

THE FUTURE OF OIL



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Management Report

MARKET ENVIRONMENT

Developments in the oilfield service industry in fiscal 2009 were dominated by the international recession that broke out in the wake of the financial crisis in the US. According to preliminary figures, the 2009 global GDP fell by 2.2 % (following an increase of 1.9 % in 2008).⁴ For the first time since 1981 this resulted in a considerable contraction of global energy consumption.⁵ Global demand for oil went from 86.2 million barrels a day in 2008 to 84.9 million barrels a day in 2009.⁶

Due to the resulting excess supply of crude oil in the world market oil companies hastened to cut back on their exploration and production budgets. Analysts estimate that in 2009 around USD 388 billion were spent for exploration and production activities worldwide, down 19 % from last year.⁷ In North America, the situation was further aggravated as commodity prices collapsed and banks pursued a rather restrictive lending policy.⁸ Exploration and production spending in the USA fell 31 % to USD 71 billion in 2009.⁹ Market experts believe that, since October 2008, over 20 planned upstream oil and gas projects with a capacity of approximately 2 million barrels a day were cancelled or postponed indefinitely. Another 29 projects with a capacity of 3.8 million barrels a day were postponed by at least 18 months.¹⁰ In total, anticipated production capacities of some 5.8 million barrels a day have not been brought on the market since 2008.

The global rig count, a leading parameter for activities in the oilfield service industry, fell to 1983 units in May 2009, down 44 % from its peak of 3557 rigs in 2008. This decline was the sharpest seen since the 1980's.¹¹

Hand in hand with declining demand the oil price also fell sharply. Following its peak of USD 145 a barrel in 2008, the price set off at only USD 46.17 a barrel for US brand WTI in January 2009. Towards the end of the first quarter it started to rebound, arriving at USD 79.39 a barrel at the end of 2009. While this marked an increase of approximately 72 % over early in the year, prices in 2009 were considerably below the level reached in 2008.

⁴ UN: World Economic Situation and Prospects 2010

⁵ IEA: World Energy Outlook 2009

⁶ IEA: Oil Market Report, February 2010

⁷ IEA: World Energy Outlook 2009

⁸ Barclays Capital: The Original E&P Spending Survey, December 2009

⁹ Barclays Capital: The Original E&P Spending Survey, December 2009

¹⁰ IEA: World Energy Outlook 2009

¹¹ Baker Hughes Rig Count

Rig count: Sharpest decline since 1980's

However, the reason for the oil price rise in 2009 was not growing demand, but rather speculation-induced, prompting oil companies not to ramp up their exploration and production spending. Crude oil, like other commodities, was considered increasingly as an inflation-proof financial investment. Also, the substantially weaker US dollar development over the year made oil prices – which are invoiced in US dollars – climb.

Since January 2009, crude oil inventories in the OECD member states grew constantly and arrived at 2270 million barrels in September.¹² At the end of 2009 they exceeded the five-year average by 93 million barrels. Crude inventories held in the USA and Europe (EU-15, including Norway) also were 46 million barrels (USA) and/or 12.3 million barrels (Europe) higher than the five-year-average.¹³

While the rig count started to climb slowly in the third and fourth quarters and went to 2,509 units¹⁴ in December, demand for the associated drilling equipment was still largely covered from the high inventories in the oilfield service industry.

As the global economy continued to stabilize over the year, demand for oil gradually picked up again, but aggregate consumption remained on the decline in full 2009.

BUSINESS DEVELOPMENT

Business development for Schoeller-Bleckmann Oilfield Equipment AG in 2009 was massively affected by the market contraction in the oilfield service industry.

From the turn of the year 2008/09 bookings started to go down substantially. This was further aggravated by postponements and cancellations of orders already placed and often already in the stage of processing. Against this background and in compliance with the principles of commercial prudence, SBO decided to verify with particular caution all existing orders for their validity. Orders were deleted from the backlog if customers had asked to postpone or cancel them, affecting mainly the segment of MWD/LWD high-precision components.

Bookings received in 2009 totalled MEUR 111.1 (following MEUR 367.3 the year before), the order backlog at year-end was MEUR 76 (following MEUR 214 at the end of fiscal 2008). Lead times fell to around one quarter, demonstrating the current short-lived nature of

¹² OPEC: Monthly Oil Market Report, December 2009

¹³ OPEC: Monthly Oil Market Report, January 2010

¹⁴ Baker Hughes Rig Count

business in the entire oilfield service industry. Overcapacities in the market led to mounting price pressure. While the drop in steel and alloy prices had dampened sales, it had no effects on income for SBO, as commodity cost benefits were passed on to customers.

Extensive package of measures launched

SBO benefited from the high order backlog of 2008 mainly in the first quarter of 2009. Nevertheless, very early in 2009 an extensive package of measures was adopted to respond to the changed market situation. Immediate measures taken included reduction of overtime and accumulated work hours accounts as well as personnel downsizing at all sites. Moreover, we cut back on costs, capital expenditures were curtailed or postponed and the drop in orders was partly set off by sourcing in services. The declared aim of those immediate measures was to save around MEUR 25 annually. It was largely achieved during the year and was a decisive factor for SBO to generate a clearly positive full-year result.

Since the order situation had not changed substantially in the second quarter, short working hours were introduced for the second half of the year at the site in Ternitz/Austria as of 1 July 2009. Further personnel-related measures had to be taken at the other locations to adjust capacities to the current order situation.

Drilling motor business less affected

Basically, all segments and world regions were equally confronted with declining orders. Less affected was the drilling motor business of SBO subsidiary BICO Drilling Tools Inc., where drops were only minor. This is where SBO still benefits from the strong acceptance of the new drilling motor „Spiro Star“.

Due to the massive reduction of drilling activities, the Service & Supply Shops also had to come to terms with declining orders. However, SBO's regional site in Russia, where unlike other regions drilling activities stood at a relatively high level, developed quite positively.

From the third quarter of 2009 onwards, the weak industry cycle started to stabilize, and SBO's bookings settled at a low level. Additionally, the number of customer inquiries was up again, although these first signs of recovery have not yet turned into concrete order placements.

Strategic investments continued unchanged

Plant and equipment investments that had been underway at the end of 2008 and early in 2009 were completed during the year and were spent mainly for final works under the capacity expansion scheme implemented in the previous years. Another focus was on increasing the fleet of BICO drilling motors which are leased out to customers. Strategic investments in the new sites in Vietnam and Brazil, which are of great significance to SBO's future growth, were conducted as planned. In Vietnam, the production equipment was installed and operators underwent their initial training. In Brazil, the new distribution centre was opened and first orders were received.

All other capital expenditure measures were reduced to a minimum in line with the group-wide savings programme. Therefore, in fiscal 2009 aggregate asset additions amounted to MEUR 32.6 (following MEUR 45.8 year-on-year). Thereof, Austrian site Ternitz accounted for MEUR 7.9 (following MEUR 14.6), the North American sites (including Mexico) for MEUR 16.9 (following MEUR 21.1), and the remainder was spent for the other sites of the group.

Research and development

Schoeller-Bleckmann Oilfield Equipment AG has integrated its research and development activities in its operations for many years, providing market and customer-oriented R&D.

In 2009, for instance, efforts made by BICO Drilling Tools Inc. to build a novel steerable drilling motor in collaboration with a development partner were further advanced, with initial tests producing very promising results.

The main focus of SBO's R&D activities in the past year was on manufacturing prototypes in close cooperation with customers. Compared with the year before, sufficient capacities were available for this sector in 2009. In this context, SBO – due to its high technological expertise - was awarded a contract by one of the major global oilfield service companies to

manufacture a fleet of prototypes of a new and highly complex directional drilling tool. This order placed new challenges on SBO in terms of manufacturing precision and complexity, and was executed to the complete satisfaction of the customer. If this prototype turns out to be a success in the market, we expect to see follow-up orders in the future.

Environment

The manufacture of SBO's products generates no appreciable emissions into the air or water or greenhouse gases. Therefore, no official licensing requirements in the field of environmental protection beyond the customary scope are in place. SBO's corporate environmental management concentrates on both state-of-the-art waste disposal and efficient and careful use of energy and power.

Risk report

Concerning the risks of the business model of Schoeller-Bleckmann Oilfield Equipment AG we refer to the presentation in Note 33 of the Consolidated Financial Statements.

OUTLOOK

Signs indicating an end of the recession started to get stronger at the turn of the year 2009/10. However, there is still a lot of uncertainty on the time horizon and extent of the potential recovery and the ensuing rise in demand for oil and gas. For 2010, OPEC projects a slight increase in oil demand over 2009 by approximately 0.8 million barrels a day to 85.1 million barrels a day.¹⁵ The International Energy Agency (IEA) expects to see a growth by 1.6 million barrels a day to 86.5 million barrels a day.¹⁶ The remarkable difference between those two figures is proof of the current uncertainty over the oil market development in 2010. The true extent of consumption growth in 2010 will ultimately depend on the actual rate and intensity of economic recovery, notably in the USA, and China's further economic momentum.

The current oil price level and modest increase in demand suggest that exploration and production spending of oil companies will further grow in 2010, provided that the global economic recovery that has started to slowly set in will continue.

¹⁵ OPEC: Monthly Oil Market Report, February 2010

¹⁶ IEA: Oil Market Report, February 2010

Sound balance sheet structure, low debt, strong liquidity: SBO is well equipped for all future scenarios

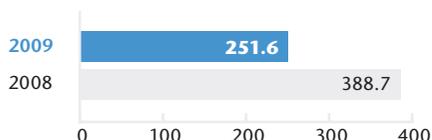
Schoeller-Bleckmann Oilfield Equipment expects to see a continuation of business consolidation in the first months of 2010. From today's perspective, last year's measures to reduce capacities were sufficient. SBO could handle even an extended period of stagnating or only slightly recovering bookings with its current structure. This position is demonstrated by the sound balance sheet, low debt and high liquidity of the company.

Being a financially sound company holding an excellent market position, SBO also is exploring options for acquisitions. In any event, SBO is perfectly equipped today to fully benefit from market recovery as soon as it may set in. Due to the fundamental conditions in the oil and gas market, this recovery is bound to occur, its actual point in time depending on the dynamism and robustness of the global upswing, and is therefore difficult to predict. In the medium to long run, the ever more challenging exploration of new oil reservoirs accompanied by declining production rates of existing oil fields will inevitably lead to yet another continuous growth in demand for high-precision components for the oilfield service industry.

ANALYSIS AND RESULTS

The consolidated financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS). In the past business year, the scope of consolidated companies was expanded by the newly established companies Schoeller Bleckmann do Brasil Ltda. and Schoeller-Bleckmann Trading FZE. At the same time, Venezuelan company Schoeller-Bleckmann de Venezuela C.A. was deconsolidated following liquidation of activities. No changes were made in the business of the group.

SALES in MEUR



Sales

The market decline is reflected in the development of sales. Compared with 2008, sales went down by 35.3 % from MEUR 388.7 to MEUR 251.6.

As shown in the table to the right, the development of the US dollar rate was similar to the year before. The slight strengthening of the average rate from 1 EUR = USD 1.4706 to 1 EUR = USD 1.3933 had a mildly positive effect of approximately MEUR 11 on sales.

As in the years before, the US dollar continues to be the most important currency by far for the SBO group. In 2009, about 83 % (following 78 % in 2008) of total sales and revenues were generated in US dollars.

The average rates for the years ended 31 December 2008 and 31 December 2009 were used by the company in the preparation of the consolidated profit and loss statements, whereas the closing rates for the years 2008 and 2009 were used in the preparation of the consolidated balance sheets.

Sales by regions

The table to the right shows sales by regions of origin. All sites of the company were affected by the decline in sales.

North America, accounting for 76 % of sales, continues to be the most important sales market for the company, as all major oilfield service companies are located in the USA. However, the products of the SBO group are used all over the world.

Sales by products

In the business segment of high-precision components, comprising essentially MWD/LWD collars, MWD/LWD internals and high-precision parts, the decline in sales amounted to 33 %. Sales in the segment of oilfield supplies and service, consisting of product groups non-magnetic drill collars, non-magnetic material, drilling motors and other oilfields components as well as service and repair activities, contracted by 39 %.

EXCHANGE RATE

in EUR/USD		High	Low	Average	Closing
Year 2009		1.5120	1.2555	1.3933	1.4440
Year 2008		1.5990	1.2460	1.4706	1.4090

SALES BY REGIONS

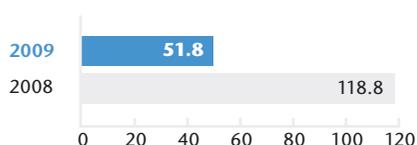
in MEUR		2009	2008
North America		207.2	300.2
Europe		119.1	237.5
Other		6.1	16.5
- Intercompany Sales		-80.8	-165.5
Total Sales		251.6	388.7

SALES BY PRODUCTS

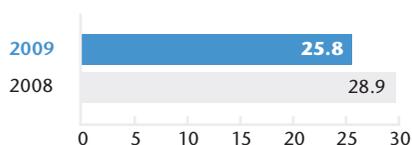
in MEUR		2009	2008
High-Precision Components		159.5	237.7
Oilfield Supplies and Service		91.7	150.2
Other		0.4	0.8
Total Sales		251.6	388.7

GROSS PROFIT

in MEUR

**SELLING AND ADMINISTRATIVE EXPENSES**

in MEUR



Despite the difficult market conditions, notably in the North American market, the segment of drilling motors – due to considerable market share gains – almost followed up on the 2008 sales level, whereas the market for non-magnetic material and drill collars virtually collapsed in 2009.

Gross profit

In 2009 the gross profit amounted to MEUR 51.8, after MEUR 118.8 in the year before. The gross margin was 20.6 %, after 30.6 % in 2008. This development was primarily a result of capacity underutilization at the production sites.

In order to mitigate the effects of the drop in sales the comprehensive cost-cutting measures described above were implemented already early in 2009, such as headcount downsizing (headcount reduced from 1,394 as of 31 December 2008 to 1,056 as of 31 December 2009), insourcing of services and scrutinizing overhead expenses.

A minor part of the gross profit decline was due also to price concessions.

Selling and administrative expenses

Selling, general and administrative (SGA) expenses were also included in the cost-cutting programme. Selling, general and administrative expenses amounted to MEUR 25.8, following MEUR 28.9 in 2008. Costs were reduced despite expanding the organisation (business set-up in Vietnam, establishment of the company in Brazil, inclusion of the British company Techman for full 2009).

SGA expenses mainly consist of salary and salary-related expenses, professional fees, travel and entertainment, communication and insurance costs.

Other operating income and expenses

- › Other operating expenses MEUR 8.7 (2008: MEUR 17.2)
This item contains mainly R&D expenses and exchange losses.
- › Other operating income MEUR 10.8 (2008: MEUR 14.5)
The major item covered here are exchange gains. Further operating income consists of rental income, service charges such as scrap sales and gains from the sale of fixed assets.

Income from non-recurring restructuring measures

This item shows an income of MEUR 0.1 in 2009 (2008: MEUR 0.8). Costs of liquidation of Schoeller-Bleckmann de Venezuela C.A. were MEUR 0.1 less than expected, allowing for reversal of provisions in the relevant amount.

Income from operations

Income from operations after non-recurring items was MEUR 28.2 (11.2% of sales) compared with MEUR 88.0 (22.6 % of sales) in the year before. This decline is a direct result of the business downturn.

Financial result

The financial result stood at MEUR – 4.8 after MEUR – 5.5 in the year before. Net interest expenses were MEUR 4.5, following MEUR 3.6 in 2008.

Financing conditions in 2009 remained largely unchanged.

Minority interests amounted to MEUR 0.2 after MEUR 2.2 in 2008.

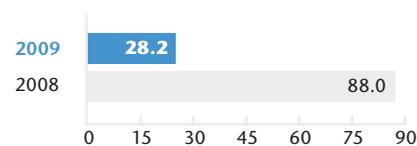
Net income / dividend

The net income for the year 2009 was MEUR 15.3, i.e. EUR 0.96 per share, compared with MEUR 58.8 and/or EUR 3.69 per share in 2008.

The Executive Board proposes to the Annual General Meeting to pay

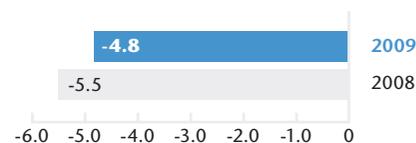
INCOME FROM OPERATIONS

in MEUR



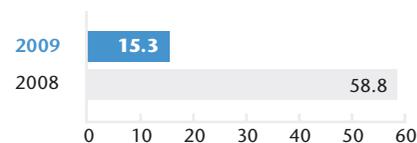
FINANCIAL RESULT

in MEUR



NET INCOME/DIVIDEND

in MEUR



to the shareholders a dividend of EUR 0.50 per share, a total distribution of MEUR 7.9 to our shareholders.

Assets and financial position

Shareholders' equity as of 31 December 2009 was MEUR 229.8, following MEUR 226.2 as of 31 December 2008. The equity ratio arrived at 54.0 % compared with 51.0 % in the year before.

Despite the decrease in profit, the cash-flow achieved was relatively satisfying. Cash-flow from profit arrived at MEUR 49.9, following MEUR 89.1. The main elements contributing to this figure were income after tax amounting to MEUR 15.3 as well as depreciation and amortization amounting to MEUR 33.2. Cash-flow from operating activities even slightly improved from MEUR 65.0 in 2008 to MEUR 67.6. This was due to a reduction of the net working capital by MEUR 14.9 to MEUR 106.3. Within the net working capital, inventories were reduced by MEUR 38.2 to MEUR 88.9.

The net cash-flow from investing activities (acquisitions net of revenues) amounted to MEUR 28.8, following MEUR 59.5 in 2008. Expenditures for property, plant and equipment were MEUR 32.6 in 2009 (2008: MEUR 45.8).

Expenditures for property, plant and equipment for the business segment of high-precision components amounted to MEUR 19.9 (2008: MEUR 22.8), concerning mainly spending for building a new production facility in Vietnam, Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, and final capital expenditures from previous years at Godwin-SBO L.L.C. in Houston/USA and Schoeller-Bleckmann Oilfield Technology GmbH in Ternitz/Austria.

Expenditures for the business segment of oilfield supplies and service were spent mainly for additions to the rental fleet of drilling motors of the companies Drilling Tools Inc. in Houston/USA and BICO Faster Drilling Tools Inc. in Nisku/Canada.

Net debt as of 31 December 2009 was reduced to MEUR 46.5 from MEUR 74.2 as of 31 December 2008. This development was due to the reduction of the net working capital together with conservative spending activities and a satisfying cash-flow from profit.

The gearing ratio, defined as net debt divided by shareholders' equity, was 20.2 % as on 31 December 2009 after 32.8 % in the year before.

REPORT ON THE MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Executive Board has overall responsibility for the risk management of the SBO group, whereas direct responsibility lies with the managing directors of the operating entities.

Consequently, the system of internal continuous reporting to corporate headquarters plays a particularly important role in identifying risks at an early stage and implementing counter-measures. Operating subsidiaries provide the necessary information by timely monthly reporting to the Executive Board.

The group has defined uniform standards for all global subsidiaries regarding implementation and documentation of the complete internal control system and, in particular, the financial reporting process. The underlying objective is to avoid risks leading to incomplete or erroneous financial reporting.

Furthermore, internal reports prepared by subsidiaries are checked for plausibility at corporate headquarters and compared with budgets in order to take appropriate action whenever deviations occur. For this purpose, subsidiaries are required to prepare annual budgets and mid-term planning to be approved by the Executive Board.

Group controlling monitors subsidiaries' compliance with accounting regulations. Moreover, the annual financial statements of all operating subsidiaries and holding companies are audited by international auditors.

At the Executive Board's regular meetings with local managing directors the current business development and foreseeable risks and opportunities are discussed.

In addition to the International Financial Reporting Standards, preparation of the consolidated financial statements is subject to internal guidelines to ensure uniform presentation by reporting companies (accounting and valuation issues).

A certified consolidation programme equipped with the necessary auditing and consolidation routines is used for automated preparation of the consolidated financial statements.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Please refer to Note 39, Financial Information.

ADDITIONAL INFORMATION ACC. TO SECTION 243A, AUSTRIAN COMMERCIAL CODE

Please refer to Note 20, Financial Information.



