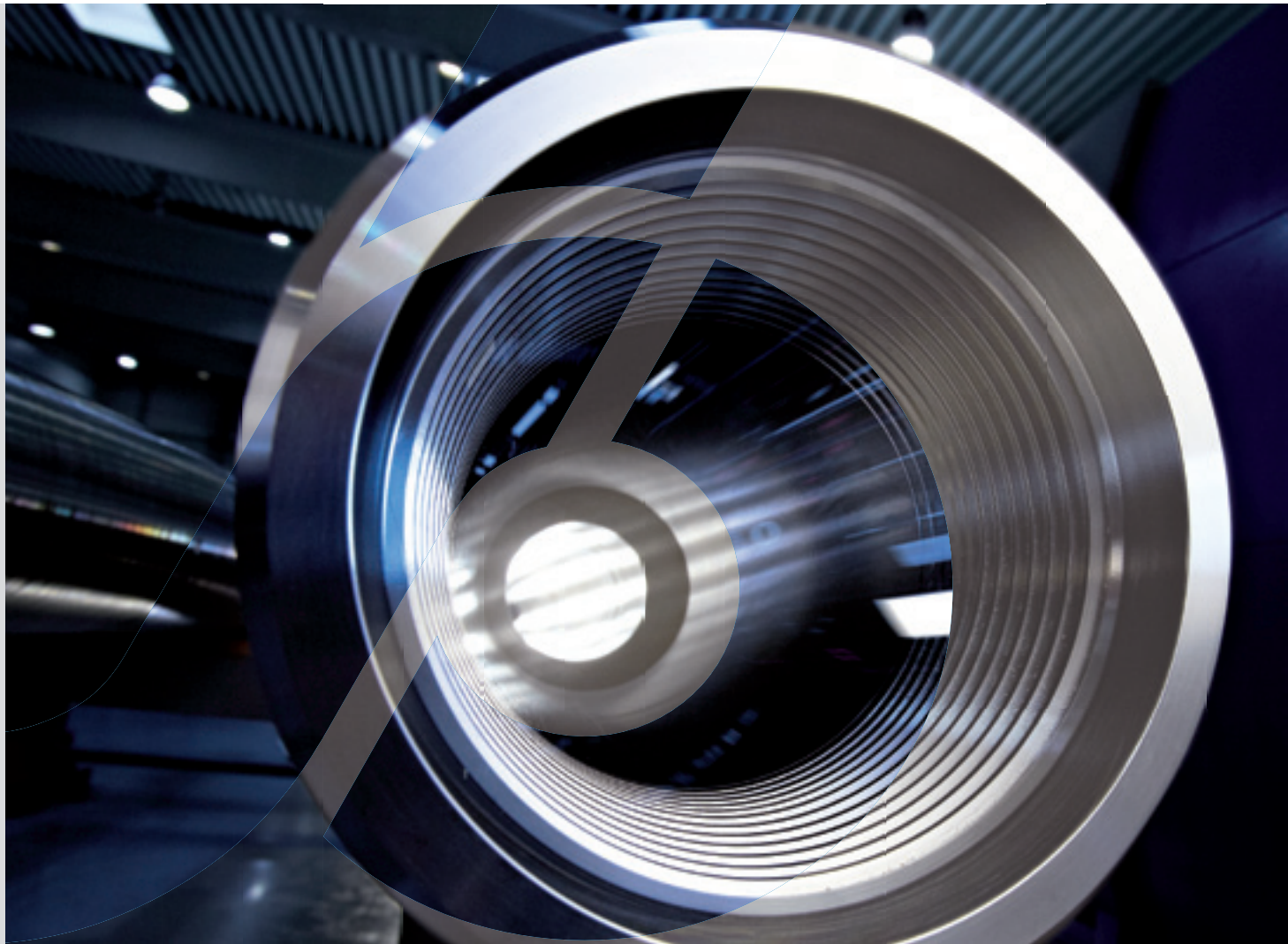


FOCUS ON SUCCESS

2012



Annual Financial Report 2012

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MANAGEMENT REPORT

Market Environment

In 2012, the world's economy was characterised by a gradual slowdown. Following a short upswing early in the year, global economic development was again marked by setbacks from the second quarter on. The Eurozone was faced with the debt problem in Greece, Spain, Italy, and Portugal. In the second half of the year, financing terms and conditions for these countries aggravated further, and the slowdown spread from Southern Europe to the North. While the US economy, by contrast, was developing positively, it lost some of its momentum over the year. The weak economic situation in Western industrialised countries also had repercussions on the exporting sector of the emerging markets, but all in all, those countries still posted high growth rates.

According to current estimates of the International Monetary Fund (IMF) average global economic growth (GDP) in 2012 stood at 3.2 % (following 3.9 % in 2011). Economic growth largely took place in the emerging markets and developing countries, above all in China and India, posting a rate of 5.1 % (following 6.3 % in 2011). Industrialised economies grew by only 1.3 % in 2012 (following 1.6 % in 2011).¹

Owing to continued growth in demand for oil and gas the oilfield service industry was largely unaffected by the global economic slowdown.

