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ANNUAL FINANCIAL
REPORT

08



**SCHOELLER
BLECKMANN**
OILFIELD
EQUIPMENT

Contents

Management Report

Market environment	3
Business development	4
Outlook	6
Analysis and results	8

Financial Information

Consolidated Balance Sheet	13
Consolidated Profit and Loss Statement	15
Consolidated Cash-flow Statement	16
Statement of Shareholders' Equity	17
Notes to the Consolidated Financial Statements	18

Report of the Supervisory Board on the 2008 Business Year	60
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Auditor's Report	61
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Jahresabschluss der Schoeller-Bleckmann Oilfield Equipment AG	65
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Erklärung aller gesetzlichen Vertreter gemäß § 82 Abs. 4 Z 3 Börsegesetz	85
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Management Report

MARKET ENVIRONMENT

Fiscal 2008, as the years before, was generally characterized for the oilfield service industry by continued intensive exploration and production activities of national and international oil companies. The driving force behind this development was the constantly growing global demand for energy which was triggered in particular by the booming economies of the emerging markets and was maintained at least until the second quarter of 2008.

From mid-2008 on, the credit and financial crisis originating from the USA was aggravating substantially. While immediate repercussions were initially limited to the USA, the crisis rather rapidly spilt over to the capital and commodities markets of the rest of the world. The global stock market plunge and the restrained lending policy of banks had measurable effects on economic development and, consequently, global energy consumption in the fourth quarter.

International forecasters⁴ assess global GDP growth for 2008 at 2.5 % (following 3.8 % in 2007), mainly accounted for by the decline in the US from 2.0 % to 1.4 % in 2008 and in the euro zone from 2.6 % to 1.2 % in 2008. For China, GDP growth is expected to go down from 11.9 % in 2007 to 9.6 % in 2008. India's economic growth should have arrived at 5.4 % in 2008 (following 6.3 %).

Turbulences at the international stock and commodities markets are clearly reflected in the oil price development: Early in January, the oil price (WTI) started off at USD 99.63 per barrel, reaching its annual high in July at USD 145.46. Then the backlash set in, leading to the annual low of USD 30.81 per barrel at the end of December.

Oil consumption also was subject to volatility. Already in the second quarter of 2008, demand for oil started to go down continuously. It was notably the consumption of crude oil products in North America that was clearly declining throughout 2008⁵. As a consequence, crude oil inventories started to build up, a major factor in the oil price slump.

According to estimates by EIA (Energy Information Administration), global oil consumption in 2008 fell for the first time since 1983⁶. For 2008, IEA (International Energy Agency) expects to see an overall demand of only 85.8 million barrels per day (2007: 86.0 million barrels per day), a reduction of 200,000 barrels per day⁷.

Exploration and production (E&P) activities of the major national and international oil companies still remained geared to an increase of global energy consumption for the large part of 2008. The upward tendency of the oil price leading to its all-time high at mid-year allowed for rising E&P spending. In particular, activities in the technologically challenging E&P sector (directional drilling, off-shore drilling) have resulted in strong demand for high-tech components. As a result, the order situation for the oilfield service industry in 2008 was characterized by strong demand. The total rig count (number of active drilling rigs worldwide), an indicator of global drilling activities, climbed to an annual average of 3,336 units from 3,116 units in 2007, with a decline in activities starting to show already at the end of the year⁸.

⁴ Economist Intelligence Unit, International Monetary Fund

⁵ World Oil Demand, International Energy Agency, December 2008

⁶ Short-Term Energy Outlook, Energy Information Administration, December 2008

⁷ Oil Market Report, International Energy Agency, December 2008

⁸ Baker Hughes: Rig Count (worldwide)

BUSINESS DEVELOPMENT

Sustained favourable order situation for high-precision components

Schoeller-Bleckmann Oilfield Equipment AG fully benefited from the favourable economic development of the industry in fiscal 2008. Expansion of production capacities as a consequence of the strategic investment programme helped to post new record company fundamentals.

Bookings received in fiscal 2008 amounted to MEUR 367.3 around 8 % above the level of 2007. The favourable order situation concerned all segments alike until well into the fourth quarter. Towards the end of the year, some caution in placing orders over the previous quarters started to emerge.

The order backlog at the end of 2008 amounted to MEUR 214 (following MEUR 249 at the end of 2007). The decline shows that lead times were back to normal as higher capacities were available but also reflects a slowdown of bookings in the fourth quarter. All production capacities were fully utilised in 2008, the continued high level of bookings was managed with multi-shift operation and overtime.

Robust order situation continues until fourth quarter 2008, signs of incipient restraint start to appear at year-end.

Cost-wise, another increase of personnel costs had to be absorbed. By contrast, prices of alloy metals fell in line with developments in international commodities markets over the year.

Selling prices came under growing pressure from customers during 2008. Adding to this was increased competition as a result of capacity expansions throughout the oilfield service industry.

Service & Supply Shops post good results

In the business segment of oilfield supplies and services, Schoeller-Bleckmann operates a global network of Service & Supply Shops, which were very heavily booked mainly in the first half of fiscal 2008. The site in Russia was expanded and the property previously leased was bought. Following the boom in the past years, a slight slowdown was felt for the first time in this segment from the third quarter onwards, but this had no effect yet on the overall favourable earnings situation of the segment.

Drilling motor business excellent again

The segment of drilling motors of Schoeller-Bleckmann Oilfield Equipment is pooled in North American subsidiary BICO Drilling Tools Inc. (BICO). BICO's core business is to lease out drilling motors. In fiscal 2008, BICO gained additional market shares due to the high market acceptance of high-performance drilling motor „Spiro Star“ and by increasing the motor fleet. Approximately 50 % of all BICO leased-out drilling motors are already accounted for by „Spiro Star“ models.

Expansion of Ternitz site in the centre of attention

The multi-year investment programme reached its preliminary peak in 2008, as expansion at the Ternitz site was completed. With the new production facility, manufacturing equipment for producing high-precision components (MWD/LWD) was gradually expanded over 2008. In order to utilize the new capacities in the best possible way, a new rotary forging machine producing semi-finished materials for large-volume MWD/LWD components had been commissioned already in 2007. The company's strong growth also required construction of a modern administrative building to accommodate the head office of the holding company.

In order to meet the strong demand, the manufacturing equipment at our sites in North America was also continuously expanded.

Aggregate additions to fixed assets in fiscal 2008 amounted to MEUR 45.8 (following MEUR 66.0 in the year before). Austrian site Ternitz accounted for MEUR 14.6 (following MEUR 34.3), North American sites (including Mexico) MEUR 21.1 (following MEUR 26.4), and the remainder was spent for the other sites of the group.

Acquisition of Techman

Effective 1 October 2008, 100 % of the shares of British oilfield service provider Techman Engineering Ltd./ Chesterfield were acquired. Techman is a manufacturer of precision components (collars) and tools for the oilfield service industry and, with around 70 employees, recently generated annual sales of approximately Million British Pounds 13.5. The sellers were the former private owners of the company.

Techman is an ideal addition to Schoeller-Bleckmann's capacities in the core business of high-precision components for the oilfield service industry. Moreover, Techman has expertise in using composite materials, complementing the broad material know-how of the SBO group. Techman remains a separate entity within the group. In the medium run, the aim is to integrate the specific know-how of Techman to extend SBO's range of products.

Apart from the production site in Rotherham and the Service & Supply Shop in Aberdeen, Techman Engineering is now the third location of Schoeller-Bleckmann in the United Kingdom.

Corporate bond issued

In June 2008 Schoeller-Bleckmann placed a corporate bond worth MEUR 40 divided into two tranches for the purpose of long-time financing the company's growth and optimising its debt capital structure. The coupon rate for the first tranche is 5.75 % with a maturity of five years, and 5.875 % for the second tranche with a maturity of seven years. The offer was addressed exclusively to institutional investors and was several times oversubscribed. Issuing of the corporate bond was completed still before the turbulences in the financial markets set in.

Research and development

Schoeller-Bleckmann Oilfield Equipment has integrated its research and development activities largely in its operating business units. This structure has proved its worth over the past years, securing optimal use of funds and customer- and market-oriented developmental work with a high success rate.

The focus of research and development was on the segment of MWD/LWD prototype manufacture in close cooperation with SBO's customers. At BICO Drilling Tools Inc., test runs for a new steerable drilling motor were continued.

Environment

The manufacture of SBO's products generates no appreciable emissions into air or water. Therefore, no official licensing requirements in the field of environmental protection beyond the customary scope are in place.

As a result, the company's environmental management concentrates on waste disposal, energy saving focusing on optimising power consumption and noise abatement measures.

Risk management report

Concerning the risks of the business model of Schoeller-Bleckmann Oilfield Service AG we refer to Note 33 of Consolidated Financial Statement.

OUTLOOK

Difficult economic situation

The global economic situation has considerably deteriorate since the beginning of the new business year 2009. The magnitude and intensity of the crisis are hard to assess today. Global economic growth, according to estimates of renowned forecasters⁹, will presumably go down to only 0.8 % in 2009. Both the eurozone and the USA are expected to see declining GDPs. In the emerging markets growth is projected to continue also in 2009, but at a considerable lower level than in the preceding years.

In the first months of 2009 energy consumption is assumed to drop in all parts of the world because of economic slowdown, leaving no room for oil price increases to previous levels any time soon.

⁹ Economist Intelligence Unit, International Monetary Fund

For full 2009, oil consumption forecasts leave no doubt: Both EIA and IEA estimate that total demand will fall worldwide. EIA assesses total demand for 2009 at 84.67 million barrels per day¹⁰, a decline of -1.39 %. IEA expects total demand to arrive at 84.7 million barrels per day, a decline of -1.16 % over total consumption of 85.7 million barrels per day in 2008.¹¹

E&P spending expected to go down

Dropping oil prices have made the majority of national and international oil companies reconsider their short-term exploration and production expenditure despite their excellent earnings situation in 2008. Global E&P spending in 2009 is expected to be cut by around 8 % compared to 2008, but the sharpest decline of more than 30 % – as an immediate consequence of the credit crisis – is expected to occur in North America.¹²

With oil prices settling at around USD 40 per barrel, new oil deposits often can no longer be developed profitably and expenditures are more and more postponed to a later date.

On the whole, the above factors lead to expect a considerably weaker business cycle for the oilfield service industry in 2009 compared to 2008.

Outlook for Schoeller-Bleckmann

As the extent and duration of the current global economic crisis cannot be projected at the moment, any forecast on SBO's business development in 2009 is associated with substantial uncertainties. The major macro-economic factors influencing the bottom-line in 2009, apart from the unfavourable economic development, will be the oil price and development of oil demand as well as the EUR/USD exchange rate. As for the industry itself, 2009 will see increasing competition and price pressure as well as decreasing bookings.

As global recession is expected to deepen over the year, SBO will inevitably be hit by this negative development and the resulting drop in sales and profit. SBO responds to the current environment by implementing a comprehensive package of measures comprising cost savings at all subsidiaries, postponing capital expenditures and insourcing of services. SBO will make every possible effort to adapt production capacities to the market situation in 2009. The company has a sound financial structure, its current equity ratio standing at 51 % of the balance sheet total and its net debt at MEUR 74.2. Solid liquidity together with secured credit facilities gives SBO sufficient leeway. This will help the company to proactively use market opportunities also in economically challenging times.

Solid financing provides the basis of grasping future market opportunities

¹⁰ Short-Term Energy Outlook, Energy Information Administration, January 2009

¹¹ Monthly Oil Market Report, IEA, Februar 2009

¹² Credit Suisse: Oilfield Services in 2009

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 acquisition of British company Techman Engineering Ltd. effective 1 October 2008 and establishment of Vietnamese company Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd. effective 23 October 2008. No changes were made in the business of the group.