SOUND FINANCING POLICY PROVES ITS WORTH IN CHALLENGING TIMES

Financial Information

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Consolidated Balance Sheet

ASSETS in TEUR		31.12.2009	31.12.2008
Current assets			
Cash and cash equivalents		96,640	49,348
Trade accounts receivable	Note 5	41,033	56,101
Other accounts receivable and prepaid expenses	Note 6	4,934	9,846
Inventories	Note 7	88,899	127,147
TOTAL CURRENT ASSETS		231,506	242,442
Non-current assets			
Property, plant & equipment	Note 8	136,697	139,091
Goodwill	Note 9	38,979	39,279
Other intangible assets	Note 9	7,873	9,136
Long-term receivables	Note 10	4,128	4,676
Deferred tax assets	Note 11	6,358	8,690
TOTAL NON-CURRENT ASSETS		194,035	200,872
TOTAL ASSETS		425,541	443,314

Consolidated Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY in TEUR		31.12.2009	31.12.2008
Current liabilities			
Bank loans and overdrafts	Note 12	34,590	27,880
Current portion of long-term loans		19,829	8,729
Finance lease obligations		394	374
Accounts payable trade		8,709	38,689
Government grants	Note 13	810	284
Income taxes payable		1,056	4,260
Other payables	Note 14	10,884	21,429
Other provisions	Note 15	7,952	7,601
TOTAL CURRENT LIABILITIES		84,224	109,246
Non-current liabilities			
Bonds	Note 16	39,824	39,787
Long-term loans	Note 17	47,485	45,400
Finance lease obligations		1,026	1,356
Government grants	Note 13	1,564	1,299
Retirement benefit obligations	Note 18	3,204	3,528
Other payables	Note 19	7,875	7,795
Deferred tax payables	Note 11	10,531	8,687
TOTAL NON-CURRENT LIABILITIES		111,509	107,852
Shareholders' equity			
Share capital	Note 20	15,880	15,880
Contributed capital		61,808	61,808
Legal reserve - non-distributable	Note 21	785	785
Other reserves	Note 22	39	44
Translation component		-34,230	-34,441
Retained earnings		185,526	182,140
TOTAL SHAREHOLDERS' EQUITY		229,808	226,216
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		425,541	443,314

Consolidated Profit and Loss Statement

in TEUR		2009	2008
Sales	Note 23	251,605	388,705
Cost of goods sold	Note 24	-199,855	-269,954
Gross profit		51,750	118,751
Selling expenses	Note 24	-9,807	-11,919
General and administrative expenses	Note 24	-15,951	-17,025
Other operating expenses	Note 25	-8,677	-17,162
Other operating income		10,806	14,514
Income from operations before non-recurring items		28,121	87,159
Result from non-recurring restructuring measures	Note 26	117	844
Income from operations after non-recurring items		28,238	88,003
Interest income		646	1,349
Interest expenses		-5,185	-4,981
Other financial income		0	329
Other financial expenses		-242	-2,221
Financial result		-4,781	-5,524
Income before taxation		23,457	82,479
Income taxes	Note 27	-8,166	-23,657
Income after taxation		15,291	58,822
Average number of shares outstanding		15,880,116	15,937,381
Earnings per share in EUR (basic=diluted)		0.96	3.69

Consolidated Statement of comprehensive Income

Income after taxation	15,291	58,822
Currency translation shareholders' equity	2	-4,688
Currency translation other items ⁽¹⁾	-37	-766
Pertaining taxes	9	601
Hedging of a net investment	316	-267
Pertaining taxes	-79	67
Other comprehensive income, net of tax	211	-5,053
Total comprehensive income	15,502	53,769

⁽¹⁾ Mainly result from translation differences from net investments in foreign entities such as long-term receivables

Consolidated Cash-Flow Statement

in TEUR		2009	2008
Income after taxation		15,291	58,822
Depreciation and amortization		33,240	26,155
Change in retirement benefit obligations		-324	146
Gain (loss) from sale of property, plant and equipment		-213	-218
Gain (loss) from sale of long-term investments		0	-1
Income from release of subsidiaries		-884	-337
Other non-cash expenses and revenues		-1,299	6,369
Change in deferred taxes		4,112	-1,857
Cash-flow from the profit		49,923	89,079
Change in accounts receivable trade		15,927	-9,624
Change in other accounts receivable and prepaid expenses		5,474	-3,527
Change in inventories		40,079	-6,792
Change in accounts payable trade		-30,406	-4,508
Change in other payables and provisions		-13,422	330
Cash-flow from operating activities	Note 36	67,575	64,958
Expenditures for property, plant & equipment		-32,582	-45,840
Expenditures for intangible assets		-39	-98
Expenditures for the acquisition of subsidiaries less cash acquired	Note 37	0	-16,654
Proceeds from sale of property, plant & equipment		3,837	3,127
Proceeds from sale of long-term investments		0	1
Cash-flow from investing activities	Note 36	-28,784	-59,464
Acquisition of own shares	Note 20	0	-5,114
Dividend payment		-11,910	-17,547
Government grants received		1,651	594
Repayment finance lease		-436	-112
Flotation of bonds	Note 16	0	39,769
Change in bank loans and overdrafts		6,691	-14,463
Proceeds from long-term loans		23,275	35,080
Repayments of long-term loans		-9,899	-17,638
Repayments of other long-term payables		-639	-597
Cash-flow from financing activities	Note 36	8,733	19,972
Change in cash and cash equivalents		47,524	25,466
Cash and cash equivalents at the beginning of the year		49,348	23,916
Effects of exchange rate changes on cash and cash equivalents		-232	-34
Revaluation effects on cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year	Note 36	96,640	49,348
Supplementary information on operating cash-flow			
Interest received		605	1,287
Interest paid		-5,316	-3,580
Income tax paid		-7,967	-29,134

Consolidated Statement of Changes in Shareholders' Equity

Year 2009 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Translation component	Retained earnings	Total
Note	20		21	22			
1 January 2009	15,880	61,808	785	44	-34,441	182,140	226,216
Total comprehensive income					211	15,291	15,502
Dividends ¹						-11,910	-11,910
Change in reserves				-5		5	0
31 December 2009	15,880	61,808	785	39	-34,230	185,526	229,808

¹ The dividend payment in the year 2009 of TEUR 11,910 was distributed to a share capital eligible for dividends of TEUR 15,880. Accordingly, the dividend per share amounted to EUR 0,75.

Year 2008 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Translation component	Retained earnings	Total
Note	20		21	22			
1 January 2008	16,000	65,799	785	50	-29,388	140,859	194,105
Total comprehensive income					-5,053	58,822	53,769
Dividends ¹						-17,547	-17,547
Acquisition of own shares	-131	-4,983					-5,114
Disposal of own shares for the acquisition of a subsidiary	11	481					492
Tax effect on own shares		511					511
Change in reserves				-6		6	0
31 December 2008	15,880	61,808	785	44	-34,441	182,140	226,216

¹ The dividend payment in the year 2008 of TEUR 17,547 was distributed to a share capital eligible for dividends of TEUR 15,952. Accordingly, the dividend per share amounted to EUR 1.10.

Notes

NOTE 1 | **Information about the Company**

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (the Company), located in 2630 Ternitz at Hauptstrasse 2, was incorporated on 26 May 1994 in Ternitz, Austria and is registered at the Commercial Court in Wiener Neustadt, Austria (FN 102999w).

The Company is engaged in the industrial manufacturing of components and parts for the oil and gas industry, mostly in directional drilling segments, and provides services in these areas.

Since 27 March 2003 the shares of the Company have been listed on the Wiener Börse (Vienna Stock Exchange).

NOTE 2 | **Accounting Standards**

The Company's consolidated financial statements as of 31 December 2009 were prepared in accordance with International Financial Reporting Standards (IFRSs) as well as with the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the EU.

As per Supervisory Board resolution, the consolidated financial statements for Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft and its subsidiaries for the business year 2009 (as of 31 December 2009) will be released on 8 March 2010.

The financial statements are denominated in Euros. Unless otherwise provided, all figures have been rounded to thousands of Euros (TEUR). As a result of automated computation, the rounded amounts and percentage figures may display rounding differences.

NOTE 3 | Scope of consolidation

The consolidated financial statements as of 31 December 2009 comprise the accounts of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the group parent company and its subsidiaries as follows:

Company	Location	Interest held in %
Schoeller-Bleckmann Drilling and Production Equipment GmbH	Ternitz, Austria	100.00
Schoeller-Bleckmann Oilfield Technology GmbH	Ternitz, Austria	100.00
Schoeller-Bleckmann Oilfield Investment GmbH	Ternitz, Austria	100.00
Schoeller-Bleckmann America Inc.	Wilmington, USA	100.00
Accudrill L. L. C	Houston, USA	100.00
Bafco Investment Co.	Warminster, USA	100.00
Godwin-SBO L.L.C.	Houston, USA	100.00
Knust-SBO L.L.C.	Houston, USA	100.00
Schoeller-Bleckmann Energy Services L.L.C. (*)	Lafayette, USA	100.00
Schoeller-Bleckmann Sales Co. L.L.C.	Houston, USA	100.00
BICO Drilling Tools Inc. (*)	Houston, USA	100.00
BICO Faster Drilling Tools Inc.	Nisku, Canada	100.00
Schoeller-Bleckmann de Mexico S. A. de C. V.	Monterrey, Mexico	100.00
Schoeller-Bleckmann do Brasil, Ltda.	Macaé, Brasil	100.00
SB Darron Pte. Ltd.	Singapore	100.00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, U. A. E.	100.00
Schoeller-Bleckmann Trading FZE	Dubai, U. A. E.	100.00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Rotherham, UK	100.00
Darron Oil Tools Limited	Rotherham, UK	100.00
Darron Tool & Engineering Limited (*)	Rotherham, UK	100.00
Schoeller-Bleckmann Darron Limited (*)	Aberdeen, UK	100.00
Techman Engineering Limited	Chesterfield, UK	100.00
Techman Precision Engineering Limited	Chesterfield, UK	100.00
Schoeller-Bleckmann Oilfield Equipment Vietnam L.L.C.	Binh Duong, VN	100.00

(*) With respect to the disclosure of the shares which are held by the management of these Companies, please see Note 19.

In 2009, the following **changes in the scope of consolidated entities** took place:

- › Foundation of Schoeller-Bleckmann do Brasil, Ltda. on 12 March 2009;
- › Foundation of Schoeller-Bleckmann Trading FZE on 16 June 2009;
- › B. K. G. P. Inc. and B. K. L. P. Inc. were merged into Schoeller-Bleckmann America as of 1 January 2009
- › Deconsolidation of Schoeller-Bleckmann de Venezuela C. A. as of 1 January 2009 after cessation of the operations and liquidation of all assets and liabilities;
- › BRMCO (167) LIMITED is currently in foundation and will become a 100 % member of the Group in 2010.

NOTE 4 | Significant accounting policies

The applied accounting policies remain generally unchanged compared to the previous year, except for the following changes.

As of 1 January 2009 the Group has applied the following new and revised standards and interpretations:

- › Amendments to IFRS 1 First time adoption of International Financial Reporting Standards and IAS 27 Consolidated and separate financial statements according to IFRS, effective as of 1 January 2009
- › IFRS 2 Share-based payment – Vesting conditions and Cancellations, effective as of 1 January 2009
- › IFRS 7 Financial instruments: Disclosures, effective as of 1 January 2009
- › IFRS 8 Operating segments effective as of 1 January 2009
- › IAS 1 Presentation of financial statements (revised), effective as of 1 January 2009
- › IAS 23 Borrowing costs (revised), effective as of 1 January 2009
- › IAS 32 Financial instruments: Presentation and IAS 1 Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation, effective as of 1 January 2009
- › IFRIC 13 Customer loyalty programmes, effective as of 1 July 2008
- › IFRIC 15 Agreements for the construction of real estate, effective as of 1 January 2009
- › IFRIC 16 Hedges of a net investment in a foreign operation, effective as of 1 October 2008
- › Improvements to International Financial Reporting Standards (issued 2008)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, the impact is described below:

IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosures about fair value measurement and liquidity risk. The amendment requires a quantitative analysis of the assessments of the fair values, based on a three-fold hierarchy for each category of financial instruments recorded at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as a disclosure of significant transfers between levels 1 and 2 in the fair value hierarchy. The amendment also clarifies the liquidity risk disclosures with respect to business transactions based on derivatives and assets used for liquidity management. The fair value measurement disclosures are presented in Note 32. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 33.

IFRS 8 Operating Segments

IFRS 8 replaced IAS 14 Segment Reporting upon its effective date. Instead of the reporting of business and geographical segments in IAS 14, IFRS 8 follows a management approach, whereby the published segment information is based on the same information which is used by the chief operating decision makers of the company for the purpose of allocating resources and assessing performance. The differentiation between primary and secondary segments is abolished. However, IFRS 8 principally requires the reporting of operating segments which exclusively or predominantly deliver internal services within the group. As determined by the group, the business segments identified in accordance with IFRS 8 correspond with the regional segments previously identified in accordance with IAS 14. IFRS 8 disclosures, including the adapted comparable information, are presented in Note 28.

IAS 1 Presentation of Financial Statements (revised)

The revised standard requires a separate presentation of owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, while the total of non-owner changes in equity are presented in a reconciliation for each equity component. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognized income and expense as well as those which are reflected in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 Borrowing Costs (revised)

In accordance with the transitional provisions of the revised IAS 23, the group has applied the standard prospectively. Accordingly, all borrowing costs related to qualifying assets whose commencement date is on or after the effective date of 1 January 2009 are capitalized. The revised IAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group's previous policy was

to expense borrowing costs as they were incurred. In accordance with the transitional provisions of the amended IAS 23, the Group has adopted the standard on a prospective basis. Therefore, borrowing costs are capitalized on qualifying assets with a commencement date on or after 1 January 2009. During the 12 months to 31 December 2009, no borrowing costs were capitalised as no qualifying assets such as established in the amendment were acquired or produced.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for the hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, on where within the group the hedging instruments can be held in the hedge of a net investment and on how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be reclassified from equity to profit and loss upon disposal of the hedged foreign operation. Due to the first-time application of the interpretation there has not been any implication on the balance sheet accounting of the hedged net investment through a foreign currency swap (Note 32).

Improvements to IFRS 2008

In May 2008, the Board first published a collective standard to amend various standards with the primary goal to abolish any inconsistencies and to clarify some of the wording. There are transitional provisions for each standard. Those amendments to the standards which were developed within the framework of the IFRS 2008 Improvements Project were first applied in the business year 2009. The following amendments result in an adjustment of the accounting and valuation methods:

IAS 20 Accounting for Government Grants and Disclosures of Government Assistance:

The group has applied the transitional provision which specifies that effective 1 January 2009, loans granted with no or low interest will no longer be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is to be recognized as a government grant. So far, the group has booked such loans with no or low interest at its nominal value; this also applies to loans with no or low interest granted before 1 January 2009. In addition, some of the wording has been revised to ensure consistency with other IFRS. During the business year 2009, no new government loans at no or low interest, which would be subject to the amended accounting and valuation method, were granted.

None of the additional provisions in the Improvements to IFRS 2008 have impacted the accounting methods or the presentation of the group's assets, financial situation or performance.

The following new and revised standards and interpretations which were adopted by the European Union in the business year 2009, have not been applied prematurely, but will be applied in the respective reporting periods when they will go into effect:

- › IFRS 1 First-time Adoption of International Financial Reporting Standards (revised) went into effect on 1 July 2009
- › IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised), including resulting amendments in IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39, went into effect on 1 July 2009
- › IAS 32 Financial Instruments: Presentation: Classification of Rights Issues will go into effect on 1 February 2010
- › IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items went into effect on 1 July 2009
- › IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement went into effect on 1 July 2009
- › IFRIC 17 Distribution of Non-cash Assets to Owners went into effect on 1 July 2009
- › IFRIC 18 Transfers of Assets from Customers went into effect on 1 July 2009

The group does not expect any impact resulting from the first-time application of these amended or new standards and interpretations on the presentation of its assets, financial situation and performance, with the exception of the following:

IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised)

IFRS 3 (revised) introduces substantial changes in the financial statements of business combinations if the acquisition takes place after the commencement date of these standards. There will be an impact on the measurement of non-controlling interest, the recognition of transaction costs, the initial and subsequent measurement of contingent consideration as well as on business combinations achieved in stages. These new provisions will affect the recognition of the business value or goodwill of the company, the financial result of the reporting period during which a business combination takes place, and on future financial results as well.

IAS 27 (revised) provides that changes in the ownership interest in a subsidiary not resulting in the loss of control are accounted for within equity. Therefore, such transaction can neither result in a business value or goodwill, nor in a gain or loss. Furthermore, there have been amendments to the provisions regarding loss allocations to shareholders of the parent company and to non-controlling shares, as well as on the accounting of transactions which result in a loss of control.

The new provisions of IFRS 3 (revised) and IAS 27 (revised) may impact the future gains or losses of control in subsidiaries.

› **Balance sheet date**

Balance sheet date of all companies included in the Company's accounts is 31 December.

› **Consolidation principles**

Upon capital consolidation, the acquisition costs of purchased shares were offset against the proportionate present value of the acquired assets and liabilities of the respective entity in applying the purchase method of consolidation accounting.

All inter-company receivable and payable balances were reconciled at the balance sheet date and offset in the course of the elimination process.

Sales and other income resulting from activities between the group companies were reconciled in the relating consolidation period and offset against the corresponding expenses.

Inter-company profits arising from the delivery of goods between group companies were also eliminated.

› **Going concern basis**

The consolidated financial statements were prepared on a going concern basis.

› **Uniform accounting principles**

The financial statements of all consolidated entities were prepared in accordance with uniform group accounting policies.

› **Foreign currency translation**

The consolidated financial statements are denominated in Euros, the functional and reporting currency of the Group. Each group member determines its own functional currency. The line items in the individual company financial statements are measured by using this functional currency.

Foreign currency transactions were translated at the exchange rate in effect at the transaction date. Monetary items denominated in foreign currencies were converted at the rate in effect at the balance sheet date. Currency differences were booked in profit or loss in the period they occurred. The profit and loss accounting between 1 January 2009 and 31 December 2009 reflects exchange gains or losses from foreign currency transactions in the amount of TEUR 2,684 (2008: TEUR -3,014).

For the group financial statements, the annual accounts of foreign subsidiaries are translated into Euros, in accordance with the concept of functional currency:

The assets and liabilities, both monetary and non-monetary, are translated at the balance sheet date.

All income and expense items of the foreign subsidiaries are translated at an average exchange rate for the year.

The development of the currency rates was as follows:

1 EUR =	Balance sheet date		Average annual rate	
	31.12.2009	31.12.2008	2009	2008
USD	1.4440	1.4090	1.3933	1.4706
GBP	0.8942	0.9585	0.8911	0.7965
CAD	1.5175	1.7090	1.5852	1.5593
AED	5.3000	5.1500	5.1194	5.4160
MXN	18.9223	19.2333	18.7841	16.2967

Exchange differences resulting from translating the financial statements of the subsidiaries are classified as translation components in the equity section of the consolidated financial statements, the movement in the current year is recorded under "other comprehensive income".

› Split in current and long-term assets and liabilities

Assets and liabilities with a residual term to maturity of less than one year are reported as current, those with a residual term to maturity of more than one year as long-term. Residual time to maturity is determined on the basis of the balance sheet date.

Operating assets and liabilities, such as Trade Accounts Receivable and Trade Accounts Payable, are always considered as current, even their maturity is beyond 12 months as of the balance sheet date.

› Financial instruments

A financial instrument is an agreement whereby a financial asset is created in one company, simultaneously with a financial liability or equity in the other company. Such transactions are recognized at the settlement date, according to IAS 39.

A financial asset is derecognized when:

- › the rights to receive cash flows from the asset have expired,
- › the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party, or
- › the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is removed when the underlying obligation is discharged, cancelled or when it expires.

The consolidated balance sheet shows the following financial instruments (categorized according to IAS 39):

Liquid funds and available for sale investments

All cash, bank deposits and short-term financial investments available for sale recorded under line item Cash and cash equivalents are classified as liquid funds, because they can be converted into cash at any time. They are measured at current value at the balance sheet date and are not subject to significant changes in their value.

