

# **Group Interim Management Statement**

for the third quarter of 2007

## Schaltbau Group Key Financial Figures for the period ended 30 September

Group key financial figures		30 Sept. 2007	30 Sept. 2006	3rd quarter 2007	3rd quarter 2006
<b>Order situation</b>					
Orders received	€ m.	209.2	171.7	78.1	56.7
Orders on hand	€ m.	182.8	121.7	182.8	121.7
<b>Income statement</b>					
Sales	€ m.	167.9	159.1	58.2	52.9
Total output	€ m.	169.5	160.2	60.1	53.4
EBIT	€ m.	10.5	8.7	3.2	2.9
EBIT margin	%	6.2	5.5	5.4	5.4
Group profit for the period	€ m.	6.8	5.0	1.9	1.8
of which attributable to shareholders of the AG	€ m.	5.9	4.1	1.9	1.7
Return on sales	%	4.1	3.1	3.3	3.3
Return on capital employed	%	12.7	12.1	11.5	12.0
<b>Balance sheet</b>					
Fixed assets	€ m.	58.4	48.2	58.4	48.2
Working capital	€ m.	51.7	47.9	51.7	47.9
Capital employed	€ m.	110.1	96.0	110.1	96.0
Group equity	€ m.	-3.6	-12.8	-3.6	-12.8
Net bank liabilities	€ m.	48.5	48.8	48.5	48.8
Balance sheet total	€ m.	162.5	137.4	162.5	137.4
<b>Employees</b>					
Employees at end of reporting period	Number	1,575	1,471	1,575	1,471
Personnel expenditure	€ m.	55.7	54.3	19.3	18.2
Personnel expenditure per employee	K€	53	55	55	55
Total output per employee	K€	161	161	171	161
<b>Earnings per share</b>					
Earnings per share - diluted	€	3.16	2.17	1.01	0.88

The companies of the Schaltbau Group were again highly successful in the third quarter. The order-intake for the quarter rose sharply by 38 percent compared with the third quarter last year. Sales and earnings continued to make the same good progress seen in the first half of the year. Nearly all companies within the group were able to either improve their reported figures or maintain the previous year's levels.

### **Economic conditions in the relevant markets**

Favourable market conditions helped to support the upward trend. The sustained economic recovery seen on the domestic market also continued in the third quarter. In addition, the group also benefited from the continuing upswing of the international growth markets. The strong demand for components remained unbroken, which in turn had a positive effect on sales of Schaltbau GmbH and its subsidiaries in France and China.

The volatile bus door business was somewhat subdued in the third quarter, but the railway doors segment was boosted by large-scale international orders.

Stationary railway technology business again remained at a high level during the third quarter. The product groups "Brakes" and "Maritime Aids to Navigation" benefited from the continuing global upswing in the logistics industry and the accompanying expansion of seaways and harbour facilities.

### **Major events during the third quarter 2007**

During the period between 22 June and 5 July, Schaltbau Holding AG successfully placed the convertible bond 2007/2012 (ISIN DE000A0TFWY1) with a total nominal value of EUR 8.5 million. During the subscription period, Schaltbau Holding AG shareholders were granted an (indirect) right to subscribe to the convertible bond at a ratio of 22 shares to 1 individual bond. Shareholders subscribed to almost 40% of the convertible bonds. Those convertible bonds not subscribed to by shareholders were subsequently taken over by institutional investors at identical conditions by way of private placement.

The convertible bonds were offered at an issue price of EUR 100.00 and have a maturity of five years. They bear interest at 4.75% and the conversion price is EUR 46.00. Not respecting placement costs, the company received proceeds of EUR 8,500,000 from the bond issue.