Sales

Fiscal 2008, as the years before, was characterised by a favourable market environment, which led to an increase in sales of 22.5 % (after 32.5 % in 2007) from MEUR 317.4 to MEUR 388.7.

As in the years before, the US dollar continues to be the most important currency by far for the SBO group. In 2008, about 78 % (after 75 % in 2007) of total sales and revenues were generated in US dollars.

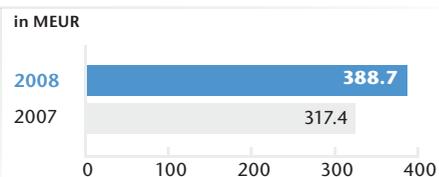
The average rates for the years ended 31 December 2007 and 31 December 2008 were used by the Company in the preparation of the Consolidated Profit and Loss Statements, whereas the closing rates for the years 2007 and 2008 were used in the preparation of the Consolidated Balance Sheets. The weakening of the US dollar in 2008, compared with the US dollar rate in 2007, had an effect of approximately MEUR 22 on the sales figure reported.

Sales by regions

The table beside shows sales by regions of origin. The largest increase was achieved in Europe, which resulted mainly from the expansion of the production facility in Ternitz/Austria.

Regarding sales markets, North America 72 % continues to be the most important market for the Company, as the major oilfield service companies are located in the USA. However, the products of the SBO group are used all over the world.

Sales



Exchange rate

in EUR/USD

	High	Low	Average	Closing
Year 2008	1.5990	1.2460	1.4706	1.4090
Year 2007	1.4874	1.2893	1.3706	1.4730

Sales by regions

in MEUR

	2008	2007
North America	300.2	256.4
Europe	237.5	174.0
Other	16.5	15.9
- Intercompany Sales	-165.5	-128.9
Total Sales	388.7	317.4

Sales by products

Both business segments, high-precision components and oilfield supplies and service, reported significant sales increases in fiscal 2008. The business segment of high-precision components achieved an increase by 21 %; it comprises primarily MWD/LWD collars, MWD/LWD internals and high-precision parts.

In the segment of oilfield supplies and service, sales grew by approximately 26 %. It comprises non-magnetic drill collars, non-magnetic material, drilling motors and other components for the oilfield as well as service and repair activities. Disproportionately high increases in this sector were achieved by non-magnetic material and drilling motors.

Gross profit

Gross profit amounted to MEUR 118.8 after MEUR 98.9 in the year before, which is an increase of 20 %. The gross margin arrived at 30.6 % after 31.2 % in the year before. Despite the negative influence of the US dollar exchange rate, the gross margin could thus be kept at a satisfactory level.

This development results from both price increases and economy of scale due to full utilisation of capacities.

Selling and administrative expenses

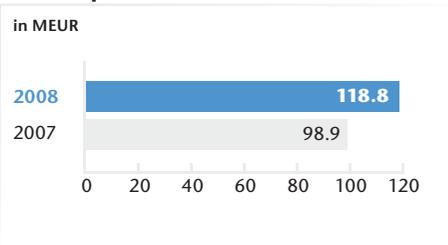
Selling, general and administrative (SGA) expenses amounted to MEUR 28.9, compared with MEUR 24.6 in 2007. Therefore, SGA expenses again increased only disproportionately and, expressed as a percentage of sales, were reduced from 7.8 % in 2007 to 7.4 % in 2008.

Although the growth in business volume resulted in increased overhead expenses, they could be kept disproportionately low due to strict cost management. SGA expenses mainly consist of salary and salary-related expenses, professional fees, travel and entertainment, communication and insurance costs.

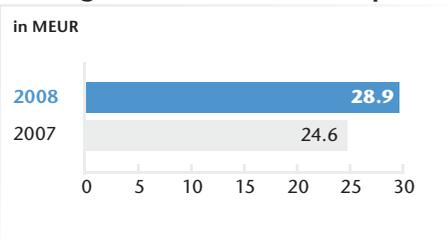
Sales by products

in MEUR		
	2008	2007
High-Precision Components	237.7	196.5
Oilfield Supplies and Service	150.2	119.3
Other	0.8	1.6
Total Sales	388.7	317.4

Gross profit



Selling and administrative expenses



Other operating income and expenses

- Other operating expenses MEUR 17.2 (2007: MEUR 7.3)
This item contains mainly R&D expenses and exchange losses.
- Other operating income MEUR 14.5 (2007: MEUR 7.3)
The major item covered here are exchange gains. Further operating income consists of rental income, service charges as well as scrap sales and gains from the sale of fixed assets.

Income from non-recurring restructuring measures

This item shows an income of MEUR 0.8 in 2008 (2007: MEUR 1.8). It mainly refers to the partial reversal of provisions made in previous years for restructuring an operating unit. Restructuring was completed in 2008.

Income from operations

Income from operations after non-recurring items increased by 15.6 % to MEUR 88.0 after MEUR 76.1 in the year before. This is a margin of 22.6 % (2007: 24.0 %) of sales. This decline over the previous year is due to the weaker US dollar exchange rate. Based on the US dollar exchange rate in 2007, the financial result would have increased by approximately MEUR 13. Nevertheless, the result is satisfying due to almost full capacity utilisation and strict cost management.

Financial result

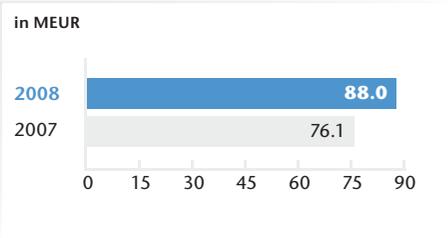
The financial result stood at MEUR – 5.5 after MEUR – 3.6 in the year before. Net interest expenses were MEUR 3.6 after MEUR 2.0 in the year before. The increase is due to financing the higher business volume and investments. Minority interests amount to MEUR 2.2 after MEUR 1.7 in 2007.

Net income/dividend

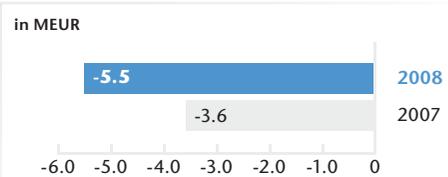
The net income for the year 2008 amounts to MEUR 58.8, i.e. EUR 3.69 per share, compared with MEUR 50.0 and EUR 3.13 per share in 2007.

The Executive Board proposes to the Annual Meeting to pay to the shareholders a distribution of EUR 0.75 per share for fiscal 2008. Of this amount, EUR 0.50 go to the

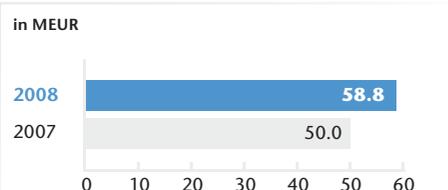
Income from operations



Financial result



Net income/dividend



base dividend and EUR 0.25 to the bonus, totalling a distribution of MEUR 11.9 to our shareholders. In doing so, we take into account, on the one hand, the excellent business development in 2008, but, on the other hand, also bear in mind the considerably less favourable overall conditions for the new business year 2009, in which a cautious distribution policy appears to be essential.

Capital resources and liquidity

Corresponding to profit development, the cash-flow from profit was also substantially improved from MEUR 71.0 in 2007 to MEUR 89.1 in the period under review. The main elements contributing to this figure were income after taxation amounting to MEUR 58.8 and depreciation and amortisation amounting to MEUR 26.2. Cash-flow from operating activities arrived at MEUR 65.0 (2007: MEUR 37.5). The net working capital went up by MEUR 21.8 from MEUR 99.4 to MEUR 121.2. This is mainly due to higher receivables from increased sales.

Cash-flow from investing activities amounted to MEUR 59.5 after MEUR 60.9 in 2007. Expenditures for property, plant and equipment were MEUR 45.8 in 2008 (2007: MEUR 66.0).

Expenditures for property, plant and equipment for the business segment of high-precision components amounted to MEUR 22.8 (2007: MEUR 37.8) and concerned mainly spending for building a production hall at Godwin-SBO L.P. and acquisition of manufacturing equipment for Schoeller-Bleckmann Oilfield Technology GmbH in Ternitz/Austria, Godwin-SBO L.P., and Knust-SBO Ltd. in Houston/USA.

Expenditures for the business segment of oilfield supplies and service amounted to MEUR 21.9 (2007: MEUR 25.9). They were spent mainly for additions to the rental fleet of drilling motors of the companies BICO Drilling Tools Inc. in Houston/USA and BICO Faster Drilling Tools Inc. in Nisku/Canada as well as acquisition of land for the Service and Supply Shop in Russia.

Net debt as at 31 December 2008 was MEUR 74.2 after MEUR 51.6 as at 31 December 2007. The increase in net debt is a result of the above-mentioned capital expenditures and the rising net working capital.

The gearing ratio, defined as net debt divided by shareholders' equity, was 32.8 % as at 31 December 2008 after 26.6 % in the year before.

EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 39, Consolidated Financial Statement, page 58.

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

Please refer to Note 20, Consolidated Financial Statement, page 41.

Financial Information

Consolidated Balance Sheet	13
Consolidated Profit and Loss Statement	15
Consolidated Cash-flow Statement	16
Statement of Shareholders' Equity	17
Notes to the Consolidated Financial Statements	18

Consolidated Balance Sheet

ASSETS in TEUR		31.12.2008	31.12.2007
Current assets			
Cash and cash equivalents		49,348	23,916
Trade accounts receivable	Note 5	56,101	44,954
Other accounts receivable and prepaid expenses	Note 6	9,846	6,033
Inventories	Note 7	127,147	119,339
TOTAL CURRENT ASSETS		242,442	194,242
Non-current assets			
Property, plant & equipment	Note 8	139,091	116,709
Goodwill	Note 9	39,279	33,934
Other intangible assets	Note 9	9,136	277
Long-term receivables	Note 10	4,676	4,740
Deferred tax assets	Note 11	8,690	8,003
TOTAL NON-CURRENT ASSETS		200,872	163,663
TOTAL ASSETS		443,314	357,905

Consolidated Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY in TEUR		31.12.2008	31.12.2007
Current liabilities			
Bank loans and overdrafts	Note 12	27,880	41,871
Current portion of long-term loans		8,729	3,516
Finance lease obligations		374	0
Accounts payable trade		38,689	40,035
Subsidies received	Note 13	284	254
Income taxes payable		4,260	6,846
Other payables	Note 14	21,429	15,818
Other provisions	Note 15	7,601	8,397
TOTAL CURRENT LIABILITIES		109,246	116,737
Non-current liabilities			
Bonds	Note 16	39,787	0
Long-term loans	Note 17	45,400	30,079
Finance lease obligations		1,356	0
Subsidies received	Note 13	1,299	1,175
Retirement benefit obligations	Note 18	3,528	3,382
Other payables	Note 19	7,795	5,960
Deferred tax payables	Note 11	8,687	6,467
TOTAL NON-CURRENT LIABILITIES		107,852	47,063
Shareholders' equity			
Share capital	Note 20	15,880	16,000
Contributed capital		61,808	65,799
Legal reserve - non-distributable	Note 21	785	785
Other reserves	Note 22	44	50
Translation component		-34,441	-29,388
Retained earnings		182,140	140,859
TOTAL SHAREHOLDERS' EQUITY		226,216	194,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		443,314	357,905