Marketable financial instruments are non-derivative financial assets which are not held for trading purposes.

After initial recognition, marketable financial instruments are measured at their present values while resulting profits and losses are booked into equity. The present value is the fair market value of the respective assets at the balance sheet date. Upon disposal or impairment of marketable financial assets recognized in equity to that point, gains or losses are accounted for in the annual profit and loss statement.

Interest and dividends earned on financial investments are stated in the annual result.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or definable payments, which are not listed at an active market. They particularly include Trade receivables, Loans and Other Receivables. Interest at market rates is charged on those trade receivables which are granted for credit periods which exceed those normally granted in business.

Receivables and other assets are recognized at the settlement date at acquisition costs, thereafter they are measured at amortized costs using the effective interest method, less any allowance for impairment. Gains and losses are booked into the profit and loss statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Company grants credits to its customers in the normal course of business, but generally does not require any collateral or security to support the amounts due, with the exception of occasional customers and customers located in high risk countries from whom the Company obtains confirmed letters of credit. Management performs permanent credit evaluations of its customers and builds up allowances for doubtful accounts if required.

The Company regularly assesses its receivables and records individual allowances for doubtful debts if necessary. These allowances are sufficient to cover the expected risk of default whereas actual defaults result in writing off the respective receivable. The decision whether to account for default risk by means of allowances or to recognize impairment losses depends on the reliability of the risk evaluation.

Management evaluates the adequacy of the allowances for doubtful debts using structural analyses of due dates and balances in accounts receivable, the history of payment defaults, customer ratings and changes in terms of payment.

Liabilities

Financial liabilities particularly include Trade payables, Payables due to banks, Bonds, Payables under finance leasing and Derivative financial liabilities.

Liabilities are initially recognized at the respective present value less related lending fees; later they are measured at amortized costs, using the effective interest method. Income and expenses resulting from the use of the effective interest method are booked into profit and loss.

Derivative financial instruments and hedging relationships

The Group uses financial instruments, such as currency futures and interest swaps to cover its interest and currency risks. These derivative financial instruments are recognized at present value at the contract dates and are measured

at the respective present values in the following periods. Derivative financial instruments are recognized as assets if their present values are positive and as liabilities if present values are negative.

The present values of derivative financial investments traded on organized markets are determined by the market prices quoted at the balance sheet date; for those financial investments that are not traded on active markets, the present values are determined by means of other acknowledged valuation methods (recent, comparable transactions between knowledgeable, independent partners willing to trade, comparison with the present value of other, essentially identical financial instruments, as well as other valuation methods).

The Company uses the following instruments:

Hedging of net investment

A hedging relationship for securing a net investment in a foreign operation, including the safeguarding of monetary items that are entered in the balance sheet as part of the net investment, is accounted for as follows: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized under "other comprehensive income", whereas the ineffective portion shall be recognized in profit or loss. Upon disposal of the foreign operation, the cumulative gain or loss previously recognized in "other comprehensive income" shall be recognized in profit or loss.

Other derivatives

In order to cover the foreign currency risk relating to monetary assets and liabilities in the balance sheet, the Company applies safeguarding measures, which, although not in compliance with the strict requirements set out in IAS 39 for hedge accounting, contribute effectively to hedge the financial risk from the risk management perspective.

Income or expenses resulting from changes in the present value of financial instruments which do not fulfil the accounting criteria regarding hedging relationships under IAS 39, are immediately accounted for with effect to the profit and loss statement.

Income and expenses resulting from foreign currency hedging transactions which were made to secure the exchange risk related to intra-group trading in foreign currencies are not displayed separately but reported together with the foreign exchange income and expenses from trades in the operating result.

› Inventories

Inventories consist of materials and purchased parts in various stages of assembly and are stated at the lower of cost or net realizable value at the balance sheet date. Costs are determined by the first-in, first-out, weighted average or

specific identification methods. The costs of finished goods comprise raw material expenses, other direct costs and related production overheads, but exclude interest expense. The Company reviews inventories for slow moving or obsolete items on an ongoing basis and establishes appropriate adjustment provisions if necessary.

› Tangible and intangible fixed assets

The Company's non-current assets are recorded at historical cost less depreciation/amortization. Depreciation is principally computed by means of the straight-line method, over the expected useful life of the asset. The estimated useful lives are as follows:

	Useful life in years
Other Intangibles	4 - 10
Buildings and improvements	5 - 50
Plant and machinery	3 - 17
Fixtures, furniture and equipment	2 - 10

Repairs and refurbishments are charged to the profit and loss statement at the time the expenditure has been incurred. Borrowing costs are also expensed as incurred, unless they are related to a qualifying asset with a commencement date (acquisition or production) after 1 January 2009.

Where tangible assets are financed by leasing agreements which give rights approximating to ownership (finance leases), they are treated as if they were purchased outright at the lower of the fair value or the present value of the minimum lease payments. The corresponding leasing liabilities are shown in the balance sheet as finance lease obligations.

Interest expenditures on capitalized lease objects are based on interest rates between 5.0 % and 7.0 %. This rate is in turn determined using the Company's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

The determination whether an arrangement contains a lease is based on its economic substance and requires a judgement as to whether the fulfillment of the contractual arrangement depends on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

› Goodwill

Goodwill is recognized at acquisition cost and verified on a yearly basis as of 31 December. For this purpose, the goodwill is assigned to regional business units. The valuation of the business units is performed using the utility value on the basis of expected future cash flows.

› Current and deferred income taxes

The actual tax refund receivables and tax payables for the current and previous periods are measured in the amount of the expected refund by, or payment to the tax authority. The respective amounts are based on the current tax rates and laws at the balance sheet date.

Current and deferred taxes related to items in equity are not recognized in profits and losses but in equity.

The Company uses the “balance sheet liability method” under which deferred taxes are determined, based on the temporary difference between the amounts attributed to assets or liabilities in the individual group companies for tax purposes (tax base) and the carrying amounts of those assets or liabilities in the balance sheet. Deferred tax income or expenses arise from any movement in deferred tax assets or liabilities. They are measured by the tax rates which become effective when the differences reverse (IAS 12). Deferred tax assets are recognized to the extent it is probable that there will be taxable income in future against which the deductible temporary differences may be offset. Deferred tax assets are to be formed for tax loss carry forwards, provided these tax loss carry forwards can be consumed with future tax profits. Deferred taxes are measured at the tax rates that are expected to apply to the year, when the asset is realized or the liability is settled.

Current and deferred taxes which relates to items recognized under “other comprehensive income” or equity are also posted in “other comprehensive income” or equity but not through profit and loss.

› Government grants

Subsidies are recognised only when there is reasonable assurance that the company will comply with any conditions attached to the grants and that the grants will in fact be received. Grants are recognised systematically as income over the period necessary to match them with the related costs, for which they are intended to compensate.

Grants relating to assets are recognized as a liability upon fulfilment of all requirements for the receipt of such grants. They are released over the useful life of the respective assets. The release is displayed in the consolidated Profit and Loss-statement (line item “other operating income”).

› Provisions

In accordance with IAS 37, provisions are recognized when the company has current legal or constructive obligations which are based on past events and which will probably lead to a payment. The provisions are measured at the best estimate of the management at the balance sheet date. If a reliable estimate is not possible, no provision is made.

› Retirement benefits

Defined contribution pension plans

In Austria the Company operates a contribution-based pension scheme for its workforce, with the related obligations having been transferred into the external APK (Allgemeine Pensionskasse) pension fund. Under this pension scheme, the Company pays the following contributions for its employees on an annual basis: for employees who do not themselves contribute to the pension scheme, the Company contributes 0.5 % of their annual salary (up to a maximum monthly salary of EUR 4,020 (2008: EUR 3,930)). For employees contributing 1 % of their annual salaries to the pension fund, the Company also contributes 1 %.

The Company has established the “SBOE U.S. Retirement Savings Plan” for its U.S.-based subsidiaries. Eligible participants in this plan are the employees of Godwin-SBO L.L.C., Schoeller-Bleckmann Sales Co. L.L.C., Schoeller-Bleckmann Energy Services L.L.C. and BICO Drilling Tools Inc.

Employees are eligible for participation in the plan upon reaching 21 years of age and completion of one year of service, as defined. Employees may elect to defer a percentage of their qualifying wages, up to the maximum dollar amount set by law. Employer contributions are discretionary. The Company decided to contribute 33.3 % towards the first 6 % of employee contributions, calculated on a monthly basis.

Knust-SBO L.L.C. sponsors a 401(K) profit sharing and income deferral plan which covers substantially all employees. Under this plan, employees may contribute from 2 % to 20 % of their salaries. The partnership may then make matching contributions equal to a discretionary percentage of the participants’ salary deductions. For the years ended on 31 December 2009 and 2008, the partnership elected to make no matching contributions.

Severance payment

Austrian law requires payment of a lump sum upon normal retirement or termination of an employment agreement, if the employee has been with the company for at least three years, and provided that the employment commenced before 1 January 2003 (defined benefit plan). Severance payment ranges from two to twelve months of salary based on the length of service. Payments are made on normal retirement or any other termination, with the exception of voluntary terminations. The provisions were calculated by applying the Projected Unit Credit Method using the mortality table AVÖ 2008-P (2008: AVÖ 2008-P) by Pagler & Pagler and an interest rate of 5.50 % (2008: 5.75 %), an annual increase in salaries of 4.50 % (2008: 4.75 %) and an appropriate fluctuation rate. The statutory pension age was taken into account as well.

For employment agreements commenced after 1 January 2003, the Company has to contribute 1.53 % of current remunerations to an external providence fund, according to the legal requirements (defined contribution plan).

Employees' jubilee payments for long service

According to the collective work agreement, employees in Austria are entitled to jubilee payments, depending on their length of service with their company (defined benefit plan). The amounts accrued for this were also calculated by applying the Projected Unit Credit Method.

For all provisions for retirement benefits, the actuarial gains or losses are booked in the profit and loss statement as incurred.

› Own shares

Own shares are carried at acquisition costs and are subtracted from the equity. The purchase, sale, issuance and redemption of own shares is not recognized in profit or loss. Potential differences between the carrying value and the related settlements are booked in Contributed capital.

› Revenue recognition

Sales revenue is recognized when title passes, generally upon delivery to the customer or on performance of the related service.

Revenue on operating leases is recognized on a pro-rated basis over the period.

Income on interest is recognized on a pro-rated basis over the period, by taking the effective interest into account.

› Research and development

Pursuant to IAS 38, research costs are expensed as incurred. Development costs are only expensed, if the requirements of IAS 38 for a capitalization of development expenses are not fully met.

› Earnings per share

Earnings per share are calculated in line with IAS 33 by dividing the net income for the period by the average number of ordinary shares outstanding during the period.

› Estimates, discretionary decisions and assumptions

The **preparation of consolidated annual financial statements** in conformity with International Financial Reporting Standards (IFRS) requires estimates and assumptions as well as discretionary decisions to be made by the management that affect the amounts reported in the balance sheet, in the notes and in the profit and loss statement. Actual future results may differ from such estimates, however, as seen from today's perspective, the Board does not expect any major negative implications on the financial results in the near future.

For the yearly **impairment test of goodwill**, an estimate of the value in use is necessary. The management has to make assumptions for the expected future cash flows of the cash-generating units and has to choose a suitable discount rate (see Note 9).

For the consideration of **deferred taxes**, it is necessary to make estimates of the future taxable income which will be available for the exploitation of tax loss carry forwards and other timing differences (see Note 11).

The **accruals for defined benefit plans** and other retirement benefits are based on actuarial computations. For such calculations it is necessary to make assumptions for the discount rate, future salary increases, mortality rate and pension raises (see Note 18).

In order to measure **inventories**, the management expectations of price and market developments are required (see Note 7).

Provisions are carried at those values which correspond to the best estimate by the management at the balance sheet date (see Note 15).

It is necessary to make assumptions regarding the default probability of **receivables** (see Note 5).

In **Property, plant and equipment and Intangible assets** it is necessary to include estimates for the period during which these assets are expected to be used (see Notes 8 and 9).

NOTE 5 | Trade accounts receivable

An analysis of trade receivables as of 31 December shows the following situation:

in TEUR	Carrying value	Not past-due and not impaired	Past-due, not impaired				
			≤ 30 days	31-60 days	61-90 days	91-120 days	> 120 days
2009	41,033	23,852	7,852	3,823	2,385	944	1,778
2008	56,101	34,046	11,560	4,663	2,622	943	1,597

The book value of impaired balances amounted to TEUR 399 (2008: TEUR 670).

The allowance account reflects the following:

in TEUR	2009	2008
As of 1 January	970	467
Exchange differences	36	-133
Usage	-90	-118
Reversal	-18	-166
Expensed additions	450	920
As of 31 December	1,348	970

The receivables listed are not secured.

NOTE 6 | Other accounts receivable and prepaid expenses

An analysis of other receivables as of 31 December shows the following situation:

in TEUR	Carrying value		not past-due and not impaired
	Other accounts receivable and prepaid expenses	Thereof receivables	
2009	4,934	3,968	3,968
2008	9,846	9,018	9,018

The receivables listed are not secured, no allowances were recorded.

NOTE 7 | Inventories

Inventories are detailed by major classification as follows:

in TEUR	31 December 2009	31 December 2008
Raw materials	5,499	11,386
Work in progress	36,277	62,014
Finished goods	47,042	53,703
Prepayments	81	44
Total	88,899	127,147

Allowance expenses booked for 2009 were TEUR 6,941 (2008: TEUR 10,752).

NOTE 8 | Property, plant & equipment

The following is a summary of the gross carrying amounts and the accumulated depreciation of the property, plant and equipment held:

Year 2009 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2009	45,850	172,171	8,290	14,336	240,647
Exchange differences	-160	17	39	98	-6
Additions	5,480	13,159	1,182	12,761	32,582
Transfers	5,094	8,933	353	-14,380	0
Disposals	-1,409	-7,549	-417	-498	-9,873
31 December 2009	54,855	186,731	9,447	12,317	263,350
Accumulated depreciation & impairments					
1 January 2009	9,187	87,438	4,931	0	101,556
Exchange differences	59	-49	51	0	61
Additions	1,805	27,524	1,260	696	31,285
Transfers	407	-407	0	0	0
Disposals	-939	-4,914	-396	0	-6,249
31 December 2009	10,519	109,592	5,846	696	126,653
Carrying value					
31 December 2009	44,336	77,139	3,601	11,621	136,697
31 December 2008	36,663	84,733	3,359	14,336	139,091

Year 2008 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2008	35,849	143,186	7,218	13,183	199,436
Exchange differences	-1,437	-3,248	-379	-307	-5,371
Change in Scope of Consolidation	4,101	3,547	37	419	8,104
Additions	6,928	22,392	1,765	14,755	45,840
Transfers	857	12,293	33	-13,183	0
Disposals	-448	-5,999	-384	-531	-7,362
31 December 2008	45,850	172,171	8,290	14,336	240,647
Accumulated depreciation & impairments					
1 January 2008	8,377	69,851	4,499	0	82,727
Exchange differences	-375	-1,678	-329	0	-2,382
Change in Scope of Consolidation	51	574	16	0	641
Additions	1,580	22,359	1,084	0	25,023
Disposals	-446	-3,668	-339	0	-4,453
31 December 2008	9,187	87,438	4,931	0	101,556
Carrying value					
31 December 2008	36,663	84,733	3,359	14,336	139,091
31 December 2007	27,472	73,335	2,719	13,183	116,709

The Company has manufacturing facilities in the following countries: USA, Austria, the UK, Mexico and Vietnam.

Service and maintenance as well as marketing outlets are maintained in the USA, Canada, the UK, Singapore, the UAE, Russia and Brasil.

For the business year 2009, write-downs of Plant & Machinery were made in the amount of TEUR 2,823 (2008: TEUR 250) because of lower utilisation. These expenses are included in the consolidated Profit and Loss-statement under line item "Cost of Sales" (depreciation).

In 2009 and 2008 there were no write-ups.

As of 31 December 2009 commitments for capital expenditure amounted to TEUR 4,901 (2008: TEUR 22,433).

Finance Lease

Plant and machinery held under finance lease are as follows:

in TEUR	31 December 2009	31 December 2008
Acquisition cost	2,385	2,582
Accumulated depreciation	-613	-525
Carrying value	1,772	2,057

The following minimum lease payments arise from the utilization of such assets:

in TEUR	31 December 2009	31 December 2008
For the following year	474	477
Between one and five years	1,120	1,350
More than five years	12	179
Total minimum lease payments	1,606	2,006
Less discount	-186	-276
Present value	1,420	1,730

Operating lease

Commitments arising from lease and rental contracts (for items not shown in the balance sheet) amounted to:

in TEUR	31 December 2009	31 December 2008
For the following year	482	850
Between one and five years	910	914
After five years	204	200

Payments for operating leases which were expensed in the current year amounted to TEUR 800 in 2009 (2008: TEUR 912).

NOTE 9 | Intangible assets

The list below summarizes the gross carrying amounts and the accumulated amortization of intangible assets:

Year 2009 in TEUR	Goodwill	Other intangibles	Total
At cost			
1 January 2009	59,332	13,328	72,660
Exchange differences	-604	735	131
Additions	0	39	39
Disposals	0	-2,928	-2,928
31 December 2009	58,728	11,174	69,902
Accumulated amortization			
1 January 2009	20,053	4,192	24,245
Exchange differences	-304	82	-222
Additions	0	1,955	1,955
Disposals	0	-2,928	-2,928
31 December 2009	19,749	3,301	23,050
Carrying value			
31 December 2009	38,979	7,873	46,852
31 December 2008	39,279	9,136	48,415
Year 2008 in TEUR			
At cost			
1 January 2008	53,429	3,395	56,824
Exchange differences	757	-1,854	-1,097
Change in Scope of Consolidation	5,146	11,712	16,858
Additions	0	98	98
Disposals	0	-23	-23
31 December 2008	59,332	13,328	72,660
Accumulated amortization			
1 January 2008	19,495	3,118	22,613
Exchange differences	558	-35	523
Additions	0	1,132	1,132
Disposals	0	-23	-23
31 December 2008	20,053	4,192	24,245
Carrying value			
31 December 2008	39,279	9,136	48,415
31 December 2007	33,934	277	34,211

In the years 2009 and 2008 no impairments were made.

No write-ups were made in the years 2009 and 2008.

As of 31 December 2009, commitments for acquisitions of intangible assets amounted to TEUR 0 (31 December 2008: TEUR 0).

1. Goodwill

The valuation of the business units was computed by using their value in use, which is based on the estimated future cash flows and a 8.3 % (previous year 9.0 %) capital cost rate before taxes (WACC = Weighted Average Costs of Capital). A detailed planning period of 3 years is used; which is derived from the budgets of the management. For the following period of 12 – 15 years, a flat cash flow without further growth is assumed. The risk component is taken into account in the cash flows.

The calculation of the cash flow is based on revenue expectations and planned capital expenditures. The value in use of the cash generating unit is largely determined by sales revenues. Sales plans are based on the demand forecasts of our main customers on the one hand and on the current backlog of orders on the other hand. Organic sales growth has been taken into account in the cash flow estimation.

The impairment test carried out as of 31 December 2009 demonstrated that no write-down of goodwill was necessary. The goodwill set out in the balance sheet is mainly attributable to the following cash generating units:

in TEUR	31 December 2009	31 December 2008
Knust-SBO L.L.C.	14,201	14,553
Godwin-SBO L.L.C.	11,858	12,139
Schoeller-Bleckmann Oilfield Technology GmbH	4,655	4,655
Techman Engineering Limited (see Note 37)	4,545	4,217
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	3,675	3,675

Changes in the book values were exclusively due to the conversion of foreign exchange amounts.

2. Other intangible assets

As part of the initial accounting of Techman Engineering Limited, TEUR 9,230 for the acquired customer base and TEUR 2,482 for acquired technology were capitalized in 2008. These assets will be amortized over a period of 5 and 10 years respectively (see Note 37).

Other intangible assets comprise right-of-use for IT software.

