

Group Interim Management Statement

for the first quarter of 2008

Schaltbau Group Key Financial Figures for the period ended 31 March

Group key financial figures		31 March 2008	31 Dec. 2007	31 March 2007	31 Dec. 2006
Order situation					
Order-intake	€ m	82.5	271.9	65.7	232.8
Order-book	€ m	198.3	181.3	139.6	129.4
Income statement					
Sales	€ m	65.1	232.1	55.4	212.7
Total output	€ m	66.7	236.1	55.2	215.8
Profit from operating activities (EBIT)	€ m	5.5	14.1	4.0	11.8
EBIT margin	%	8.4	6.1	7.2	5.5
Group net profit	€ m	3.5	8.2	2.4	6.0
Profit attributable to the shareholders of Schaltbau Holding AG	€ m	3.1	7.2	1.8	5.0
Return on Capital Employed	%	19.5	14.0	17.2	13.6
Balance sheet					
Fixed assets	€ m	59.2	60.2	49.5	49.2
Working Capital	€ m	53.1	40.9	43.3	37.9
Capital Employed	€ m	112.3	101.0	92.8	87.0
Group equity	€ m	-0.7	-2.1	-8.6	-10.1
Net bank liabilities	€ m	45.9	41.4	43.9	43.8
Balance sheet total	€ m	167.5	164.7	145.4	140.0
Personnel					
Employees at end of reporting period	Number	1,535	1,551	1,448	1,456
Personnel expense	€ m	19.5	74.8	18.0	71.9
Personnel expense per employee	€000	56.7	54.5	54.7	55.3
Total output per employee	€000	194.2	172.1	167.6	166.0
Earnings per share					
Earnings per share - diluted	€	1.68	3.85	0.94	2.67

The companies of the Schaltbau Group had a successful start to the fiscal year 2008. The order-intake during the first quarter showed a considerable increase of 26 per cent compared with the same period of 2007. Sales were 18 per cent up on the previous year's figure and earnings also performed pleasingly in a smooth continuation of last year's developments.

Economic environment in the relevant markets

The stable economic trend in the relevant markets remains intact and even improved significantly in some market sectors, exceeding expectations at the beginning of the year. The order situation in the industrial sector continues to be positive, particularly reflected in demand for components and industrial braking systems. In addition, the Schaltbau Group received a number of important orders for railway vehicle doors at the beginning of the current year. The bus doors sector also performed surprisingly well in the first quarter of 2008. In addition to favourable business trends in Germany, the Group also benefited from the continuing upswing on the international growth markets. Stationary railway technology business with its product groups "Brakes" and "Maritime Aids to Navigation" again benefited from worldwide demand in the logistics industry and the accompanying expansion of harbour facilities and seaways.

Major events during the first quarter 2008

In conjunction with a resolution passed at the Annual General Meeting on 12 June 2007 and in accordance with § 71 section 1 No. 8 AktG (stock corporation law), Schaltbau Holding AG is authorised to purchase its own stock up to an equivalent of 10% of its share capital until 11 December 2008. In line with this existing authorisation and with the approval of the Supervisory Board, the Executive Board determined a programme to buy back its own stock. The stock buy-back comprised up to 5,000 bearer shares and was limited to the period from 10 March 2008 to 31 March 2008. The buy-back was implemented by the designated sponsor, Close Brothers Seydler AG, Frankfurt, and in accordance with the regulation (EG) No. 2273/2003 of the commission from 22 December 2003.

The repurchased shares are to be issued in the form of an individual share subscription programme for a selected circle of employees with special entitlements. This primarily relates to the chief executive officers of German group companies.

Order situation

In the first quarter of 2008 the Schaltbau Group was awarded orders with a total volume of €82.5 million, thereby surpassing the previous year's figure of €65.7 million by a considerable margin of 26 per cent.

In the Mobile Transportation Technology sector the Schaltbau GmbH Group started the current fiscal year with an extremely high level of order-intake, which had, however, returned to normal

by March. Bode also surpassed the previous year's figures, principally due to an unexpectedly strong upturn in bus doors business. The Stationary Transportation Technology segment with Pintsch Bamag and Bubenzer was well above last year's levels. This was mainly attributable to the first-time integration of the Bubenzer Group. As expected, order-intake figures for Pintsch Bamag during the first quarter were lower than those of 2007, a year that witnessed unusually high demand during the first two months.