Consolidated Profit and Loss Statement

in TEUR		2008	2007
Sales	Note 23	388,705	317,372
Cost of goods sold	Note 24	-269,954	-218,424
Gross profit		118,751	98,948
Selling expenses	Note 24	-11,919	-10,083
General and administrative expenses	Note 24	-17,025	-14,547
Other operating expenses	Note 25	-17,162	-7,290
Other operating income		14,514	7,292
Income from operations before non-recurring items		87,159	74,320
Result from non-recurring restructuring measures	Note 26	844	1,790
Income from operations after non-recurring items		88,003	76,110
Interest income		1,349	1,218
Interest expenses		-4,981	-3,248
Other financial income		329	432
Other financial expenses		-2,221	-1,987
Financial result		-5,524	-3,585
Income before taxation		82,479	72,525
Income taxes	Note 27	-23,657	-22,501
Income after taxation		58,822	50,024
Average number of shares outstanding		15,937,381	16,000,000
Earnings per share in EUR (basic=diluted)		3.69	3.13

Consolidated Cash-Flow Statement

in TEUR		2008	2007
Income after taxation		58,822	50,024
Depreciation and amortization		26,155	16,785
Change in retirement benefit obligations		146	-115
Gain (loss) from sale of property, plant & equipment		-218	-307
Gain (loss) from sale of long-term investments		-1	290
Income from release of subsidiaries		-337	-259
Other non-cash expenses and revenues		6,369	5,107
Change in deferred taxes		-1,857	-565
Cash-flow from the profit		89,079	70,960
Change in accounts receivable trade		-9,624	-14,682
Change in other accounts receivable and prepaid expenses		-3,527	-1,587
Change in inventories		-6,792	-45,847
Change in accounts payable trade		-4,508	18,740
Change in other payables and provisions		330	9,956
Cash-flow from operating activities	Note 36	64,958	37,540
Expenditures for property, plant & equipment		-45,840	-65,975
Expenditures for intangible assets		-98	-97
Expenditures for the acquisition of subsidiaries less cash acquired	Note 37	-16,654	0
Proceeds from sale of property, plant & equipment		3,127	3,585
Proceeds from sale of long-term investments		1	1,636
Cash-flow from investing activities	Note 36	-59,464	-60,851
Acquisition of own shares	Note 20	-5,114	0
Dividend payments		-17,547	-12,800
Subsidies received		594	906
Change in finance lease		-112	-321
Flotation of bonds	Note 16	39,769	0
Change in bank loans and overdrafts		-14,463	16,284
Borrowings of long-term loans		35,080	8,917
Repayment of long-term loans		-17,638	-4,236
Repayment of other long-term payables		-597	-197
Cash-flow from financing activities	Note 36	19,972	8,553
Change in cash and cash equivalents		25,466	-14,758
Cash and cash equivalents at the beginning of the year		23,916	40,850
Effects of exchange rate changes on cash and cash equivalents		-34	-1,845
Revaluation effects on cash and cash equivalents		0	-331
Cash and cash equivalents at the end of the year	Note 36	49,348	23,916
Supplementary information on operating cash-flow			
Interest received		1,287	1,228
Interest paid		-3,580	-3,191
Income tax paid		-29,134	-17,056

Statement of Shareholders' Equity

Year 2008 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Revaluation reserve	Translation component	Retained earnings	Total
Note	20		21	22				
1 January 2008	16,000	65,799	785	50	0	-29,388	140,859	194,105
Currency translation shareholders' equity						-4,688		-4,688
Hedging of a net investment						-267		-267
Currency translation other items ¹						-766		-766
Tax effect						668		668
Total income and expense for the year recognized directly in equity	0	0	0	0	0	-5,053	0	-5,053
Income after taxation							58,822	58,822
Total income and expense for the year	0	0	0	0	0	-5,053	58,822	53,769
Dividends ²							-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	0	-34,441	182,140	226,216

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

² 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.

Year 2007 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Revaluation reserve	Translation component ³	Retained earnings ³	Total
Note	20		21	22				
1 January 2007	16,000	65,799	785	58	248	-14,819	103,627	171,698
Currency translation shareholders' equity						-10,688		-10,688
Hedging of a net investment						557		557
Revaluation marketable securities					-331			-331
Currency translation other items ¹						-4,255		-4,255
Tax effect					83	-183		-100
Total income and expense for the year recognized directly in equity	0	0	0	0	-248	-14,569	0	-14,817
Income after taxation							50,024	50,024
Total income and expense for the year	0	0	0	0	-248	-14,569	50,024	35,207
Dividends ²							-12,800	-12,800
Change in reserves				-8			8	0
31 December 2007	16,000	65,799	785	50	0	-29,388	140,859	194,105

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

² The dividend payment in the year 2007 of TEUR 12,800 was distributed to a share capital of TEUR 16,000. Accordingly, the dividend per share amounted to EUR 0.80.

³ The opening balances were changed because of a reclassification of tax effects on currency translation differences in prior periods.

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 2008 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 2008 (as of 31 December 2008) will be released on 10 March 2009.

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 2008 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
B.K.G.P. Inc.	Wilmington, USA	100,00
B.K.L.P. Inc.	Wilmington, USA	100,00
Accudrill L.P.	Houston, USA	100,00
Bafco Investment Co.	Warminster, USA	100,00
Godwin-SBO L.P.	Houston, USA	100,00
Knust-SBO Ltd.	Houston, USA	100,00
Schoeller-Bleckmann Energy Services L.L.C. (*)	Lafayette, USA	100,00
Schoeller-Bleckmann Sales Co. L.P.	Houston, USA	100,00
BICO Drilling Tools Inc. (*)	Houston, USA	100,00
BICO Faster Drilling Tools Inc.	Nisku, Kanada	100,00
Schoeller-Bleckmann de Mexico S.A. de C.V.	Monterrey, Mexico	100,00
Schoeller-Bleckmann de Venezuela C.A.	Anaco, Venezuela	100,00
SB Darron Pte. Ltd.	Singapur	100,00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, U.A.E.	100,00
Schoeller-Bleckmann Oilfield Equipment (UK) Ltd. (**)	Rotherham, UK	100,00
Darron Oil Tools Ltd.	Rotherham, UK	100,00
Darron Tool & Engineering Ltd. (*)	Rotherham, UK	100,00
Schoeller-Bleckmann Darron Ltd. (*)	Aberdeen, UK	100,00
Techman Engineering Ltd.	Chesterfield, UK	100,00
Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd.	Binh Duong, Vietnam	100,00

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

(**) formerly Darron Holdings Limited.

In 2008, the following changes in the scope of consolidated entities took place:

- Schoeller-Bleckmann Oilfield Technology GmbH & Co KG was merged into Schoeller-Bleckmann Oilfield Technology GmbH as of 1 January 2008;
- Acquisition of 100 % of the shares of Techman Engineering Limited as of 1 October 2008 (see Note 37);
- Foundation of Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd. on 23 October 2008.

NOTE 4 | Significant accounting policies

As of 1 January 2008 the Group has applied the following new and revised standards and interpretations:

- Amendments to IAS 39 and IFRS 7 – Reclassification of financial instruments,
- IFRIC 11 IFRS 2 – Transactions with own equity or group equity instruments,
- IFRIC 14 IAS 19 – Limit on a defined benefit asset, minimum funding requirements and their interaction.

The application of these standards and interpretations has not resulted in any implications on the group's assets, its financial and profit situation or on any additional data.

The essential implications of these amendments are as follows:

Amendments to IAS 39 and IFRS 7 – Reclassification of financial instruments

As a response to the financial crisis, IASB has decided on 13 October 2008 to amend IAS 39 with regard to the classification of financial instruments. These amendments have come into effect retroactively, as of 1 July 2008. As the Group has not reclassified any financial instruments, this modification has no implication, neither on its assets nor its financial and profit situation.

IFRIC 11 IFRS 2 – Transactions with own shares or group equity instruments

The Company has not issued any instruments to which this interpretation applies.

IFRIC 14 IAS 19 – Limit on a defined benefit asset, minimum funding requirements and their interaction

The application of this interpretation has not resulted in any implications on the Group's assets, its financial and profit situation as there is no surplus in benefit plan.

The following new or revised standards and interpretations as published and adopted by the European Union were not applied prematurely in business year 2008 but will be applied in following reporting periods as they become obligatory:

Amendments to IFRS 1 First time adoption of International Financial Reporting Standards and IAS 27 Consolidated and separate financial statements according to IFRS

Both amendments have to be applied for periods beginning on, or after 1 January 2009. The amendment to IAS 27 must be applied prospectively. These new regulations will have no implication on the consolidated financial statements.

IFRS 2 Share-based payment

The amendment will become applicable for periods beginning on, or after 1 January 2009. The new regulation will not have any implication on the assets, financial and profit situation of the Group.

IFRS 8 Operating segments

IFRS 8 was published in November 2006 and is first applicable for periods beginning on or after 1 January 2009. Once in effect, IFRS 8 will replace IAS 14 segment reporting (IAS 14).

In contrast to the IAS 14 reporting requirement by business and geographical segments, IFRS 8 follows a management approach where the published segment information is based on the information which the chief operating decision makers use for resource allocation decisions and for the assessment of segment performance. The distinction between primary and secondary segments is abolished, however, IFRS 8 establishes a segment reporting requirement also for major or exclusive inter-segment services or transfers. The application of IFRS 8 will probably not have any significant change in the Company's segment structure. It is expected that the application of the new standards will result in additional disclosures.

IAS 1 Presentation of financial statements (revised)

The revised standard was published in September 2007 and is first applicable in the periods starting on, or after 1 January 2009. The standard requires the presentation of all changes in equity resulting from transactions with owners in their capacity as owners separately from any other changes in equity. The application of the revised standard merely results in a changed presentation.

IAS 23 Borrowing costs (revised)

IASB published an amendment to IAS 23 in April 2007, which is first applicable for periods starting on, or after 1 January 2009. The revised IAS 23 requires entities to capitalize borrowing costs which are directly attributable to the acquisition, the construction or production of qualifying assets. So far, the Company has expensed borrowing costs in the period during which they were incurred. This will result in changed accounting and valuation methods for borrowing costs and in additional disclosures in 2009.

IAS 32 Financial instruments: Presentation and IAS 1 Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation

These amendments to IAS 32 and IAS 1 were published in February 2008 and are first applicable for periods commencing on, or after 1 January 2009. The changed standards shall have no impact on the consolidated assets, financial or profit situation as the Group has not issued any such instruments.

IFRIC 13 Customer loyalty programmes

IFRIC published IFRIC 13 in June 2007. The interpretation is first mandatory for periods starting on, or after 1 July 2008. The new interpretation will have no effect on the Group assets or its financial or profit situation, as the Group has no customer loyalty programmes pursuant to the definition of IFRIC 13.

Improvements to IFRS 2008

In May 2008, the Board first published a collective standard on amendments to various standards, with the primary goal to abolish inconsistencies and clarify some wordings. Each standard has its own transitional regulations. Those amendments which were developed within the framework of the Improvements to IFRS 2008 project, were not applied prematurely. The following amendment will result in changed accounting and valuation methods:

IAS 20 Accounting for government grants and disclosures of government assistance: In future, interest-free or low-interest loans will not be exempted from the required display of interest benefits. The difference between the grant received and the discounted amount shall be accounted in Subsidies received. So far, the Group has accounted the nominal value of interest-free or low-interest loans. In addition, some wording has been revised in order to ensure consistency with other IFRS.

● **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 2008 and 31 December 2008 reflects exchange gains or losses from foreign currency transactions in the amount of TEUR - 3,014 (2007: TEUR - 1,231).

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	
	31.12.2008	31.12.2007	2008	2007
USD	1.4090	1.4730	1.4706	1.3706
GBP	0.9585	0.7365	0.7965	0.6845
CAD	1.7090	1.4460	1.5593	1.4689
AED	5.1500	5.4100	5.4160	5.0687
MXN	19.2333	16.0735	16.2967	15.0726

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.

● 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

All cash and financial investments with a residual term of up to 90 days from the date of receipt which are booked under line item Cash and cash equivalents are classified as liquid funds. They are measured at current value at the balance sheet date.