The group company Pintsch Bamag acquired the Bubenzer group of companies, together with its subsidiaries in the USA and Malaysia. This group, which has its headquarters in Siegerland, Germany, and an average workforce of 115 employees, recorded sales of approximately EUR 26 million for the fiscal year 2006. The group specialises in the design, manufacture and sale of industrial braking systems. These mainly consist of disc brakes produced for cranes in the maritime sector, for the mining and steel industries and, to an increasing degree, for wind power stations. Pintsch Bamag's activities in the brakes sector, with sales in the region of EUR 10 million in 2007, and those of the Bubenzer group of companies ideally complement each other, not only with regard to their product portfolios, but also in terms of sales structures since the Bubenzer Group generates some 80 percent of its sales outside Germany. The acquisition makes Pintsch Bamag the world's market leader in the field of braking systems for cranes designed for maritime applications.

The acquisition of the Bubenzer Group took economic effect as from 1 July 2007. For the second half of 2007, it will contribute an order-intake of approximately EUR 12 million and a sales figure in the amount of EUR 14 million. However, due to integration costs and other expenditure, the acquisition is not expected to make a notable impact on group earnings in 2007.

Schaltbau GmbH has restructured its activities in the USA. As of 31 July 2007, it acquired a 50% investment in American Transit Associates Inc. (ATA) and, in return, sold its existing sales company, Schaltbau Electric America (SEA), to ATA. Schaltbau GmbH also gave a commitment to purchase the remaining shares of ATA on 1 January 2011. With effect from 26 September 2007, these two US companies were brought together and are now collectively known as Schaltbau North America Inc. The underlying reason for this transaction is the expected annual growth of three percent forecast for the American rail market over the coming years. ATA has represented Schaltbau GmbH on the US rail market since 1999. The bundling of Schaltbau activities in Schaltbau North America and the expansion of the group's product range should lead to an acceleration in business growth on the American rail market. It also enables the group to function with one less distribution level in the rail sector. The acquisition will also make it possible to offer service activities for Schaltbau products in the future. Overall, Schaltbau GmbH is hoping to benefit broadly from a greater capability to develop both the North American rail market and the industrial market.

The Bubenzer Group has been consolidated since July 2007 and has contributed for the first time to the group's key financial figures. In order to simplify direct comparison with the previous year, the amounts relating to Bubenzer are disclosed below in brackets, together with the group's key sales figures.

### **Order situation**

The group's order-intake for the third quarter increased from EUR 56.7 million to EUR 78.1 million (Bubenzer: EUR 7.9 million), the highest level of orders received in a single quarter since the end of 2001.

The segment "Mobile Transportation Technology" played a major part in this with two large-scale orders for railway vehicle doors. Firstly, Bode will equip the "Inova" series from Bombardier with door systems and supply the Swiss national railway company SBB with boarding systems. Secondly, the company has been successful in securing a follow-up order from Talgo to supply the Spanish high-speed train AVE S102.

The "Stationary Transportation Technology" segment continued to benefit from the stable progress being made in its industrial braking systems and railway signal technology lines of business. The "Vehicle Equipment" segment contributed a significant order for retrofitting boarding systems for the "Rubin" series and maritime aids for the "German Coast" project were also ordered by the Waterways and Shipping Board (WSA), Emden.

In total, the Schaltbau Group registered a 22.3 percent increase in order-intake for the first nine months of the year (excluding Bubenzer: 17.7 percent) from EUR 171.1 million to EUR 209.2 million (Bubenzer: EUR 7.9 million).

Orders on hand at the reporting date totalled EUR 182.8 million (Bubenzer: EUR 14.1 million), 50.2 percent above the previous year's figure of EUR 121.7 million.

### **Sales**

Third-quarter sales rose from EUR 52.9 million in 2006 to EUR 58.2 million in 2007, (Bubenzer: EUR 5.7 million). In the "Mobile Transportation Technology" segment, growth recorded by the Schaltbau GmbH Group was more or less offset by the contraction recorded by the Bode Group due to lower revenues in its bus door business during the third quarter. Excluding sales from the newly integrated Bubenzer Group, sales generated by the "Stationary Transportation Technology" segment remained at the previous year's level. Several projects in the "Railway Signal Technology" segment were billed, including railway

crossing systems installed in conjunction with the modernisation of the line between Bad Vilbel and Stockheim, Germany.

