

INTERIM BALANCE SHEET

ASSETS	UNAUDITED	AUDITED
	31.03.2007 TEUR	31.12.2006 TEUR
Cash and cash equivalents	26,913	40,850
Trade accounts receivable	41,273	33,977
Other accounts receivable and prepaid expenses	6,060	3,906
Inventories	88,176	83,312
Total current assets	162,422	162,045
Property, plant & equipment	91,761	76,666
Goodwill	36,638	36,914
Other intangible assets	381	412
Long-term investments	1,507	1,507
Long-term receivables	2,485	2,419
Deferred tax assets	5,701	5,337
Total non-current assets	138,473	123,255
TOTAL ASSETS	300,895	285,300
LIABILITIES	TEUR	TEUR
Bank loans and overdrafts	30,226	27,129
Current portion of loans	3,848	3,847
Finance lease obligations	0	328
Accounts payable trade	22,862	22,404
Other payables and accrued expenses	24,372	22,979
Total current liabilities	81,308	76,687
Loans not due within one year	27,603	26,802
Subsidies received	680	687
Retirement benefit obligations	3,491	3,497
Other liabilities	1,837	1,448
Deferred tax payables	4,613	4,481
Total non-current liabilities	38,224	36,915
Common stock	16,000	16,000
Contributed capital	65,799	65,799
Other reserves and translation component	-18,319	-16,517
Retained earnings	117,883	106,416
Total shareholders' equity	181,363	171,698
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	300,895	285,300

INTERIM CASH FLOW STATEMENT

	UNAUDITED	
	3 months period ended	
	31.03.2007	31.03.2006
	TEUR	TEUR
Operating Activities		
Income after taxation	11,465	6,482
Depreciation and amortization	3,837	3,109
Other	-135	144
Cash earnings	15,167	9,735
Change in working capital	-13,228	-4,787
Net cash provided by operating activities	1,939	4,948
Investing Activities		
Expenditures for fixed assets	-20,346	-4,482
Other activities	897	511
Net cash used in/provided by investing activities	-19,449	-3,971
Financing Activities		
Payment of dividends	0	0
Change in bank liabilities and other financing	3,776	-728
Net cash used in/provided by financing activities	3,776	-728
Translation adjustments	321	525
Change in cash and cash equivalents	-13,413	774
Cash and cash equivalents at beginning of year	40,850	35,598
Exchange rate/revaluation effects on cash and cash equivalents	-524	-230
Cash and cash equivalents at end of period	26,913	36,142

For additional information please contact

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HIGHLIGHTS

- Record quarterly results for sales and profit before tax
- Sales up 35 % to MEUR 70.8
- EBIT up 70 % to MEUR 15.9
- EBIT margin at 22.5 % exceeds 2006 level
- Profit before tax up 75 % to MEUR 15.8

LETTER TO OUR SHAREHOLDERS 1-2007

[HTTP://INFO.SBO.AT](http://info.sbo.at)

Dear shareholders,

The positive overall conditions for the oilfield service industry continued throughout the first quarter of 2007. The strong global economy and the resulting high demand for oil and gas, in particular in the emerging markets of China and India, went on unabated. This trend was further strengthened by the surprisingly vigorous business activity in Europe and a rather robust economic development in North America. According to the International Energy Agency (IEA), in China alone the demand for oil in the past two years climbed some 13 % to an average of approx. 7.6 million barrels per day over the first quarter of 2007. Global demand for oil currently stands at 85.5 million barrels per day and is forecast to rise to as much as 87.6 million barrels per day by the end of 2007.

The international oil companies continued their large-scale investments in exploration and production activities to brace themselves for the increasing demand in the next years. Currently, no end of the upward cycle in the oilfield service industry appears to be in sight. Once more, the present market environment and our decision to early on pursue a growth strategy involving large-scale capital spending formed the basis of the economic performance of Schoeller-Bleckmann in the first quarter of 2007. Despite of the weakness of the US dollar, all key financial figures of the company reached new record levels. Among other things, growth-related economies of scale contributed to another improvement of the EBIT margin. Profit before tax accomplished in the first quarter already exceeded the overall value for the full fiscal year 2004. The order backlog climbed further by 43 %, standing at MEUR 230.4, as compared to MEUR 160.8 in the first quarter of 2006. Further massive capex spendings were made for capacity expansions at the SBO sites over the first quarter of 2007, both to consistently expand the manufacturing equipment stock with a focus on Ternitz and Houston and to establish new production facilities at Ternitz to fulfil the recently concluded long-term delivery contracts with our customers. The new plant will go on stream as planned in the first quarter of 2008.

In addition, the new rotary forging machine was commissioned in the first quarter of 2007 to shorten our delivery times for non-magnetic steels. As an expenditure for strategic expansion, a new production hall was added to our Mexican production facilities. For the purpose of expansion investments, adjacent land covering around 13.5 acres was bought for our subsidiaries Knust and Godwin in Houston. At Ternitz, an industrial area covering an additional 16,000 square meters was acquired. For the full fiscal year 2007 alone, capital expenditures implemented or approved so far amounted to some MEUR 60.

The major challenges we face in the months ahead will be the speedy expansion of capacities and the enormous growth of our company, also with respect to our headcount. A potential exposure for the next quarters could be the weak development of the euro/dollar exchange rate observed already in the first quarter of 2007. All things considered, however, we are confident that the bottomline in 2007 will again be excellent if the overall economic environment remains favourable.