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 Cash and cash equivalents, 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 directly in equity, 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 equity 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, 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.

● 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.

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.

Depreciation of assets under finance lease was included in the depreciation expenses.

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.

- **Subsidies received**

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**

Austrian pension plan

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 3,930 (2007: EUR 3,840)). For employees contributing 1 % of their annual salaries to the pension fund, the Company also contributes 1 %.

Other retirement plans

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.P., Schoeller-Bleckmann Sales Co. L.P., 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 Ltd. 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 2008 and 2007, 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. 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 (2007: AVÖ 1999-P) by Pagler & Pagler and an interest rate of 5.75 % (2007: 5.0 %), an annual increase in salaries of 4.75 % (2007: 4.0 %) 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.

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. 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 also expensed as incurred, but are not capitalized due to the uncertainties of the future economic benefits attributable to them. 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 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
2008	56,101	34,046	11,560	4,663	2,622	943	1,597
2007	44,954	28,223	9,583	3,939	1,327	1,122	759

The allowance account reflects the following:

in TEUR	2008	2007
As of 1 January	467	361
Exchange differences	-133	-47
Usage	-118	-12
Reversal	-166	-9
Expensed additions	920	174
As of 31 December	970	467

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	
2008	9,846	9,018	9,018
2007	6,033	5,496	5,496

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 2008	31 December 2007
Raw materials	11,386	14,503
Work in progress	62,014	60,418
Finished goods	53,703	44,348
Prepayments	44	70
Total	127,147	119,339

Allowance expenses booked for 2008 were TEUR 10,752 (2007: TEUR 3,388).

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 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					
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

Year 2007 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2007	22,083	117,065	6,246	8,537	153,931
Exchange differences	-1,996	-8,353	-455	-161	-10,965
Additions	14,863	30,790	1,720	18,602	65,975
Transfers	1,114	12,588	93	-13,795	0
Disposals	-215	-8,904	-386	0	-9,505
31 December 2007	35,849	143,186	7,218	13,183	199,436
Accumulated depreciation					
1 January 2007	8,084	64,799	4,382	0	77,265
Exchange differences	-547	-4,005	-327	0	-4,879
Additions	1,016	14,737	815	0	16,568
Disposals	-176	-5,680	-371	0	-6,227
31 December 2007	8,377	69,851	4,499	0	82,727
Carrying value					
31 December 2007	27,472	73,335	2,719	13,183	116,709
31 December 2006	13,999	52,266	1,864	8,537	76,666

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

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

For the business year 2008, write-downs of Plant & Machinery were made in the amount of TEUR 250 (2007: TEUR 87). These expenses are included in the consolidated Profit and Loss-statement under line item "Cost of Sales" (depreciation).

In 2008 and 2007 there were no write-ups.

As of 31 December 2008 commitments for capital expenditure amounted to TEUR 22,433 (2007: TEUR 22,820).

Finance Lease

Plant and machinery held under finance lease are as follows:

in TEUR	31 December 2008	31 December 2007
Acquisition cost	2,582	0
Accumulated depreciation	-525	0
Carrying value	2,057	0

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

in TEUR	31 December 2008	31 December 2007
For the following year	477	0
Between one and five years	1,350	0
More than five years	179	0
Total minimum lease payments	2,006	0
Less discount	-276	0
Present value	1,730	0

Operating lease

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

in TEUR	31 December 2008	31 December 2007
For the following year	850	921
Between one and five years	914	1,444
After five years	200	218

Payments for operating leases which were expensed in the current year amounted to TEUR 912 in 2008 (2007: TEUR 904).

NOTE 9 | Intangible assets

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

Year 2008 in TEUR	Goodwill	Other intangibles	Total
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
Year 2007 in TEUR			
At cost			
1 January 2007	57,996	3,627	61,623
Exchange differences	-4,567	-328	-4,895
Additions	0	97	97
Disposals	0	-1	-1
31 December 2007	53,429	3,395	56,824
Accumulated amortization			
1 January 2007	21,082	3,215	24,297
Exchange differences	-1,587	-313	-1,900
Additions	0	217	217
Disposals	0	-1	-1
31 December 2007	19,495	3,118	22,613
Carrying value			
31 December 2007	33,934	277	34,211
31 December 2006	36,914	412	37,326

In the years 2008 and 2007 no impairments were made.

No write-ups were made in the years 2008 and 2007.

As of 31 December 2008, commitments for acquisitions of intangible assets amounted to TEUR 0 (31 December 2007: 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 9 % capital cost rate before taxes (WACC = Weighted Average Costs of Capital). A detailed planning period of 3 years is used; 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, which in turn are derived from the budgets of the management.

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 2008 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 2008	31 December 2007
Knust-SBO Ltd.	14,553	13,921
Godwin-SBO L.P.	12,139	11,636
Schoeller-Bleckmann Oilfield Technology GmbH	4,655	4,655
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	3,675	3,675
Techman Engineering Limited (see Note 37)	4,217	0

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

2. Other intangible assets

Other intangible assets are IT software as well as rights in non-compete agreements.

Non-compete agreements were entered into with certain employees of Godwin Machine Works in 1998. The capitalized rights are being amortized over the life of the respective agreements, ranging from four to ten years.

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 – 10 years (see Note 37).

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 2008	31 December 2007
Loans	4,612	4,421
Other receivables	64	319
Total	4,676	4,740

As there were no past-due receivables, no write-downs had to be made either as of 31 December 2008 or 31 December 2007. The other receivables are not secured.

NOTE 11 | Deferred taxes

As of 31 December 2008, the Company had a net deferred tax asset of TEUR 3 (as of 31 December 2007: TEUR 1,536).

The components of the Company's deferred tax assets and deferred tax liabilities as of the balance sheet dates were as follows:

in TEUR	31 December 2008	31 December 2007
Fixed assets (different measurements and useful lives)	-9,028	-2,330
Inventory (different valuation)	7,146	1,664
Other items (different valuation)	96	-75
Not deductible accruals	2,553	2,608
Accruals (unrealized exchange differences)	-1,061	-718
Tax loss carry forward	297	387
Total	3	1,536

The line items as reflected in the group balance sheet:

in TEUR	2008	2007
Deferred tax assets	8,690	8,003
Deferred tax payables	-8,687	-6,467
	3	1,536

Not recognized are deferred tax assets in the amount of TEUR 177 (2007: TEUR 2,126) related to tax losses carried forward, because the exploitation of these losses could not be expected in the foreseeable future.

From the exploitation of tax loss carry forwards the effective taxes in 2008 were reduced by TEUR 1,622 (2007: TEUR 329).

The payment of dividends to the shareholders will not result in any implications on income taxes for the business year 2008 and the comparative period of 2007.

NOTE 12 | Bank loans and overdrafts

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	

As of 31 December 2007, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	13,610	5.58 - 5.66 % variable
GBP loans	6,527	6.55 - 6.80 % variable
EUR loans	5,500	4.69 - 5.01 % variable
Subtotal	25,637	
Export promotion loans (EUR)	16,234	4.58 - 5.10 % variable
Total	41,871	

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 (2007: TEUR 18,754) to securitize these loans.

The **USD borrowings** due to banks in the amount of TEUR 8,516 (2007: TEUR 13,610) are collateralized by specific current assets of the Company ("floating charge").

NOTE 13 | Subsidies received

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.

NOTE 14 | Other payables

Other payables were as follows:

in TEUR	31 December 2008	31 December 2007
Vacation not yet used	1,644	1,247
Other personnel expenses	6,704	4,774
Invoices not yet received	2,501	2,530
Legal and other counseling fees	890	680
Taxes	3,927	2,316
Social expenses	1,343	875
Other payables	4,420	3,396
Total payables	21,429	15,818

NOTE 15 | Other provisions

The following development was recorded:

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

Year 2007 in TEUR	31 Dec. 2006	Exchange Differences	Usage	Reversal	Provision	31 Dec. 2007
Warranty/product liability	1,268	0	0	0	989	2,257
Restructuring	4,181	0	-452	-1,790	0	1,939
Other	2,486	-94	-965	0	2,774	4,201
Total	7,935	-94	-1,417	-1,790	3,763	8,397

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 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				

As of 31 December 2007, long-term borrowings consisted of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	706	5.69 % variable	2006 - 2015	semi-annually
EUR	2,825	3.99 % fixed	2006 - 2015	semi-annually
EUR	7,500	1.50 % fixed	2006 - 2012	semi-annually from 2009
EUR	3,500	3.54 % fixed	2006 - 2011	semi-annually
EUR	389	5.69 % variable	2006 - 2011	semi-annually
EUR	2,000	5.85 % variable	2003 - 2010	2010
EUR	2,154	4.75 % fixed	2002 - 2009	semi-annually
EUR	923	4.80 % fixed	2002 - 2009	semi-annually
USD	1,046	6.35 % fixed	2003 - 2016	monthly
USD	4,073	5.92 % variable	2007 - 2013	quarterly
USD	2,037	5.61 % variable	2007 - 2013	quarterly
USD	6,442	4.12 % fixed	2003 - 2010	2010
	33,595			

The following borrowings were collateralized:

EUR-loans:

- TEUR 19,220 – Machinery pledged with a carrying-value of TEUR 21,901.

USD-loans:

- TEUR 1,000 – Mortgage on land and building with a carrying-value of TEUR 1,513;
- TEUR 3,265 – Pledge on particular assets (“floating charge”).

GBP-loans:

- TEUR 2,559 – Lien on property (land and building) with a carrying value of TEUR 3,351 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 2008	31 December 2007
Severance payments	2,796	2,700
Jubilee payments for long service	729	679
Pension provision	3	3
Total	3,528	3,382

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

	2008	2007
Interest rate	5.75 %	5.0 %
Salary increases	4.75 %	4.0 %
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	2008	2007	2006	2005	2004
Defined benefit obligations as of 1 January	2,700	2,699	2,443	2,008	1,956
Current service cost	175	169	151	118	121
Interest cost	133	107	109	107	104
Current severance payments	-194	-513	-146	-161	-147
Actuarial gain/loss during the year	-18	238	142	371	-26
Defined benefit obligations as of 31 December	2,796	2,700	2,699	2,443	2,008

Actuarial gains/losses are mainly the result from experience-based adjustments.

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 826 in 2008 (2007: TEUR 639).

NOTE 19 | Other payables

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

Company	31 December 2008	31 December 2007
Schoeller-Bleckmann Energy Services L.L.C.	15.00 %	15.00 %
Schoeller-Bleckmann Darron Limited	8.35 %	8.35 %
Darron Tool & Engineering Limited	6.97 %	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 2008 as well as on 31 December 2007 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, equalling a 0.75 % share in its capital stock. There are 15,880,116 shares in circulation.

As of 31 December 2008, 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	2008	2007
Sale of goods	357,819	293,497
Operating lease revenue	30,886	23,875
Total net sales	388,705	317,372

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	2008	2007
Material expenses	179,479	187,341
Personnel expenses	75,660	67,629
Depreciation tangible assets	25,023	16,568
Amortization other intangibles	1,132	217

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 1,591 in 2008 and TEUR 1,154 in 2007.

NOTE 26 | Result from non-recurring restructuring measures

In 2008, provisions from previous periods in the amount of TEUR 844 were released:

Darron Tool & Engineering Limited:

The restructuring of Darron Tool & Engineering Limited in Rotherham was completed in 2008. The provision made in the year 2006 for the partial decommissioning of operations was released.

In 2007, the following provisions posted in the previous years were reversed or used respectively:

Schoeller-Bleckmann de Venezuela C.A.:

An amount of TEUR 452 was used for expenses, which were incurred in the course of the termination of the business activities in 2007.