NOTE 10 | Long term receivables

This line item mainly refers to interest-bearing loans which have been granted to the management of companies within the consolidation group for the acquisition of stock in their respective companies (also see Note 19). As the stock has to be returned in the event of non-compliance with the loan agreements, there is no credit risk for the Company worth mentioning.

in TEUR	31 December 2009	31 December 2008
Loans	4,001	4,612
Other receivables	127	64
Total	4,128	4,676

As there were no past-due receivables, no write-downs had to be made either as of 31 December 2009 or 31 December 2008. The other receivables are not secured.

NOTE 11 | Deferred taxes

The Company's deferred tax assets and deferred tax liabilities result from the following positions:

in TEUR	31 December 2009	31 December 2008
Fixed assets (different measurements and useful lives)	-10,470	-9,028
Inventory (different valuation)	3,724	7,146
Other items (different valuation)	1,146	96
Not deductible accruals	1,805	2,553
Accruals (unrealized exchange differences)	-881	-1,061
Tax loss carry forward	503	297
Total	-4,173	3

The line items as reflected in the group balance sheet:

in TEUR	2009	2008
Deferred tax assets	6,358	8,690
Deferred tax payables	-10,531	-8,687
	-4,173	3

Not recognized are deferred tax assets in the amount of TEUR 299 (2008: TEUR 177) related to tax losses carried forward, because the exploitation of these losses could not be expected in the foreseeable future.

NOTE 12 | Bank loans and overdrafts

As of 31 December 2009, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	8,310	0.67 % variable
CAD loans	6,626	1.90 % variable
GBP loans	3,420	1.15 – 2.25 % variable
Subtotal	18,356	
Export promotion loans (EUR)	16,234	1.17 – 1.60 % variable
Total	34,590	

As of 31 December 2008, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	8,516	4.42 % variable
GBP loans	3,130	6.38 % variable
Subtotal	11,646	
Export promotion loans (EUR)	16,234	2.88 – 3.30 % variable
Total	27,880	

The **export promotion loans** represent revolving short-term credit facilities; according to those arrangements the Company may use these funds permanently as long as it complies with the terms of agreement. In accordance with export promotion guidelines, the Company has agreed to assign receivables in the amount of TEUR 18,754 (2008: TEUR 18,754) to securitize these loans.

The **USD borrowings** due to banks in the amount of TEUR 8,310 (2008: TEUR 8,516) are collateralized by specific current assets of the Company (“floating charge”).

NOTE 13 | Government grants

The subsidies include a grant by the Federal Investment and Technology Fund, as well as other investment subsidies received for the acquisition of fixed assets, and investments in research and development. For some investment grants specific covenants have to be met (e.g. number of workers employed).

NOTE 14 | Other payables

Other payables were as follows:

in TEUR	31 December 2009	31 December 2008
Vacation not yet used	1,165	1,644
Other personnel expenses	4,017	6,704
Invoices not yet received	995	2,501
Legal and other counseling fees	610	890
Taxes	1,550	3,927
Social expenses	653	1,343
Other payables	1,894	4,420
Total payables	10,884	21,429

NOTE 15 | Other provisions

The following development was recorded:

Year 2009 in TEUR	31 Dec. 2008	Change in Scope of Cons.	Exchange Differences	Usage	Reversal	Provision	31 Dec. 2009
Warranty/product liability	3,326	0	0	-758	0	531	3,099
Restructuring	1,095	0	0	-403	-117	0	575
Other	3,180	0	25	-2,675	-530	4,278	4,278
Total	7,601	0	25	-3,836	-647	4,809	7,952

Year 2008 in TEUR	31 Dec. 2007	Change in Scope of Cons.	Exchange Differences	Usage	Reversal	Provision	31 Dec. 2008
Warranty/product liability	2,257	0	-21	-106	-71	1,267	3,326
Restructuring	1,939	0	0	0	-844	0	1,095
Other	4,201	605	-237	-2,991	-217	1,819	3,180
Total	8,397	605	-258	-3,097	-1,132	3,086	7,601

Important items in the line „other provisions“ refer to pending proceedings and governmental instructions.

It is expected that the costs accounted for in short-term provisions will be incurred in the following business year.

Regarding the provision for restructuring, see Note 26.

NOTE 16 | Bonds

In June 2008, two bonds with a total face value of MEUR 20.0 each were issued, in the form of 800 equally ranking bearer debentures with a par value of EUR 50,000 each.

The debentures were 100 % securitized by two changeable collective certificates which were deposited with Oesterreichische Kontrollbank Aktiengesellschaft in Vienna on the day of issuance. Individual debentures or coupons have not been issued.

The annual interest rates on the debentures until maturity are 5.75 % (on bond 2008-2013) and 5.875 % (on bond 2008-2015), related to their par values. The interest is payable in arrears, on 18 June of each year. The redemption will be in the amount of the par value, i. e., MEUR 20.0 each, on 18 June 2013 and 18 June 2015.

The bonds are traded in the third market at the Vienna Stock Exchange under ISIN Nos. AT0000A09U32 and AT0000A09U24.

NOTE 17 | Long-term loans including current portion (amortization in following year)

As of 31 December 2009, long-term borrowings consisted of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	3,440	0.00 % fixed	2008 – 2024	quarterly from 2011
EUR	5,000	4.73 % fixed	2009 – 2016	semi-annually from 2010
EUR	5,000	5.25 % fixed	2009 – 2016	2016
EUR	2,589	3.99 % fixed	2006 – 2015	semi-annually
EUR	6,500	2.25 % fixed	2009 – 2015	semi-annually from 2011
EUR	2,500	0.00 % fixed	2008 – 2015	quarterly from 2011
EUR	7,500	2.25 % fixed	2008 – 2014	semi-annually from 2010
EUR	55	2.50 % fixed	2008 – 2014	2014
EUR	7,200	4.79 % fixed	2008 – 2013	semi-annually from 2010
EUR	5,000	3.22 % fixed	2009 – 2013	semi-annually from 2010
EUR	4,688	1.50 % fixed	2006 – 2012	semi-annually
EUR	1,667	3.54 % fixed	2006 – 2011	semi-annually
EUR	2,000	1.95 % variable	2003 – 2010	2010
EUR	2,400	1.79 % variable	2008 – 2010	semi-annually
USD	877	6.35 % fixed	2003 – 2016	monthly
USD	2,077	0.78 % variable	2007 – 2011	quarterly
USD	6,393	4.12 % fixed	2003 – 2010	2010
GBP	2,428	1.75 % variable	2007 – 2022	monthly
	67,314			

As of 31 December 2008, long-term borrowings consisted of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	1,720	0.00 % fixed	2008 – 2023	quarterly from 2010
EUR	2,825	3.99 % fixed	2006 – 2015	semi-annually
EUR	2,500	0.00 % fixed	2008 – 2015	quarterly from 2010
EUR	235	5.69 % variable	2006 – 2015	semi-annually
EUR	7,500	2.25 % fixed	2008 – 2014	semi-annually from 2011
EUR	7,200	4.79 % fixed	2008 – 2013	semi-annually from 2010
EUR	7,500	1.50 % fixed	2006 – 2012	semi-annually
EUR	2,778	3.54 % fixed	2006 – 2011	semi-annually
EUR	4,800	5.69 % variable	2008 – 2010	semi-annually
EUR	2,000	5.85 % variable	2003 – 2010	2010
EUR	1,077	4.75 % fixed	2002 – 2009	semi-annually
EUR	462	4.80 % fixed	2002 – 2009	semi-annually
USD	1,000	6.35 % fixed	2003 – 2016	monthly
USD	3,265	3.97 % variable	2007 – 2011	quarterly
USD	6,708	4.12 % fixed	2003 – 2010	2010
GBP	65	3.75 % variable	2004 – 2024	monthly
GBP	1,975	3.00 % variable	2007 – 2022	monthly
GBP	519	3.50 % variable	2007 – 2022	monthly
54,129				

The following borrowings were collateralized:

EUR-loans:

- TEUR 18,128 – Machinery pledged with a carrying-value of TEUR 24,743.

USD-loans:

- TEUR 877 – Mortgage on land and building with a carrying-value of TEUR 1,265;
- TEUR 2,077 – Pledge on particular assets (“floating charge”).

GBP-loans:

- TEUR 2,428 – Lien on property (land and building) with a carrying value of TEUR 3,592 and on other assets (“floating charge”).

Adjustments of the variable interest rates are made quarterly.

With respect to the present value of the loans see Note 32, regarding interest rate risk and hedging see Note 33.

NOTE 18 | Retirement benefit obligations

As of the balance sheet date, the Retirement benefit obligations consisted of the following:

in TEUR	31 December 2009	31 December 2008
Severance payments	2,488	2,796
Jubilee payments for long service	716	729
Pension provision	0	3
Total	3,204	3,528

The actuarial assumptions for the provisions of severance payments were as follows:

	2009	2008
Interest rate	5.50 %	5.75 %
Salary increases	4.50 %	4.75 %
Fluctuation rate (mark-down)	0.0 – 15.0 %	0.0 – 15.0 %

Actuarial gains or losses are expensed in the profit and loss statement as incurred. No contributions were made to a separately maintained fund for these obligations.

Provisions for severance payments

The status of the accrual for severance payments has developed as follows:

in TEUR	2009	2008	2007	2006	2005
Defined benefit obligation as of 1 January	2,796	2,700	2,699	2,443	2,008
Current service cost	172	175	169	151	118
Interest cost	156	133	107	109	107
Current severance payments	-230	-194	-513	-146	-161
Actuarial gain/loss during the year	-406	-18	238	142	371
Defined benefit obligation as of 31 December	2,488	2,796	2,700	2,699	2,443

Actuarial gains/losses are mainly the result from experience-based adjustments: TEUR -406 (2008: TEUR -25).

Current service costs, interest costs and actuarial gains/losses are exclusively booked under Income from operations (personnel expenses).

Pension plans (defined contributions)

Payments made under the defined contribution plans (pensions and other providence funds) were expensed and amounted to TEUR 336 in 2009 (2008: TEUR 826).

NOTE 19 | Other payables

The management of the following (fully consolidated) subsidiaries had the following interest in their respective companies:

Company	31 December 2009	31 December 2008
Schoeller-Bleckmann Energy Services L.L.C.	14.20 %	15.00 %
Schoeller-Bleckmann Darron Limited	6.35 %	8.35 %
Darron Tool & Engineering Limited	6.58 %	6.97 %
BICO Drilling Tools Inc.	15.00 %	15.00 %

Accordingly, the management holds pro-rated shares in these companies.

The management is obliged by contract to sell the shares under specific circumstances, and the Company is obliged to buy these shares. The selling price is based on the value of the respective equity portion at the date of the transaction.

Pursuant to IAS 32.23, such contracts constitute a financial liability, valued at the present value of the redemption price. For the current valuation, the respective portion of the equity at the balance sheet date is used since no exact measurement of the future value is available, including the portion of the income from the current year, which is displayed in the consolidated Profit and Loss-statement under "other financial expenses".

NOTE 20 | Share capital

The share capital of the Company on 31 December 2009 as well as on 31 December 2008 was EUR 16 million; divided into 16 million common shares with a par value of EUR 1.00 each.

The Ordinary Shareholders' Meeting on 23 March 2006 authorized the Management Board to raise the share capital by an amount not exceeding EUR 5 million by issuing new shares. This authorization will be in force until 8 April 2011.

The Ordinary Shareholders' Meeting on 16 April 2008 authorized the Management Board for a period of 30 months to buy back own shares of the Company up to a maximum of 10 % of the share capital, the redemption price has to be EUR 1.00 at least and EUR 100.00 at the most.

In the year 2008, 131,298 of our own shares were purchased at the price of TEUR 5,114. A total of 11,414 shares thereof (TEUR 492) were transferred as part of a business combination (see Note 37). At the reporting date, the Company holds 119,884 of its own shares (unchanged to 2008), equalling a 0.75 % share in its capital stock. There are 15,880,116 shares in circulation.

As of 31 December 2009, approximately 31 % of the share capital is held by Berndorf Industrieholding AG, Berndorf.

NOTE 21 | Legal reserve – non-distributable

Austrian law requires the establishment of a legal reserve in the amount of one tenth of the nominal value of the Company's share capital. As long as the legal reserve and other restricted capital reserves have not reached such an amount, the Company is required to allocate five percent of its annual net profit (net of amounts allocated to make up losses carried forward from prior years, after changes in untaxed reserves have been taken into consideration) to such reserves. For the formation of such reserves, only the annual financial statements of the parent company are relevant, which are prepared in accordance with Austrian Accounting Principles.

NOTE 22 | Other reserves

The other reserves as shown in the balance sheet result from accelerated depreciation on specific, non-current assets for which a tax break is available. These reserves are untaxed profit allocations.

NOTE 23 | Additional breakdown of revenues

Net sales consist of:

in TEUR	2009	2008
Sale of goods	225,927	357,819
Operating lease revenue	25,678	30,886
Total net sales	251,605	388,705

NOTE 24 | Additional breakdown of expenses

As the Company classifies its expenses by function, the following additional information is given as required by IAS 1 (revised 2005) (accounted for by using the “total cost accounting method”):

in TEUR	2009	2008
Material expenses	96,189	179,479
Personnel expenses	57,103	75,660
Depreciation tangible assets	31,285	25,023
Amortization other intangibles	1,955	1,132

NOTE 25 | Research and development expenses

In the consolidated profit and loss statement, research and development expenses are included in line item “other operating expenses”, with an amount of TEUR 2,288 in 2009 and TEUR 1,591 in 2008.

So far, development costs were not capitalized due to the uncertainties of the future economic benefits attributable to them.

NOTE 26 | Result from non-recurring restructuring measures

In 2009 the dissolution of the company Schoeller-Bleckmann de Venezuela C.A. was completed. An amount of TEUR 403 was used from the provisions posted in previous years and an amount of TEUR 117 was released.

In 2008, an amount of TEUR 844 was released from provisions posted in previous years after the completion of the restructuring of Darron Tool & Engineering Limited in Rotherham.

NOTE 27 | Taxes on income

A reconciliation of income taxes applying the Austrian statutory tax rate to income taxes stated for the Group is as follows:

in TEUR	2009	2008
Income tax expense at a calculated tax rate of 25 %	-5,864	-20,620
Foreign tax rate differentials	-2,247	-4,360
Valuation of shareholdings	0	-52
Usage of tax losses not recognized in prior years	0	1,484
Tax losses not capitalized	-148	0
Other differences	93	-109
Consolidated income tax expense	-8,166	-23,657
Consolidated tax rate	34.8 %	28.7 %

The components of income taxes were as follows:

in TEUR	2009	2008
Current taxes	-4,055	-25,516
Deferred taxes	-4,111	1,859
Total	-8,166	-23,657

Current taxes includes an adjustment from prior years in the amount of TEUR +77.

Deferred taxes mainly result from the formation and reversal of temporary differences.

The following income taxes were booked in other comprehensive income or directly in equity:

in TEUR	2009	2008
Current taxes		
Valuation of own shares	0	511
Exchange rate differences	-97	523
	-97	1,034
Deferred taxes		
Hedging of net investment	-79	67
Exchange rate differences	106	78
	27	145

From the exploitation of tax loss carry forwards the effective taxes in 2009 were reduced by TEUR 64 (2008: TEUR 1,622).

The payment of dividends to the shareholders will not result in any implications on income taxes for the business year 2009 and the comparative period of 2008.

NOTE 28 | Segment reporting

The Company operates worldwide mainly in one industry segment, the designing and manufacturing of drilling equipment for the oil and gas industry.

For management purposes, the Group is organized into regions. Accordingly, the segment reporting is made by regions, the allocation of the business units is based on the location of the business units.

No operating segments have been aggregated to form the reportable operating segments. Management monitors revenues and operating results of the business units separately for the purpose of making decisions about resource allocation.

As the figures stated represent a summary of the single balance sheets and income statements of the consolidated companies, holding adjustments and consolidation entries (elimination of intercompany profits and other group transactions) have to be taken into account, in order to arrive at the reported group numbers.

Inter-segment sales are carried out in accordance with the "at arm's length" principle.

As shown in the following schedule, the Company's operations are concentrated in North America and Europe

Year 2009 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	47,224	198,958	5,423	0	251,605
Inter-company sales	71,867	8,264	684	-80,815	0
Total sales	119,091	207,222	6,107	-80,815	251,605
Operating income	6,692	16,789	-1,858	6,615	28,238
Attributable assets	142,109	221,656	17,341	44,435	425,541
Attributable liabilities	87,044	90,664	4,450	13,575	195,733
Capital expenditure	9,853	16,910	5,268	590	32,621
Depreciation & amortization	18,758	11,395	479	2,608	33,240
Thereof impairments	2,823	0	0	0	2,823
Head count (average)	564	514	72	19	1,169

Year 2008 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	92,713	281,342	14,649	0	388,705
Inter-company sales	144,759	18,844	1,849	-165,452	0
Total sales	237,472	300,186	16,498	-165,452	388,705
Operating income	43,631	49,195	3,205	-8,028	88,003
Attributable assets	179,465	243,240	15,030	5,579	443,314
Attributable liabilities	115,652	118,017	4,467	-21,038	217,098
Capital expenditure	22,217	21,110	1,441	1,170	45,938
Depreciation & amortization	10,168	14,107	226	1,654	26,155
Thereof impairments	0	250	0	0	250
Head count (average)	655	634	64	20	1,373

Sales by product line

The following categories are used, based on the intended purpose of the goods and services.

1. High-precision components

For applications in the MWD/LWD technology sector, collars and internals made of highly alloyed steel and other non-magnetic metals are required. These collars and internals are used to mount antennas, sensors, batteries, generators and other kind of electronic parts, for making measurements and analyses during the drill operation. All those components need the utmost high dimensional accuracy in intricate machining.

2. Oilfield supplies and services

This group comprises the following products:

- › **Non-Magnetic Drill Collars (NMDC)**, steel bars which are used to prevent magnetic interference during MWD operations.
- › **Drilling motors**, which drive the bit for directional drilling operations. They are also used for other applications, such as underground river and road crossings for utility services, telephone cables and pipelines.
- › Various **other tools** for the oilfield such as stabilizers, reamers, hole openers, drilling jars and shock tools.

In addition to the manufacture of the above mentioned products, service and repair work is carried out. These activities focus on drillstring components which need to be inspected, checked for magnetic inclusions, rethreaded, buttwelded, resurfaced with hard metal, reground, shot peened, etc. as quickly as possible and with the highest standard in workmanship.

3. Other Sales

The Company is, to a limited extent, active in other areas as well.

in TEUR	2009	2008
High-precision components	159,501	237,721
Oilfield supplies and services	91,663	150,190
Other Sales	441	794
Total Sales	251,605	388,705

For information on customers we refer to note 33.

Geographic information:

Sales to external customers were as follows:

in TEUR	2009	2008
Austria	620	1,887
Great Britain	18,380	32,952
U.S.A.	182,676	261,259
Other countries	49,929	92,607
Total Sales	251,605	388,705

The classification is based on the location of the customer.

NOTE 29 | Remuneration for the management

The remuneration including bonuses for 2008 paid in 2009 for the Executive Board and the General Managers of the subsidiaries (totaling 15 individuals as compared to 14 in the previous year) amounted to TEUR 3,903 (2008: TEUR 4,320). These amounts include the movement in provisions for severance and jubilee payments amounting to TEUR 3 (income) in 2009 and TEUR 185 (expense) in 2008.

With respect to the remuneration for the Executive Board of the Austrian parent company, § 266 (7) UGB (Austrian Commercial Code) is applied, pursuant to which no further disclosure is required.

The remuneration for the Supervisory Board amounted to TEUR 100 in the business year, which is a combination of a flat rate and a variable rate depending on the Group's results (2008: TEUR 89).

No loans were granted to the members of the Executive Board or to the Supervisory Board, respectively. The contracts with the members of the Executive Board are valid for one term and will expire on 31 December 2013.

NOTE 30 | **Transactions with related parties**

The following transactions with related but non-consolidated companies were carried out in 2009:

Schleinzer & Partner, attorneys-at-law:

This law firm is the legal consultant to the Company. One of the law firm's partners, Dr. Karl Schleinzer, is a member of the Supervisory Board. Total charges for 2009 amounted to TEUR 36 (2008: TEUR 66), thereof outstanding as of 31 December 2009 is TEUR 0 (31 December 2008: TEUR 39).