According to the International Energy Agency (IEA), average global demand for oil in 2012 had amounted to 89.8 million barrels per day, increasing by 1 million barrels per day, or 1.1 %, from average global demand for oil of 88.8 million barrels per day in 2011. The moderate rise in oil demand was primarily attributable to a slight decline in oil demand of the OECD countries, which decreased by 0.9 % to 46.0 million barrels per day in 2012 (following 46.4 million barrels per day in the year before). This was largely due to diminishing demand for oil in Europe resulting both from record product prices and weaker economic development. However, relatively strong growth in demand seen in Asia compensated for the situation in Europe. Average demand for oil in the non-OECD countries in 2012 was 43.8 million barrels per day, up 1.4 million barrels per day year-on-year.²

The rig count³, the parameter of globally active drilling rigs, remained largely unaffected by the economic slowdown throughout 2012. The average global rig count 2012 was 3518 units, representing an increase of 1.5 % from the average number of globally operating rigs of 3465 units. Additionally, global exploration and production spending in 2012 grew by approximately 8.8 % to around USD 604 billion.⁴ However, the rig count in North America went down slightly at the end of the year.

From early January to the end of December 2012, US drilling activity fell by 12.2 % to 1763 drilling rigs, mainly because of a decline in gas wells of 46.9 % since the start of the year. The decline stabilised in the fourth quarter and was largely set off mainly by the sharply growing number of oil wells. In 2012 the share of oil wells climbed to 75.3 %, whereas the share of gas wells went down to 24.4 %. At the end of 2011 the ratio had still been 59.4 % for oil wells and 40.3 % for gas wells.

¹ IMF: World Economic Outlook Update, January 2013

² IEA: Oil Market Report, February 2013

³ Baker Hughes Rig Count

⁴ Barclays Global 2013 E&P Spending Outlook, December 2012



SUCCESS BASED ON
SOLID FOUNDATIONS.

„In 2012, the oilfield service industry remained largely unaffected by the global economic downturn.“

Compared to the US rig count as at the end of 2010, the number of active drilling wells grew by 4.3 %, indicating that the US market is developing continuously. Compared to 2010 (3227 units) the global rig count increased by 5.1 % in 2012.

In North America, the share of directional and horizontal drilling rigs in the total rig count climbed further to arrive at 72.9 % as at the end of 2012. At the end of the previous year 2011 it had stood at 68.9 % (29 December 2011).

The number of rigs operating in the Gulf of Mexico increased by 17.1 % to 48 units at year-end 2012, following 41 operating drilling rigs at the end of 2011.

Year-on-year, international drilling activities as at the end of December rose from 1180 to 1253 rigs representing a robust increase of 6.2 % from the previous year.

The price of European crude Brent, in the period from the beginning of the year to mid-March, climbed from USD 111.12 to USD 128.14 per barrel (13 March 2012). Until the end of June, it had fallen to its annual low of USD 88.69 per barrel (25 June 2012). On 31 December 2012, the price of one barrel of Brent crude stood at USD 110.8, a level that ensures economic feasibility for all complex and oil gas drilling projects.

The price of US crude WTI, from the beginning of January to the end of February, rose to its annual high of USD 109.39 per barrel (24 February 2012), before it fell to its annual low of USD 77.72 per barrel (28 June 2012) at mid-year. By the end of the year it went up again to a level oscillating between USD 85 and USD 95 per barrel to close at USD 91.83 per barrel at year-end (31 December 2012). Over the year, the price of one barrel of WTI crude was decreasing by 10.8 %. Prices of WTI and Brent continued to differ by around USD 20 also in 2012.

Business development

For Schoeller-Bleckmann Oilfield Equipment AG, the 2012 financial year was again marked by a very positive development of business. Due to the high volume of bookings, sales and profit figures reached a new, absolute record level. All product groups of SBO benefited from the generally sound industry cycle in 2012. Particularly encouraging figures were reported in the product group of high-precision components.

Bookings totalled MEUR 471.4 (following MEUR 460.5 in the year before), again arriving at a very high level. Above-average bookings were posted mainly in the first and second quarters, followed by a period of slowdown in the second half of the year. This was due to the fact, on the one hand, that customers had placed too many orders because of an overly optimistic assessment of the industry's cycle and, on the other hand, diminishing visibility of further global economic development. For all of the above reasons bookings at SBO in the second half were approximately 30 % below the record level seen in the first six months.

„As overall booking volumes remained very strong, capacity utilisation rates were high at all sites. Peaks in orders were accommodated by hiring new personnel, working additional shifts and overtime.“

As overall booking volumes remained strong capacity utilisation rates were high at all sites, with the production company located in Ternitz/Austria delivering a particularly striking operating performance. The new production subsidiaries in Singapore (SBO-Knust Far East) and in Vietnam developed according to plan. They contributed to covering continuously growing local demand for SBO products in Asia.