In total, the Schaltbau Group generated nine-month sales of EUR 167.9 million (Bubenzer: EUR 5.7 million) compared with EUR 159.1 million in the corresponding period last year. So far this year, the increase in sales recorded by the Schaltbau GmbH Group in the "Mobile Transportation Technology" segment has more than offset the decrease in sales registered by the Bode Group. The "Stationary Transportation Technology" segment recorded sales growth of 14.9 percent for the first nine months of the year.

### **Group earnings performance**

The increase in sales revenues helped to improve the Group earnings performance for the first nine months of 2007. Earnings before interest and taxes (EBIT) rose from EUR 8.7 million last year to EUR 10.5 million in the current year. The improvement in the nine-month result from investments, from EUR 0.4 million last year to EUR 1.3 million in 2007, offset the rise in interest expense. The Group's effective tax rate fell from 19.4% to 14.7%. This was favourably affected by the required re-measurement of deferred taxes at 30 September 2007 as a result of the 2008 business tax reform. This gave rise to a one-time non-cash income of EUR 0.2 million.

Group net profit for the nine-month period, at EUR 6.8 million, was approximately EUR 1.8 million ahead of the previous year's corresponding figure. The group profit attributable to shareholders rose from EUR 4.1 million to EUR 5.9 million. Earnings per share improved by 46% from EUR 2.17 to EUR 3.16.

The first-time consolidation of the Bubenzer Group did not to have a material impact on nine-month group earnings due to higher financing costs and integration expenses incurred.

This also applies to the quarterly earnings figures. The third-quarter EBIT was up by approximately EUR 0.3 million to EUR 3.2 million. The improved result from investments and the reduction in income taxes did not quite compensate for the deterioration in net interest expense for the quarter. Group net profit for the third quarter 2007 was EUR 1.9 million, and therefore approximately EUR 0.2 million higher than in the same quarter last year. The profit attributable to minority interests for the quarter was slightly down on the previous year, which meant that profit attributable to Schaltbau shareholders rose by approximately EUR 0.25 million to EUR 1.9 million.

The Stationary Transportation Technology segment was expanded in the third quarter 2007 by the newly consolidated Bubenzer Group. Business in this segment continued to make

good progress. The nine-month EBIT rose from EUR 4.0 million to EUR 5.5 million, corresponding to an EBIT margin of 10.6% (January-September 2006: 8.8%).

With an EBIT margin of 6.2% (January-September 2006: 5.6%), the Mobile Transportation Technology segment did not generate the same quality of earnings as the stationary segment. However, driven by brisk components business and the results reported by foreign companies of the Bode Group, the nine-month segment profit improved from EUR 5.0 million to EUR 6.5 million.

### **Group financial and net assets position**

The acquisition of the Bubenzer Group (and first-time consolidation) as well as a seasonal and sales-driven build-up of working capital since 31 December 2006 have resulted in the balance sheet total increasing by EUR 22.5 million to EUR 162.5 million. There was no significant change in the assets and liabilities structure, with non-current assets (excluding deferred tax assets) accounting for 36% of the balance sheet total at 30 September 2007 (31 December 2006: 35%).

Investments in property, plant and equipment and intangible assets amounted to EUR 4.8 million and therefore exceeded depreciation of EUR 3.9 million. Additions during the period from 1 July to 30 September 2007 include assets under construction of EUR 0.6 million for the development of a factory building at Bubenzer.

Changes to non-current financial assets resulted from currency and earnings-related adjustments and the first-time at-equity consolidation of Schaltbau North America (reported as an associated company) and the addition of the non-consolidated US subsidiary of Bubenzer GmbH.

Group working capital totalling EUR 51.7 million (31 December 2006: EUR 37.9 million) was also influenced by the acquisition of the Bubenzer Group and increased operating volumes, which resulted in higher levels of trade receivables and inventories. Advance payments received from customers decreased. Capital employed has risen correspondingly from EUR 87 million to EUR 110 million since the end of 2006.

