



Nine months' statement 2009

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Group interim management report

Brüder Mannesmann Aktiengesellschaft is a holding company whose operating subsidiaries are active in the international trading of tools and valves. The holding combines two independently operating divisions, "Tools Trading" and "Valves Trading", under a single umbrella. The subsidiary Brüder Mannesmann Grundbesitz GmbH acts solely as a leasing company for property and is not involved in market operations. These properties are industrial and office property which has been held for decades and which is mostly still used for the company's own business operations.

Tools Trading

Sales in the Tools Trading division increased on a quarterly comparison. Quarterly sales in the third quarter of 2009 came to € 7.8 million, slightly above the € 7.0 million recorded in the previous quarter. This enabled business volume to be stabilised, albeit at an unusually low level. As of 30 September 2009, nine-month divisional sales amounted to € 24.2 million compared with € 33.4 million in the same period of the previous year.

Valves Trading

Quarter-on-quarter sales increased sharply in the Valves Trading division and in the third quarter of 2009 came to € 8.5 million, up from € 6.5 million in the previous quarter. As of 30 September 2009, nine-month divisional sales amounted to € 22.5 million compared with € 28.5 million in the same period of the previous year.

Group business performance

With consolidated sales of € 47.1 million as of 30 September 2009, down from € 62.5 million in the same period of the previous year, another sharp downturn in the volume of business was sustained due to the development of the economy. However, on a quarterly comparison there was a marked improvement on the second quarter. Both of the Group's operating divisions increased their sales so that at € 16.4 million consolidated sales in the third quarter of 2009 were up by around € 2.8 million on the previous quarter. This is equivalent to a quarterly increase of a good 20%.

EBIT as of 30 September 2009 amounted to almost € 1.5 million and was therefore likewise significantly up on the previous quarter. The EBIT margin is a good 3.2% and is therefore above the figure of 2.4% registered at the end of the first half of 2009.

Outlook

The positive development in the third quarter of 2009 has enabled growth rates in terms of sales and income to be posted again for the first time in several quarters. While it cannot be foreseen at the present time whether this represents a sustained trend reversal, this is also not to be ruled out. What is certain is that despite the improvements in the third quarter, sales for 2009 as a whole at Group level (as already mentioned) will not reach those for the 2008 financial year. However, since in spite of the lower volume of business the Brüder Mannesmann Group is performing profitably at the operating level, the 2009 financial year should close with positive EBIT.

How the ongoing economic future proves to be is something that it will only be possible to forecast with an appropriate degree of certainty once the economic statistics for 2009 are available. This can certainly give rise to further risks such as if the current estimates and expectations do not come to fruition but instead if anything deviate on the downside.

Remscheid, November 2009
Brüder Mannesmann Aktiengesellschaft,
The Board of Management



Jürgen Schafstein
Chairman of the
Board of Management



Bernd Schafstein

Consolidated Balance Sheet

Assets in TEUR	Notes	30.09.2009	31.12.2008
Non-current assets			
Goodwill		3,845	3,845
Other intangible assets	3.1.	329	458
Property, plant and equipment	3.2.	7,225	7,037
Investment property		8,377	8,377
Financial assets	3.3.	2,106	1,577
Deferred tax assets	3.4.	2,889	2,717
Other assets		86	110
		24,857	24,121
Current assets			
Inventories		12,625	14,219
Trade receivables		11,957	12,545
Other receivables and other assets		2,700	2,176
Assets for current tax		221	357
Cash and cash equivalents		15,351	13,473
		42,854	42,770
Balance sheet total		67,711	66,891

Liabilities in TEUR	Notes	30.09.2009	31.12.2008
Equity	3.5.		
Share capital		9,000	9,000
Reserves		770	770
Accumulated losses brought forward		-1,883	-1,363
Net consolidated income		-355	-520
		7,532	7,887
Non-current liabilities			
Mezzanine subordinate loans		17,123	17,048
Provisions for pensions and similar liabilities		10,607	9,848
Financial liabilities		13,691	14,361
Other liabilities		3,925	4,159
Deferred tax liabilities		700	667
		46,046	46,083
Current liabilities			
Other provisions		1,187	894
Financial liabilities		899	893
Trade liabilities		8,409	7,432
Other liabilities		3,638	3,702
		14,133	12,921
Balance sheet total		67,711	66,891