Schoeller-Bleckmann Darron Limited:

A notable improvement of the market in 2007 and the newly commenced long-term trading operations made the planned restructuring measures redundant, thereby effecting the reversal of provisions in the amount of TEUR 1,790.

NOTE 27 | Taxes on income

The components of income tax were as follows:

in TEUR	2008	2007
Current taxes		
Austria	-7,418	-5,923
U. S.	-13,386	-14,072
Other	-4,712	-3,071
Deferred taxes		
Austria	2,267	1,348
U. S.	-679	455
Other	271	-1,238
Total	-23,657	-22,501

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

in TEUR	2008	2007
Income tax expense at a calculated tax rate of 25 %	-20,620	-18,131
Foreign tax rate differentials	-4,360	-4,050
Valuation of shareholdings	-52	-674
Usage of tax losses not recognized in prior years	1,484	329
Other differences	-109	25
Consolidated income tax expense	-23,657	-22,501
Consolidated tax rate	28.7 %	31.0 %

The following income taxes were booked directly in equity:

in TEUR	2008	2007
Current taxes		
Valuation of own shares	511	0
Exchange rate differences	523	0
	1,034	0
Deferred taxes		
Hedging of net investment	67	-139
Revaluation of marketable securities	0	83
Exchange rate differences	78	-44
	145	-100

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 this reason, the **primary segment reporting** is displayed by geographical regions.

As the figures stated represent a summary of the single balance sheets and income statements of the consolidated companies, consolidation adjustments have to be allowed for in order to arrive at the consolidated figures shown.

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

Primary segment information by region:

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

Year 2007 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	68,181	234,875	14,316	0	317,372
Inter-company sales	105,843	21,538	1,555	-128,936	0
Total sales	174,024	256,413	15,871	-128,936	317,372
Operating income	30,655	46,620	2,973	-4,138	76,110
Attributable assets	149,478	200,355	12,354	-4,282	357,905
Attributable liabilities	88,004	108,714	4,430	-37,348	163,800
Capital expenditure	37,102	26,364	198	2,408	66,072
Depreciation & amortization	7,728	8,377	255	425	16,785
Thereof impairments	0	87	0	0	87
Head count (average)	504	588	58	18	1,168

The **secondary segment reporting** by product is classified by the intended purpose of the goods and services. The following categories are used:

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.

Secondary segment reporting by product:

Year 2008 in TEUR	High-precision components	Oilfield supplies and services	Other sales	SBO-Holding & consolidation adjustments	SBO Group
External sales	237,721	150,190	794	0	388,705
Attributable assets	257,392	180,343	0	5,579	443,314
Capital expenditure	22,893	21,875	0	1,170	45,938

Year 2007 in TEUR	High-precision components	Oilfield supplies and services	Other sales	SBO-Holding & consolidation adjustments	SBO Group
External sales	196,508	119,276	1,588	0	317,372
Attributable assets	201,235	160,951	1	-4,282	357,905
Capital expenditure	37,785	25,879	0	2,408	66,072

NOTE 29 | Remuneration for the management

The remuneration including bonuses for 2007 paid in 2008 for the Executive Board and the General Managers of the subsidiaries (totaling 14 individuals as compared to 13 in the previous year) amounted to TEUR 4,320 (2007: TEUR 3,304). These amounts include the allocation to provisions for severance and jubilee payments amounting to TEUR 185 in 2008 and TEUR 99 in 2007.

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 89 in the business year, which is a combination of a flat rate and a variable rate depending on the Group's results (2007: TEUR 69).

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 2008:

Schleinzner & Partner, attorneys-at-law:

This law firm is the legal consultant to the Company. One of the law firm's partners, Dr. Karl Schleinzner, is a member of the Supervisory Board. Total charges for 2008 amounted to TEUR 66 (2007: TEUR 54), thereof outstanding as of 31 December 2008 is TEUR 39 (31 December 2007: TEUR 27).

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 30,886 for 2008 and TEUR 23,875 for 2007.

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 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 2008	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Present value in TEUR
USD	53,567	52,198	1,369

Forward exchange transactions as of 31 December 2007	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Present value in TEUR
USD	41,335	39,715	1,620

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. 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 2008 was TEUR 1,291 (31 December 2007: TEUR 1,558). The change in value for the year was TEUR - 267 (2007: TEUR 557), 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		Category acc. to IAS 39				Classification acc. to IFRS 7: Valuation method							
						Fair value	Amortized costs						
		Loans and receivables	Other financial liabilities	Derivative Instruments	Hedging Instruments	Derivatives	Liquid funds	Accounts receivable trade	Lendings	Bonds	Loans, Bank & Lease obligations	Accounts payable trade	Other items
31.12.2008 in TEUR													
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	2,135	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	
Subsidies received	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		
Subsidies received	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	166,957	765	6,709	7,474	0	0	0	39,787	77,030	38,689	11,451

FINANCIAL INSTRUMENTS		Category acc. to IAS 39				Classification acc. to IFRS 7: Valuation method							
						Fair value	Amortized costs						
		Loans and receivables	Other financial liabilities	Derivative Instruments	Hedging Instruments	Derivatives	Liquid funds	Accounts receivable trade	Lendings	Bonds	Loans, Bank & Lease obligations	Accounts payable trade	Other items
31.12.2007 in TEUR													
Current assets													
Cash and cash equivalents	23,916	23,916					23,916						
Trade accounts receivable	44,954	44,954						44,954					
Other accounts receivable and prepaid expenses	6,033	3,877			1,620	1,620							3,877
Inventories	119,339												
Total current assets	194,242												
Non-current assets													
Property, plant & equipment	116,709												
Goodwill	33,934												
Other intangible assets	277												
Long-term receivables	4,740	4,740						257	4,421				62
Deferred tax assets	8,003												
Total non-current assets	163,663												
TOTAL ASSETS	357,905	77,487	0	1,620	0	1,620	23,916	45,211	4,421	0	0	0	3,939
Current liabilities													
Bank loans and overdrafts	41,871		41,871								41,871		
Current portion of long-term loans	3,516		3,516								3,516		
Finance lease obligations	0												
Accounts payable trade	40,035		40,035									40,035	
Subsidies received	254												
Income taxes payable	6,846												
Other payables	15,818		3,396										3,396
Other provisions	8,397												
Total current liabilities	116,737												
Non-current liabilities													
Bonds													
Long-term loans													
of which primary liabilities	23,637		23,637								23,637		
of which hedging	6,442				6,442	6,442							
Finance lease obligations	0												
Subsidies received	1,175												
Retirement benefit obligations	3,382												
Other payables	5,960		5,960										5,960
Deferred tax payables	6,467												
Total non-current liabilities	47,063												
Shareholders' equity													
Share capital	16,000												
Contributed capital	65,799												
Legal reserve - non-distributable	785												
Other reserves	50												
Translation component	-32,177												
Retained earnings	143,648												
Total shareholders' equity	194,105												
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	357,905	0	118,415	0	6,442	6,442	0	0	0	0	69,024	40,035	9,356

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	2008		2007	
	Carrying value	Present value	Carrying value	Present value
Assets				
Trade receivables	56,115	56,115	45,211	45,211
Lendings	4,612	4,612	4,421	4,421
Other line items	6,933	6,933	3,939	3,939
Liabilities				
Bonds	-39,787	-42,793	0	0
Borrowings from banks, finance lease obligations and other loans	-77,030	-77,056	-69,024	-68,529
Trade payables	-38,689	-38,689	-40,035	-40,035
Other line items	-11,451	-11,451	-9,356	-9,356

The respective market values 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 bonds were valued at 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 2008 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	Equity	P/L	Equity	
Loans and receivables	-766	-	-	-	-	-766
Derivative instruments	-	-250	-	-	-	-250
Hedging transactions	-	-	-267	-	-	-267
Year 2007 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
Loans and receivables	-165	-	-	-	-	-165
Assets available for sale	-	-	-	406	-331	75
Derivative instruments	-	1,277	-	-	-	1,277
Hedging transactions	-	-	557	-	-	557

Following the sale of securities in 2008, TEUR 0 (2007: TEUR 331) previously stated in equity were recognized in the profit and loss statement.

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.

The three dominant service companies in the market (Schlumberger, Halliburton, Baker Hughes) accounted for 62 % of all sales worldwide in 2008 and for 65 % in 2007. 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.

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.

Due to the strong global demand for raw materials, SBO was faced with the risk of delivery problems due to the lack of certain semi-finished products during the reporting period. As a result of the new purchasing policy, the stockpiling of certain specialty alloys in the U.S. and intensified cooperation with a major supplier, those risks were identified and minimized early on.

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 45 % 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	2008		2007	
	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit before taxes	-11,370	13,029	-8,548	9,893
Change in equity	-9,829	11,328	-7,170	7,949

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	2008		2007	
	+10	+20	+10	+20
Change in profit before taxes	-13	-26	-23	-46

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 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	-	-

31 December 2007 in TEUR	Due at call	2008	2009	2010	2011 cont'd
Payables due to banks	44,096	-	-	-	-
Long-term loans	-	4,688	7,259	7,426	11,311
Trade payables	-	39,863	172	-	-
Other payables	-	15,818	-	-	-
Derivative instruments	-	265	265	6,575	-

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.

● 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 32.8 % as of 31 December 2008 and 26.6 % as of 31 December 2007.

in TEUR	31 December 2008	31 December 2007
Bank loans	27,880	41,871
Long-term loans	54,129	33,595
Finance lease obligations	1,730	0
Bonds	39,787	0
Less: Cash and cash equivalents	-49,348	-23,916
Net debt	74,178	51,550
Total equity	226,216	194,105
Gearing	32.8 %	26.6 %

NOTE 34 | Contingencies

No contingencies existed as of the balance sheet dates 31 December 2008 and 31 December 2007.

NOTE 35 | Other commitments

Apart from operating lease commitments and commitments for capital expenditure, no further commitments existed as of the balance sheet date (see Note 8).

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

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. If the Company had been acquired at the beginning of the year, the group result 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. A final assessment will be available until October 2009 at the latest.

NOTE 38 | Personnel

The total average number of employees was as follows:

	2008	2007
Blue collar	1,091	933
White collar	282	235
	1,373	1,168

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 (2007: EUR 0.50) plus a bonus of EUR 0.25 per share (2007: EUR 0.60), in total EUR 0.75 (2007: EUR 1.10) per share should be paid. Thus, the total distribution amounts to MEUR 11.9 compared to MEUR 17.5 in 2007.

Management Information

Executive Board:

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

Committees of the Supervisory Board:

Remuneration Committee:

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, 25 February 2009

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 2008 Business Year

During the 2008 business year, the Supervisory Board carried out the duties allocated to it by law and the articles of association and held 4 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 2008 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 2008 were examined by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. According to their unqualified audit certification, the accounts, the Annual Accounts for the 2008 business year and the 2008 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 10 March 2009, the Supervisory Board approved the Annual Accounts for the 2008 business year, the Consolidated Financial Statements as at 31 December 2008, the proposal for the distribution of profits and the Status Report combined with the Consolidated Status Report presented by the Managing Board.

Ternitz, 10 March 2009



Norbert Zimmermann
Chairman of the Supervisory Board

Auditor's Report

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, 2008 to December 31, 2008. These consolidated financial statements comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended December 31, 2008, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

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 in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections.

Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of December 31, 2008, and of its financial performance and its cash flows for the financial year from January 1, 2008 to December 31, 2008 in accordance with International Financial Reporting Standards as adopted by the EU.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, February 25, 2009

 **ERNST & YOUNG**

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH

Mag. Karl Rab mp & Mag. Karl Fuchs mp
Certified Public Accountant Certified Public Accountant

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Schoeller-Bleckmann do Brasil, Ltda.*

Macaé, Brazil

* in the course of formation

Jahresabschluss der Schoeller-Bleckmann Oilfield Equipment AG

Jahresabschluss	65
Erklärung aller gesetzlichen Vertreter gemäß § 82 Abs. 4 Z 3 Börsegesetz	85

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESSELLSCHAFT
AKTIVA

	31.12.2008 EUR	31.12.2007 TEUR	31.12.2008 EUR	31.12.2007 TEUR
A. ANLAGEVERMÖGEN			A. EIGENKAPITAL	
I. Immaterielle Vermögensgegenstände			I. Grundkapital	16.000
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	6.114.037,58	20	II. Kapitalrücklagen	69.976
II. Sachanlagen			1. gebundene Kapitalrücklage	
1. Grundstücke, grundstücksgleiche Rechte und Bauten davon Grundwert EUR 1.287.486,12 (2007: TEUR 1.287)	13.687.532,20	12.232	III. Gewinnrücklagen	785
2. andere Anlagen, Betriebs- und Geschäftsausstattung	387.423,28	274	1. gesetzliche Rücklage	0
3. geleistete Anzahlungen und Anlagen in Bau	2.934,00	557	2. Rücklage für eigene Anteile	18.828
	14.057.889,48	13.063	3. andere (freie) Rücklagen	19.613
III. Finanzanlagen			IV. Bilanzgewinn	22.591
1. Anteile an verbundenen Unternehmen	85.139.415,56	69.214	davon Gewinnvortrag EUR 5.044.594,12 (2007: TEUR 763)	
2. Ausleihungen an verbundene Unternehmen	41.456.562,29	35.859		119.266.637,64
	126.595.977,85	105.073	B. UNVERSTEUERTE RÜCKLAGEN	
	146.767.904,91	118.156	1. Bewertungsreserve auf Grund von Sonderabschreibungen	50
B. UMLAUFVERMÖGEN			C. RÜCKSTELLUNGEN	
I. Forderungen und sonstige Vermögensgegenstände			1. Rückstellungen für Abfertigungen	379
1. Forderungen gegenüber verbundenen Unternehmen	24.834.197,99	39.558	2. Steuerrückstellungen	3.715
2. sonstige Forderungen u. Vermögensgegenstände	3.693.468,22	3.619	3. sonstige Rückstellungen	1.347
II. Wertpapiere und Anteile				5.441
1. eigene Anteile	28.527.666,21	43.177	D. VERBINDLICHKEITEN	
	2.625.459,60	0	1. Anleihen	0
III. Kassenbestand, Guthaben bei Kreditinstituten	18.704.021,02	1.432	2. Verbindlichkeiten gegenüber Kreditinstituten	28.625
	49.857.146,83	44.609	3. Verbindlichkeiten aus Lieferungen und Leistungen	290
	196.625.051,74	162.765	4. Verbindlichkeiten gegenüber verbundenen Unternehmen	38
			5. sonstige Verbindlichkeiten	141
			davon aus Steuern EUR 665.346,78 (2007: TEUR 4)	
			davon im Rahmen der sozialen Sicherheit EUR 303.760,60 (2007: TEUR 26)	
				74.281.510,21
				196.625.051,74
				162.765
				39.398

Der beiliegende Anlagenpiegel bildet einen integrierenden Bestandteil dieser Bilanz.

Haftungsverhältnisse 38.899.832,35

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

GEWINN- UND VERLUSTRECHNUNG

vom 1. Jänner bis 31. Dezember 2008

	2008 EUR	2007 TEUR
1. Umsatzerlöse	5.004.698,50	3.845
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	43.515,75	2
b) übrige	794.525,70	242
	838.041,45	244
3. Personalaufwand		
a) Löhne	-143.639,82	-107
b) Gehälter	-1.920.650,85	-1.268
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Vorsorgekassen	-184.369,82	-125
d) Aufwendungen für Altersvorsorge	-315.369,13	-107
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-253.316,53	-222
f) sonstige Sozialaufwendungen	-436,55	0
	-2.817.782,70	-1.829
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		
a) planmäßige Abschreibungen	-913.808,65	-425
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und Ertrag fallen	-121.516,48	-20
b) übrige	-4.575.040,99	-3.022
	-4.696.557,47	-3.042
6. Zwischensumme Z 1 bis Z 5 (Betriebserfolg)	-2.585.408,87	-1.207
7. Erträge aus Beteiligungen	12.828.804,82	22.150
davon aus verbundenen Unternehmen EUR 12.828.804,82 (2007: TEUR 22.150)		
8. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	3.458.519,19	3.453
davon aus verbundenen Unternehmen EUR 3.458.007,31 (2007: TEUR 3.410)		
9. sonstige Zinsen und ähnliche Erträge	2.396.130,98	1.471
davon aus verbundenen Unternehmen EUR 1.388.503,85 (2007: TEUR 1.045)		
10. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	615.154,59	6.407
11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	-5.814.118,69	-4.090
a) davon Abschreibungen EUR 5.814.118,69 (2007: TEUR 4.057)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR 3.769.952,02 (2007: TEUR 4.057)		
davon Abschreibungen EUR 3.769.952,02 (2007: TEUR 4.057)		
12. Zinsen und ähnliche Aufwendungen	-2.845.112,99	-1.462
davon betreffend verbundene Unternehmen EUR 1.875,00 (2007: TEUR 2)		
13. Zwischensumme Z 7 bis Z 12 (Finanzerfolg)	10.639.377,90	27.929
14. Ergebnis der gewöhnlichen Geschäftstätigkeit	8.053.969,03	26.722
15. Steuern vom Einkommen und vom Ertrag	572.908,28	-5.901
davon Ertrag aus Steuerumlagen EUR 6.947.360,61 (2007: TEUR 0)		
16. Jahresüberschuß	8.626.877,31	20.821
17. Auflösung unverteilter Rücklagen		
a) Bewertungsreserve auf Grund von Sonderabschreibungen	5.732,65	7
18. Auflösung von Gewinnrücklagen		
a) Rücklage für eigene Anteile	2.044.166,67	0
b) andere (freie) Rücklagen	0,00	1.000
	2.044.166,67	1.000
19. Gewinnvortrag aus dem Vorjahr	5.044.594,12	763
20. Bilanzgewinn	15.721.370,75	22.591

ANHANG ZUM JAHRESABSCHLUSS 2008

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 2007 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.

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 5,75 % (Vorjahr: 5 %), Gehaltssteigerung 4,75 % (Vorjahr: 4 %) 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 31.12.2008 TEUR 6.103,8) 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:

- Schoeller-Bleckmann Oilfield Equipment (UK) Limited
Zugang durch Kapitalzuführung TEUR 12.658,2
- BICO Drilling Tools Inc.
Zugang durch Kapitalzuführung TEUR 3.475,4
- Schoeller-Bleckmann Oilfield Equipment Vietnam LLC
Zugang durch Gründung TEUR 1.112,0
- Schoeller-Bleckmann de Mexico S. A. de C. V.,
Teilwertabschreibung TEUR - 1.320,0

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

in TEUR	<1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
31.12.2008	3.383,0	25.710,4	12.363,2	41.456,6
31.12.2007	2.706,4	18.267,9	14.885,0	35.859,3

Anlage III

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

Vom Zuschreibungswahlrecht gem. § 208 Abs. 2 UGB in Höhe von TEUR 1.500,6 wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 375,2.

UMLAUFVERMÖGEN

Forderungen und sonstige Vermögensgegenstände

Die Restlaufzeit stellt sich wie folgt dar:

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

31.12.2007 (in TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	36.557,7	3.000,0	39.557,7
sonstige Forderungen	179,6	3.439,8	3.619,4
Summe	36.737,3	6.439,8	43.177,1

Die größten Positionen in den sonstigen Forderungen waren Darlehen an Mitarbeiter von Konzerngesellschaften (TEUR 3.632,6, Vorjahr: TEUR 3.420,0).

Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen für Darlehen (TEUR 40,5, Vorjahr: TEUR 15,2).

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 abgegeben. Zum Bilanzstichtag hält die Gesellschaft 119.884 Stück eigene Aktien, dies entspricht einem Anteil von 0,75 % am Grundkapital, mit einem Buchwert von TEUR 2.625,5.

EIGENKAPITAL

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

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.

Anlage III

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

Die freie Rücklage betrug zum Bilanzstichtag TEUR 14.158,4 (Vorjahr: TEUR 18.828,1). Im Jahr 2008 erfolgte eine erfolgsneutrale Umwidmung in die Rücklage für eigene Anteile in der Höhe von TEUR 4.669,6.

Die Rücklage für eigene Anteile entspricht dem Buchwert der eigenen Aktien zum Bilanzstichtag in der Höhe von TEUR 2.625,5 (Vorjahr TEUR 0,0).

Im Jahr 2008 erfolgte eine Auflösung der Rücklage für eigene Anteile von TEUR 2.044,2.

Gemäß dem Hauptversammlungsbeschluss vom 16. April 2008 wurden vom Bilanzgewinn 2007 TEUR 17.546,9 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 5.044,6 auf neue Rechnung vorgetragen.

UNVERSTEUERTE RÜCKLAGEN

in TEUR	2007	Auflösung	2008
Bewertungsreserve gemäß § 8 EStG	50,0	5,7	44,3

Die Auflösung der unversteuerten Rücklagen in Höhe von TEUR 5,7 (Vorjahr: TEUR 7,5) wurde über die Gewinn- und Verlustrechnung geführt.

RÜCKSTELLUNGEN

In den übrigen Rückstellungen sind enthalten:

in TEUR	31.12.2008	31.12.2007
Jubiläumsgeldrückstellungen	40,3	35,5
Rückstellungen für nicht konsumierte Urlaube	231,6	151,4
sonstige Personalrückstellungen	628,0	338,5
Rechts-, Prüfungs- und Beratungskosten	101,0	66,0
Bilanzveröffentlichung	95,0	65,0
ausstehende Eingangsrechnungen	0,0	690,4
Summe	1.095,9	1.346,8

VERBINDLICHKEITEN

Die Verbindlichkeiten weisen folgende Fristigkeiten auf:

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

Anlage III

31.12.2007 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Verbindlichkeiten gegenüber Kreditinstituten	11.248,3	16.199,5	1.177,0	28.624,8
Verbindlichkeiten aus Lieferungen und Leistungen	118,2	172,0	0,0	290,2
Verbindlichkeiten gegenüber verbundenen Unternehmen	37,5	0,0	0,0	37,5
sonstige Verbindlichkeiten	141,2	0,0	0,0	141,2
Summe	11.545,2	16.371,5	1.177,0	29.093,7

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.

In den sonstigen Verbindlichkeiten betrafen TEUR 2.187,2 (Vorjahr: TEUR 140,5) Aufwendungen, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

in TEUR	31.12.2008		31.12.2007	
	Gesamtbetrag	davon für verbundene Unternehmen	Gesamtbetrag	davon für verbundene Unternehmen
Haftungen für Kredite und Kurssicherungen	38.341,8	38.341,8	38.670,8	38.670,8
Patronatserklärungen	558,0	558,0	726,9	726,9

FINANZIELLE VERPFLICHTUNGEN

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

- fällig innerhalb 1 Jahr: TEUR 3,6
- fällig innerhalb der nächsten 5 Jahre: TEUR 0,0

Für Bestellungen zu Sachanlagen bestanden Verpflichtungen in der Höhe von TEUR 463,8 (Vorjahr: TEUR 666,5).

2. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

UMSATZERLÖSE

Die größten Posten sind:

in TEUR	2008	2007
Verrechnete Holdingleistungen	2.832,0	2.304,2
Mieterträge	1.334,4	869,3
Verrechnete Konzernversicherung	838,5	670,6

Diese Erlöse wurden in früheren Jahren unter dem Posten „sonstige betriebliche Erträge“ ausgewiesen. Für Vergleichszwecke wurde der Ausweis für das Vorjahr angepasst.