Peaks in orders were accommodated both by hiring additional personnel mainly in Austria and the US and working additional shifts and overtime. Moreover, growth in 2012 was secured through permanent additions to production machinery.

The order backlog at the end of the year was MEUR 149.8 (following MEUR 176.4 at the end of 2011). It should be noted that this figure is almost entirely attributable to orders in the segment of high-precision components.

Demand was brisk in the product group of oilfield supplies and services, downhole tools, as SBO components were increasingly used in liquid-rich plays as a result of the switch from gas to oil wells in the United States. Business performance of drilling motor subsidiary BICO and downhole tool provider DSI also developed very positively. BICO motors are in great demand as they are used both in shale gas and shale oil drilling because of their higher torques and longer life time compared to conventional motors. In this product group, sales of non-magnetic steel to third parties also produced strong results in 2012. Capacity utilisation at our globally operating Service & Supply Shops was excellent as well.

Capital expenditure

According to the company's long-term growth perspectives SBO stepped up its capital expenditure programme in 2012.

In the first quarter of 2012 the fundamental decision was taken to further expand the production site in Ternitz/Austria to ensure that SBO will meet growing demand for high-precision components in the medium and long run. The expected investment volume required for building a new machining centre for non-magnetic oilfield service drillstring components totals approximately MEUR 54. This large-scale project will be financed mainly from the company's cash-flow.

As a result, SBO will provide the required capacities for further growth in the core business of high-precision components. Additionally, the project will allow to unbundle historically grown operating facilities at the Ternitz site. Optimised material flow and more efficient logistics will further improve production output at the Ternitz site.

The project is scheduled for implementation in several steps over a period of roughly two years. In fiscal 2012 planning and foundation works were started without delay. The building shell is scheduled for completion already in mid-2013. One year later, in mid-2014, all expansion work in Ternitz should be completed.

Moreover, expansion of other production sites was continued by acquiring new equipment in 2012, in particular at US-sites Godwin-SBO and Knust-SBO and at the sites based in Singapore and Vietnam. The drilling motor fleet of BICO was extended, and the number of downhole circulation tools at DSI was gradually increased to meet growing demand. These tools are supplied to customers under leasing contracts.

Additionally, Schoeller-Bleckmann Oilfield Equipment AG acquired UK-based start-up D-TECH. D-TECH is an engineering company still in the process of being set up and has not yet generated any sales revenues. By integrating the company into the Schoeller-Bleckmann Oilfield Equipment group, SBO expects to gain long-term expertise for optimising the product range in the product group of Oilfield Supplies & Services.

Total capital additions to tangible fixed assets in fiscal 2012 amounted to MEUR 53.1 (following MEUR 36.8 in the year before), again clearly up from last year's MEUR by 44.2 %, and financed largely from the company's cash-flow. Total purchase commitments for expenditure in property, plant and equipment as at the end of 2012 were MEUR 12.9 (following MEUR 9.8 at the end of 2011).

Research and development

At Schoeller-Bleckmann Oilfield Equipment AG, research and development activities have been integrated in its operations for many years, a system that ensures market and customer-oriented R&D activities.

Fiscal 2012 was again characterised by intense production and development activities to build prototypes.

At the Godwin / Houston site, a separate shop for producing prototypes was set up, allowing SBO to build prototypes in cooperation with customers under ideal conditions separated from serial production.

At Godwin, the first-ever digital laser copying machine to be used in the oilfield service industry went on stream. On the machine, tools of up to 10 x 15 inches can be manufactured automatically straight from the design drawing. This system offers SBO's customers new and efficient solutions for small-series production of complex products.

Development work for a new Exoko-drilling motor technology continued in 2012.

Risk report

Concerning the risks of the business model of Schoeller-Bleckmann Oilfield Equipment AG we refer to the presentation in Note 32 of the Consolidated Financial Statements.

„The fundamental data for the oilfield service industry have remained intact. Also in 2013 spending for exploration and production is expected to rise in order to cover growing demand for oil and gas in the long term and to compensate declining production rates of existing oil fields.“

Outlook

According to projections of the International Monetary Fund (IMF), average global economic growth in 2013 will come to 3.5 % (following 3.2 % in 2012 and 3.9 % in 2011). As for the emerging markets and developing countries, the IMF expects growth in 2013 to arrive at 5.5 %, following 5.1 % in 2012. China and India will remain the key drivers for the global economy, based on expected growth rates of 8.2 % or 5.9 % in 2013. By contrast, industrialised nations will grow by only 1.4 % (following 1.3 % in 2012 and 1.6 % in 2011).¹

As their economic performance will remain at only moderate levels, Western industrialised nations will have little impact on the growth of global energy consumption.

While average demand for oil in OECD countries will decrease by 0.9 %, from 46.0 million barrels per day in 2012 to 45.6 million barrels per day in 2013, average global oil demand in Non-OECD countries will climb by 2.8 %, from 43.8 million barrels per day to 45.1 million barrels per day in the same period. Average global demand in 2013, according to IEA, will arrive at 90.7 million barrels per day, representing an increase of 0.8 million barrels per day from 89.8 million barrels per day in 2012.²

At the beginning of 2013 the situation of the global economy and the oil and gas industry was characterised by caution based on guarded optimism.