Ternitz, May 2007



Gerald Grohmann
Chairman of the
Executive Board, CEO



Franz Gritsch
Member of the
Executive Board, CFO

NOTES ON THE QUARTERLY STATEMENT

Schoeller-Bleckmann continued its course of growth achieved in the best-ever fiscal year 2006 throughout the first quarter of 2007. Quarterly records were achieved both in terms of sales and profit before tax.

Sales revenues climbed 35 %, from MEUR 52.6 in the first quarter of 2006 to now MEUR 70.8. EBIT increased by 70 %, from MEUR 9.4 in the first quarter of 2006 to now MEUR 15.9. Profit before tax in the first quarter of 2007 rose 75 % to MEUR 15.8, following MEUR 9.0. This record result is mainly due to production increases and improved margins. As a result, net income grew by 77 % to MEUR 11.5, following MEUR 6.5 year-on-year and representing earnings per share of EUR 0.72, calculated for an average of 16 million shares (following EUR 0.41 in the first quarter of 2006).

The EBIT margin climbed to an all-time high of around 22 % in the first quarter of 2007, exceeding even the excellent result for full fiscal 2006 amounting to 20 %. In the first quarter of 2006 the EBIT margin was 18 %.

Bookings stood at MEUR 67.4, nominally below the quarterly result of MEUR 77.1 achieved year-on-year, as they do not include the orders under the multi-year long-term delivery contracts with some SBO customers concluded in the first quarter of 2007. Furthermore, some customers finalised their planning for 2008 - the basis of their orders - only at the end of the first quarter of 2007.

Under the capacity expansion programme our headcount was continuously upsized as well. While the difficult situation in the market for skilled labour persists - in particular in the US - SBO was able to increase the number of employees by 16 % to 1,119 as at 31 March 2007 (first quarter of 2006: 964 employees).

ANNUAL GENERAL MEETING

This year's Annual General Meeting of Schoeller-Bleckmann Oilfield Equipment AG on 19 April 2007 approved to distribute a basic dividend of 50 cents plus a bonus of 30 cents per share, in total 80 cents (following 50 cents the year before). Based on the closing price of the SBO share of EUR 34.76 for 2006, this represents a dividend yield of 2.3 %. Moreover, the Supervisory Board was re-elected for a term of five years and the Executive Board was authorized to acquire, within 18 months, own shares of no more than 10 % of the nominal capital of the company.

THE SBO SHARE

The SBO share ended the first quarter of 2007 at a closing price of EUR 39.00, which is an increase of 43% over the closing price of the first quarter of 2006 (EUR 27.36) and reflects the share's record performance of 330 % since its IPO in Vienna (first listed price on 27 March 2003: EUR 9.08).

INTERIM PROFIT AND LOSS ACCOUNT

	UNAUDITED 3 months period ended		AUDITED Year ended
	31.03.2007 TEUR	31.03.2006 TEUR	31.12.2006 TEUR
Sales	70,779	52,577	239,501
Cost of sales	-48,592	-37,931	-167,195
Gross profit	22,187	14,646	72,306
Selling, general & administrative expenses	-5,811	-5,277	-21,471
Other operating expenses/income	-457	15	-2,591
Income from operations	15,919	9,384	48,244
Financial result	-156	-397	-1,437
Income on ordinary activities before taxation	15,763	8,987	46,807
Income taxes	-4,298	-2,505	-12,418
Income after taxation	11,465	6,482	34,389
Average number of shares outstanding	16,000,000	16,000,000	16,000,000
Earnings per share (in EURO)	0.72	0.41	2.15

STATEMENT OF SHAREHOLDERS' EQUITY

in TEUR	
Equity as of 31 December 2006	171,698
Income after taxation	11,465
Dividend	0
Currency translation adjustments	-1,552
Other changes	-248
Equity as of 31 March 2007	181,363

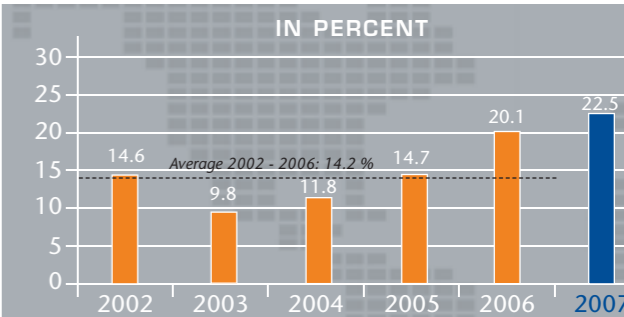
STATEMENT OF SHAREHOLDERS' EQUITY

in TEUR	
Equity as of 31 December 2005	154,730
Income after taxation	6,482
Dividend	0
Currency translation adjustments	-2,178
Other changes	0
Equity as of 31 March 2006	159,034

SALES BY REGIONS

	IN MEUR	
	2007 1-3	2006 1-3
North America	60.9	44.5
Europe	30.8	25.3
Other	3.2	3.1
- Intercompany Sales	-24.1	-20.3
Total Sales	70.8	52.6

EBIT-MARGIN



- SBO is the global market leader in high-precision components for the oilfield service-industry.
- The business focus is on non-magnetic drillstring components for advanced directional drilling applications.
- Worldwide, the company employs a workforce of 1,119 employees (end of 2006: 1,086), 325 at Ternitz/Austria, and 568 in North America (including Mexico).