NOTE 31 | **Lease transactions**

The Company leases drilling machinery under operating leases with terms of less than a year. The respective leasing fees are charged to customers according to the duration of use.

Revenues from short-term operating leases were TEUR 25,678 for 2009 and TEUR 30,886 for 2008.

NOTE 32 | **Financial instruments**

IFRS distinguish between derivative and non-derivative financial instruments.

Non-derivative Financial Instruments

Non-derivative financial instruments held by the Company are shown in the balance sheet.

Derivative Financial Instruments

1. Foreign currency receivables

The Austrian company hedges its net receivables and order backlog denominated in US dollars and CAN dollars on an ongoing basis by entering into forward exchange contracts. All transactions have short-term durations (3 – 8 months).

Forward exchange transactions as of 31 December 2009	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Present value in TEUR
USD	12,545	12,841	-296
CAD	3,211	3,306	-95
Forward exchange transactions as of 31 December 2008	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Present value in TEUR
USD	53,567	52,198	1,369

The forward exchange transactions are measured at fair value and recognized in the profit and loss statement, since the requirements under IAS 39 for hedge accounting are not fully met.

2. Interest swap

The Company entered into an interest swap until 2015 relating to a long-term GBP-loan. For this purpose, a variable interest rate was swapped with a fixed interest rate of 5.48 %.

The fair value at 31 December 2009 amounted to TEUR -369, booked into profit and loss.

3. Swap Transaction

The Company has entered into a foreign currency swap for the hedging of a long-term loan with a maturity in 2010, taken out to finance a net investment into a foreign business. For this purpose, an amount of TEUR 8,000 was swapped with an amount of TUSD 9,176, at a fixed interest rate of 4.12 %.

The market value of this swap as of 31 December 2009 was TEUR 1,607 (31 December 2008: TEUR 1,291). The change in value for the year was TEUR 316 (2008: TEUR -267), which was completely booked into equity (translation adjustment), without any impact on the net income as there was no ineffective portion in this hedge.

The following table shows the financial instruments, classified in accordance with IAS 39 and IFRS 7:

FINANCIAL INSTRUMENTS

31.12.2008
in TEUR

		Category acc. to IAS 39					Classification acc. to IFRS 7: Valuation method								
		Loans and receivables	Assets available for sale	Other financial liabilities	Derivative Instruments	Hedging Instruments	Fair value		Amortized costs						
							Securities	Derivatives	Liquid funds	Accounts receivable trade	Lendings	Bonds	Loans, Bank & Lease obligations	Accounts payable trade	Other items
Current assets															
Cash and cash equivalents	49,348	49,348							49,348						
Trade accounts receivable	56,101	56,101								56,101					
Other accounts receivable and prepaid expenses	9,846	6,883		2,135			2,135								6,883
Inventories	127,147														
Total current assets	242,442														
Non-current assets															
Property, plant & equipment	139,091														
Goodwill	39,279														
Other intangible assets	9,136														
Long-term receivables	4,676	4,676								14	4,612				50
Deferred tax assets	8,690														
Total non-current assets	200,872														
TOTAL ASSETS	443,314	117,008	0	0	2,135	0	0	2,135	49,348	56,115	4,612	0	0	0	6,933
Current liabilities															
Bank loans and overdrafts	27,880		27,880									27,880			
Current portion of long-term loans	8,729		8,729									8,729			
Finance lease obligations	374		374									374			
Accounts payable trade	38,689		38,689										38,689		
Government grants	284														
Income taxes payable	4,260														
Other payables	21,429		3,656	765			765								3,656
Other provisions	7,601														
Total current liabilities	109,246														
Non-current liabilities															
Bonds	39,787		39,787								39,787				
Long-term loans															
of which primary liabilities	38,691		38,691									38,691			
of which hedging	6,709				6,709		6,709								
Finance lease obligations	1,356		1,356									1,356			
Government grants	1,299														
Retirement benefit obligations	3,528														
Other payables	7,795		7,795												7,795
Deferred tax payables	8,687														
Total non-current liabilities	107,852														
Shareholders' equity															
Share capital	15,880														
Contributed capital	61,808														
Legal reserve - non-distributable	785														
Other reserves	44														
Translation component	-34,441														
Retained earnings	182,140														
Total shareholders' equity	226,216														
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	443,314	0	0	166,957	765	6,709	0	7,474	0	0	0	39,787	77,030	38,689	11,451

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

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

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

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. As of 31 December 2009 the Company had no financial instruments, which have to be allocated to this level.

in TEUR	31 December 2009	Level 1	Level 2
Assets			
Available for sale securities	10,000	-	10,000
Liabilities			
Hedging instruments	-6,393	-	-6,393
Other derivatives	-760	-	-760

During the reporting period ending 31 December 2009, there were no transfers between level 1 and level 2 fair value measurements.

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

in TEUR	2009		2008	
	Carrying value	Present value	Carrying value	Present value
Assets				
Trade receivables	41,033	41,033	56,115	56,115
Lendings	4,001	4,001	4,612	4,612
Other line items	4,095	4,095	6,933	6,933
Liabilities				
Bonds	-39,824	-43,845	-39,787	-42,793
Borrowings from banks, finance lease obligations and other loans	-96,931	-96,188	-77,030	-77,056
Trade payables	-8,709	-8,709	-38,689	-38,689
Other line items	-9,000	-9,000	-11,451	-11,451

Acknowledged valuation methods have been used to determine the fair values of the derivative financial instruments. For assessing the present value of lendings, borrowings and leasing obligations, the expected cash-flows have been discounted using market interest rates. The fair value for bonds was derived from the stock exchange price.

Regarding bank and other long-term loans with variable interest, the interest rates charged are current market rates, resulting in the fact that the carrying values equal the present values to a large extent.

Cash and cash equivalents, trade receivables and payables and all other items have mostly short residual lives. Therefore, the carrying values equal the present values at the balance sheet date.

The following table shows the net result by classification, according to IAS 39:

Year 2009 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	OCI(*)	P/L	OCI(*)	
Loans and receivables	-761	-	-	-	-	-761
Derivative instruments	-	-2,129	-	-	-	-2,129
Hedging transactions	-	-	-316	-	-	-316

Year 2008 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	OCI(*)	P/L	OCI(*)	
Loans and receivables	-766	-	-	-	-	-766
Derivative instruments	-	-250	-	-	-	-250
Hedging transactions	-	-	-267	-	-	-267

(*) OCI... other comprehensive income

NOTE 33 | Risk management

The operations of the Company are exposed to a great number of risks that are inextricably linked to its worldwide business activities. Efficient steering and control systems are being used to detect, analyze, and cope with these risks, with the help of which the management of each company monitors the operating risks and reports them to the group management board.

From a current point of view, no risks are discernible that may pose a threat to the survival of the Company.

› General economic risks

The business situation of Schoeller-Bleckmann Oilfield Equipment highly depends on cycles, in particular on the cyclical development of oil and gas drilling activities performed by the international oil companies. In order to minimize the risks of pertinent order fluctuations, the manufacturing companies of the Group have been designed to ensure maximum flexibility.

› Sales and procurement risks

The market for products and services of the Company is to a great extent determined by continuous development and the application of new technologies. Therefore, securing and maintaining the Company's customer stock depends on the ability to offer new products and services tailored to the customers' needs.

In the year 2009, the three biggest customers (which are the worldwide dominant service companies in the directional drilling market) accounted for 65.8 % of all sales worldwide (63.4 % in 2008). Each customer accounted for a share of more than 10 % of total sales.

SBO addresses the risk of potential sales declines following the loss of a customer by means of continuous innovation, quality assurance measures and close customer relationship management.

Schlumberger published the acquisition of Smith International on 22 February 2010. The Company does not expect any impact on the business resulting from this merger, because SBO is an important and strategic supplier for both customers.

On the procurement side, raw materials and in particular alloy surcharges for non-magnetic steel are subject to significant price fluctuations. These alloy surcharges are partly passed on to the customers as part of our agreements.

The Company procures non-magnetic steel, its most essential raw material, almost exclusively from one supplier and therefore faces the risk of delayed deliveries, capacity shortages or business interruptions. From today's perspective, the Company foresees no difficulty in obtaining quality steel from this supplier in future. In the event this supplier falls short of deliveries, there is only limited potential of substitution in the short-term.

› Substitution risks

SBO is subject to the risk of substitution of its products and technologies, which may result in the emergence of new competitors. SBO counteracts that risk through continuous market observation, intensive customer relationship management and proprietary innovations.

› Financial risks

As a direct result of its business operations, the Company on the one hand holds various financial assets, such as trade receivables as well as cash and cash equivalents. On the other hand, it also uses financial instruments to ensure the continuity of its operations, such as bonds, payables due to banks and trade payables.

In addition, the Company also uses derivative financial instruments to hedge interest rate and foreign exchange risks arising from its financing and business operations. However, derivatives are not used for trading or speculative purposes.

The financial instruments principally entail interest-related cash-flow risks, as well as liquidity, currency and credit risks.

Foreign currency risks

Foreign currency risks arise from fluctuations in the value of financial instruments or cash-flows caused by foreign exchange fluctuations.

Foreign currency risks arise in the Company where balance sheet items as well as income and expenses are generated or incurred in a currency other than the local one. Forward exchange contracts (mainly in US dollars) are concluded in order to secure receivables and liabilities in foreign currencies.

From a long-term perspective, SBO invoices around 80 % of its sales volume in US dollars. This is due to its customer structure. All dominating service companies on the directional drilling market are located in the US, handling their worldwide activities in US dollars. Also from a long-term perspective, approximately 50 % of the costs are incurred in US dollars, with important production facilities being located both in the US and Europe. In order to minimize the currency exposure involved, orders are hedged between the times of order acceptance and invoicing. However, for reasons of costs and expedience, SBO does not hedge its entire net dollar exposure. In any case, the profit generated by SBO is contingent on the dollar-euro exchange rates.

The Company also faces currency translation risks when sales revenues, operating results and balance sheets of foreign subsidiaries are converted into the group currency. The respective values depend on the exchange rate in force at the respective date. The US is not only the main market for the Group but also the base of important production facilities with significant investments. Therefore, changes in the US dollar rate have a strong impact on the group balance sheet, which SBO addresses by taking out US dollar loans.

The table below shows the implications a potential change in the US dollar exchange rate may reasonably have on the group's results. To derive at the result, the Company uses a model based on the long-term revenue and cost structures of the Group. Regarding the equity, the model is based on the differences caused by the conversion rates used for the companies accounting in foreign currencies. The same method is applied for the hedge of a net investment. Since there were no other substantial financial instruments denominated in foreign currencies, no further currency risks have to be taken into account. The models have remained unchanged for all years stated.

in TEUR Changes in EURO – US dollar rate	2009		2008	
	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit before taxes	-6,427	7,420	-11,370	13,029
Change in equity	-9,501	10,915	-9,829	11,328

Interest rate risks

Interest rate risks result from fluctuations in interest rates on the market; these fluctuations may lead to changes in value of financial instruments and interest-related cash-flows.

The majority of the long-term borrowings (approximately 76 %) have fixed interest rates; therefore they are without any interest rate risk. However, the fair value of these credit facilities is subject to fluctuations. For fixed and variable interest rates and the associated risk of interest changes, we refer to Note 17. With the exception of bonds, loans and finance-lease obligations, no other liabilities are interest bearing and therefore not subject to any interest rate risk.

The interest rate risk is further reduced by short-term interest-bearing investments which the Company holds on a permanent basis. Depending on whether there is a credit or debit balance, the interest risk may result from increasing or decreasing interest rates.

The table below shows the reasonably foreseeable implications of a potential change in interest rates on earnings before taxes (there are no implications on group equity). These implications could affect the amount of interest payable to banks or interest earned on bank deposits, both only in the case of variable rates.

in TEUR Change in basic points	2009		2008	
	+10	+20	+10	+20
Change in profit before taxes	+31	+62	-13	-26

Credit risks

Credit risk arises from the non-compliance with contractual obligations by business partners and the resulting losses. The maximum default risk equals the book value of the respective receivables.

The credit risk with our customers can be considered as low as there have been long-standing, stable and smooth business relations with all major customers. Furthermore, we regularly check the credit rating of new and existing customers and monitor the amounts due. Adequate allowances for default risks are established.

With regard to loans granted to the management of subsidiaries, the default risk is eliminated as the loans are securitized by the acquired shares (see Note 10).

As for other financial assets (liquid funds, marketable securities), the maximum credit risk equals the respective book values, in the event the counterparty defaults. The pertinent credit risk may, however, be considered as low since we choose highly rated banks and well-renowned issuers of securities only.

Liquidity risks

Liquidity risk bears the uncertainty whether or not the Company has the liquid funds required to settle its obligations at all times and in a timely manner.

Due to the high self-financing capability and earning power of the Company, the liquidity risk is relatively low. The Company earns liquid funds through its operating business and uses external financing when needed. The worldwide spread of financing sources prevents any significant concentration of risk.

As the most important risk spreading measure, the group management constantly monitors the liquidity and financial planning of the Company's operative units. Also the financing requirements are centrally managed and based on the consolidated financial reporting of the group members.

The table below shows all obligations for repayments and interest on financial obligations accounted for and agreed by contract as of 31 December. These obligations include derivative financial instruments for which the fair market value is stated. For the other obligations, the non-discounted cash-flows for the following business years are stated.

31 December 2009 in TEUR	Due at call	2010	2011	2012	2013 cont'd
Bonds	-	2,325	2,325	2,325	43,513
Payables due to banks	35,018	-	-	-	-
Long-term loans	-	15,185	13,205	11,255	27,454
Leasing obligations	-	474	280	280	573
Trade payables	-	8,683	26	-	-
Other payables	-	10,493	-	-	-
Derivative instruments	-	7,114	-	-	369

31 December 2008 in TEUR	Due at call	2009	2010	2011	2012 cont'd
Bonds	-	2,325	2,325	2,325	45,838
Payables due to banks	29,416	-	-	-	-
Long-term loans	-	9,424	9,896	9,291	20,661
Leasing obligations	-	477	477	477	575
Trade payables	-	38,641	48	-	-
Other payables	-	20,664	-	-	-
Derivative instruments	-	1,095	6,956	-	-

Other financial market risks

The risk variables are in particular the share prices and stock indexes. As all securities available for sale were disposed of in 2007, there is no significant risk arising from this item. The available for sale securities held by the Company comprise only interest bearing bonds with a fixed redemption price, therefore no significant risk is implied.

› Capital management

It is a paramount goal of the Group to ensure that we maintain a high credit rating and equity ratio in order to support our operations and to maximize the shareholder value.

It is particularly the gearing ratio (net indebtedness as a percentage of equity) that is used to monitor and manage capital. The indebtedness includes bonds, long-term loans, payables due to banks and leasing rates, less cash and cash equivalents and long-term financial investments.

In the long-term, the Company considers an average gearing ratio of 40 – 60 % as desirable, as well as an average dividend ratio of 30 – 60 % payable to the shareholders of the parent company. The gearing was 20.2 % as of 31 December 2009 and 32.8 % as of 31 December 2008.

in TEUR	31 December 2009	31 December 2008
Bank loans	34,590	27,880
Long-term loans	67,314	54,129
Finance lease obligations	1,420	1,730
Bonds	39,824	39,787
Less: Cash and cash equivalents	-96,640	-49,348
Net debt	46,508	74,178
Total equity	229.808	226.216
Gearing	20.2 %	32.8 %

NOTE 34 | Contingencies

No contingencies existed as of the balance sheet dates 31 December 2009 and 31 December 2008.

NOTE 35 | Other commitments

Besides operating lease commitments and commitments for capital expenditure (see Note 8), only commitments for the financing of product development costs existed in the amount of TEUR 526.

NOTE 36 | Cash flow statement

The consolidated cash flow statement displays the change of cash and cash equivalents in the reporting year as a result of inflows and outflows of resources.

The liquid fund corresponds to cash and cash equivalents in the consolidated balance sheet and only includes cash on hand and bank balances as well as short-term investments / marketable securities.

In the cash flow statement, cash flows are classified into cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

The cash flows from foreign operations have been allowed for by applying average foreign exchange rates. The cash flow from operating activities is determined using the indirect method, based on income after taxation and adjusting it for non-cash expenses and revenues. The result plus changes in net working capital (excluding liquid

funds) as shown in the balance sheet is the cash flow from operating activities. Inflows/outflows of resources from current operations include inflows and outflows from interest payments and income taxes.

Dividend payments are shown under cash flow from financing activities.

NOTE 37 | Business combinations

Year 2009:

In 2009 no business combinations were executed.

Year 2008:

As of 1 October 2008, 100 % of the shares of Techman Engineering Limited, based in Chesterfield, England were acquired. The company produces precision components and tools for the oilfield service industry and has experience in processing composites.

Listed below are the carrying values of the identifiable assets and liabilities directly before the acquisition date and their fair values at the acquisition date:

in TEUR	Fair value	Carrying value
Intangible assets	11,712	0
Property, plant & equipment	7,462	7,462
Inventories	5,845	5,184
Trade accounts receivable	4,913	4,913
Other accounts receivable	215	215
Cash and cash equivalents	1,111	1,111
	31,258	18,885
Loans and payables due to banks	4,017	4,017
Finance lease obligations	2,194	2,194
Trade payables	4,688	4,688
Other payables	3,124	3,124
Deferred tax payables	4,124	413
	18,147	14,436
Net assets	13,111	4,449
Goodwill resulting from the acquisition	5,146	
Total acquisition costs	18,257	

Total acquisition costs were TEUR 18,257, comprising the cash amount of TEUR 17,765 (including transaction costs) and the transfer of 11,414 own shares at TEUR 492 (the share price on 1 October 2008).

The cash outflow due to the acquisition of the company was as follows:

Cash outflow	TEUR	-17,765
Net cash acquired with the subsidiary	TEUR	1,111
	TEUR	-16,654

Following the acquisition of Techman Engineering Limited, the financial group result was reduced by TEUR 1,239 in 2008. If the Company had been acquired at the beginning of the year, the group result 2008 would have increased by TEUR 1,159 and sales by TEUR 12,429.

The goodwill in the amount of TEUR 5,146 comprises the fair value of expected synergies resulting from the acquisition. The data available on the newly acquired customers were not complete at the balance sheet date; as a final assessment was not possible they were recognized at their preliminary fair values. The final assessment of the fair value was effected in October 2009. As a result, no adjustment was necessary.

NOTE 38 | Personnel

The total average number of employees was as follows:

	2009	2008
Blue collar	888	1,091
White collar	281	282
	1,169	1,373

NOTE 39 | Events after the balance sheet date

After the balance-sheet date no events of particular significance have occurred that would have changed the presentation of the net worth, financial position and earnings situation of the Company.

NOTE 40 | Proposed dividend

The Executive Board proposes to the shareholders that a dividend of EUR 0.50 per share (last year: EUR 0.50) plus a bonus of EUR 0.00 per share (last year: EUR 0.25), in total EUR 0.50 (last year: EUR 0.75) per share should be paid. Thus, the total distribution will amount to MEUR 7.9 compared to MEUR 11.9 in the year before.

NOTE 41 | Expenses incurred for the group auditors

In the year 2009, the following expenses were incurred from **Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.:**

Audit of the consolidated annual financial statements	TEUR 73
Other services	TEUR 45

Management Information

Executive Board:

Ing. Gerald Grohmann (President and CEO)
Mag. Franz Gritsch (Executive Vice-president and CFO)

Committees of the Supervisory Board:

Mag. Norbert Zimmermann
Dr. Peter Pichler
Dr. Karl Schleinzer

Audit Committee:

Mag. Norbert Zimmermann
Dr. Peter Pichler
Karl Samstag

Supervisory Board:

Mag. Norbert Zimmermann (Chairman)
First nomination: 1995
End of current appointment: 2012

Dr. Peter Pichler (Deputy Chairman)
First nomination: 1995
End of current appointment: 2012

Mag. Dipl. Ing. Helmut Langanger
First nomination: 2003
End of current appointment: 2012

Karl Samstag
First nomination: 2005
End of current appointment: 2012

Dr. Karl Schleinzer
First nomination: 1995
End of current appointment: 2012

Ternitz, 26 February 2010

Gerald Grohmann Franz Gritsch
Members of the Executive Board

Report of the Supervisory Board of the SBO AG to the Annual General Meeting concerning the 2009 Business Year

During the 2009 business year, the Supervisory Board carried out the duties allocated to it by law and the articles of association and held 5 meetings to this end. The management provided the Board with regular written and verbal reports concerning business developments and the company's status, including the situation of the Group companies. An Audit Committee for handling questions of the Financial Statements and a Remuneration Committee for handling questions regarding the reimbursement of the Executive Board was installed.