What SBO currently observes is that some customers try to optimise their capital expenditures and inventories as they tend to invest more in repairing tools than purchasing new equipment. This behaviour was also reflected in the bookings SBO received at the beginning of 2013. As the fundamental data of the oilfield service industry has remained intact, we nevertheless see a positive industry environment. Moreover, past experience has shown that such actions taken by customers always were of a transitory nature.

Apart from the expected increase in demand as described above, current market analyses³ assume that exploration and production spending will grow by just under 6.6 %, from USD 604 billion in 2012 to USD 644 billion in 2013. Moreover, oil prices above USD 100 per barrel (Brent) also contribute to a favourable spending climate. All these factors should have a positive effect on drilling activity in the oilfield service industry. Increased spending can be expected, as the production rate from existing oil fields declines by 4 % to 8% every year. Additionally, OPEC's still low spare capacity of around 3 million barrels further aggravates the situation. Even if oil consumption goes up by only one percent in 2013, considerable investments will be needed to compensate for the production shortfall of 4 – 5 million barrels per year. The boom of unconventional oil and gas production in the United States will make up for only part of the missing quantities. More E&P activities in deeper and more remote regions will be needed to secure the world's oil supply.

¹ IMF: World Economic Outlook Update, January 2013

² IEA: Oil Market Report, February 2012

³ Barclays Global 2013 E&P Spending Outlook, December 2012

Due to the low US gas price of recent years overcapacities have built up in some areas of the oilfield service industry, which could be compensated for only in part by increased shale oil drilling. In the first weeks of 2013, gas prices recovered from their 10-year lows, and demand for LNG started to grow again also in Asia.

A large number of planned new offshore E&P projects is already in the pipeline, leading many experts to expect an offshore boom in the years ahead. New projects for developing conventional and unconventional gas and oil fields and spending for improved oil recovery from existing fields will further drive demand for high-precision equipment.

SBO is well prepared to meet the challenges of each market environment. Despite its ongoing spending for growth the company is based on a sound balance sheet, low debt and attractive cash-flow. This capital investment programme will be a key component for SBO to secure, for the years ahead, market leadership in the business units of the oil service industry in which SBO operates. Therefore, it is the foundation of the long-term growth policy pursued by SBO.

Analysis and results

The consolidated financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS). No changes were made in the business of the SBO group in the year under review.

Sales

In 2012 the company fully benefited from the dynamic growth in the oilfield service industry and increased sales by 25.3 %, from MEUR 408.6 to MEUR 512.1.

Moreover, in fiscal 2012 the development of the US dollar also had favourable effects. The average exchange rate in 2012 was 1 Euro = USD 1.2856, compared to 1 Euro = USD 1.3917 in 2011, which had a positive influence of around MEUR 33 on sales.

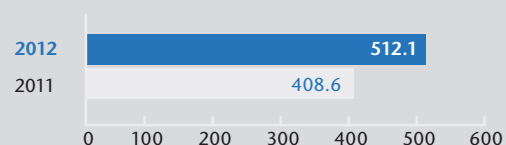
Exchange rate

As in the years before, the US dollar continues to be the most important currency by far for the SBO group. In 2012, just under 80 % (following 82 % in 2011) of total sales and revenues were generated in US dollars, while, as before, around 50 % of expenses were also incurred in US dollars.

The average rates for the years ended 31 December 2011 and 31 December 2012 were used by the company in the preparation of the consolidated profit and loss statements, whereas the closing rates for the years 2011 and 2012 were used in the preparation of the consolidated balance sheet.

SALES

in MEUR



EXCHANGE RATE

in EUR/USD

	High	Low	Average	Closing
Year 2012	1.3454	1.2089	1.2856	1.3194
Year 2011	1.4882	1.2889	1.3917	1.2939

SALES BY REGIONS

in MEUR

	2012	2011
North America	343.7	320.4
Europe	262.7	197.7
Other	56.3	42.1
- Intercompany Sales	-150.6	-151.6
Total Sales	512.1	408.6

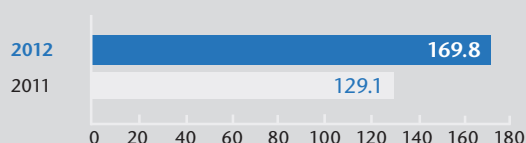
SALES BY PRODUCTS

in MEUR

	2012	2011
High-Precision Components	283.4	219.0
Downhole tools, oilfield supplies and service	228.7	189.6
Total Sales	512.1	408.6

GROSS PROFIT

in MEUR



Sales by regions

The table on the left side shows sales by regions of origin.