The Group order-book at 31 March 2008 totalled € 198.3 million, thereby clearly exceeding the figure of € 139.6 million recorded one year earlier.

Sales

As a result of the positive order situation, Group sales rose to a total of € 65.1 million for the first three months. This represents an 18 per cent increase compared to the previous year's first-quarter total of € 55.4 million.

All subsidiaries in the Mobile Transportation Technology segment were able to improve on last year's sales figures in the first three months of 2008. The Stationary Transportation Technology segment achieved growth in sales revenue compared to the corresponding period of the previous year, significantly helped by the Bubenzer Group.

Group earnings performance

The Group earnings situation for the first three months of 2008 again improved compared to the first quarter of 2007. Earnings before interest and taxes (EBIT) rose from € 4.0 million last year to € 5.5 million for the first three months of the current year. Group net profit totalled € 3.5 million at 31 March 2008, an increase of € 1.1 million on the first-quarter figure for 2007. Group profit attributable to shareholders rose from € 1.8 million in 2007 to € 3.1 million for the period under report. Earnings per share improved by almost 80% from € 0.94 to € 1.68.

The Stationary Transportation Technology segment also includes the fully consolidated Bubenzer Group in its figures for the first quarter 2008. Bubenzer has been consolidated in the Schaltbau Group since July 2007. The EBIT for the segment rose from € 1.8 million in the first quarter of the previous year to € 2.9 million at 31 March 2008, corresponding to an EBIT margin of 11.8% (2007: 11.0%).

With an EBIT margin of 8.4% (2007: 7.4%) for the first three months, the Mobile Transportation Technology segment is still below the earnings achieved by the stationary segment, but did, however, show a 1% improvement on last year's first-quarter figure. Assisted by brisk business in components and the Bode Group's currently positive order

situation, the EBIT for the segment increased from €2.9 million the previous year to €3.4 million for the first three months of 2008.

Group financial and net assets position

There was no significant change in the assets and liabilities structure, with non-current assets (excluding deferred tax assets) accounting for 35% of the balance sheet total (31 December 2007: 37%). The steep rise in sales led to a corresponding increase in working capital to total €53.1 million as compared to €40.9 million at 31 December 2007. Group net bank liabilities amounted to €45.9 million at 31 March 2008 and have related to the increase in Working Capital therefore risen by €4.5 million since the end of 2007. Investments in property, plant and equipment and intangible assets amounted to €0.9 million, thereby falling below depreciation of €1.4 million.

Group equity was reduced from a negative amount of €2.1 million at 31 December 2007 to a negative amount of €0.7 million at 31 March 2008. However, due to exceptional items, mainly currency rate fluctuations and payments to third party interests, it was not possible to completely eliminate negative Group equity, despite the good business performance in the first quarter.

Employees

On 31 March 2008, a total of 1,535 people were employed by the various companies of the Schaltbau Group and the Holding. This represents an increase of 87 employees over the corresponding previous year's figure. The newly consolidated Bubenzer Group employs 106 of these people at its headquarters in Kirchen, in the Siegerland region of Germany.

Schaltbau stock

In the wake of the crisis on financial markets, the price of Schaltbau stock in Xetra trading fell from almost €46 at the beginning of the current year to approximately €30 by the end of January. Since the end of March, however, the price has stabilised at a pleasingly high level between €42 and €44 per share, despite the general crisis on stock markets.

During the first three months of the current fiscal year, 462,124 Schaltbau shares (first quarter 2007: 568,805) with a total value of €17.1 million (first quarter 2007: €17.1 million) were traded on German stock exchanges.

The shareholder structure at 31 March 2008 comprised the following: 69.9 per cent of Schaltbau stock is currently owned by diverse shareholders. Institutional investors hold 8.9 per

cent. The Supervisory Board and the management hold 9.6 per cent and 11.6 per cent of stock respectively.

Opportunities and risks

The principle risks and opportunities influencing the future development of the Schaltbau Group during the first three months of 2008 are the same as those described in the Group financial statements for the fiscal year 2007.

Significant events occurring after 31 March 2008

No events of particular significance have taken place since the end of the first quarter 2008.

Forecasts and other statements regarding anticipated development

Due to the pleasing business performance in the first three months of the current fiscal year and the continuing positive economic situation, the Executive Board confirmed its adherence to the objectives previously set for the current fiscal year. The Group aims to achieve a significant increase in earnings with strong growth in sales revenue to a level of approximately €255 million. According to current forecasts, Group net profit for the year will increase to approximately €9.7 million. Earnings per share for 2008 should then rise accordingly between €4.50 to €4.70 as previously announced at the end of October 2007.