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

in TEUR	2008	2007
Kursgewinne	784,8	229,3
Zuschüsse	7,5	6,7

PERSONALAUFWAND

Im Posten „Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen“ sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 5,7 (2007: TEUR 4,3) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten sind:

in TEUR	2008	2007
Wertberichtigungen von Forderungen	1.671,3	0,0
Kursverluste	289,9	956,5
Versicherungen	297,3	377,9
Rechts-, Prüfungs- und Beratungskosten	218,8	216,3

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

BETEILIGUNGSERGEBNIS

Die Erträge aus Beteiligungen des Jahres 2008 betreffen überwiegend die Ausschüttung aus 2008 von der Schoeller-Bleckmann Oilfield Technology GmbH.

Anlage III

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:

Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MEX (ab 2005),

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

Die aktive Steuerlatenz beträgt TEUR 326,5 (Vorjahr: TEUR 1.083,6). Sie wurde gemäß § 198 Abs. 10 UGB nicht in der Bilanz ausgewiesen.

Der auf das Jahr 2008 entfallende Steueraufwand für die gesamte Unternehmensgruppe beträgt TEUR 5.972,0, TEUR 76,8 entfallen auf Steuern für Vorjahre, TEUR 325,7 auf sonstige Steuern. Für das Jahr 2008 wurde eine Steuerumlage von TEUR 6.947,4 an das inländische Gruppenmitglied verrechnet.

BILANZGEWINN

Das Geschäftsjahr 2008 schließt mit einem Jahresüberschuss von EUR 8.626.877,31. Nach Berücksichtigung der Rücklagenbewegungen sowie zuzüglich des Gewinnvortrags aus 2007 ergibt sich ein Bilanzgewinn von EUR 15.721.370,75

Der Vorstand schlägt vor, an die dividendenberechtigten Aktien eine Dividende von 75 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 31.12.2008 betrug TEUR 1.290,8 (Vorjahr: TEUR 1.558,0).

Anlage III

IV. Angaben über Beteiligungen und Beziehungen zu verbundenen Unternehmen

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG war zum 31. Dezember 2008 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, USA	100,00	
B. K. G. P. Inc., Wilmington, USA		100,00
B. K. L. P. Inc., Wilmington, USA		100,00
ACCUDRILL L. P., Houston, USA		100,00
Bafco Investment Inc., Warminster, USA		100,00
GODWIN-SBO L. P., Houston, USA		100,00
KNUST-SBO Ltd., Houston, USA		100,00
Schoeller-Bleckmann Energy Services LLC, Lafayette, USA		85,00
Schoeller-Bleckmann Sales Co. L. P., Houston, USA		100,00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00	
Darron Tool & Engineering Limited, Rotherham, GB		93,03
Darron Oil Tools Limited, Rotherham, GB		100,00
Schoeller-Bleckmann Darron Ltd., Aberdeen, GB		91,65
Techman Engineering Limited, Chesterfield, GB		100,00
BICO Drilling Tools Inc., Houston, USA	85,00	
BICO-FASTER Drilling Tools Inc., Nisku, CDN		85,00
Schoeller-Bleckmann de Venezuela C. A., Anaco, RV	100,00	
SB Darron Pte Ltd., Singapore	100,00	
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MEX	100,00	
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	100,00	
Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd., Binh Duong, VN	100,00	

Anlage III

Angaben zu den Jahresergebnissen und zum Eigenkapital der Tochtergesellschaften:

in TEUR	Ergebnis	Eigenkapital
	Jahr 2008	31.12.2008
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	19.881,4	30.551,4
Schoeller-Bleckmann Drilling- and Production Equipment GmbH, Ternitz	0,3	90,4
Schoeller-Bleckmann Oilfield Investment GmbH, Ternitz	26,2	96,6
Schoeller-Bleckmann America Inc., Wilmington, USA	- 1.512,2	2.958,2
B. K. G. P. Inc., Wilmington, USA	71,2	442,9
B. K. L. P. Inc., Wilmington, USA	5.911,5	25.722,8
ACCUDRILL L. P., Houston, USA	107,3	879,9
Bafco Investment Inc., Warminster, USA	- 0,2	0,2
GODWIN-SBO L. P., Houston, USA	9.839,3	50.851,1
KNUST-SBO Ltd., Houston, USA	21.691,4	55.506,0
Schoeller-Bleckmann Energy Services LLC, Lafayette, USA	1.822,7	6.765,2
Schoeller-Bleckmann Sales Co. L. P., Houston, USA	4.957,7	6.272,6
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	9.793,1	29.550,0
Darron Tool & Engineering Limited, Rotherham, GB	3.479,9	10.407,5
Darron Oil Tools Limited, Rotherham, GB	0,0	0,0
Schoeller-Bleckmann Darron Ltd., Aberdeen, GB	6.581,8	11.533,5
Techman Engineering Limited, Chesterfield, GB	-111,2	3.604,8
BICO Drilling Tools Inc., Houston, USA	6.447,8	28.736,5
BICO-FASTER Drilling Tools Inc., Nisku, CDN	1.251,8	6.427,5
Schoeller-Bleckmann de Venezuela C. A., Anaco, RV	- 324,9	292,6
SB Darron Pte Ltd., Singapore	1.628,9	5.491,8
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, Mexiko	-614,5	2.719,9
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	1.304,5	4.321,1
Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd., Binh Duong, VN	0,0	1.064,6

V. Pflichtangaben über Organe und Arbeitnehmer

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2008	2007
Gehaltsempfänger	12	12
Lohnempfänger	8	6
Summe Mitarbeiter	20	18

Anlage III

Zum 31.12.2008 betrug der Personalstand 19 Mitarbeiter: 12 Gehaltsempfänger und 7 Lohnempfänger (Vorjahr: 20 Mitarbeiter, 13 Gehaltsempfänger und 7 Lohnempfänger).

Im Geschäftsjahr 2008 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 88,5.

Zu den übrigen Angaben gem. § 239 Abs. 1, Z. 3 und 4 UGB wird von der Bestimmung gem. § 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:

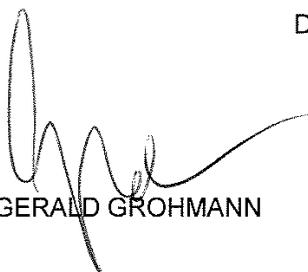
Ing. GERALD GROHMANN
seit 03.10.2001

Mag. FRANZ GRITSCH
seit 01.12.1997

Ternitz, am 23. Februar 2009

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand


Ing. GERALD GROHMANN


Mag. FRANZ GRITSCH

Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft

LAGEBERICHT für das Geschäftsjahr 2008

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.

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

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 stiegen von MEUR 3,8 auf MEUR 5,0.

Das Ergebnis der gewöhnlichen Geschäftstätigkeit (EGT) betrug 2008 MEUR 8,1 (2007: MEUR 26,7). Es war wesentlich gekennzeichnet durch Erträge aus Beteiligungen in Höhe von MEUR 12,8 (2007: MEUR 22,1). Es handelt sich hierbei vor allem um die Ausschüttung von der Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz.

Die Zugänge zu Sachanlagen und immateriellen Vermögensgegenständen betrugen 2008 MEUR 8,0 (2007: MEUR 9,8). Bei den immateriellen Vermögensgegenständen wurde von einem verbundenen Unternehmen „Intellectual Property“ um MEUR 6,3 zur weltweiten Vermarktung erworben. Bei den Zugängen im Sachanlagevermögen handelt es sich im Wesentlichen um Gebäude für Produktion und Verwaltung.

Die Zugänge zu Finanzanlagen betrugen MEUR 28,0 (2007: MEUR 0,8) und betrafen mit MEUR 17,2 Anteile an verbundenen Unternehmen und mit MEUR 10,8 Ausleihungen an verbundene Unternehmen.

Die Abgänge bei Finanzanlagen betrugen MEUR 3,6. Es waren dies planmäßige Tilgungen von Ausleihungen an verbundene Unternehmen.

Die Bilanzsumme erhöhte sich 2008 auf MEUR 196,6 (2007: MEUR 162,8).

Die Eigenkapitalquote betrug 60,7% (2007: 78,8%).

Das langfristig gebundene Vermögen (überwiegend Finanzanlagen) betrug 74,6% der Bilanzsumme (2007: 72,6 %).

Der Personalstand der SBO zum 31.12.2008 betrug 19 Mitarbeiter (12 Gehaltsempfänger und 7 Lohnempfänger), verglichen mit einem Personalstand zum 31.12.2007 von 20 Mitarbeitern (13 Gehaltsempfänger und 7 Lohnempfänger).

Es bestehen keine Zweigniederlassungen der SBO.

Marktumfeld

Das Geschäftsjahr 2008 war für die Oilfield Service-Industrie wie in den vorangegangenen Jahren grundsätzlich von einer Fortsetzung der intensiven Explorations- und Produktionstätigkeit der nationalen und internationalen Ölgesellschaften gekennzeichnet. Ausschlaggebend dafür war der kontinuierlich steigende Welt-Energiebedarf, der insbesondere durch die boomenden Volkswirtschaften der Emerging Markets ausgelöst wurde und zumindest bis ins 2. Quartal 2008 anhielt.

Ab Jahresmitte 2008 verschärfte sich die von den USA ausgehende Kredit- und Finanzkrise zusehends.

Die Turbulenzen an den internationalen Wertpapier- und Rohstoffbörsen spiegeln sich deutlich im Verlauf des Ölpreises wider: Anfang Jänner startete der Ölpreis (WTI) bei USD 99,63 pro Barrel, erreichte im Juli sein Jahreshoch mit USD 145,46. Anschließend erfolgte die Gegenbewegung, bis Ende Dezember das Jahrestief von USD 30,81 pro Barrel erreicht wurde.

Auch der Ölverbrauch zeigte eine volatile Entwicklung. Bereits im zweiten Quartal des Jahres 2008 ging die Ölnachfrage kontinuierlich zurück. Besonders der Verbrauch von Rohölprodukten in Nordamerika entwickelte sich stetig im Jahresverlauf 2008 deutlich rückläufig.¹ Eine Konsequenz dieser Entwicklung war das Anwachsen der Rohöl-Lager, was maßgeblich den Rückgang des Ölpreises auslöste.

Die Explorations- und Produktionsaktivitäten (E&P) der großen nationalen und internationalen Ölgesellschaften blieben den überwiegenden Teil des Jahres 2008 noch auf einen Anstieg des weltweiten Energieverbrauches ausgerichtet. Der Aufwärtstrend des Ölpreises bis zu seinem All-Time-High zu Jahresmitte ermöglichte steigende E&P Investitionsaufwendungen. Folglich war die Auftragslage für die Oilfield Service-Industrie 2008 von einer starken Nachfrage gekennzeichnet. Der durchschnittliche Rigcount 2008 auf weltweiter Basis (ein Parameter für die Aktivitäten im Bereich E&P) betrug 3.336 nach 3.116 Einheiten im Jahr 2007². Insbesondere haben die Aktivitäten im technologisch anspruchsvollen E&P Bereich (Richtbohren, Off-Shore Bohrungen) zu einer starken Nachfrage nach High-Tech-Komponenten geführt.

Geschäftsentwicklung

Die SBO-Gruppe konnte die gute Branchenkonjunktur im Geschäftsjahr 2008 optimal nutzen. Die Ausweitung der Produktionskapazitäten als Folge des strategischen Investitionsprogramms ermöglichte neue Rekordwerte bei den wichtigsten betriebswirtschaftlichen Kennzahlen.