North America, accounting for 60 % (2011: 70 %) of sales, continues to be the largest market for the company, since all major customers of SBO, i.e. integrated service companies, are located in the United States. However, as those companies increasingly use their international branch offices for procurement, in particular in Europe and the Far East, those sales markets are becoming more and more important for SBO. Apart from that, the products of the SBO group are used all over the world.

Sales by products

In the product group of high-precision components, sales increased by 29 %, from MEUR 219.0 in 2011 to MEUR 283.4 in 2012. This product group essentially comprises MWD/LWD collars, MWD/LWD internals and high-precision parts.

Sales in the product group of downhole tools, oilfield supplies and services, consisting of product groups drilling motors, circulation tools, non-magnetic drill collars and material as well as service and repair activities, increased by 21 %, from MEUR 189.6 to MEUR 228.7.

Gross profit

In 2012, gross profit amounted to MEUR 169.8, from MEUR 129.1 in the year before. The gross margin was 33.2 %, following 31.6 % in 2011.

This relatively high margin is the result of full production capacity utilisation in almost all sectors and the associated economies of scale. The price level has largely remained unchanged compared to the previous year.

The main elements of production costs are material and energy expenses, personnel and depreciation on fixed assets.

Selling and administrative expenses

Selling and administrative expenses went from MEUR 38.4 in 2011 to MEUR 47.1 in 2012, increasing at a lower rate than sales. They arrived at 9.2 % of sales, compared to 9.4 % in 2011.

Selling and administrative expenses consist mainly of salary and salary-related expenses, professional fees for operational activities, travel and entertainment costs, communication and insurance expenses as well as expenses for due diligence procedures and mergers.

Other operating income and expenses

Other operating expenses amounted to MEUR 17.7 (2011: MEUR 12.3) in 2012. This item contains primarily exchange losses that were offset by almost the same level of exchange gains in other operating income and R & D costs incurred for the segment of downhole tools, oilfield supplies and services.

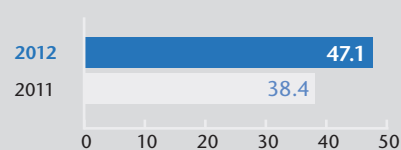
Other operating income in 2012 was MEUR 15.3 (2011: MEUR 11.8). The major item covered here are exchange gains. Further operating income consists of rental income, service charges and income from the sale of fixed assets.

Profit from operations

Profit from operations was MEUR 120.3 (23.5 % of sales), compared to MEUR 90.2 (22.1 % of sales) in the year before. This favourable development is mainly due to the increase in gross profit as presented above.

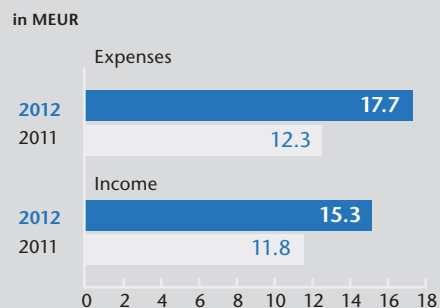
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

in MEUR



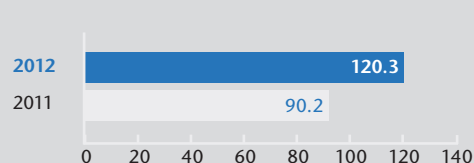
OTHER OPERATING INCOME AND EXPENSES

in MEUR

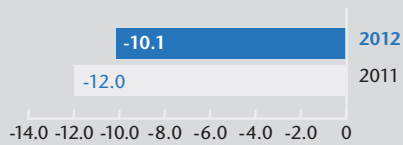


PROFIT FROM OPERATIONS

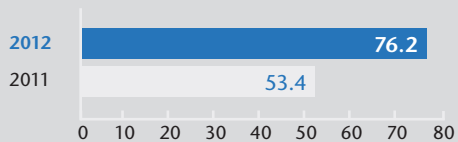
in MEUR



FINANCIAL RESULT
in MEUR



PROFIT AFTER TAX / DIVIDEND
in MEUR



Financial result

In 2012, the financial result stood at MEUR -10.1, after MEUR -12.0 in 2011. Net interest expenses were MEUR - 7.1 (2011: MEUR -5.9). Also included here are other financial expenses of MEUR 6.0 (2011: MEUR 6.1). They represent the minority interests in subsidiaries held by the respective management of MEUR 3.5 (2011: MEUR 4.2) and an increase of the contingent purchase price for DSI recognised as expense amounting to MEUR 2.5. The purchase price was increased because business developed better than expected at the time of acquisition. Moreover, this item contains other financial income of MEUR 3.0 (2011: MEUR 0.0).

Profit after tax / dividend

Profit after tax for 2012 was MEUR 76.2, following MEUR 53.4 in the year before.

Earnings per share arrived at EUR 4.76, following EUR 3.33 in 2011.

The Executive Board proposes to the Annual General Meeting to pay to the shareholders a dividend of EUR 1.50 per share (basic dividend and bonus) for 2012, resulting in a total distribution of MEUR 24.0 to the shareholders.