Consolidated Statement of Earnings

in TEUR	Notes	01.07.-30.09.2009	01.07.-30.09.2008	01.01.-30.09.2009	01.01.-30.09.2008
Sales revenue	4.1.	16,403	21,655	47,111	62,510
Other operating income		126	260	365	488
Costs of materials		-11,988	-16,358	-34,030	-46,931
Staffing costs		-2,038	-2,100	-6,545	-6,197
Other operating expenses		-1,680	-2,418	-5,120	-6,556
EBITDA		823	1,039	1,781	3,314
Amortisation and depreciation of intangible assets and property, plant and equipment		-105	-100	-316	-308
EBIT (operating result)		718	939	1,465	3,006
Financial earnings		-629	-1,107	-1,960	-2,455
Earnings before tax		89	-168	-495	551
Income taxes	4.2.	-32	252	140	-200
Net consolidated income		57	84	-355	351
Earnings per share (undiluted) in EUR	4.3.	0.02	0.03	-0.12	0.12
Earnings per share (diluted) in EUR	4.3.	0.02	0.03	-0.12	0.12

Reconciliation from net consolidated income for the period to total comprehensive income

in TEUR		01.07.-30.09.2009	01.07.-30.09.2008	01.01.-30.09.2009	01.01.-30.09.2008
Net consolidated income		57	84	-355	351
Transactions recognised directly in equity		0	0	0	0
Total comprehensive income		57	84	-355	351

Consolidated Capital Finance Account

in TEUR		30.09.2009	30.09.2008
EBIT		1,465	3,006
Depreciation on noncurrent assets		316	308
Change of noncurrent provisions and other noncurrent liabilities		525	449
Other non-cash income and expenses		100	100
Interest payments		-9	-381
Income tax payments		0	-4
Cash inflows/outflows from operating activities before change in current net assets		2,397	3,478
Change of current assets / liabilities			
Inventories		1,594	-1,446
Trade receivables		588	-2,428
Other receivables and other assets		-388	583
Financial liabilities		0	202
Trade liabilities		977	4,441
Other liabilities and other items		229	1,620
Inflows/outflows from operating activities		5,397	6,450
Inflows from disposal of noncurrent assets		0	46
Outflow for investment properties		-904	-92
Interest received		53	452
Dividends received		12	38
Investments		0	1,585
Inflows/outflows from investing activities		-839	2,029
Change of long-term financial liabilities			
Distribution of profits		0	-300
Repayment long-term financial liabilities		-664	-656
Interest payment		-2,016	-2,564
Inflows/outflows from financing activities		-2,680	-3,520
Changes in cash and cash equivalents		1,878	4,959
Cash and cash equivalents on 1 January		13,473	8,209
Cash and cash equivalents on 30 September		15,351	13,168

Statement of Changes to Shareholders' Equity

in TEUR	Share capital	Capital reserves	Revenue reserves	Retained earnings brought forward	Net income	Total shareholders' equity
Shareholders' equity as at December 31, 2007	9,000	770	0	-1,188	125	8,707
Transfer to earnings reserves from 2007 net income				125	-125	
Profit distribution				-300		
Profit January 1, to September 30, 2008					351	
Shareholders' equity as at September 30, 2008	9,000	770	0	-1,363	351	8,758
Shareholders' equity as at December 31, 2008	9,000	770	0	-1,363	-520	7,887
Transfer to earnings reserves from 2008 net income				-520	520	
Profit January 1, to September 30, 2009					-355	
Shareholders' equity as at September 30, 2009	9,000	770	0	-1,883	-355	7,532

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. General information on the consolidated financial statements

Brüder Mannesmann Aktiengesellschaft is a holding company whose operating subsidiaries are active in the international trading of tools and valves. Two independently operating divisions – Tools Trading and Valves Trading – are established on the market, while the subsidiary Brüder Mannesmann Grundbesitz GmbH acts exclusively as a rental company for the properties held by the Group and does not operate on the market.

Brüder Mannesmann Aktiengesellschaft is a listed company admitted for trading in the Prime Standard segment of the Frankfurt Stock Exchange.

2. Accounting policies

2.1. Basis of preparation of the financial statements

In accordance with section 315a of the Handelsgesetzbuch (HGB – German Commercial Code) and the International Financial Standards (IFRS) assumed by the EU the consolidated financial statements of Brüder Mannesmann Aktiengesellschaft for the year ended 31 December 2008 were prepared.

The interim financial statements of the group as at 30 September 2009 had been prepared in accordance with the International Accounting Standard (IAS) 34 (Interim Financial Reporting). The interim report was made by using the same accounting methods as in the 2008 group financial report. For more information we refer to the annual financial report 2008. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which are mandatory at 30 September 2009 have been applied. The consolidated financial statements are prepared in euro. Unless otherwise stated, all amounts are shown in thousand euro (TEUR).

The interim financial statements have neither been audited nor reviewed by the group auditor, the Morison AG, Frankfurt am Main.

