,286	0	0	0	0	0	2,286
	9,464	**32**	**1,708**	**195**	**501**	**0**	**10,897**
Total	**408,946**	**2,672**	**51,189**	**34,750**	**9,132**	**0**	**488,424**

Accumulated depreciation, amortization and write-downs							Net value	
Balance as of 2/1/10 TEUR	Currency translation-differences TEUR	Change in the scope of consolidation TEUR	Additions TEUR	Depreciation amortization and write-downs TEUR	Disposals TEUR	Balance as 1/31/11 TEUR	Balance as 1/31/11 TEUR	Balance as 1/31/10 TEUR
11,871	3	183	1,415	0	575	12,897	14,579	1,562
12,875	241	0	4,174	0	0	17,289	25,175	7,607
248	5	207	0	0	0	460	6,357	6,240
24,994	**249**	**390**	**5,589**	**0**	**575**	**30,646**	**46,111**	**15,409**
28,287	96	1,519	2,638	0	454	32,086	42,431	39,203
0	0	0	0	0	0	0	5,129	4,605
166,485	367	6,034	20,327	99	4,766	188,348	97,804	86,946
20,236	108	1,144	1,931	0	2,194	21,226	6,765	6,782
0	0	0	0	0	0	0	12,109	11,141
215,008	**571**	**8,697**	**24,896**	**99**	**7,414**	**241,660**	**159,110**	**144,071**
0	0	0	0	0	0	0	261	261
–3,418	19	1,874	0	732	44	–2,300	8,543	7,971
0	0	0	0	0	0	0	2,107	2,364
86	0	0	32	0	0	117	2,169	2,201
–3,332	**19**	**1,874**	**32**	**732**	**44**	**–2,182**	**1 3,080**	**12,796**
236,670	**840**	**10,961**	**30,517**	**830**	**8,033**	**270,124**	**218,300**	**172,277**

Segment Reporting

Appendix 2 to the Notes

1. Division information

	Sinter		Bearing		Friction	
TEUR	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Sales revenue	208,487	174,088	201,099	160,072	124,954	75,973
Thereof intercompany sales	840	693	590	407	897	1,030
External sales	207,647	173,395	200,509	159,665	124,057	74,943
Operating EBITDA	37,505	35,244	49,582	35,670	4,827	7,409
Depreciation, amortization and write-downs	12,899	11,989	10,219	9,309	7,150	4,931
Operating EBIT	24,606	23,255	39,363	26,361	–2,323	2,478
At-equity operating result	–2,226	1,315	0	28	0	0
Assets	165,273	153,373	177,057	149,144	118,274	83,867
Thereof equity interests in associated companies	4,509	6,687	1,726	1,669	0	0
Borrowed capital	85,225	85,363	60,299	54,416	105,833	68,206
Investments (excluding financial investments)	21,847	14,595	13,848	8,975	5,282	11,817
Other non-cash income and expenses	5,581	5,395	7,260	7,610	4,614	2,604
Employees (average)	1,396	1,170	1,124	998	844	575
Employees (as of reporting date)	1,460	1,275	1,187	1,032	906	660

2. Information by geographic region

	Austria		EU excluding Austria		Asia	
TEUR	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
External sales	41,605	31,568	330,334	241,422	91,291	71,548
Segment assets	443,141	401,223	100,574	83,285	70,411	53,997
Investments (excluding financial investments)	26,934	9,323	8,613	14,375	4,838	1,920

New Technologies		Other		Consolidation		Total Group	
2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
56,973	25,493	25,114	21,191	–23,997	–19,661	592,630	437,156
6,270	4,875	15,400	12,655	–23,997	–19,661	0	0
50,704	20,618	9,713	8,535	0	0	592,630	437,156
8,556	4,178	1,745	2,990	–353	–524	101,862	84,967
3,419	3,322	1,521	1,335	–395	–402	34,813	30,485
5,136	856	224	1,655	43	–122	67,049	54,482
900	8	0	0	0	0	–1,326	1,350
57,320	52,622	199,787	183,081	–192,828	–169,463	524,884	452,622
2,676	188	0	0	0	0	8,911	8,543
50,449	45,608	21,023	19,098	–84,642	–68,521	238,186	204,170
1,447	785	5,745	1,231	–898	–2,847	47,272	34,555
3,025	2,853	3,038	1,718	0	0	23,519	20,180
194	164	173	157	0	0	3,730	3,064
195	168	179	163	0	0	3,927	3,298