Munich, May 2008

Schaltbau Holding AG
The Executive Board

Consolidated income statement for the period from 1. Jan. to 31 March 2008

	€000	€000
	1.1.-31.03.2008	1.1.-31.03.2007
1. Sales	65,118	55,417
2. Change in inventories of finished products and work in progress	1,403	-534
3. Other company-produced assets	162	304
4. Total output	66,683	55,187
5. Other operating income	256	357
6. Cost of materials	34,371	28,099
7. Personnel expense	19,460	17,951
8. Amortisation and depreceation	1,405	1,288
9. Other operating expenses	6,226	4,227
Profit from operating activities	5,477	3,979
a) Result from at-equity accounted investments	150	166
b) Other results from investments	0	0
10. Result from investments	150	166
a) Interest income	54	62
b) Interest expense	1,561	1,349
11. financial result	-1,507	-1,287
12. Profit before tax	4,120	2,858
13. Income taxes	605	490
14. Group net profit	3,515	2,368
Analysis of group net profit		
attributable to minority shareholders	382	617
attributable to the shareholders of Schaltbau Holding AG	3,133	1,751
Group net profit	3,515	2,368
Earnings per share - undiluted:	1.68	0.94
Earnings per share - diluted:	1.68	0.94

Consolidated Cash Flow Statement as at 31 March 2008

	€000	€000
	1.1.-31.03.2008	1.1.-31.03.2007
Group net profit for the period	3,515	2,368
Amortisation and depreciation on non-current assets	1,405	1,288
Gain on disposal of non-current assets	0	0
Financial result	1,508	1,287
Income tax expense	604	489
Change in current assets	-7,825	-3,248
Change in provisions	819	1,166
Change in current liabilities	-2,160	-1,023
Dividends received	0	0
Interest paid	-916	-1,124
Interest received	54	62
Income tax paid	-280	-12
Other non-cash income / expenses	-124	-167
Cash flow from operating activities	-3,400	976
Payments for investments in:		
- Property, plant and equipment and intangible assets	-908	-1,374
- Financial investments (excluding cash acquired)	0	-7
Proceed from disposal of:		
- Property, plant and equipment	0	112
- Financial investments	0	0
Cash flow from investing activities	-908	-1,269
Share buyback	-195	0
Dividend payment	0	0
Distribution in minority interests	0	0
Change in participation rights capital	0	0
Repayment of / proceeds from financial liabilities	603	2,107
Cash flow from financing activities	408	2,107
Change in cash and cash equivalents due to exchange rate fluctuations	-7	0
Change in cash funds due to changes in the group reporting entity	0	0
Change in cash, cash equivalents and securities	-3,907	1,814
Cash and cash equivalents at the end of the year	3,977	6,424
Cash and cash equivalents at the beginning of the year	7,884	4,610
	-3,907	1,814

Consolidated Balance Sheet as at 31 March 2008

ASSETS	€000	€000
	31.03.2008	31.12.2007
A. NON-CURRENT ASSETS		
I. Intangible assets	11,457	11,413
II. Property, plant and equipment	39,798	40,350
III. At-equity accounted investments	6,427	6,916
IV. Other investments	1,484	1,484
V. Deferred tax assets	8,839	8,725
	68,005	68,888
B. CURRENT ASSETS		
I. Inventories	51,116	46,406
II. Trade accounts receivable	37,513	33,784
III. Income tax receivables	224	218
IV. Other receivables and assets	6,665	7,546
V. Cash and cash equivalents	3,977	7,884
	99,495	95,838
Total assets	167,500	164,726
EQUITY AND LIABILITIES		
	€000	€000
	31.03.2008	31.12.2007
A. EQUITY		
I. Subscribed capital	6,840	6,840
II. Capital reserves	8,335	8,335
III. Statutory reserves	231	231
IV. Revenue reserves	-22,828	-29,658
V. Income/expense recognised directly in equity	-849	-176
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	3,133	7,198
VIII. Equity attributable to shareholders of Schaltbau Holding AG	-2,097	-4,189
IX. Minority interests	1,384	2,079
	-713	-2,110
B. NON-CURRENT LIABILITIES		
I. Participation rights capital	6,984	6,978
II. Pension provisions	19,108	19,143
III. Other provisions	4,953	5,804
IV. Financial liabilities	45,442	45,673
V. Other liabilities	0	1,139
IV. Deferred tax liabilities	5,997	6,030
	82,484	84,767
C. CURRENT LIABILITIES		
I. Other provisions	19,663	17,371
II. Income taxes payable	274	66
III. Financial liabilities	16,548	15,729
IV. Trade accounts payable	19,823	21,725
V. Advance payments received	15,711	17,587
VI. Other liabilities	13,710	9,591
	85,729	82,069
Total equity and liabilities	167,500	164,726