Assets and financial position

Shareholders' equity as of 31 December 2012 was MEUR 363.1, following MEUR 314.8 as of 31 December 2011. The equity ratio arrived at 52.0 %, compared to 50.8 % in the year before. Net debt as of 31 December 2012 was MEUR 34.3, which is MEUR 8.8 less than as of 31 December 2011. The gearing ratio (net debt in percent of shareholders' equity) was 9.5 % as of 31 December 2012, following 13.7 % in the year before.

Cash-flow from profit arrived at MEUR 118.4 in 2012, following MEUR 91.7 in 2011. The main elements contributing to this figure were income after tax amounting to MEUR 76.2 (2011: MEUR 53.4) and depreciation and amortisation amounting to MEUR 39.6 (2011: MEUR 34.8).

In the wake of business expansion the net working capital of MEUR 135.8 as of 31 December 2011 increased to MEUR 145.7 as of 31 December 2012. This rise is mainly due to the substantial increase of inventories (primarily unfinished products). Nevertheless, cash-flow from operating activities improved considerably over the previous year, from MEUR 59.8 to MEUR 102.8.

Net cash outflow from investing activities totalled MEUR 69.5 (2011: MEUR 37.8). Additions to fixed assets were MEUR 53.1 (2011: MEUR 36.8), of which MEUR 2.2 were spent for land purchases in Austria and the United States, MEUR 35.9 for machines and equipment mainly in Austria, the United States and the UK, and MEUR 15.0 for further expanding the downhole tool rental fleet.

Purchase commitments for property, plant and equipment as of 31 December 2012 were MEUR 12.9 (2011: MEUR 9,8).

Report on the main features of the internal control system and risk management system in relation to the financial reporting process

The Executive Board has overall responsibility for the risk management of the SBO group, whereas direct responsibility lies with the managing directors of the operating entities.

Consequently, the system of internal continuous reporting to corporate headquarters plays a particularly important role in identifying risks at an early stage and implementing counter-measures. Operating subsidiaries provide the necessary information by timely monthly reporting to the Executive Board.

The group has defined uniform standards for all global subsidiaries regarding implementation and documentation of the complete internal control system and, in particular, the financial reporting process. The underlying objective is to avoid risks leading to incomplete or erroneous financial reporting.

Furthermore, internal reports prepared by subsidiaries are checked for plausibility at corporate headquarters and compared with budgets in order to take appropriate action whenever deviations occur. For this purpose, subsidiaries are required to prepare annual budgets and mid-term planning to be approved by the Executive Board.

In addition, liquidity planning of the subsidiaries is continuously monitored and aligned with the requirements defined by the holding company.

Group controlling monitors subsidiaries' compliance with accounting regulations. Moreover, the annual financial statements of all operating subsidiaries and holding companies are audited by international auditors.

At the Executive Board's regular meetings with local managing directors the current business development and foreseeable risks and opportunities are discussed.

In addition to the International Financial Reporting Standards internal group guidelines are in place for the preparation of the consolidated financial statements to ensure uniform presentation by reporting companies (accounting and valuation issues). A certified consolidation programme equipped with the necessary auditing and consolidation routines is used for automated preparation of the consolidated financial statements.

Events after the balance sheet date

Please refer to Note 38, Financial Information.

Additional information acc. to Section 243a Austrian Commercial Code:

Please refer to Note 20, Financial Information.

FINANCIAL INFORMATION

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500

100

FUNDAMENTALLY STRONG.

CONSOLIDATED BALANCE SHEET

ASSETS in TEUR		31.12.2012	31.12.2011
Current assets			
Cash and cash equivalents		138,260	120,842
Trade accounts receivable	Note 5	71,854	72,973
Income tax receivable		1,497	2,074
Other accounts receivable and prepaid expenses	Note 6	6,649	6,842
Inventories	Note 7	157,973	139,087
TOTAL CURRENT ASSETS		376,233	341,818
Non-current assets			
Property, plant & equipment	Note 8	165,462	147,507
Goodwill	Note 9	65,560	58,734
Other intangible assets	Note 9	61,091	48,457
Long-term receivables	Note 10	17,736	13,808
Deferred tax assets	Note 11	12,356	9,723
TOTAL NON-CURRENT ASSETS		322,205	278,229
TOTAL ASSETS		698,438	620,047