NAFTA		Other		Consolidation		Total Group	
2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
107,946	75,421	21,453	17,196	0	0	592,630	437,156
91,682	80,920	0	0	180,924	166,804	524,884	452,622
7,725	8,241	0	0	–837	696	47,272	34,555

Affiliated Companies as of January 31, 2012

Appendix 3 to the Notes

Miba AG holds equity interests in 44 subsidiaries. Of these, seven subsidiaries are not consolidated (for reasons of materiality). The following list contains the parent company, the 30 consolidated subsidiaries, the five associated companies and the seven non-consolidated companies.

Company	Seat of the company	Country	Currency	Nominal capital	Direct and indirect equity interests %	Type of consolidation
Affiliated companies:						
Miba Aktiengesellschaft	Laakirchen	A	TEUR	9,500		CC
Miba Bearing Group:						
Miba Gleitlager GmbH	Laakirchen	A	TEUR	8,750	100.0	CC
Miba Bearings US LLC	McConnelsville Ohio	USA	TUSD	29,000	100.0	CC
Miba Far East PTE Ltd.	Singapore	SG	TSGD	1,075	100.0	CC
Miba Bearings Sales Corp.	McConnelsville Ohio	USA	TUSD	10	100.0	CC
Miba China Holding GmbH	Laakirchen	A	TEUR	4,000	100.0	CC
Miba Precision Components (China) Co. Ltd.[1]	Suzhou Industrial Park	CN	TCNY	74,840	100.0	CC
Miba Sinter Group:						
Miba Sinter Austria GmbH	Laakirchen	A	TEUR	8,400	100.0	CC
Miba Sinter Slovakia s.r.o.	Dolný Kubín	SK	TEUR	3,699	100.0	CC
Miba Sinter USA LLC	McConnelsville Ohio	USA	TUSD	12,000	100.0	CC
Miba Sinter Holding GmbH & Co KG	Laakirchen	A	TEUR	110	100.0	CC
Miba Sinter Holding GmbH	Laakirchen	A	TEUR	35	100.0	CC

CC = consolidated companies

[1] Balance sheet date December 31, 2011

Company	Seat of the company	Country	Currency	Nominal capital	Direct and indirect equity interests %	Type of consolidation
Miba Friction Group:						
Miba Friction Holding GmbH	Laakirchen	A	TEUR	35	100.0	CC
Miba Frictec GmbH	Laakirchen	A	TEUR	40	100.0	CC
Miba HydraMechanica Corp.	Sterling Heights Michigan	USA	TUSD	8,284	100.0	CC
Miba Steeltec s.r.o.	Vráble	SK	TEUR	5,163	100.0	CC
Miba Drivetec India Pvt. Ltd.	Pune	IN	TINR	20,002	100.0	CC
New Technologies Group:						
Miba Energy Holding GmbH	Laakirchen	A	TEUR	35	100.0	CC
Miba Energy Holding GmbH & Co KG	Laakirchen	A	TEUR	10	49.0	CC
EBG GmbH	Laakirchen	A	TEUR	364	49.0	CC
DAU GmbH & Co KG	Laakirchen	A	TEUR	291	49.0	CC
DAU GmbH	Laakirchen	A	TEUR	36	49.0	CC
EBG & DAU GmbH	Laakirchen	A	TEUR	40	49.0	CC
Miba Automation Systems Ges.m.b.H.	Laakirchen	A	TEUR	45	100.0	CC
Miba Energy Holding LLC	McConnelsville Ohio	USA	TUSD	100	49.0	CC
EBG Resistors LLC	Middletown Pennsylvania	USA	TUSD	40	34.3	CC
EBG LLC	Middletown Pennsylvania	USA	TUSD	10	34.3	CC
DAU Thermal Solutions North America Inc.	Middletown Pennsylvania	USA	TUSD	10	49.0	CC