The Annual Accounts for the 2009 business year and the Status Report of SBO AG were examined by SST Schwarz & Schmid Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. The Consolidated Financial Statements and the Consolidated Status Report for the SBO Group as at 31 December 2009 were examined by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. According to their unqualified audit certification, the accounts, the Annual Accounts for the 2009 business year and the 2009 Consolidated Financial Statements meet the statutory requirements, present a true and fair view of the assets, financial position and profitability of the company and the Group in accordance with generally accepted accounting principles. The Annual Accounts of SBO AG have been prepared in accordance with the Austrian Commercial Code and Austrian Generally Accepted Accounting Principles; the Consolidated Financial Statements of the SBO Group have been prepared in accordance with the International Financial Reporting Standards (IFRS).

At its meeting on 8 March 2010, the Supervisory Board approved the Annual Accounts for the 2009 business year, the Consolidated Financial Statements as at 31 December 2009, the proposal for the distribution of profits and the Status Report combined with the Consolidated Status Report presented by the Managing Board.

Ternitz, 8 March 2010

A handwritten signature in black ink, appearing to read 'N. Zimmermann', with a long horizontal line extending from the 'i'.

Norbert Zimmermann
Chairman of the Supervisory Board

Auditor's Report (Translation)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz**, for the financial year from January 1, 2009 to December 31, 2009. These consolidated financial statements comprise the consolidated balance sheet as at December 31, 2009, the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and the consolidated statement of changes in equity for the year ended December 31, 2009, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Corporate Information

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Schoeller-Bleckmann Darron Ltd.

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phone: (+44) 1224 799 600, fax: (+44) 1224 770 156
e-mail: operations@sbdl.co.uk

Schoeller-Bleckmann Oilfield Equipment Vietnam L.L.C.

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Binh Duong, Vietnam
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Schoeller-Bleckmann Darron Ltd.

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Nenetsky Autonomous, Region, Russian Federation
phone: (+7) 3496 344576, fax: (+7) 3496 343062
e-mail: SBDR_Manfred@mail.ru

Schoeller-Bleckmann Energy Services L.L.C.

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e-mail: david@sbesllc.com

Schoeller-Bleckmann Oilfield Equipment Middle East FZE

P.O. Box 61327, Roundabout 10, Road 1030,
Jebel Ali Free Zone, Dubai, U.A.E.
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Schoeller-Bleckmann de Mexico S.A. de C.V.

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Techman Engineering Limited

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Jahresabschluss der Schoeller-Bleckmann Oilfield Equipment AG

Jahresabschluss der Schoeller-Bleckmann Oilfield Equipment AG 83

Erklärung aller gesetzlichen Vertreter gemäß § 82 Abs. 4 Z 3 Börsegesetz 105

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

Bilanz zum 31. Dezember 2009

	31.12.2009 EUR	31.12.2008 TEUR	31.12.2009 EUR	31.12.2008 TEUR
AKTIVA				
A. ANLAGEVERMÖGEN				
I. Immaterielle Vermögensgegenstände				
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	5.695.447,63	6.114		
II. Sachanlagen				
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 1.287.486,12 (2007: TEUR 1.287)	13.548.510,63	13.668		
2. andere Anlagen, Betriebs- und Geschäftsausstattung	322.505,70	387		
3. geleistete Anzahlungen und Anlagen in Bau	0,00	3		
	<u>13.871.016,33</u>	<u>14.058</u>		
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	91.440.764,27	85.139		
2. Ausleihungen an verbundene Unternehmen	35.828.553,95	41.457		
	<u>128.269.318,22</u>	<u>126.596</u>		
	147.835.782,18	146.763		
B. UMLAUFVERMÖGEN				
I. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen gegenüber verbundenen Unternehmen	18.728.259,09	24.834		
2. sonstige Forderungen und Vermögensgegenstände	3.405.646,35	3.694		
	<u>22.133.905,44</u>	<u>28.528</u>		
II. Wertpapiere und Anteile				
1. eigene Anteile	2.625.459,60	2.625		
2. sonstige Wertpapiere	10.000.000,00	0		
	<u>12.625.459,60</u>	<u>2.625</u>		
III. Kassenbestand, Guthaben bei Kreditinstituten	47.278.574,12	18.704		
	<u>82.037.839,16</u>	<u>49.857</u>		
	229.873.721,34	196.625		
PASSIVA				
A. EIGENKAPITAL				
I. Grundkapital	16.000.000,00	16.000		
II. Kapitalrücklagen				
1. gebundene Kapitalrücklage	69.876.047,03	69.976		
III. Gewinnrücklagen				
1. gesetzliche Rücklage	785.314,64	785		
2. Rücklage für eigene Anteile	2.625.459,60	2.625		
3. andere (freie) Rücklagen	14.158.435,62	14.159		
	<u>17.569.209,86</u>	<u>17.568</u>		
IV. Bilanzgewinn	8.879.074,66	15.721		
davon Gewinnvortrag EUR 3.811.658,75 (2008: TEUR 5.045)			112.424.331,55	119.266
B. UNVERSTEUERTE RÜCKLAGEN				
1. Bewertungsreserve auf Grund von Sonderabschreibungen			39.361,90	44
C. RÜCKSTELLUNGEN				
1. Rückstellungen für Abfertigungen	544.439,00	557		
2. Steuerrückstellungen	953.179,06	1.360		
3. sonstige Rückstellungen	752.299,00	1.086		
	<u>2.249.917,06</u>	<u>3.033</u>		
D. VERBINDLICHKEITEN				
1. Anleihen	40.000.000,00	40.000		
2. Verbindlichkeiten gegenüber Kreditinstituten	45.482.536,11	29.455		
3. Verbindlichkeiten aus Lieferungen und Leistungen	196.577,93	221		
4. Verbindlichkeiten gegenüber verbundenen Unternehmen	24.608.414,57	561		
5. sonstige Verbindlichkeiten	4.872.582,22	3.945		
davon aus Steuern EUR 140.374,16 (2008: TEUR 665)				
davon im Rahmen der sozialen				
Sicherheit EUR 21.673,53 (2008: TEUR 304)			115.160.110,83	74.282
			229.873.721,34	196.625
			38.221.787,43	38.900

Der beliegende Anlagenspiegel bildet einen integrierenden Bestandteil dieser Bilanz.

Anlage 2

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

GEWINN- UND VERLUSTRECHNUNG
für das Geschäftsjahr vom 1. Jänner 2009 bis 31. Dezember 2009

	2009 EUR	2008 TEUR
1. Umsatzerlöse	4.855.519,02	5.005
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	97.781,46	44
b) übrige	602.938,35	794
	700.719,81	838
3. Personalaufwand		
a) Löhne	-140.676,35	-144
b) Gehälter	-1.179.633,26	-1.921
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	2.000,10	-184
d) Aufwendungen für Altersversorgung	-47.412,92	-315
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-221.346,58	-253
f) sonstige Sozialaufwendungen	-1.091,86	0
	-1.588.160,87	-2.817
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		
planmäßige Abschreibungen	-1.178.714,27	-914
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	-38.588,33	-122
b) übrige	-2.882.268,19	-4.575
	-2.920.856,52	-4.697
6. Zwischensumme Z 1 bis Z 5 (Betriebserfolg)	-131.492,83	-2.585
7. Erträge aus Beteiligungen	4.441.598,02	12.829
davon aus verbundenen Unternehmen EUR 4.441.598,02 (2008: TEUR 12.829)		
8. Erträge aus Ausleihungen des Finanzanlagevermögens	3.266.258,13	3.458
davon aus verbundenen Unternehmen 3.266.258,13 (2008: TEUR 3.458)		
9. sonstige Zinsen und ähnliche Erträge	1.504.620,99	2.396
davon aus verbundenen Unternehmen EUR 1.000.258,28 (2008: TEUR 1.389)		
10. Erträge aus dem Abgang von Finanzanlagen und Wertpapieren des Umlaufvermögens	388.675,00	615
11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	0,00	-5.814
a) davon Abschreibungen EUR 0,00 (2008: TEUR 5.814)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR 0,00 (2008: TEUR 3.770)		
davon Abschreibungen EUR 0,00 (2008: TEUR 3.770)		
12. Zinsen und ähnliche Aufwendungen	-4.176.360,22	-2.845
davon betreffend verbundene Unternehmen EUR 297.873,00 (2008: TEUR 2)		
13. Zwischensumme Z 7 bis Z 12 (Finanzerfolg)	5.424.791,92	10.639
14. Ergebnis der gewöhnlichen Geschäftstätigkeit	5.293.299,09	8.054
15. Steuern vom Einkommen und vom Ertrag	-230.810,70	573
davon Ertrag aus Steuerumlagen EUR 1.315.167,22 (2008: TEUR 6.947)		
16. Jahresüberschuss	5.062.488,39	8.627
17. Auflösung unverteilter Rücklagen		
Bewertungsreserve auf Grund von Sonderabschreibungen	4.927,52	5
18. Auflösung von Gewinnrücklagen		
Rücklage für eigene Anteile	0,00	2.044
19. Gewinnvortrag aus dem Vorjahr	3.811.658,75	5.045
20. Bilanzgewinn	8.879.074,66	15.721

ANHANG ZUM JAHRESABSCHLUSS 2009**I. Allgemeine Angaben**

Der Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) wurde nach den Vorschriften des Unternehmensgesetzbuches (§§ 189ff UGB) in der geltenden Fassung erstellt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten. Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurden der Grundsatz der Einzelbewertung und eine Fortführung des Unternehmens unterstellt. Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden.

Für erkennbare Risiken und drohende Verluste, die aus dem vergangenen und früheren Geschäftsjahren resultieren und in der Zukunft schlagend werden könnten, wurden entsprechende Vorsorgen in die Bilanz eingestellt.

Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Die SBO erstellt einen Konzernabschluss gemäß § 245a UGB nach international anerkannten Rechnungslegungsgrundsätzen. Der Konzernabschluss wird beim Firmenbuch des Handelsgerichtes Wiener Neustadt hinterlegt.

II. Bilanzierungs- und Bewertungsmethoden

Die beim Jahresabschluss 2008 angewendeten Bilanzierungs- und Bewertungsmethoden wurden beibehalten. Allfällige Ausweisänderungen sind bei den Erläuterungen zu den betreffenden Positionen angeführt.

Bei der Bewertung des Anlagevermögens wurde das Niederstwertprinzip eingehalten. Die vorgenommenen Abschreibungen tragen den verbrauchsbedingten und sonstigen Wertminderungen voll Rechnung. Die planmäßige Abschreibung wird linear vorgenommen.

Die Forderungen und sonstigen Vermögensgegenstände wurden nach dem strengen Niederstwertprinzip bilanziert. Fremdwährungsforderungen wurden mit dem Devisen-Geldkurs zum Bilanzstichtag oder zu niedrigeren Anschaffungskursen bewertet. Allen erkennbaren Einzelrisiken wurde durch Wertberichtigungen Rechnung getragen. Pauschalwertberichtigungen wurden nicht vorgenommen.

Die Wertpapiere des Umlaufvermögens wurden mit dem vereinbarten Rückkaufwert (Nennwert) bewertet.

Auf Fremdwährung lautende Guthaben bei Kreditinstituten wurden mit dem Devisen-Geldkurs zum Bilanzstichtag bilanziert.

Die Bewertung der Verbindlichkeiten erfolgte unter Bedachtnahme auf den Grundsatz der Vorsicht mit ihrem Rückzahlungsbetrag. Fremdwährungsverbindlichkeiten wurden mit ihrem Entstehungskurs oder mit dem höheren Devisen-Briefkurs zum Bilanzstichtag bewertet.

Anlage III

Die Berechnung der Abfertigungsrückstellungen erfolgte mittels versicherungsmathematischem Verfahren gemäß IAS 19 (Methode der laufenden Einmalprämien). Hierzu wurden die folgenden Berechnungsannahmen verwendet: Zinssatz 5,5 % (Vorjahr: 5,75 %), Gehaltssteigerung 4,5 % (Vorjahr: 4,75 %) p. a., Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen.

Die Jubiläumsgeldrückstellungen wurden ebenfalls gemäß IAS 19 berechnet.

III. Erläuterungen zu den Posten der Bilanz und der Gewinn- und Verlustrechnung

1. ERLÄUTERUNGEN ZUR BILANZ

ANLAGEVERMÖGEN

Die Entwicklung des Anlagevermögens ist im beiliegenden Anlagenspiegel dargestellt.

Das abnutzbare Anlagevermögen wird über folgende Nutzungsdauern planmäßig linear abgeschrieben:

- EDV-Software	4 Jahre
- Rechte	15 Jahre
- Gebäude und Grundstückseinrichtungen	10 bis 50 Jahre
- Betriebs- und Geschäftsausstattung	4 bis 8 Jahre

In den immateriellen Vermögensgegenständen ist „Intellectual Property“ (gewerbliche Schutz- und Musterrechte) enthalten, welches von einem verbundenen Unternehmen im Jahr 2008 erworben wurde (Buchwert per 31.12.2009 TEUR 5.682,9) und ab 2009 gegen Lizenzgebühr zur Nutzung überlassen wird.

Die Zugänge bei den Sachanlagen betreffen im Wesentlichen Gebäude für Produktion und Verwaltung.

Bei den Anteilen an verbundenen Unternehmen gab es folgende Bewegungen (zu Buchwerten):

- Schoeller-Bleckmann Oilfield Equipment Vietnam LLC Zugang durch Kapitalzuführung	TEUR	5.919,1
- Schoeller-Bleckmann do Brasil Ltda. Zugang durch Gründung	TEUR	196,7
- Schoeller-Bleckmann Trading FZE Zugang durch Gründung	TEUR	185,5
- Schoeller-Bleckmann de Venezuela CA. Abgang wegen Auflösung	TEUR	0,0

Die Ausleihungen betrafen ausschließlich Konzerngesellschaften. Deren Fristigkeit stellt sich wie folgt dar:

In TEUR	<1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
31.12.2009	5.412,7	19.621,1	11.794,8	36.828,6
31.12.2008	3.383,0	25.710,4	12.363,2	41.456,6

Anlage III

Bei der Bewertung der Fremdwährungsausleihungen (USD und GBP) wurde vom Niederwertprinzip Gebrauch gemacht.

Vom Zuschreibungswahlrecht gem. § 208 Abs. 2 UGB in Höhe von TEUR 1.074,6 wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 268,6.

UMLAUFVERMÖGENForderungen und sonstige Vermögensgegenstände

Die Restlaufzeit stellt sich wie folgt dar:

31.12.2009 (in TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	16.728,3	2.000,0	18.728,3
sonstige Forderungen	74,7	3.330,9	3.405,6
Summe	16.803,0	5.330,9	22.133,9

31.12.2008 (in TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	20.334,2	4.500,0	24.834,2
sonstige Forderungen	41,1	3.652,4	3.693,5
Summe	20.375,3	8.152,4	28.527,7

Die Forderungen gegenüber verbundenen Unternehmen resultieren ausschließlich aus Konzernfinanzierungen.

Die größten Positionen in den sonstigen Forderungen waren Darlehen an Mitarbeiter von Konzerngesellschaften (TEUR 3.311,1, Vorjahr: TEUR 3.632,6).

Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen (TEUR 74,1, Vorjahr: TEUR 40,5).

Eigene Anteile

Gemäß den Ermächtigungen der Hauptversammlungen vom 19. April 2007 bzw. 16. April 2008 wurden im Geschäftsjahr 2008 131.298 Stück eigene Aktien zu einem Preis von TEUR 5.114,2 erworben. 11.414 Stück wurden im Zuge eines Beteiligungserwerbs in 2008 abgegeben.

Im Jahr 2009 fanden keine Veränderungen statt, weshalb die Gesellschaft zum Bilanzstichtag 2009 weiterhin 119.884 Stück eigene Aktien hält. Dies entspricht einem Anteil von 0,75 % am Grundkapital, mit einem Buchwert von TEUR 2.625,5.

Vom Zuschreibungswahlrecht gemäß § 208 Abs. 2 UGB in Höhe von TEUR 1.401,4 wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 350,4.

EIGENKAPITAL

Das Grundkapital von TEUR 16.000,0 besteht aus 16.000.000 auf Inhaber lautende Aktien zu je EUR 1,00.

Anlage III

In der Hauptversammlung am 23. März 2006 wurde der Vorstand ermächtigt, bis zum 8. April 2011 das Grundkapital um bis zu TEUR 5.000 durch die Ausgabe von neuen Aktien zu erhöhen.

In der Hauptversammlung vom 16. April 2008 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückerwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückerwerb zu leistende Gegenwert EUR 100,00 beträgt.

Die gebundene Kapitalrücklage in der Höhe von TEUR 69.976,0 (Vorjahr: TEUR 69.976,0) resultiert aus dem Agio bei der Ausgabe junger Aktien in 1997 und in 2005.

Die gesetzliche Rücklage betrug zum Bilanzstichtag unverändert TEUR 785,3.

Die freie Rücklage betrug zum Bilanzstichtag unverändert TEUR 14.158,4.

Die Rücklage für eigene Anteile entspricht dem Buchwert der eigenen Aktien zum Bilanzstichtag in der Höhe von TEUR 2.625,5 (Vorjahr: TEUR 2.625,5).

Gemäß dem Hauptversammlungsbeschluss vom 30. April 2009 wurden vom Bilanzgewinn 2008 TEUR 11.909,7 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 3.811,7 auf neue Rechnung vorgetragen.

UNVERSTEUERTE RÜCKLAGEN

in TEUR	2008	Auflösung	2009
Bewertungsreserve gemäß § 8 EStG: Bauten	44,3	4,9	39,4

RÜCKSTELLUNGEN

In den übrigen Rückstellungen sind enthalten:

in TEUR	31.12.2009	31.12.2008
Jubiläumsgeldrückstellungen	44,0	40,3
Rückstellungen für nicht konsumierte Urlaube	215,7	231,6
sonstige Personalrückstellungen	309,2	628,0
Rechts-, Prüfungs- und Beratungskosten	72,0	101,0
Bilanzveröffentlichung	100,0	95,0
ausstehende Eingangsrechnungen	11,4	0,0
Summe	752,3	1.095,9

VERBINDLICHKEITEN

Die Verbindlichkeiten weisen folgende Fristigkeiten auf:

Anlage III

31.12.2009 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	0,0	20.000,0	20.000,0	40.000,0
Verbindlichkeiten gegenüber Kreditinstituten	22.275,0	16.722,1	6.485,4	45.482,5
Verbindlichkeiten aus Lieferungen und Leistungen	170,3	26,3	0,0	196,6
Verbindlichkeiten gegenüber verbundenen Unternehmen	24.608,4	0,0	0,0	24.608,4
sonstige Verbindlichkeiten	1.432,6	992,3	2.447,7	4.872,6
Summe	48.486,3	37.740,7	28.933,1	115.160,1

31.12.2008 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	0,0	20.000,0	20.000,0	40.000,0
Verbindlichkeiten gegenüber Kreditinstituten	5.598,7	23.149,9	706,2	29.454,8
Verbindlichkeiten aus Lieferungen und Leistungen	173,0	48,3	0,0	221,3
Verbindlichkeiten gegenüber verbundenen Unternehmen	660,9	0,0	0,0	660,9
sonstige Verbindlichkeiten	2.224,5	926,2	793,8	3.944,5
Summe	8.657,1	44.124,4	21.500,0	74.281,5

Im Juni 2008 wurden zwei Anleihen im Gesamtnennbetrag von jeweils MEUR 20,0, eingeteilt in 800 untereinander gleichrangige auf den Inhaber lautende Teilschuldverschreibungen im Nennbetrag von je EUR 50.000 emittiert. Die Teilschuldverschreibungen werden zur Gänze durch zwei veränderbare Sammelurkunden verbrieft, die am Tag der Begebung bei der Oesterreichischen Kontrollbank Aktiengesellschaft, Wien, hinterlegt wurden. Einzelne Teilschuldverschreibungen oder Zinsscheine wurden nicht ausgegeben. Die Teilschuldverschreibungen werden bezogen auf ihren Nennbetrag bis zum Fälligkeitstag mit jährlich 5,75 % (Anleihe 2008-2013) bzw. 5,875 % (Anleihe 2008-2015) verzinst. Die Zinsen sind jeweils nachträglich am 18. Juni eines jeden Jahres zahlbar. Die Teilschuldverschreibungen werden am 18. Juni 2013 bzw. 18. Juni 2015 zum Nennbetrag von jeweils MEUR 20,0 zurückgezahlt. Die Anleihen sind in den Dritten Markt an der Wiener Börse unter den ISIN AT0000A09U32 bzw. AT0000A09U24 einbezogen.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren ausschließlich aus Konzernfinanzierungen.