The convertible bond with a nominal value of EUR 8.5 million issued during the third quarter 2007 is included in the non-current liabilities at 30 September 2007 at a discounted amount of EUR 7.6 million.

Group net bank liabilities totalled EUR 48.5 million at 30 September 2007 and have therefore gone up by EUR 4.7 million since the end of 2006. The increase in financial liabilities reflects

the impact of the Bubenzer Group acquisition and the rise in working capital, as described above.

Group equity was reduced from a negative amount of EUR 10.1 million on 31 December 2006 to a negative amount of EUR 3.6 million at 30 September 2007. Including participation rights capital of EUR 7 million, which is similar in nature to equity, group equity in economic terms was turned positive first time after about 6 years.

### **Employees**

On 30 September 2007, a total of 1,575 people were employed by the various companies of the Schaltbau Group and the holding. This figure represents an increase of 104 employees over the previous year's figure of 1,471. The Bubenzer Group employs 98 of these people in its headquarters in Kirchen-Wehbach, in Siegerland, Germany.

### **Schaltbau stock**

The price of Schaltbau stock in Xetra trading rose from EUR 27.45 at the beginning of January to EUR 37.00 at the end of September. In mid-June, the share price even surpassed the EUR 40 threshold for a short time.

In total, 1,588,763 (first nine months 2006: 1,472,392) Schaltbau shares with a total value of EUR 53,632,264.60 (first nine months 2006: EUR 32,422,575) were traded during the first nine months of the year.

The current shareholder structure comprises the following: 70.6 percent of Schaltbau stock is currently owned by diverse shareholders, 8.9 percent is held by institutional investors. The Management and Supervisory Boards hold 11.1 percent and 9.4 percent of stock respectively.

### **Outlook for the current business year**

A comprehensive package of measures designed to increase efficiency and raise profitability has been implemented at the company Bode in Kassel. This includes longer working hours, the offsetting of above-tariff wage elements against union-agreed wage increases and the further development of bonus schemes. These measures, coupled with rationalisation measures that have already been implemented, mean that some down-sizing of the workforce is necessary. The cutback of 65 employees from a current figure of 560 is part of the severance plan which has been jointly negotiated by management, the works council and the unions. Despite the restructuring costs that will be recognised in the fourth quarter, management continues to

forecast a group net profit of EUR 7.7 million and earnings per share of EUR 3.6 for 2007. This forecast is based on business trends during the first three quarters of 2007 and a continuation of positive economic conditions on the German and major foreign markets.

Including the Bubenzer Group, which has been consolidated since 1 July 2007, the Schaltbau Group forecasts an order-intake of EUR 250 million and full-year sales of EUR 230 million. Presuming the contribution of the Bubenzer Group will be largely earnings-neutral in 2007, the Schaltbau Group is currently forecast to attain an EBIT of EUR 13.5 million for the fiscal year 2007. The profit attributable to shareholders of Schaltbau Holding AG will amount to EUR 6.8 million.

