



Six months' statement 2009

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Group interim management report

Brüder Mannesmann Aktiengesellschaft is a holding company for its operating subsidiaries. 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 decades and which is mostly still used for the company's own business operations.

Tools Trading

In the first half of 2009, the Tools Trading division generated sales of € 16.4 million as compared with € 23.2 million in the same period of the previous year. This decrease is not specific to the company and was present across all markets and customer groups. It demonstrates the severity of the economic turbulence affecting the whole sector. Although the quarterly sales decrease was somewhat lower in the second quarter of 2009 than in the first, it is nonetheless too early to be able to describe this development as a trend reversal.

Valves Trading

The Valves Trading division generated sales of € 14.0 million in the first half of 2009 as compared to € 17.3 million in the same period of the previous year. The effects of the economic crisis are thus clear in this division too now, with a slight time delay.

Group business performance

In the first half of 2009, consolidated sales amounted to € 30.7 million after € 40.9 million in the same period of the previous year. The decrease results from the described developments in the individual operating divisions and is due to general economic factors.

EBIT in the first half of 2009 totals € 0.75 million, equivalent to an EBIT margin of approximately 2.4 %. The Brüder Mannesmann Group is therefore achieving a profit, albeit not at the usual high level.

Outlook

Based on the development in the first half of the year, we can no longer expect sales for 2009 at Group level to reach the same level as for the whole of 2008. However, in the next two quarters we hope to see a stabilisation in sales in both the Tools Trading and the Valves Trading divisions.

The development of the economy as a whole still remains a risk. It cannot be ruled out the economic parameters may change to some extent following the Bundestag elections in Germany on 27 September 2009.

Remscheid, August 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	30.06.2009	31.12.2008
Non-current assets			
Goodwill		3,845	3,845
Other intangible assets	3.1.	374	458
Property, plant and equipment	3.2.	7,228	7,037
Investment property		8,377	8,377
Financial assets	3.3.	1,827	1,577
Deferred tax assets	3.4.	2,910	2,717
Other assets		94	110
		24,655	24,121
Current assets			
Inventories		14,379	14,219
Trade receivables		9,103	12,545
Other receivables and other assets		2,686	2,176
Assets for current tax		212	357
Investments		1,004	1,004
Cash and cash equivalents		14,124	12,469
		41,508	42,770
Balance sheet total		66,163	66,891

Liabilities in TEUR	Notes	30.06.2009	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		-412	-520
		7,475	7,887
Non-current liabilities			
Mezzanine subordinate loans		17,098	17,048
Provisions for pensions and similar liabilities		10,474	9,848
Financial liabilities		13,916	14,361
Other liabilities		4,063	4,159
Deferred tax liabilities		689	667
		46,240	46,083
Current liabilities			
Other provisions		996	894
Financial liabilities		954	893
Trade liabilities		6,703	7,432
Other liabilities		3,795	3,702
Current income tax liabilities		0	0
		12,448	12,921
Balance sheet total		66,163	66,891

Consolidated Statement of Earnings

in TEUR	Notes	01.04.-30.06.2009	01.04.-30.06.2008	01.01.-30.06.2009	01.01.-30.06.2008
Sales revenue	4.1.	13,648	18,945	30,708	40,855
Other operating income		52	151	239	228
Costs of materials		-9,516	-13,939	-22,042	-30,573
Staffing costs		-2,266	-2,105	-4,507	-4,097
Other operating expenses		-1,576	-1,835	-3,440	-4,138
EBITDA		342	1,217	958	2,275
Amortisation and depreciation of intangible assets and property, plant and equipment		-106	-85	-211	-208
EBIT (operating result)		236	1,132	747	2,067
Financial earnings		-643	-763	-1,331	-1,348
Earnings before tax		-407	369	-584	719
Income taxes	4.2.	123	-270	172	-452
Net consolidated income		-284	99	-412	267
Earnings per share (undiluted) in EUR	4.3.	-0.09	0.03	-0.14	0.09
Earnings per share (diluted) in EUR	4.3.	-0.09	0.03	-0.14	0.09

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

in TEUR		01.04.-30.06.2009	01.04.-30.06.2008	01.01.-30.06.2009	01.01.-30.06.2008
Net consolidated income		-284	99	-412	267
Transactions recognised directly in equity		0	0	0	0
Total comprehensive income		-284	99	-412	267