In den sonstigen Verbindlichkeiten betrafen TEUR 1.389,5 (Vorjahr: TEUR 2.187,2) Aufwendungen, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

in TEUR	31.12.2009		31.12.2008	
	Gesamtbetrag	davon für verbundene Unternehmen	Gesamtbetrag	davon für verbundene Unternehmen
Haftungen für Kredite und Kurssicherungen	38.221,8	38.221,8	38.341,8	38.341,8
Patronatserklärungen	0,0	0,0	558,0	558,0

Anlage III

FINANZIELLE VERPFLICHTUNGEN

Für die Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen bestehen Mietverträge mit folgenden Verpflichtungen:

- fällig innerhalb 1 Jahr: TEUR 5,5
- fällig innerhalb der nächsten 5 Jahre: TEUR 27,6

Für Bestellungen zu Sachanlagen bestanden Verpflichtungen in der Höhe von TEUR 19,1 (Vorjahr: TEUR 463,8).

2. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNGUMSATZERLÖSE

Die größten Posten sind:

in TEUR	2009	2008
Verrechnete Holdingleistungen	2.436,8	2.832,0
Mieterträge	1.354,0	1.334,4
Lizenzeinnahmen	563,0	0,0
Verrechnete Konzernversicherung	500,7	838,5

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten in den übrigen sonstigen betrieblichen Erträgen sind:

In TEUR	2009	2008
Kursgewinne	433,1	784,8
Auflösung Wertberichtigungen	143,8	1,8
Versicherungsvergütungen	22,9	0,0
Zuschüsse	2,8	7,5

PERSONALAUFWAND

Im Posten „Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen“ sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 5,6 (2008: TEUR 5,7) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den übrigen sonstigen betrieblichen Aufwendungen sind:

in TEUR	2009	2008
Kursverluste	665,5	289,9
Versicherungen	363,7	297,3
Rechts-, Prüfungs- und Beratungskosten	327,2	218,8
Wertberichtigungen von Forderungen	0,0	1.671,3

Darüber hinaus sind Spesen des Geldverkehrs, EDV-Aufwand sowie sonstige Verwaltungs- und Vertriebsaufwendungen unter dieser Position verbucht.

BETEILIGUNGSERGEBNIS

Die Erträge aus Beteiligungen des Jahres 2009 betreffen überwiegend die Ausschüttung aus 2009 von der Schoeller-Bleckmann Oilfield Technology GmbH.

STEUERN VOM EINKOMMEN UND VOM ERTRAG

Die Schoeller-Bleckmann Oilfield Equipment AG hat die Möglichkeit der Bildung einer steuerlichen Unternehmensgruppe gemäß § 9 KStG genutzt. Gruppenmitglieder sind:

Inland:

- Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz(ab 2008).

Ausland:

- Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey(ab 2005),
- Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong....(ab 2009),
- Schoeller-Bleckmann do Brasil Ltda., Macae(ab 2009).

Die aktive Steuerlatenz beträgt TEUR 262,5 (Vorjahr: TEUR 326,5). Sie wurde gemäß § 198 Abs. 10 UGB nicht in der Bilanz ausgewiesen.

Der auf das Jahr 2009 entfallende Steueraufwand für die gesamte steuerliche Unternehmensgruppe beträgt TEUR 1.480,9, TEUR 13,4 entfallen auf Steuern für Vorjahre, TEUR 51,7 auf sonstige Steuern. Für das Jahr 2009 wurde eine Steuerumlage von TEUR 1.315,2 an das inländische Gruppenmitglied verrechnet.

BILANZGEWINN

Das Geschäftsjahr 2009 schließt mit einem Jahresüberschuss von EUR 5.062.488,39. Nach Berücksichtigung der Rücklagenbewegungen sowie zuzüglich des Gewinnvortrags aus 2008 ergibt sich ein Bilanzgewinn von EUR 8.879.074,66.

Der Vorstand schlägt vor, an die dividendenberechtigten Aktien eine Dividende von 50 EUROCENT je Aktie auszuschütten und den verbleibenden Bilanzgewinn auf neue Rechnung vorzutragen.

DERIVATIVE FINANZINSTRUMENTE

Die Gesellschaft hat einen Devisen- bzw. Zinsswap mit einer Laufzeit bis 2010 abgeschlossen, wobei ein Betrag von TEUR 8.000,0 zu einem Zinssatz von 3,55 % mit einem Betrag von TUSD 9.176,0 zu einem Zinssatz von 4,12 % getauscht wurde.

Der Marktwert per 31.12.2009 betrug TEUR 1.606,8 (Vorjahr: TEUR 1.290,8).

GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Es liegen keine berichtspflichtigen Geschäftsfälle gemäß § 237 Z. 8b UGB vor.

Anlage III

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Im Jahr 2009 sind für den Abschlussprüfer, die **SST Schwarz & Schmid Wirtschaftsprüfungsges.m.b.H.**, und mit diesem verbundene Unternehmen folgende Aufwendungen angefallen:

- Prüfung des Jahresabschlusses TEUR 17,0
- Steuerberatungsleistungen TEUR 3,0

IV. Angaben über Beteiligungen und Beziehungen zu verbundenen Unternehmen

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG war zum 31. Dezember 2009 an folgenden Unternehmen beteiligt:

	Anteil in Prozent	
	Direkt	Indirekt
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	100,00	
Schoeller-Bleckmann Drilling- and Production-Equipment GmbH, Ternitz	100,00	
Schoeller-Bleckmann Oilfield Investment GmbH, Ternitz		100,00
Schoeller-Bleckmann America Inc., Wilmington, US	100,00	
ACCUDRILL LLC, Houston, US		100,00
Bafco Investment Inc., Warminster, US		100,00
GODWIN-SBO LLC, Houston, US		100,00
KNUST-SBO LLC, Houston, US		100,00
Schoeller-Bleckmann Energy Services LLC, Lafayette, US		85,80
Schoeller-Bleckmann Sales Co. LLC, Houston, US		100,00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00	
Darron Tool & Engineering Limited, Rotherham, GB		93,42
Darron Oil Tools Limited, Rotherham, GB		100,00
Schoeller-Bleckmann Darron Limited, Aberdeen, GB		93,65
Techman Engineering Limited, Chesterfield, GB		100,00
Techman Precision Engineering Limited, Chesterfield, GB		100,00
BICO Drilling Tools Inc., Houston, US	85,00	
BICO-FASTER Drilling Tools Inc., Nisku, CA		85,00
SB Darron Pte Ltd., Singapore, SG	100,00	
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MX	100,00	
Schoeller-Bleckmann do Brasil Ltda., Macae, BR	100,00	
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	100,00	
Schoeller-Bleckmann Trading FZE, Dubai, AE	100,00	
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	100,00	

Angaben zu den Jahresergebnissen und zum Eigenkapital der Tochtergesellschaften:

in TEUR	Ergebnis	Eigenkapital
	Jahr 2009	31.12.2009
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	4.412,7	32.464,2
Schoeller-Bleckmann Drilling- and Production-Equipment GmbH, Ternitz	0,1	90,5
Schoeller-Bleckmann Oilfield Investment GmbH, Ternitz	15,7	112,4
Schoeller-Bleckmann America Inc., Wilmington, US	11.800,9	28.724,2
ACCUDRILL LLC, Houston, US	134,0	987,9
Bafco Investment Inc., Warminster, US	- 1,4	- 1,2
GODWIN-SBO LLC, Houston, US	4.372,0	48.781,6
KNUST-SBO LLC, Houston, US	9.922,8	52.654,6
Schoeller-Bleckmann Energy Services LLC, Lafayette, US	- 778,7	5.849,8
Schoeller-Bleckmann Sales Co. LLC, Houston, US	2.002,2	4.233,2
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	4.201,8	35.862,1
Darron Tool & Engineering Limited, Rotherham, GB	22,8	9.628,7
Darron Oil Tools Limited, Rotherham, GB	0,0	0,0
Schoeller-Bleckmann Darron Limited, Aberdeen, GB	- 295,0	9.137,4
Techman Engineering Limited, Chesterfield, GB	- 58,9	3.805,3
Techman Precision Engineering Limited, Chesterfield, GB	0,0	0,0
BICO Drilling Tools Inc., Houston, US	3.699,5	31.609,6
BICO-FASTER Drilling Tools Inc., Nisku, CA	- 1.232,5	5.308,0
SB Darron Pte Ltd., Singapore, SG	- 711,7	3.840,9
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MX	- 421,3	2.346,4
Schoeller-Bleckmann do Brasil Ltda., Macae, BR	- 194,4	4,5
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	- 362,6	2.793,1
Schoeller-Bleckmann Trading FZE, Dubai, AE	0,0	188,7
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	- 670,9	6.063,1

V. Angaben über Organe und Arbeitnehmer

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2009	2008
Gehaltsempfänger	11	12
Lohnempfänger	7	8
Summe Mitarbeiter	18	20

Zum 31.12.2009 betrug der Personalstand 18 Mitarbeiter: 11 Gehaltsempfänger und 7 Lohnempfänger (Vorjahr: 20 Mitarbeiter, 12 Gehaltsempfänger und 8 Lohnempfänger).

Im Geschäftsjahr 2009 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 99,5 (Vorjahr: TEUR 88,5).

Anlage III

Zu den übrigen Angaben gem. § 239 Abs. 1 Z. 3 und 4 UGB wird von der Bestimmung gemäß § 241 Abs. 4 UGB Gebrauch gemacht.

Aufsichtsrat:

Mag. NORBERT ZIMMERMANN
Vorsitzender seit 10.04.1995

Dr. PETER PICHLER
Mitglied seit 10.04.1995, stellvertretender Vorsitzender seit 29.04.2003

Mag. DI HELMUT LANGANGER
Mitglied seit 29.04.2003

KARL SAMSTAG
Mitglied seit 24.10.2005

Dr. KARL SCHLEINZER
Mitglied seit 24.05.1995

Vorstand:

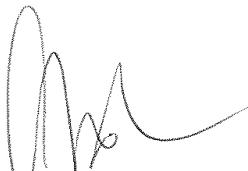
Ing. GERALD GROHMANN
seit 03.10.2001

Mag. FRANZ GRITSCH
seit 01.12.1997

Ternitz, am 23. Februar 2010

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand


Ing. GERALD GROHMANN


Mag. FRANZ GRITSCH

Anlage 3 / Beilage I

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagepiegel zum 31.12.2009

	Stand 01.01.2009	Zugänge	Umbuchung	Abgänge	Stand 31.12.2009	Kumulierte Abschreibungen	Buchwert 31.12.2009	Buchwert 31.12.2008	Abschreibungen des Geschäftsjahres
I. Immaterielle Vermögensgegenstände									
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	6.373.736,19	10.250,00	2.934,00	-19.003,97	6.367.916,22	672.468,59	5.695.447,63	6.114.037,58	431.773,95
Summe Immaterielle Vermögensgegenstände	6.373.736,19	10.250,00	2.934,00	-19.003,97	6.367.916,22	672.468,59	5.695.447,63	6.114.037,58	431.773,95
II. Sachanlagen									
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 1.287.486,12 (2007: TEUR 1.287)	17.017.402,91	504.673,17	0,00	0,00	17.522.076,08	3.973.565,45	13.548.510,63	13.667.532,20	623.694,74
2. andere Anlagen, Betriebs- und Geschäftsausstattung	669.191,80	73.946,67	0,00	-67.053,01	676.085,46	353.579,76	322.505,70	367.423,28	122.261,25
3. geringwertige Wirtschaftsgüter	0,00	984,33	0,00	-984,33	0,00	0,00	0,00	0,00	984,33
4. geleistete Anzahlungen und Anlagen in Bau	2.934,00	0,00	-2.934,00	0,00	0,00	0,00	0,00	2.934,00	0,00
Summe Sachanlagen	17.689.528,71	579.604,17	-2.934,00	-68.037,34	18.198.161,54	4.327.145,21	13.871.016,33	14.057.889,48	746.940,32
III. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	91.623.353,79	6.301.348,71	0,00	-4.628.775,34	93.295.927,16	1.855.162,89	91.440.764,27	85.139.415,56	0,00
2. Ausleihungen an verbundene Unternehmen	55.374.796,34	1.667.593,11	0,00	-8.315.480,54	48.726.908,91	11.898.354,96	36.828.553,95	41.456.562,29	0,00
Summe Finanzanlagen	146.998.150,13	7.968.941,82	0,00	-12.944.255,88	142.022.836,07	13.753.517,85	128.269.318,22	126.595.977,85	0,00
Summe Anlagevermögen	171.061.415,03	8.558.795,99	0,00	-13.031.297,19	166.588.913,83	18.753.131,65	147.835.782,18	146.767.904,91	1.178.714,27

Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft

LAGEBERICHT für das Geschäftsjahr 2009

1) Bericht über den Geschäftsverlauf und die wirtschaftliche Lage

Die Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft (SBO) fungiert als konzernleitende Holdinggesellschaft zur Steuerung und Beratung der Tochter- und Beteiligungsgesellschaften.

Finanzielle und nichtfinanzielle Leistungsindikatoren

Wegen ihrer Holdingfunktion haben die finanziellen Kennzahlen der SBO keine Aussagekraft für die wirtschaftliche Entwicklung des Konzerns. Die Beurteilung der Vermögens- und Ertragslage des SBO-Konzerns ist deshalb nur anhand des Konzernabschlusses möglich.

Die Umsatzerlöse der SBO betragen 2009 4,9 MEUR nach MEUR 5,0 in 2008.

Bei den von SBO ausgewiesenen Umsatzerlösen handelt es sich um konzerninterne Leistungen, Lizenzeinnahmen sowie um Erlöse aus der Vermietung von Grund- und Gebäudeflächen in Ternitz.

Das Ergebnis der gewöhnlichen Geschäftstätigkeit (EGT) betrug 2009 MEUR 5,3 (2008: MEUR 8,1). Es war wesentlich gekennzeichnet durch Erträge aus Beteiligungen in Höhe von MEUR 4,4 (2008: MEUR 12,8). Es handelt sich hierbei überwiegend um die Ausschüttung von der Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz.

Die Zugänge zu Sachanlagen und immateriellen Vermögensgegenständen betragen 2009 MEUR 0,6 (2008: MEUR 8,0): Im Jahr 2008 wurden Gebäude für Produktion und Verwaltung fertiggestellt, im Jahr 2009 erfolgten nachträgliche Anschaffungen.

Die Zugänge zu Finanzanlagen betragen MEUR 8,0 (2008: MEUR 28,0) und betrafen mit MEUR 6,3 Anteile an verbundenen Unternehmen und mit MEUR 1,7 Ausleihungen an verbundene Unternehmen.

Bei den Finanzanlagen wurden Ausleihungen an verbundene Unternehmen in der Höhe von MEUR 6,3 planmäßig getilgt.

Die Bilanzsumme erhöhte sich 2009 auf MEUR 229,9 (2008: MEUR 196,6).

Die Eigenkapitalquote betrug 48,9% (2008: 60,7%).

Das langfristig gebundene Vermögen (überwiegend Finanzanlagen) betrug 64,3% der Bilanzsumme (2008: 74,6 %).

Der Personalstand der SBO zum 31.12.2009 betrug 18 Mitarbeiter (11 Gehaltsempfänger und 7 Lohnempfänger), verglichen mit einem Personalstand zum 31.12.2008 von 20 Mitarbeitern (12 Gehaltsempfänger und 8 Lohnempfänger).

Es bestehen keine Zweigniederlassungen der SBO.

Marktumfeld

Die Entwicklung der Oilfield Service-Industrie war im Geschäftsjahr 2009 von der in Folge der US-Finanzkrise ausgebrochenen internationalen Rezession geprägt. Das weltweite BIP sank 2009 nach vorläufigen Zahlen um 2,2 % (nach + 1,9 % im Jahr 2008).¹ Dies bedingte erstmals seit 1981 einen nennenswerten Rückgang des weltweiten Energieverbrauchs.² Die globale Ölnachfrage sank von 86,2 Millionen Barrel pro Tag im Jahr 2008 auf 84,9 Millionen Barrel pro Tag 2009.³

Auf Grund des dadurch entstandenen Überangebotes an Rohöl am Weltmarkt reduzierten die Ölgesellschaften umgehend ihre Explorations- und Produktionsbudgets. Weltweit wurden 2009 nach Analystenschätzungen rund USD 388 Milliarden in Explorations- und Produktionstätigkeiten investiert, was einen Rückgang von 19 % gegenüber dem Vorjahr bedeutet.⁴ In Nordamerika wurde die Situation durch das Einbrechen der Rohstoffpreise und durch die restriktive Kreditvergabe der Banken noch zusätzlich verschärft.⁵ Die Explorations- und Produktionsinvestitionen gingen in den USA 2009 um 31 % auf USD 71 Milliarden zurück.⁶ Marktexperten schätzen, dass seit Oktober 2008 über 20 geplante upstream Öl- und Gasprojekte, mit einer Kapazität von rund 2 Millionen Barrel pro Tag storniert oder auf unbestimmte Zeit verschoben wurden. Weitere 29 Projekte mit einer Kapazität von 3,8 Millionen Barrel pro Tag wurden um mindestens 18 Monate verschoben.⁷ Insgesamt wurden somit seit Oktober 2008 erwartete Produktionskapazitäten von ca. 5,8 Millionen Barrel pro Tag nicht auf den Markt gebracht.

Der weltweite „Rig Count“, eine wichtige Maßzahl für die Aktivitäten der Oilfield Service-Industrie, sank im Mai 2009 auf 1.983 Einheiten, was gegenüber dem Höchstwert des Jahres 2008 von 3.557 Rigs eine Abnahme um 44 % bedeutet. Dieser Rückgang stellte den stärksten Einbruch seit den 1980er Jahren dar.⁸

Parallel zur sinkenden Mengennachfrage sank auch der Ölpreis rapide. Nach dem Höchststand im Jahr 2008 mit USD 145 pro Barrel startete der Ölpreis im Jänner 2009 mit nur USD 46,17 pro Barrel für die US-Sorte WTI. Gegen Ende des ersten Quartals setzte eine Gegenbewegung ein. Ende 2009 schloss der Ölpreis mit USD 79,39 pro Barrel. Dies stellt zwar einen Anstieg von rund 72 % gegenüber dem Jahresbeginn dar, die Preise lagen 2009 allerdings deutlich unter jenen des Jahres 2008.

Die Ursachen für den Ölpreisanstieg 2009 lagen jedoch nicht in einer steigenden Nachfrage sondern eher in spekulativen Elementen, weshalb die Ölgesellschaften ihre Explorations- und Produktionsinvestitionen nicht erhöhten. So wurde Öl wie andere Rohstoffe vermehrt als inflationsgeschützte Finanzanlage gesehen. Der im Jahresverlauf deutlich schwächere US-Dollar führte ebenfalls zu einem Anstieg des auf Dollarbasis fakturierten Ölpreises.