Munich, November 2007

Schaltbau Holding AG  
The Management Board

# Condensed Interim Consolidated Financial Statements as at 30 September 2007

## Consolidated income statement for the period from 1 Jan. to 30 Sept. 2007

	€000	€000
	1.1.-30.09.2007	1.1.-30.09.2006
1. Sales	167,896	159,103
2. Change in inventories of finished and unfinished goods	610	234
3. Other company-produced assets	952	883
<b>4. Total output</b>	<b>169,458</b>	<b>160,220</b>
5. Other operating income	1,304	1,041
6. Cost of materials	85,825	80,975
7. Personnel expense	55,671	54,334
8. Amortisation and depreciation	3,906	3,755
9. Other operating expenses	14,867	13,514
<b>Profit from operating activities</b>	<b>10,493</b>	<b>8,683</b>
a) Result from equity accounted investments	1,213	415
b) Result from other equity investments	120	-37
10. Result from equity investments	1,333	378
a) Interest expenses	4,011	2,930
b) Interest income	149	28
11. Financial result	-3,862	-2,902
<b>12. Earnings before taxes (EBT)</b>	<b>7,964</b>	<b>6,159</b>
13. Income taxes	1,167	1,196
<b>14. Group net profit for the period</b>	<b>6,797</b>	<b>4,963</b>
<b>Allocation of group net profit for the period</b>		
attributable to minority interests	883	908
attributable to shareholders of Schaltbau Holding AG	5,914	4,055
Group net profit for the period	<b>6,797</b>	<b>4,963</b>
<b>Earnings per share - undiluted:</b>	<b>3.16</b>	<b>2.17</b>
<b>Earnings per share - diluted:</b>	<b>3.16</b>	<b>2.17</b>

## Consolidated Income Statement for the third quarter 2007

	€000	€000
	1.7.-30.09.2007	1.7.-30.09.2006
1. Sales	58,231	52,888
2. Change in inventories of finished and unfinished goods	1,519	318
3. Other company-produced assets	323	223
<b>4. Total output</b>	<b>60,073</b>	<b>53,429</b>
5. Other operating income	351	677
6. Cost of materials	31,229	27,366
7. Personnel expense	19,325	18,226
8. Amortisation and depreciation	1,329	1,257
9. Other operating expenses	5,375	4,381
<b>Profit from operating activities</b>	<b>3,166</b>	<b>2,876</b>
a) Result from equity accounted investments	420	313
b) Result from other equity investments	120	-16
10. Result from equity investments	540	297
a) Interest expenses	1,544	1,004
b) Interest income	38	10
11. Financial result	-1,506	-994
<b>12. Earnings before taxes (EBT)</b>	<b>2,200</b>	<b>2,179</b>
13. Income taxes	265	416
<b>14. Group net profit for the period</b>	<b>1,935</b>	<b>1,763</b>
<b>Allocation of group net profit for the period</b>		
attributable to minority interests	40	119
attributable to shareholders of Schaltbau Holding AG	1,895	1,644
Group net profit for the period	<b>1,935</b>	<b>1,763</b>
<b>Earnings per share – undiluted:</b>	<b>1.01</b>	<b>0.88</b>
<b>Earnings per share – diluted:</b>	<b>1.01</b>	<b>0.88</b>

## Consolidated Cash Flow Statement as at 30 September 2007

	€000	€000
	1.1.-30.09.2007	1.1.-30.09.2006
<b>Group net profit for the period</b>	<b>6,797</b>	<b>4,963</b>
Amortisation, depreciation and write-downs on non-current assets	3,905	3,755
Gains / losses on disposal of non-current assets	3	53
Financial result	3,861	2,902
Income tax expense	1,168	1,196
Change in current assets	-6,385	-5,169
Change in provisions	456	1,677
Change in current liabilities	-1,981	-5,889
Dividends received	324	0
Interest paid	-3,319	-2,142
Interest received	149	28
Income tax paid	-447	-1,561
Other non-cash income / expenses	-1,340	-412
<b>Cash flow from operating activities</b>	<b>3,191</b>	<b>-599</b>
<b>Payments for investments in:</b>		
- property, plant and equipment and intangible assets	-4,831	-3,221
- financial investments, excluding acquired cash and cash equivalents	-5,223	0
<b>Proceeds from disposal of:</b>		
- property, plant and equipment	67	0
- financial investments	60	8
<b>Cash flow from investing activities</b>	<b>-9,927</b>	<b>-3,213</b>
Dividend payments	-280	-112
Payments to minority interests	-551	0
Repayment of / proceeds from financial liabilities	7,126	1,069
<b>Cash flow from financing activities</b>	<b>6,295</b>	<b>957</b>
Changes in cash and cash equivalents due to exchange rate fluctuations	-32	-44
Change in cash and cash equivalents due to change in group reporting entity	190	0
<b>Changes to cash, cash equivalents and securities</b>	<b>-283</b>	<b>-2,899</b>
at the end of the period	4,327	1,469
at the beginning of the period	4,610	4,368
	<b>-283</b>	<b>-2,899</b>