Consolidated Capital Finance Account

in TEUR		30.06.2009	30.06.2008
EBIT		747	2,067
Depreciation on noncurrent assets		211	208
Change of noncurrent provisions and other noncurrent liabilities		530	299
Other non-cash income and expenses		67	61
Interest payments		-10	-289
Income tax payments		0	-100
Cash inflows / outflows from operating activities before change in current net assets		1,545	2,246
Change of current assets / liabilities			
Inventories		-160	-1,855
Trade receivables		3,442	-1,723
Other receivables and other assets		-365	417
Financial liabilities		59	807
Trade liabilities		-729	4,433
Other liabilities and other items		195	1,494
Inflows / outflows from operating activities		3,987	5,819
Inflows from disposal of noncurrent assets		0	46
Outflow for investment properties		-568	-52
Interest received		40	380
Dividends received		0	38
Investments		0	1,000
Inflows / outflows from investing activities		-528	1,412
Change of long-term financial liabilities			
Repayment long-term financial liabilities		-443	-421
Interest payment		-1,361	-1,477
Inflows / outflows from financing activities		-1,804	-1,898
Changes in cash and cash equivalents		1,655	5,333
Cash and cash equivalents on 1 January		12,469	8,209
Cash and cash equivalents on 30 June		14,124	13,542

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 January 1, to June 30, 2008					267	
Shareholders' equity as at June 30, 2008	9,000	770	0	-1,063	267	8,974
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 June 30, 2009					-412	
Shareholders' equity as at June 30, 2009	9,000	770	0	-1,883	-412	7,475

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 June 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 June 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 84 (previous year TEUR 90).

3.2. Property, plant and equipment

Additions to property, plant and equipment amounted to TEUR 318 (previous year TEUR 52), disposals amounted to TEUR 0 (previous year TEUR 46). Depreciation come out to TEUR 127 (previous year TEUR 118).

3.3. Financial assets

Additions to financial assets amounted to TEUR 250 (previous year TEUR 0).

3.4. Deferred tax assets

Deferred tax assets are composed as follows:

Deferred tax assets in TEUR	30.06.2009	31.12.2008
Deferred tax assets from tax loss carryforwards	1,331	1,175
Deferred tax assets from tax loss carryforwards	1,184	1,147
Deferred taxes from derivative financial instruments	374	374
Deferred taxes from consolidation adjustments	21	21
	2,910	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	30.06.2009	30.06.2008
Actual tax expenses	0	-100
Deferred tax expenses	172	-352
	172	-452

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 30.06.2009	Valves 30.06.2009	Land 30.06.2009	Reconciliation 30.06.2009	Group 30.06.2009
Revenue with third parties	16,388	14,013	307	0	30,708
Revenue with other segments	0	0	152	-152	0
Total revenues	16,388	14,013	459	-152	30,708
Revenues by region					
Germany	8,168	12,729	307	0	21,204
Outside Germany	8,220	1,284	0	0	9,504
Of which EU	4,914	1,170	0	0	6,084
EBITDA	485	477	379	-383	958
Depreciation	-115	-61	-44	9	-211
EBIT (operating result)	370	416	335	-374	747
Financial earnings					-1,331
EBT (earnings before tax)					-584
Income taxes					172
Net consolidated income					-412
Assets	29,032	10,760	13,298	13,073	66,163
Liabilities	17,418	5,389	149	35,732	58,688
Investments in assets	7	299	0	252	558
Non-cash expenses excluding depreciation	-294	-9	0	-323	-626
Number of employees (average figure for the year without trainees)	72	56	0	5	133

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 30.06.2008	Valves 30.06.2008	Land 30.06.2008	Reconciliation 30.06.2008	Group 30.06.2008	
	23,155	17,300	400	0	40,855	
	0	0	305	-305	0	
	23,155	17,300	705	-305	40,855	
	10,578	16,562	400	0	27,540	
	12,577	738	0	0	13,315	
	8,740	591	0	0	9,331	
	990	1,138	496	-349	2,275	
	-118	-53	-46	9	-208	
	872	1,085	450	-340	2,067	
					-1,348	
					719	
					-452	
					267	
	33,455	10,644	13,427	12,510	70,036	
	14,672	5,374	114	40,902	61,062	
	28	12	6	6	52	
	-240	-9	0	-395	-644	
	76	53	0	5	134	

6. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial positions and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Remscheid, August 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.