Statement of Changes in Equity of the Schaltbau Group

	Attributable to shareholders of Schaltbau Holding AG				
	Subscribed capital	Capital reserves	Statutory reserves	Revenue reserves	Revaluation reserve
Balance at 01.01.2007	6,840	7,740	231	-34,522	2,606
Profit / loss brought forward	0	0	0	4,984	0
Transfer to capital reserve	0	0	0	0	0
Transfer to revenue reserve	0	0	0	0	0
Issue of shares	0	0	0	0	0
Dividends paid	0	0	0	0	0
Changes in group reporting entity	0	0	0	162	0
Other changes	0	0	0	0	0
Group net profit for the period	0	0	0	0	0
Balance at 31.03.2007	6,840	7,740	231	-29,376	2,606
Balance at 01.04.2007	6,840	7,740	231	-29,376	2,606
Profit / loss brought forward	0	0	0	0	0
Transfer to capital reserve	0	0	0	0	0
Transfer to revenue reserve	0	0	0	0	0
Issue of shares	0	0	0	0	0
Dividends paid	0	0	0	-280	0
Changes in group reporting entity	0	0	0	-162	0
Other changes	0	595	0	160	435
Group net profit for the period	0	0	0	0	0
Balance at 31.12.2007	6,840	8,335	231	-29,658	3,041
Balance at 01.01.2008	6,840	8,335	231	-29,658	3,041
Profit / loss brought forward	0	0	0	7,198	0
Transfer to capital reserve	0	0	0	0	0
Transfer to revenue reserve	0	0	0	0	0
Issue of shares	0	0	0	0	0
Dividends paid	0	0	0	0	0
Changes in group reporting entity	0	0	0	0	0
Other changes	0	0	0	-368	0
Group net profit for the period	0	0	0	0	0
Balance at 31.03.2008	6,840	8,335	231	-22,828	3,041

Note: Owing to the use of electronic calculation aids, rounding-off differences may occur.

Income/expense recognised directly in equity	Net profit for the period	Total	Minority interests			Groupe equity
			in capital and reserves	in net profit for the period	Total	
-169	4,984	-12,290	1,174	1,052	2,226	-10,064
0	-4,984	0	1,052	-1,052	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	-1,066	0	-1,066	-1,066
0	0	162	0	0	0	162
21	0	21	0	0	0	21
0	1,751	1,751	0	617	617	2,368
-148	1,751	-10,356	1,160	617	1,777	-8,579
-148	1,751	-10,356	1,160	617	1,777	-8,579
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	-280	0	0	0	-280
0	0	-162	0	0	0	-162
-28	0	1,162	-48	0	-48	1,114
0	5,447	5-447	0	350	350	5,797
-176	7,198	-4,189	1,112	967	2,079	-2,110
-176	7,198	-4,189	1,112	967	2,079	-2,110
0	-7,198	0	967	-967	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	-1,044	0	-1,044	-1,044
0	0	0	0	0	0	0
-673	0	1,041	-33	0	-33	-1,074
0	3,133	3,133	0	382	382	3,515
-849	3,133	-2,097	1,002	382	1,384	-713

Explanatory notes

The interim financial statements for the three-month period to 31 March 2008 have been drawn up in accordance with the International Financial Reporting Standards valid at that date.

The Group reporting entity has not changed since 31 December 2007:

In addition to Schaltbau Holding AG a total of ten German and three foreign companies are fully consolidated.

The consolidation methods and accounting policies applied correspond to those used in the consolidated financial statements as at 31 December 2006.

The use of forecasts and estimates is necessary to prepare the interim financial statements. As a consequence, discrepancies can arise between the amounts reported in the interim financial statements and actual amounts.

Schaltbau Holding AG
Klausenburger Straße 6
D-81677 München
Postfach 80 15 40
Tel. +49 (0)89 – 930 05 – 0
Fax +49 (0)89 – 930 05 – 318
E-Mail: schaltbau@schaltbau.de
Internet: www.schaltbau.de