## Consolidated Balance Sheet as at 30 September 2007

ASSETS	€000	€000
	30.09.2007	31.12.2006
<b>A. NON-CURRENT ASSETS</b>		
I. Intangible assets	10,159	6,147
II. Property, plant and equipment	40,130	37,115
III. Equity accounted investments	6,712	5,303
IV. Other investments	1,414	613
V. Deferred tax assets	9,212	10,135
	<b>67,627</b>	<b>59,313</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	47,939	42,285
II. Trade accounts receivable	34,850	28,274
III. Current income tax assets	2	47
IV. Other receivables and assets	7,748	5,443
V. Cash and cash equivalents	4,327	4,610
	<b>94,866</b>	<b>80,659</b>
<b>Total assets</b>	<b>162,493</b>	<b>139,972</b>
<b>EQUITY</b>	<b>€000</b>	<b>€000</b>
	30.09.2007	31.12.2006
<b>A. EQUITY</b>		
I. Subscribed capital	6,840	6,840
II. Capital reserve	8,335	7,740
III. Statutory reserve	231	231
IV. Retained earnings	-29,876	-34,522
V. Income / expense recognised directly in equity	-166	-169
VI. Fair value reserve	3,169	2,606
VII. Group net profit attributable to the shareholders of Schaltbau Holding AG	5,914	4,984
VIII. Minority interests	2,000	2,226
	<b>-3,553</b>	<b>-10,064</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Participation rights capital	6,972	6,955
II. Pension provisions	19,196	19,318
III. Other provisions	8,020	7,619
IV. Financial liabilities	51,530	37,551
V. Other liabilities	1,914	793
VI. Deferred tax liabilities	6,012	7,441
	<b>93,644</b>	<b>79,677</b>
<b>C. CURRENT LIABILITIES</b>		
I. Other provisions	17,053	14,651
II. Current income tax liabilities	20	46
III. Financial liabilities	13,339	15,333
IV. Trade accounts payable	18,064	17,296
V. Advance payments from customers	12,990	15,398
VI. Other liabilities	10,936	7,635
	<b>72,402</b>	<b>70,359</b>
<b>Total equity and liabilities</b>	<b>162,493</b>	<b>139,972</b>

## Consolidated Statement of Changes in Equity as at 30 September 2007

	Equity attributable to the shareholders of the parent company				
	Subscribed capital	Capital reserve	Statutory reserve	Retained earnings	Fair value reserve
<b>Balance at 1 January 2006</b>	<b>6,840</b>	<b>7,740</b>	<b>231</b>	<b>-40,053</b>	<b>2,606</b>
Profit/loss brought forward	0	0	0	3,913	0
Transfer to capital reserve	0	0	0	0	0
Issue of shares	0	0	0	0	0
Dividends paid	0	0	0	-112	0
Changes in group reporting entity	0	0	0	0	0
Other changes	0	0	0	0	0
Group net profit for the period	0	0	0	0	0
<b>Balance at 30 September 2006</b>	<b>6,840</b>	<b>7,740</b>	<b>231</b>	<b>-36,252</b>	<b>2,606</b>
<b>Balance at 1 October 2006</b>	<b>6,840</b>	<b>7,740</b>	<b>231</b>	<b>-36,252</b>	<b>2,606</b>
Profit/loss brought forward	0	0	0	0	0
Transfer to capital reserve	0	0	0	0	0
Issue of shares	0	0	0	0	0
Dividends paid	0	0	0	0	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	0	0	1,730	0
Group net profit for the period	0	0	0	0	0
<b>Balance at 31 December 2006</b>	<b>6,840</b>	<b>7,740</b>	<b>231</b>	<b>-34,522</b>	<b>2,606</b>
<b>Balance at 1 January 2007</b>	<b>6,840</b>	<b>7,740</b>	<b>231</b>	<b>-34,522</b>	<b>2,606</b>
Profit/loss brought forward	0	0	0	4,984	0
Transfer to capital reserve	0	0	0	0	0
Transfer to retained earnings	0	0	0	0	0
Dividends paid	0	0	0	-280	0
Change in group reporting entity	0	0	0	0	0
Other changes	0	595	0	-58	563
Group net profit for the period	0	0	0	0	0
<b>Balance at 30 September 2007</b>	<b>6,840</b>	<b>8,335</b>	<b>231</b>	<b>-29,876</b>	<b>3,169</b>