CC = consolidated companies

Company	Seat of the company	Country	Currency	Nominal capital	Direct and indirect equity interests %	Type of consolidation
Others:						
High Tech Coatings GmbH	Laakirchen	A	TEUR	1,000	50.1	CC
Miba Coatings Trading (Suzhou) Ltd. [1]	Suzhou Industrial Park	CN	TCNY	349	50.1	CC
Teer Coatings Ltd.	Droitwich	GB	TGBP	1	100.0	CC
Associated companies:						
Mahle Metal Leve Miba Sinterizados Ltda. [1]	São Paulo	BR	TBRL	100	30.0	CE
ABM Advanced Bearing Material LLC [1]	Greensburg Indiana	USA	TUSD	4,540	50.0	CE
EBG d.o.o. [1]	Šentjernej	SLO	TEUR	13	24.01	CE
Maxtech Sintered Product Pvt. Ltd.[2]	Pune	IN	TINR	191,868	26.00	CE
EBG Shenzhen Ltd. [1] [3]	Shenzhen	CN	TCNY	10,860	8.575	CE
Non-consolidated companies:						
Miba France SARL	Paris	FR	TEUR	20	100.0	–
Miba Italia S.r.l.	Turin	IT	TEUR	20	100.0	–
Miba Deutschland GmbH	Stuttgart	DE	TEUR	26	100.0	–
Miba Kantinen GmbH [1]	Laakirchen	A	TEUR	116	100.0	–
Dong Guang Art – Teer Coating Techn. Co. Ltd. [1]	Hong Kong	CN	THKD	1,500	35.0	–
Hangzhou Hui-Teer Surface Advanced Coatings Ltd. [1]	Linan	CN	TCNY	10,321	41.0	–
Zhejiang Huijin – Teer Coatings Techn. Co. Ltd. [1]	Linan	CN	TUSD	12,000	25.0	–

CC = consolidated companies
CE = companies consolidated on the basis of the equity method
[1] Balance sheet date December 31, 2011
[2] Balance sheet date March 31, 2011
[3] 25 percent share of voting rights

Audit Certificate
(Independent Auditor's Report)

Report on the Consolidated Financial Statements

We have audited the attached Consolidated Financial Statements of **Miba Aktiengesellschaft, Laakirchen**, Austria, for the **business year from February 1, 2011, to January 31, 2012**. These Consolidated Financial Statements comprise the Consolidated Balance Sheet dated January 31, 2012, the Consolidated Income Statement, the Statement of Recognized Income and Expenses, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the business year ending January 31, 2012, as well as explanatory notes.

Responsibility of legal representatives for the Consolidated Financial Statements and for bookkeeping
The Company's legal representatives are responsible for Group bookkeeping as well as preparing Consolidated Financial Statements that present a true and fair view of the Group's financial position and financial performance in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. These responsibilities include the following duties: designing, implementing and maintaining an internal control system relevant for the preparation of the Consolidated Financial Statements and the presentation of a true and fair view of the Group's financial position and performance such that these Consolidated Financial Statements are free from material misrepresentations, whether due to either intentional or inadvertent errors; the selection and implementation of suitable accounting and measurement methods; the formulation of estimates deemed appropriate under the given general circumstances. Responsibility of the auditor and nature and scope of the statutory audit

Responsibility of the auditor and nature and scope of the statutory audit
Our responsibility is to give an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the legal provisions valid in Austria and in compliance with the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These standards require that we comply with ethical requirements and plan and perform the audit in such a manner that we are able to evaluate with reasonable assurance whether the Consolidated Financial Statements are free from material misrepresentations. An audit involves the implementation of auditing procedures for the purpose of obtaining evidence with regard to the amounts and other disclosures in the Consolidated Financial Statements. The selection of auditing methods takes place according to the auditor's best judgment, taking into consideration the auditor's assessment of the risk of the occurrence of significant misrepresentations, whether on the basis of intended or inadvertent errors. In making this risk assessment, the auditor considers the internal control system that is relevant for the preparation of the Consolidated Financial Statements and the presentation of a true and fair view of the Group's financial position and financial performance in order to select the auditing procedures suitable for the circumstances but not to give an opinion on the effectiveness of the Group's internal control system. The audit also includes an assessment of the accounting and measurement methods used and of significant estimates made by legal representatives as well as an evaluation of the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Audit opinion
Our audit did not give rise to any objections. On the basis of the audit results, we are of the opinion that the Consolidated Financial Statements comply with applicable laws and regulations and present a true and fair view of the Group's financial position as of January 31, 2012, as well as the Group's financial performance and the Group's cash flows for the business year from February 1, 2011, to January 31, 2012, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Statement on the Consolidated Management Report
Applicable laws and regulations require us to examine whether the Consolidated Management Report is consistent with the Consolidated Financial Statements and whether other information given in the Consolidated Management Report correctly represents the Group's position. This Audit Certificate must also include a statement on whether the Consolidated Management Report is consistent with the Consolidated Financial Statements and whether the information meets the requirements of section 243a of the Austrian Business Enterprise Code (UGB).