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY in TEUR		31.12.2012	31.12.2011
Current liabilities			
Bank loans and overdrafts	Note 12	31,455	29,099
Current portion of bonds	Note 16	19,988	0
Current portion of long-term loans	Note 17	15,606	19,751
Finance lease obligations		189	361
Accounts payable trade ⁽¹⁾		37,819	46,944
Government grants	Note 13	358	271
Income taxes payable		17,316	9,966
Other payables ^{(1) (2)}	Note 14	30,405	22,091
Other provisions	Note 15	6,773	6,225
TOTAL CURRENT LIABILITIES		159,909	134,708
Non-current liabilities			
Bonds	Note 16	19,963	39,906
Long-term loans	Note 17	85,307	74,532
Finance lease obligations		83	274
Government grants	Note 13	744	556
Employee benefit obligations	Note 18	5,884	4,571
Other payables ⁽²⁾	Note 19	40,469	32,661
Deferred tax liabilities	Note 11	22,949	18,067
TOTAL NON-CURRENT LIABILITIES		175,399	170,567
Shareholders' equity			
Share capital	Note 20	15,960	15,960
Contributed capital		65,203	65,203
Legal reserve - non-distributable	Note 21	785	785
Other reserves	Note 22	29	33
Currency translation reserve		-15,956	-10,859
Retained earnings		295,382	242,149
Equity attributable to the owners of the parent company		361,403	313,271
Non-controlling interests	Note 23	1,727	1,501
TOTAL SHAREHOLDERS' EQUITY		363,130	314,772
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		698,438	620,047

⁽¹⁾ Reclassification see Note 14

⁽²⁾ Reclassification according to maturity see Note 19

CONSOLIDATED PROFIT AND LOSS STATEMENT

in TEUR		2012	2011
Sales	Note 24	512,146	408,649
Cost of goods sold	Note 25	-342,354	-279,565
Gross profit		169,792	129,084
Selling expenses	Note 25	-18,976	-15,529
General and administrative expenses	Note 25	-28,161	-22,894
Other operating expenses	Note 26	-17,732	-12,309
Other operating income	Note 26	15,343	11,847
Profit from operations		120,266	90,199
Interest income		956	980
Interest expenses		-8,028	-6,863
Other financial income		2,973	0
Other financial expenses	Note 19	-6,031	-6,109
Financial result		-10,130	-11,992
Profit before tax		110,136	78,207
Income taxes	Note 27	-33,892	-24,775
Profit after tax		76,244	53,432
Thereof attributable to non-controlling interests		329	223
Thereof attributable to the owners of the parent company		75,915	53,209
		76,244	53,432
Average number of shares outstanding		15,960,116	15,960,116
Earnings per share in EUR (basic = diluted)		4.76	3.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit after tax		76,244	53,432
Foreign exchange adjustment - subsidiaries		-5,016	9,702
Foreign exchange adjustment - other items ⁽¹⁾		-245	627
Income tax effect	Note 27	61	-156
Other comprehensive income, net of tax		-5,200	10,173
Total comprehensive income, net of tax		71,044	63,605
Thereof attributable to non-controlling interests		226	403
Thereof attributable to the owners of the parent company		70,818	63,202
		71,044	63,605

⁽¹⁾ Mainly the result from translation differences from net investments in foreign entities such as long-term receivables

CONSOLIDATED CASH-FLOW STATEMENT

in TEUR		2012	2011
Profit after tax		76,244	53,432
Depreciation and amortization and impairments		39,610	34,766
Change in employee benefit obligations		1,313	881
Gain (loss) from sale of property, plant and equipment		-192	-653
Income from release of subsidies		-1,492	-279
Other non-cash expenses and revenues		4,240	1,911
Change in deferred taxes		-1,277	1,621
Cash-flow from profit		118,446	91,679
Change in accounts receivable trade		514	-12,615
Change in other accounts receivable and prepaid expenses		1,886	-2,925
Change in inventories		-20,805	-33,895
Change in accounts payable trade		-9,418	7,597
Change in other payables and provisions		12,141	9,990
Cash-flow from operating activities	Note 35	102,764	59,831
Expenditures for property, plant & equipment		-53,064	-36,804
Expenditures for intangible assets		-174	-228
Expenditures for the acquisition of subsidiaries less cash acquired	Note 36	-20,172	-4,337
Proceeds from sale of property, plant & equipment		3,892	3,619
Cash-flow from investing activities	Note 35	-69,518	-37,750
Dividend payment		-19,152	-15,960
Government grants received		839	0
Repayment finance lease		-380	-414
Change in bank loans and overdrafts		2,466	-7,563
Proceeds from long-term loans	Note 17	30,000	2,442
Repayments of long-term loans	Note 17	-23,421	-16,974
Repayments of other long-term payables		-5,532	-440
Cash-flow from financing activities	Note 35	-15,180	-38,909
Change in cash and cash equivalents		18,066	-16,828
Cash and cash equivalents at the beginning of the year		120,842	136,989
Effects of exchange rate changes on cash and cash equivalents		-648	681
Cash and cash equivalents at the end of the year	Note 35	138,260	120,842
Supplementary information on operating cash-flow			
Interest received		761	834
Interest paid		-5,556	-6,358
Income tax paid		-26,230	-22,210

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year 2012 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total Parent company	Non- controlling interests	Total
Note	20		21	22					
1. January 2012	15,960	65,203	785	33	-10,859	242,149	313,271	1,501	314,772
Profit after tax						75,915	75,915	329	76,244
Other comprehensive income, net of tax					-5,097		-5,097	-103	-5,200
Total comprehensive income, net of tax	0	0	0	0	-5,097	75,915	70,818	226	71,044
Dividends ⁽¹⁾						-19,152	-19,152		-19,152
Option commitment relating to cancelable non-controlling interests ⁽²⁾						-3,534	-3,534		-3,534
Change in reserves				-4		4	0		0
31. December 2012	15,960	65,203	785	29	-15,956	295,382	361,403	1,727	363,130

⁽¹⁾ The dividend payment in the year 2012 of TEUR 19,152 was distributed to a share capital eligible for dividends of TEUR 15,960. Accordingly, the dividend per share amounted to EUR 1.20.