Note: The use of electronic calculation aids can result in rounding differences.

Income/expense recognised directly in equity	Result for the period	Total	Minority interests			Group equity
			Share of capital and reserves	Result for the period	Total	
<b>372</b>	<b>3,913</b>	<b>-18,351</b>	<b>146</b>	<b>1,123</b>	<b>1,269</b>	<b>-17,082</b>
0	-3,913	0	1,123	-1,123	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	-112	0	0	0	-112
0	0	0	0	0	0	0
-533	0	-533	-62	0	-62	-595
0	4,055	4,055	0	908	908	4,963
<b>-161</b>	<b>4,055</b>	<b>-14,941</b>	<b>1,207</b>	<b>908</b>	<b>2,115</b>	<b>-12,826</b>
<b>-161</b>	<b>4,055</b>	<b>-14,941</b>	<b>1,207</b>	<b>908</b>	<b>2,115</b>	<b>-12,826</b>
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	0	0	0	0	0
-8	0	1,722	-33	0	-33	1,689
0	929	929	0	144	144	1,073
<b>-169</b>	<b>4,984</b>	<b>-12,290</b>	<b>1,174</b>	<b>1,052</b>	<b>2,226</b>	<b>-10,064</b>
<b>-169</b>	<b>4,984</b>	<b>-12,290</b>	<b>1,174</b>	<b>1,052</b>	<b>2,226</b>	<b>-10,064</b>
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	-280	-1,066	0	-1,066	-1,346
0	0	0	0	0	0	0
3	0	1,103	-43	0	-43	1,060
0	5,914	5,914	0	883	883	6,797
<b>-166</b>	<b>5,914</b>	<b>-5,553</b>	<b>1,117</b>	<b>883</b>	<b>2,000</b>	<b>-3,553</b>

## Explanatory notes

The interim financial statements for the nine-month period to 30 September 2007 have been drawn up in accordance with the International Financial Reporting Standards valid at that date.

The group reporting entity has changed as follows since 31 December 2006:

The Bubenzer Group was acquired with effect from 1 July. This group consists of the following companies:

Name of company	Registered office	Share of capital (in %)
Bubenzer Bremsen Gerhard Bubenzer Ing. GmbH	Kirchen	100
Siegerland Bremsen Gerhard Bubenzer Ing. GmbH & Co. KG	Kirchen	100
Bubenzer Bremsen America LLC	Flemington (USA)	100
Bubenzer-My Port Sdn.	Johor (Malaysia)	51

In this context, Pintsch Verwaltungs GmbH, Dinslaken, was founded on 1 July to take over the KG partnership capital. Bubenzer Bremsen GmbH, Siegerland Bremsen KG and Pintsch Verwaltungs GmbH are fully consolidated. Bubenzer America and Bubenzer-My Port are carried at investment cost.

A 50% shareholding in American Transit Associates Inc., Huntington (USA) was also acquired with effect from 1 July. At the same time, all shares of Schaltbau Electric America Inc. were sold to the aforementioned company. Following the merger of these two entities, the new company now operates as Schaltbau North America Inc. with its registered office in Huntington (USA). The company is accounted for at-equity.

All of the shares of Bode Viomechaniki ke Emporiki E.P.E., Athen (GR) were sold on 19 September.

Following these changes, 12 German and 3 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.

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