In our opinion, the Consolidated Management Report is consistent with the Consolidated Financial Statements. Information as required under section 243a of the Austrian Business Enterprise Code has been reported correctly.

Linz, May 11, 2012

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Cäcilia Gruber
Auditor

Mag. Peter Humer
Auditor

Report of the Supervisory Board of Miba AG

In the 2011-2012 business year, the Supervisory Board performed the duties it is required to carry out under Austrian law and the Articles of Incorporation. The focus of the Board's activities was the regular advising of the Management Board on key matters in the Company's development. The Management Board provided the Supervisory Board with regular, timely and comprehensive information about all issues relating to business operations and development, including the risk situation and risk management system at Miba AG and the principle companies in the Miba Group. The consent of the Supervisory Board was obtained for those business matters that require such consent under the provisions of the Articles of Incorporation.

A total of five Supervisory Board meetings were held during the business year. No member of the Supervisory Board attended fewer than half of the meetings. In frank discussions at the Supervisory Board meetings, the members of the Management Board and the Supervisory Board forged a consensus on essential matters, particularly the strategic direction of the Company. Current individual topics were also discussed regularly between the Management Board and the Chairwoman of the Supervisory Board.

In addition to the Audit Committee, which performs the duties required by law in connection with auditing and preparing the Annual Financial Statements for adoption, the proposal for distribution of profit, and the Management Report as well as the Consolidated Financial Statements and the Consolidated Management Report, to increase its efficiency, the Supervisory Board also formed a Compensation Committee from among its members, which is tasked with the content of the employment contracts of the Management Board members. The Audit Committee met twice during the year under review; the Compensation Committee held three meetings.

The Annual Financial Statements, Management Report and Notes as well as the Annual Consolidated Financial Statements, Consolidated Management Report and Notes were audited by KPMG Austria Gesellschaft mbH, Linz, Austria. Based on the final outcome of the audit, the auditors approved the documents without objection and issued an unqualified audit certificate.

Representatives of the auditing firm participated in the meeting of the Audit Committee and the meeting of the Supervisory Board on the Annual Financial Statements, and provided explanatory comments. After its own review, the Supervisory Board approved the results of the audit of the Annual Financial Statements and provided its approval of the dividend appropriation proposal prepared by the Management Board.

The Supervisory Board reviewed and approved the Annual Financial Statements, which are thereby considered adopted under section 96 (4) of the Austrian Stock Corporation Act (AktG).
The Management Report, Consolidated Financial Statements, Consolidated Management Report and Corporate Governance Report were approved following commensurate review.

The Supervisory Board would like to take this opportunity to acknowledge and to thank both the Management Board and the entire staff for their personal commitment and dedication they have shown during this challenging business year.

Laakirchen, May 2012

Dr. Theresa Jordis
Chairwoman

Credits

Publisher
Miba Aktiengesellschaft
Dr.-Mitterbauer-Str. 3
4663 Laakirchen, Austria

Editorial staff
Miba Aktiengesellschaft
Dr.-Mitterbauer-Str. 3
4663 Laakirchen, Austria

Design
Grayling Austria GmbH, Vienna

Layout
Erdgeschoss, Vienna

Photography
Christian Schneider, Salzburg

Translation and language services
Austria Sprachendienst International, Vienna

Print
Vorarlberger Verlagsanstalt GmbH, Dornbirn

2012-2013 Financial Calender

Press Conference on the 2011-2012 Business Year, Vienna, Austria	May 3, 2012
First Quarter Results for 2012-2013	June 8, 2012
26th Annual General Meeting, Laakirchen, Austria	June 29, 2012
Ex Dividend Date	July 9, 2012
Half-Year Results for 2012-2013	September 7, 2012
Third Quarter Results for 2012-2013	December 7, 2012

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The Annual Report is available in German and English www.miba.com