2.2. Application of new accounting policies

The following statutory accounting requirements were applied for the first time in 2009:

- IAS 1 "Presentation of Financial Statements"

This standard relates primarily to the presentation of the income and expenses recognised directly in equity.

- IFRS 8 "Operating Segments"

This new standard focuses on the company's internal management in the breakdown of business segments. In Brüder Mannesmann group, the internal reporting complies with the present exposure.

With respect to the further context on new standards and interpretations as well as amendments to existing standards, we refer to our comments in the 2008 annual report.

3. Disclosures on the consolidated balance sheet

3.1. Intangible assets

The amortisation of the other intangible assets amounted to TEUR 129 (previous year TEUR 135).

3.2. Property, plant and equipment

Additions to property, plant and equipment amounted to TEUR 375 (previous year TEUR 74), disposals amounted to TEUR 0 (previous year TEUR 46). Depreciation come out to TEUR 187 (previous year TEUR 173).

3.3. Financial assets

Additions to financial assets amounted to TEUR 529 (previous year TEUR 17).

3.4. Deferred tax assets

Deferred tax assets are composed as follows:

Deferred tax assets in TEUR	30.09.2009	31.12.2008
Deferred tax assets from tax loss carryforwards	1,351	1,175
Deferred tax assets from tax loss carryforwards	1,143	1,147
Deferred taxes from derivative financial instruments	374	374
Deferred taxes from consolidation adjustments	21	21
	2,889	2,717

3.5. Equity

The development of equity is presented in the statement of changes in equity.

4. Disclosures on the consolidated income statement

4.1. Sales revenue

The general principles of earnings from transactions apply to sales revenue.

Please refer to the segment reporting in section 5 for the breakdown of revenue by divisions and regions.

4.2. Income taxes

This item is composed as follows:

in TEUR	30.09.2009	30.09.2008
Actual tax expenses	0	-3
Deferred tax expenses	140	-197
	140	-200

4.3. Earnings per share

Earnings per share are calculated on the basis of the net profit/loss for the period and the number of shares outstanding (which remained unchanged at 3,000,000 in both years).

There were no dilutive options, meaning that diluted and basic earnings per share are identical.

5. Segment Reporting

in TEUR	Tools 30.09.2009	Valves 30.09.2009	Land 30.09.2009	Reconciliation 30.09.2009	Group 30.09.2009
Revenue with third parties	24,234	22,454	423	0	47,111
Revenue with other segments	0	0	456	-456	0
Total revenues	24,234	22,454	879	-456	47,111
Revenues by region					
Germany	11,955	20,875	423	0	33,253
Outside Germany	12,279	1,579	0	0	13,858
Of which EU	7,446	1,457	0	0	8,903
EBITDA	824	1,154	572	-769	1,781
Depreciation	-172	-91	-66	13	-316
EBIT (operating result)	652	1,063	506	-756	1,465
Financial earnings					-1,960
EBT (earnings before tax)					-495
Income taxes					140
Net consolidated income					-355
Assets	29,659	11,494	13,315	13,243	67,711
Liabilities	18,184	6,324	118	35,553	60,179
Investments in assets	10	359	0	535	904
Non-cash expenses excluding depreciation	-297	0	0	-484	-781
Number of employees (average figure for the year without trainees)	68	56	0	5	129

Breakdown by segments is in line with the internal reporting structure and covers the segments Tools, Valves and Land. Segment assets, segment liabilities and segment investments occur entirely in Germany.

	Tools 30.09.2008	Valves 30.09.2008	Land 30.09.2008	Reconciliation 30.09.2008	Group 30.09.2008	
	33,370	28,539	601	0	62,510	
	0	0	456	-456	0	
	33,370	28,539	1,057	-456	62,510	
	15,540	27,366	601	0	43,507	
	17,830	1,173	0	0	19,003	
	12,023	1,021	0	0	13,044	
	1,392	1,875	775	-728	3,314	
	-175	-78	-69	14	-308	
	1,217	1,797	706	-714	3,006	
					-2,455	
					551	
					-200	
					351	
	33,251	11,360	13,421	11,268	69,300	
	14,860	5,109	115	40,458	60,542	
	33	17	11	29	90	
	-360	-14	0	-262	-636	
	76	53	0	5	134	

Remscheid, November 2009
Brüder Mannesmann Aktiengesellschaft,
The Board of Management



Jürgen Schafstein
Chairman of the
Board of Management



Bernd Schafstein

Disclaimer

This report contains forward-looking statements which are based on certain expectations and assumptions at the time of publication of this report. They are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in these materials. Many of these risks and uncertainties relate to factors, that are beyond Brüder Mannesmann Group's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. Brüder Mannesmann Group does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.