Der Auftragseingang des Geschäftsjahres 2008 betrug MEUR 367,3 und lag damit um rund 8 % über dem Wert des Geschäftsjahres 2007. Die gute Orderlage verteilte sich bis weit ins vierte Quartal hinein gleichermaßen über alle Segmente. Gegen Jahresende waren gegenüber den Vorquartalen erste Anzeichen einer gewissen Zurückhaltung bei den Bestelleingängen erkennbar.

¹ World Oil Demand, International Energy Agency, Dezember 2008

² Baker Hughes: Rig Count (worldwide)

Der Auftragsstand zu Jahresende 2008 betrug MEUR 214,0 (nach MEUR 248,8 zu Jahresende 2007). Der Rückgang widerspiegelt die auf Grund der höheren Kapazitäten wieder normalisierten Durchlaufzeiten, aber auch eine Verlangsamung des Auftragseinganges im 4.Quartal. Alle Produktionskapazitäten waren 2008 voll ausgelastet, der anhaltend hohe Auftragseingang konnte durch Mehrschichtbetrieb und Überstunden bewältigt werden.

Kostenseitig musste ein weiterer Anstieg der Personalkosten verkraftet werden. Dagegen waren im Jahresverlauf entsprechend der Entwicklung auf den internationalen Rohstoffmärkten Preisrückgänge bei Legierungsmetallen feststellbar.

Bei den Verkaufspreisen machte sich im Jahresverlauf 2008 zunehmender Druck seitens der Kunden bemerkbar. Hinzu kam auch vermehrter Wettbewerb als Folge von Kapazitätserweiterungen in der gesamten Oilfield Service-Industrie.

Service & Supply Shops mit guten Ergebnissen

Im Segment Ölfeldausrüstungen und Service betreibt Schoeller-Bleckmann ein weltweites Netz von Service & Supply Shops, die vor allem in der ersten Hälfte des Geschäftsjahres 2008 sehr stark ausgelastet waren. Der Standort Russland wurde ausgebaut, die zuvor angemietete Liegenschaft angekauft. Nach dem Boom der letzten Jahre war ab dem dritten Quartal in diesem Geschäftsfeld erstmals eine leichte Abkühlung feststellbar, was aber auf die insgesamt gute Ergebnislage dieses Segments noch keinen Einfluss hatte.

Wieder sehr guter Geschäftsverlauf bei Bohrmotoren

Das Geschäftsfeld Bohrmotoren der Schoeller-Bleckmann Oilfield Equipment ist in der nordamerikanischen Tochtergesellschaft BICO Drilling Tools Inc. (BICO) gebündelt. Das Hauptgeschäft von BICO ist das Verleasen von Bohrmotoren. Im Geschäftsjahr 2008 konnte infolge der hohen Marktakzeptanz des Hochleistungs-Bohrmotors „Spiro Star“ und durch den Ausbau der Motorenflotte Marktanteile dazu gewonnen werden.

Ausbau Standort Ternitz im Vordergrund

Das mehrjährige Investitionsprogramm fand 2008 mit dem Abschluss der Erweiterungen am Standort Ternitz seinen vorläufigen Höhepunkt. Durch den Bau einer neuen Produktionsstätte konnte der Maschinenpark für die Herstellung von Hochpräzisionsteilen (MWD/LWD) im Jahresverlauf 2008 sukzessive erweitert werden. Voraussetzung für die optimale Nutzung dieser Kapazitäten war die bereits 2007 in Betrieb genommene neue Langschmiedeanlage, welche Vormaterialien für großvolumige MWD/LWD-Komponenten erzeugt. Das starke Wachstum des Unternehmens machte auch den Bau eines zeitgemäßen Verwaltungsgebäudes für den Sitz der Konzernholding notwendig.

Um der starken Nachfrage gerecht zu werden, wurde der Maschinenpark auch an den Standorten in Nordamerika kontinuierlich erweitert.

Insgesamt betrug der Zugang zu den Sachanlagen im Geschäftsjahr 2008 MEUR 45,8 (nach MEUR 66,0 im Jahr zuvor). Davon entfielen auf den österreichischen Standort Ternitz MEUR 14,6 (nach MEUR 34,3), auf die nordamerikanischen Standorte (inkl. Mexiko) MEUR 21,1 (nach MEUR 26,4), der Rest verteilte sich auf die übrigen Standorte der Gruppe.

Akquisition Techman

Mit Stichtag 1. Oktober 2008 wurde das britische Oilfield-Serviceunternehmen Techman Engineering Ltd./Chesterfield (GB) zu 100 % übernommen. Techman produziert Präzisionsteile (Collars) und Tools für die Oilfield Service-Industrie und erwirtschaftete zuletzt mit rund 70 Mitarbeitern einen Jahresumsatz von rund 13,5 Mio GBP. Verkäufer waren die bisherigen privaten Eigentümer des Unternehmens.

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 weltwirtschaftliche Lage hat sich zu Beginn des neuen Geschäftsjahres 2009 deutlich verschlechtert. Ausmaß und Tiefe der Krise sind aus heutiger Sicht schwer abzuschätzen

Der Rückgang des Ölpreises hat die Mehrzahl der nationalen und internationalen Ölgesellschaften trotz ihrer guten Ertragslage 2008 zu einem Überdenken der kurzfristigen Investitionen in Exploration und Produktion veranlasst. So wird auf weltweiter Basis für 2009 mit einem Rückgang der E&P-Ausgaben von rund 8 % gegenüber 2008 gerechnet³. Der stärkste Rückgang wird – jedoch als unmittelbare Folge der Kreditkrise – für Nordamerika erwartet.

Insgesamt ist für 2009 für die Oilfield Service-Industrie auf Grund dieser Vorgaben mit einer gegenüber 2008 deutlich schwächeren Branchenkonjunktur zu rechnen.

Da Ausmaß und Dauer der weltwirtschaftlichen Krise derzeit nicht vorhersehbar sind, ist jede Prognose für den Geschäftsverlauf 2009 der SBO-Gruppe mit erheblichen Unsicherheiten behaftet. Die größten makroökonomischen Einflussfaktoren auf den Ergebnisverlauf 2009 werden neben dem unerfreulichen Konjunkturverlauf die Entwicklung des Ölmarktes in Bezug auf Preise und Absatzmengen sowie der Euro-US-Dollar Wechselkurs sein. Branchenspezifisch ist 2009 mit zunehmendem Wettbewerb und steigendem Preisdruck, aber auch mit Bestellrückgängen zu rechnen.

Sollte sich das weltweite Rezessionsszenario im Jahresverlauf weiter beschleunigen, ist ein Durchschlagen dieser Entwicklung auf die SBO-Gruppe und damit ein Umsatz- und Ergebnisrückgang unvermeidlich. Die SBO-Gruppe ist auch für diesen Fall gerüstet. Mit einer aktuellen Eigenkapitalquote von 51 % der Bilanzsumme und einer Nettoverschuldung von MEUR 74,2 ist der Konzern solide finanziert. Die gute Liquidität in Verbindung mit abgesicherten Kreditrahmen sichern dem SBO-Konzern einen entsprechenden Handlungsspielraum.

Dieser ermöglicht es uns auch in wirtschaftlich schwierigeren Zeiten Marktchancen offensiv wahrzunehmen.

³ Credit Suisse: Oilfield Services in 2009

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 und GBP.

Die liquiden Mittel bestehen aus Guthaben bei österreichischen Banken .

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.

3) Forschung und Entwicklung

Schoeller-Bleckmann Oilfield Equipment hat seine Forschungs- und Entwicklungsarbeiten weitestgehend in die operativen Geschäftseinheiten integriert. Diese Struktur hat sich in den vergangenen Jahren bestens bewährt und sichert bei optimalem Mitteleinsatz eine kunden- und marktnahe Entwicklungsarbeit mit hoher Erfolgsquote.

Schwerpunkt der Forschungs- und Entwicklungsarbeiten waren im Segment MWD/LWD Prototypenfertigungen in enger Zusammenarbeit mit den Kunden der SBO. Bei BICO Drilling Tools Inc. wurden die Testläufe für einen neuartigen, richtungssteuerbaren Bohrmotor weiter geführt.

4) Berichterstattung gem. § 243a UGB

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 2008 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.

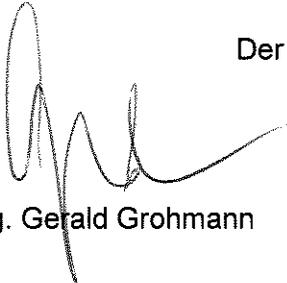
Im Geschäftsjahr 2008 wurden 131.298 Stück eigene Aktien zu einem Preis von MEUR 5,1 erworben. 11.414 Stück wurden im Zuge eines Beteiligungserwerbs abgegeben. Zum Bilanzstichtag hält die Gesellschaft 119.884 Stück eigene Aktien, dies entspricht einem Anteil von 0,75 % am Grundkapital, mit einem Buchwert von MEUR 2,6.

Zum 31.12.2008 hält die Berndorf Industrieholding AG, Berndorf, rund 31% vom Grundkapital.

Ternitz, 23. Februar 2009

SCHOELLER BLECKMANN
OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand



Ing. Gerald Grohmann



Mag. Franz Gritsch

BESTÄTIGUNGSVERMERK

Wir haben den Jahresabschluss der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz**, für das Geschäftsjahr vom 1. Jänner 2008 bis 31. Dezember 2008 unter Einbeziehung der Buchführung geprüft. Die Buchführung, die Aufstellung und der Inhalt dieses Jahresabschlusses sowie des Lageberichtes in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den ergänzenden Bestimmungen in der Satzung liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung und einer Aussage, ob der Lagebericht in Einklang mit dem Jahresabschluss steht.

Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, die Prüfung so zu planen und durchzuführen, dass ein hinreichend sicheres Urteil darüber abgegeben werden kann, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist, und eine Aussage getroffen werden kann, ob der Lagebericht mit dem Jahresabschluss in Einklang steht. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld des Unternehmens sowie die Erwartungen über mögliche Fehler berücksichtigt.

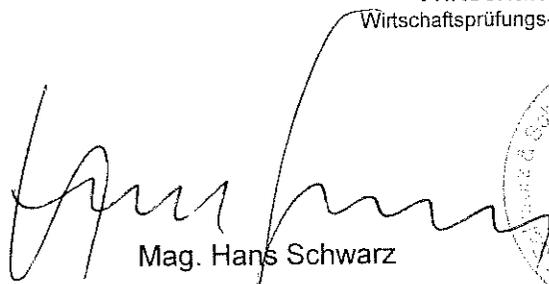
Im Rahmen der Prüfung werden die Nachweise für Beträge und sonstige Angaben in der Buchführung und im Jahresabschluss überwiegend auf Basis von Stichproben beurteilt. Die Prüfung umfasst ferner die Beurteilung der angewandten Rechnungslegungsgrundsätze und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften sowie den ergänzenden Bestimmungen in der Satzung und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft** zum 31. Dezember 2008 sowie der Ertragslage des Unternehmens für das Geschäftsjahr 1. Jänner 2008 bis 31. Dezember 2008 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung. Der Lagebericht steht in Einklang mit dem Jahresabschluss.

Wien, 23. Februar 2009

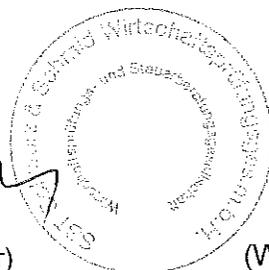
SST Schwarz & Schmid
Wirtschaftsprüfungsges.m.b.H.

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Mag. Hans Schwarz

(Wirtschaftsprüfer und Steuerberater)



Dr. Andreas Hlavenka

(Wirtschaftsprüfer und Steuerberater)



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, 25. Februar 2009


Ing. Gerald Grohmann Mag. Franz Gritsch
Vorstandsmitglieder