Seit Jänner 2009 stiegen die Öllagerbestände in den OECD-Mitgliedsstaaten stetig an und erreichten im September 2.270 Millionen Barrel.⁹ Ende 2009 überschritten sie den Fünf-Jahres-Durchschnitt um 93 Millionen Barrel. Auch die Lagerbestände der USA und von Europa (EU-15, inklusive Norwegen) lagen 2009 um 46 Millionen Barrel (USA) bzw. 12,3 Millionen Barrel (Europa) über dem Fünf-Jahres-Durchschnittswert.¹⁰

Im zweiten Halbjahr 2009 gab es – ausgehend von den weitgehend stabil gebliebenen Volkswirtschaften Asiens und Südamerikas – erste Anzeichen für eine wirtschaftliche Erholung. Dies führte allerdings noch zu keiner spürbaren Änderung der Rahmenbedingungen in der Oilfield Service-Industrie. Der „Rig Count“ nahm zwar im dritten

¹ UN: World Economic Situation and Prospects 2010

² IEA: World Energy Outlook 2009

³ IEA: Oil Market Report, February 2010

⁴ IEA: World Energy Outlook 2009

⁵ Barclays Capital: The Original E&P Spending Survey, December 2009

⁶ Barclays Capital: The Original E&P Spending Survey, December 2009

⁷ IEA: World Energy Outlook 2009

⁸ Baker Hughes Rig Count

⁹ OPEC: Monthly Oil Market Report, December 2009

¹⁰ OPEC: Monthly Oil Market Report, January 2010

und vierten Quartal wieder langsam zu und erreichte im Dezember die Zahl von 2.509 Einheiten.¹¹ Der Bedarf an Ausrüstungsgütern für diese Bohraktivitäten konnte jedoch weitestgehend aus den hohen Lagerbeständen in der Oilfield Service-Industrie gedeckt werden.

Parallel mit der fortschreitenden Stabilisierung der Weltwirtschaft im Jahresverlauf 2009 erholte sich die Ölnachfrage langsam wieder, über das Gesamtjahr betrachtet blieb der Ölverbrauch allerdings rückläufig.

Geschäftsentwicklung

Die Geschäftsentwicklung der Schoeller-Bleckmann Oilfield Gruppe war im Jahr 2009 von dem Markteinbruch in der Oilfield Service-Industrie geprägt.

Ab Jahreswechsel 2008/09 war ein erheblicher Rückgang der Auftragseingänge festzustellen. Zusätzlich erschwerte wurde die Situation durch Verschiebungen oder Stornierungen bereits fix erteilter und oftmals bereits angearbeiteter Aufträge. Vor diesem Hintergrund entschied sich SBO aus Gründen kaufmännischer Vorsicht, im ersten Quartal 2009 alle bestehenden Aufträge einer besonders vorsichtigen Überprüfung auf deren Werthaltigkeit zu unterziehen. Aufträge, bei denen mit dem Auftraggeber Gespräche über Verschiebungen oder Stornierungen geführt werden mussten, wurden aus dem Auftragsstand ausgebucht. Dies betraf vor allem das Segment MWD/LWD-Hochpräzisionskomponenten.

Der Auftragseingang des Jahres 2009 betrug insgesamt MEUR 111,1 (nach MEUR 367,3 im Jahr zuvor), der Auftragsstand zu Jahresende war MEUR 76 (nach MEUR 214 zu Ende des Geschäftsjahres 2008). Die Durchlaufzeiten sanken auf rund ein Quartal, was die aktuelle Kurzfristigkeit der gesamten Oilfield Service-Industrie untermauert. Überkapazitäten am Markt führten auch zu Preisdruck. Der Rückgang der Stahl- und Legierungspreise wirkte sich zwar umsatzdämpfend aus, hatte aber für die Gruppe keine ergebniswirksamen Effekte, da die Kostenvorteile bei den Rohstoffen an die Kunden weiter gegeben wurden.

Umfassendes Maßnahmenpaket in Kraft gesetzt

Der Konzern profitierte vor allem im ersten Quartal 2009 von dem hohen Auftragsstand des Jahres 2008. Dennoch wurde sehr rasch zu Jahresbeginn 2009 mit einem umfassenden Maßnahmenpaket auf die veränderten Rahmenbedingungen reagiert. Als Sofortmaßnahmen wurden die Reduktion von Überstunden, der Abbau von Arbeitszeitguthaben sowie erste Personalreduktionen an allen Standorten umgesetzt. Weiters wurden Kosteneinsparungen beschlossen, Investitionsausgaben gekürzt oder verschoben und durch das Insourcing von Leistungen der Auftragsrückgang teilweise kompensiert. Als Ziel wurde definiert, durch diese Sofortmaßnahmen rund MEUR 25 p.a. einzusparen. Dieses Ziel wurde im Jahresverlauf zu einem Großteil erreicht und trug wesentlich dazu bei, dass SBO ein klar positives Jahresergebnis erwirtschaften konnte.

Nachdem auch im zweiten Quartal keine substantielle Änderung der Auftragssituation erkennbar war, wurde am Standort Ternitz/Niederösterreich mit 1. Juli 2009 Kurzarbeit für das zweite Halbjahr eingeführt. An den anderen Standorten mussten weitere Personalmaßnahmen gesetzt werden, um die Kapazitäten der aktuellen Auftragslage anzupassen.

Bohrmotorengeschäft weniger stark betroffen

Der Auftragsrückgang betraf grundsätzlich alle Segmente und alle Weltregionen. Weniger stark betroffen war das Bohrmotorengeschäft der SBO-Tochtergesellschaft BICO Drilling

¹¹ Baker Hughes Rig Count

Tools Inc., wo die Rückgänge nur moderat ausfielen. Hier profitiert SBO nach wie vor von der hohen Akzeptanz des neuen Bohrmotors „Spiro Star“.

Die Service & Supply Shops mussten auf Grund der stark rückläufigen Bohrtätigkeit ebenfalls Auftragsrückgänge verkraften. Vergleichsweise positiv entwickelte sich auch die SBO-Niederlassung in Russland, wo im Gegensatz zu anderen Regionen ein relativ hohes Niveau an Aktivitäten verzeichnet wurde.

Ab dem dritten Quartal 2009 war eine allgemeine Bodenbildung der schwachen Branchenkonjunktur feststellbar, die Auftragseingänge stabilisierten sich auf niedrigem Niveau. Zudem stieg auch die Zahl der Kundenanfragen, wenngleich sich diese ersten Anzeichen einer Belebung noch nicht in konkreten Aufträgen niederschlugen.

Strategische Investitionen im Konzern unverändert weiter geführt

Die zu Jahreswechsel 2008/09 bereits in Umsetzung befindlichen Investitionen wurden im Jahresverlauf planmäßig abgeschlossen und betrafen vor allem die letzten Fertigstellungsarbeiten im Rahmen der in den Vorjahren umgesetzten Kapazitätserweiterungen. Ein weiterer Schwerpunkt war der Ausbau der für die Kunden auf Leasingbasis zur Verfügung gestellten Bohrmotorenflotte der BICO. Die strategischen Investitionen in die neuen Niederlassungen in Vietnam und Brasilien, die für das künftige Wachstum der SBO wichtig sind, wurden wie geplant umgesetzt. In Vietnam wurde der Maschinenpark installiert und mit der Einschulung der Mannschaft begonnen. In Brasilien konnte der neue Verkaufsstützpunkt seine Geschäftstätigkeit aufnehmen, erste Aufträge wurden akquiriert.

Alle anderen Investitionen wurden entsprechend dem konzernweiten Sparprogramm auf ein Mindestmaß reduziert. Der Zugang zu den Sachanlagen im Geschäftsjahr 2009 betrug somit MEUR 32,6 (nach MEUR 45,8 im Jahr zuvor). Davon entfielen auf den österreichischen Standort Ternitz MEUR 7,9 (nach MEUR 14,6), auf die nordamerikanischen Standorte (inklusive Mexiko) MEUR 16,9 (nach MEUR 21,1), der Rest verteilte sich auf die übrigen Standorte der Gruppe.

Nachtragsbericht

Nach dem Bilanzstichtag sind keine Vorgänge von besonderer Bedeutung eingetreten, die zu einer anderen Darstellung der Vermögens-, Finanz- und Ertragslage geführt hätten.

2) Bericht über die voraussichtliche Entwicklung und die Risiken des Unternehmens

Ausblick

Die Anzeichen für ein Ende der Rezession haben sich zu Jahreswechsel 2009/10 verdichtet. Allerdings bestehen noch immer erhebliche Unsicherheiten über die Zeitschiene und das Ausmaß der Erholung und den dadurch ausgelösten Nachfrageanstieg nach Öl und Gas. Für 2010 prognostiziert die OPEC wieder einen leichten Anstieg der Ölnachfrage gegenüber 2009 um rund 0,8 Millionen Barrel pro Tag auf 85,1 Millionen Barrel pro Tag.¹² Die International Energy Agency (IEA) rechnet mit einer Zunahme um 1,6 Millionen Barrel pro Tag auf 86,5 Millionen Barrel pro Tag.¹³ Die beachtliche Differenz zwischen den beiden Werten zeigt die aktuelle Unklarheit über die Entwicklung des Ölmarktes im Jahr 2010. Das wahre Ausmaß des Verbrauchsanstieges 2010 wird letztlich davon abhängen, wie rasch und

¹² OPEC: Monthly Oil Market Report, February 2010

¹³ IEA: Oil Market Report, February 2010

wie stark die wirtschaftliche Erholung, vor allem in den USA, voranschreiten wird und mit welcher Dynamik China weiter wächst.

Der aktuelle Ölpreis und der leichte Nachfrageanstieg lassen darauf schließen, dass die Explorations- und Produktionsinvestitionen der Ölgesellschaften in 2010 leicht ansteigen werden, vorausgesetzt die langsam einsetzende globale Konjunkturerholung setzt sich weiter fort.

Die Schoeller-Bleckmann Oilfield Gesellschaften erwartet für die ersten Monate 2010 eine Fortsetzung der Konsolidierung des Geschäftsniveaus. Die im Vorjahr gesetzten Maßnahmen zur Kapazitätsreduktion waren aus heutiger Sicht ausreichend. SBO könnte auch eine längere Phase stagnierender oder nur leicht steigender Auftragseingänge in der aktuellen Struktur gut bewältigen. Dies wird durch die gesunde Bilanzstruktur, eine niedrige Verschuldung und die gute Liquidität untermauert.

Als substanzstarkes Unternehmen mit einer herausragenden Marktposition beobachtet SBO zudem den Markt für Unternehmensakquisitionen auf mögliche Opportunitäten. Auf alle Fälle ist die Gruppe heute schon bestens gerüstet, bei einem Anspringen des Marktes vom ersten Moment an den Aufschwung voll nutzen zu können. Der Eintritt dieses Aufschwunges ist auf Grund der fundamentalen Gegebenheiten des Öl- und Gasmarktes gewiss. Der Zeitpunkt hängt von der Dynamik und der Nachhaltigkeit des globalen Aufschwunges ab und ist aus heutiger Sicht daher noch ungewiss. Mittel- bis langfristig werden die immer aufwändigere Suche nach neuen Ölquellen sowie die rückläufigen Produktionsraten der bestehenden Ölfelder unausweichlich zu einem weiteren kontinuierlichen Anstieg der Nachfrage nach Hochpräzisions-Komponenten für die Oilfield Service-Industrie führen.

Risikomanagement

SBO fungiert als strategische Managementholding für ihre Tochtergesellschaften. Ein wesentliches Aufgabengebiet der Holding ist, sich mit den strategischen und operativen Risiken auseinander zu setzen und rechtzeitig Maßnahmen zur Optimierung dieser Risiken zu setzen. Ein konzernweites Reportingsystem unterstützt den Vorstand der SBO beim laufenden Monitoring des operativen Geschäftes und damit der Einschätzung operativer Risiken der Tochtergesellschaften. Die strategischen Risiken werden in Zusammenhang mit der jährlichen Erstellung der Mittelfristplanung zwischen dem Vorstand der SBO und den Geschäftsführern der Tochtergesellschaften erörtert und bewertet.

Finanzinstrumente

Die Ausleihungen wurden nur an verbundene Unternehmungen gewährt und sind fix verzinst. Diese lauten auf USD bzw. GBP und unterliegen daher Fremdwährungsschwankungen. Ebenso besteht der Großteil der Sonstigen Forderungen aus langfristigen verzinslichen Forderungen in USD, GBP und CAD.

Die liquiden Mittel bestehen aus Guthaben und Wertpapieren bei österreichischen Banken mit marktkonformer Verzinsung.

Der Großteil der zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten wird fix verzinst und unterliegt daher keinem Zinsänderungsrisiko.

Zur langfristigen Finanzierung des Wachstums und zur Optimierung der Fremdkapitalkosten emittierte Schoeller-Bleckmann im Juni 2008 eine in zwei Tranchen geteilte Unternehmensanleihe im Volumen von MEUR 40. Der Kupon für die erste Tranche beträgt 5,75 % bei einer Laufzeit von fünf Jahren, für die zweite Tranche 5,875 % bei einer Laufzeit von sieben Jahren. Das Angebot richtete sich ausschließlich an institutionelle Anleger und

war mehrfach überzeichnet. Die Anleiheemission konnte noch vor Einsetzen der Turbulenzen auf den Finanzmärkten erfolgreich abgeschlossen werden.

Aufgrund der derzeit verfügbaren liquiden Mittel bestehen aus heutiger Sicht keine nennenswerten Liquiditäts- oder Cash-Flow-Probleme.

3) Bericht über die Forschung und Entwicklung

Schoeller-Bleckmann Oilfield Equipment AG hat seine Forschungs- und Entwicklungsaktivitäten seit vielen Jahren in den operativen Geschäftsbetrieb integriert. Dieses System sichert eine markt- und kundennahe F&E-Tätigkeit.

2009 wurden beispielsweise die Entwicklungstätigkeiten bei BICO Drilling Tools Inc. für einen neuartigen, richtungssteuerbaren Bohrmotor vorangetrieben. So konnten bereits erste Tests durchgeführt werden, die sehr erfolgreich verliefen.

Das Hauptaugenmerk der F&E-Tätigkeit hat SBO im abgelaufenen Geschäftsjahr auf die Prototypenfertigung gelegt, die in enger Zusammenarbeit mit den Kunden erfolgt. Im Vergleich zu den Vorjahren waren dafür 2009 auch ausreichende Kapazitäten verfügbar. Beispielsweise erhielt SBO auf Grund der hohen technologischen Kompetenz von einem der bedeutendsten Oilfield Service-Unternehmen der Welt den Auftrag zur Fertigung einer Flotte von Prototypen eines neuen hochkomplexen Directional Drilling Tools. Dieser Auftrag stellte an SBO neue Anforderungen bezüglich Fertigungspräzision und Komplexität und konnte zur vollsten Zufriedenheit des Kunden ausgeführt werden. Sollte dieser Prototyp am Markt erfolgreich sein, sind in Zukunft Folgeaufträge zu erwarten.

4) Berichterstattung über wesentliche Merkmale des internen Kontrollsystems und des Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess

Die Gesamtverantwortung für das Risikomanagement der SBO-Gruppe liegt beim Vorstand, während die unmittelbare Verantwortung bei den Geschäftsführern der operativen Einheiten liegt.

Demzufolge besitzt das interne laufende Berichtswesen an die Konzernzentrale besonders hohe Bedeutung, um Risiken frühzeitig erkennen und Gegenmaßnahmen ergreifen zu können. Dies erfolgt durch eine zeitnahe monatliche Berichterstattung über die notwendigen Informationen von den operativen Einheiten an den Vorstand.

Für die Tochterunternehmen wurden vom Konzern weltweit einheitliche Standards für die Umsetzung und Dokumentation des gesamten internen Kontrollsystems und damit vor allem auch für den Rechnungslegungsprozess vorgegeben. Dadurch sollen jene Risiken vermieden werden, die zu einer unvollständigen oder fehlerhaften Finanzberichterstattung führen können.

Weiters werden die von den Tochtergesellschaften erstellten internen Berichte in der Konzernzentrale auf Plausibilität geprüft und mit Planungsrechnungen verglichen, um bei Abweichungen geeignete Maßnahmen setzen zu können. Hierzu werden von den Gesellschaften Jahresbudgets und Mittelfristplanungen angefordert, welche vom Vorstand genehmigt werden müssen.

Die Ordnungsmäßigkeit des Rechnungswesens bei den Tochtergesellschaften wird durch Prüfungstätigkeiten des Konzerncontrollings überwacht. Weiters werden alle Jahresabschlüsse durch internationale Prüfungsgesellschaften geprüft.

Im Zuge von regelmäßigen Sitzungen des Vorstandes mit den lokalen Geschäftsführungen werden die laufende Geschäftsentwicklung sowie absehbare Chancen und Risiken besprochen.

Für die Erstellung des Konzernabschlusses bestehen in Ergänzung zu den Internationalen Rechnungslegungsvorschriften konzerninterne Richtlinien, um eine einheitliche Darstellung bei den berichtenden Gesellschaften zu gewährleisten (Bewertungs- und Ausweisfragen).

Für die automationsunterstützte Aufstellung des Konzernabschlusses wird ein zertifiziertes Konsolidierungs-Programm verwendet, welches mit den notwendigen Prüf- und Konsolidierungsroutinen ausgestattet ist.

Für das Rechnungswesen der Holdinggesellschaft sind anerkannte Standardprogramme im Einsatz.

5) Angaben zu Kapital-, Anteils-, Stimm- und Kontrollrechten und damit verbundenen Verpflichtungen

Das Grundkapital der Gesellschaft beträgt MEUR 16,0 und ist zerlegt in 16 Mio. Stück Nennbetragsaktien zum Nennbetrag von je EUR 1,-.

In der Hauptversammlung am 23. März 2006 wurde der Vorstand ermächtigt, das Grundkapital um bis zu MEUR 5,0 durch die Ausgabe von neuen Aktien zu erhöhen. Diese Ermächtigung läuft bis zum 8. April 2011.

Im Jahr 2009 wurde von dieser Ermächtigung kein Gebrauch gemacht.

In der Hauptversammlung vom 16. April 2008 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückerwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückerwerb zu leistende Gegenwert EUR 100,00 beträgt.

Im Geschäftsjahr 2008 wurden 131.298 Stück eigene Aktien zu einem Preis von MEUR 5,1 erworben. 11.414 Stück wurden im Zuge eines Beteiligungserwerbs abgegeben.

Im Jahr 2009 wurden keine eigenen Aktien erworben oder abgegeben.

Zum Bilanzstichtag 2009 hält die Gesellschaft somit unverändert 119.884 Stück eigene Aktien, dies entspricht einem Anteil von 0,75 % am Grundkapital, mit einem Buchwert von MEUR 2,6.

Zum 31.12.2009 hält die Berndorf Industrieholding AG, Berndorf, rund 31% vom Grundkapital.

Darüber hinaus bestehen keine weiteren angabepflichtigen Sachverhalte gemäß § 243a UGB.

Ternitz, 23. Februar 2010

SCHOELLER-BLECKMANN
OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. Gerald Grohmann

Mag. Franz Gritsch

Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, für das Geschäftsjahr vom 1. Jänner 2009 bis zum 31. Dezember 2009 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2009, die Gewinn- und Verlustrechnung für das am 31. Dezember 2009 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt des Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, zum 31. Dezember 2009 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2009 bis zum 31. Dezember 2009 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

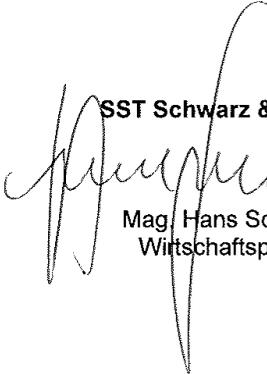
Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 23. Februar 2010

SST Schwarz & Schmid Wirtschaftsprüfungsges.m.b.H.



Mag. Hans Schwarz
Wirtschaftsprüfer





Dr. Andreas Flavenka
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

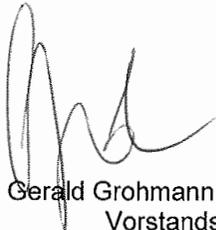
VORSTAND

**Erklärung aller gesetzlichen Vertreter gemäß § 82 Abs. 4 Z 3 Börsegesetz**

Wir bestätigen nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Konzernabschluss ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt, dass der Konzernlagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Konzerns so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns entsteht, und dass der Konzernlagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen der Konzern ausgesetzt ist.

Wir bestätigen nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss des Mutterunternehmens ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Ternitz, 26. Februar 2010



Ing. Gerald Grohmann Mag. Franz Gritsch
Vorstandsmitglieder

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