⁽²⁾ See Note 36

Year 2011 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Currency translation reserve	Retained earnings	Total Parent company	Non- controlling interests	Total
Note	20		21	22					
1. January 2011	15,960	65,203	785	36	-20,852	204,897	266,029	1,098	267,127
Profit after tax						53,209	53,209	223	53,432
Other comprehensive income, net of tax					9,993		9,993	180	10,173
Total comprehensive income, net of tax	0	0	0	0	9,993	53,209	63,202	403	63,605
Dividends ⁽³⁾						-15,960	-15,960		-15,960
Change in reserves				-3		3	0		0
31. December 2011	15,960	65,203	785	33	-10,859	242,149	313,271	1,501	314,772

⁽³⁾ The dividend payment in the year 2011 of TEUR 15,960 was distributed to a share capital eligible for dividends of TEUR 15,960. Accordingly, the dividend per share amounted to EUR 1.00.

NOTES

NOTE 1

Information about the Company

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (the Company), located in 2630 Ternitz at Hauptstrasse 2, was incorporated on 26 May 1994 in Ternitz, Austria and is registered at the Commercial Court in Wiener Neustadt, Austria (FN 102999w).

The Company is engaged in the industrial manufacturing of components and parts for the oil and gas industry, mostly in directional drilling segments, and provides services in these areas.

Since 27 March 2003 the shares of the Company have been listed on the Wiener Börse (Vienna Stock Exchange).

NOTE 2

Accounting Standards

The Company's consolidated financial statements as of 31 December 2012 were prepared in accordance with International Financial Reporting Standards (IFRSs) as well as with the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the EU.

The consolidated financial statements for SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft and its subsidiaries for the business year 2012 (as of 31 December 2012) were released by the Executive Board on 28 February 2013.

The financial statements are denominated in Euros. Unless otherwise provided, all figures have been rounded to thousands of Euros (TEUR). As a result of automated computation, the rounded amounts and percentage figures may display rounding differences.

NOTE 3

Scope of consolidation

The consolidated financial statements as of 31 December 2012 comprise the accounts of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the group parent company and 30 subsidiaries (2011: 28 subsidiaries).

Company	Location	Interest held in %
Schoeller-Bleckmann Oilfield Technology GmbH	Ternitz, AT	100.00
Schoeller-Bleckmann Drilling and Production Equipment GmbH	Ternitz, AT	100.00
BICO-DSI Investment GmbH	Ternitz, AT	90.00
DSI FZE	Dubai, AE	90.00
Drilling Systems International Limited	Cayman Islands, CY	90.00
Schoeller-Bleckmann America Inc.	Wilmington, US	100.00
Accudrill L. L. C. (*)	Houston, US	96.60
Godwin-SBO L. L. C. (*)	Houston, US	96.60
Knust-SBO L. L. C. (*)	Houston, US	94.60
Knust-SBO Far East Pte. Ltd. (*)	Singapore, SG	94.60
Schoeller-Bleckmann Energy Services L. L. C. (*)	Lafayette, US	87.80
Schoeller-Bleckmann Sales Co. L. L. C.	Houston, US	100.00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Rotherham, GB	100.00
Darron Tool & Engineering Limited (*)	Rotherham, GB	98.95
Darron Oil Tools Limited	Rotherham, GB	100.00
Schoeller-Bleckmann Darron Limited (*)	Aberdeen, GB	90.15
Schoeller-Bleckmann Darron (Aberdeen) Limited (*)	Aberdeen, GB	92.65
Techman Engineering Limited	Chesterfield, GB	100.00
BICO Drilling Tools Inc. (*)	Houston, US	85.00
BICO Faster Drilling Tools Inc. (*)	Nisku, CA	72.25
Schoeller-Bleckmann de Mexico S. A. de C. V. (*)	Monterrey, MX	97.00
Schoeller-Bleckmann do Brasil, Ltda.	Macaé, BR	100.00
SB Darron Pte. Ltd.	Singapore, SG	100.00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, AE	100.00
Schoeller-Bleckmann Oilfield Equipment Vietnam L. L. C.	Binh Duong, VN	100.00

(*) With respect to the disclosure of the shares which are held by the management of these Companies, please see Note 19.

For the non-disclosure of three subsidiaries (2011: three subsidiaries) we refer to the exemption clause in § 265, article 3 UGB (Austrian Commercial Code).

Furthermore, two companies were acquired in 2012, which are disclosed in Note 36.

NOTE 4

Significant accounting policies

The applied accounting policies remain generally unchanged compared to the previous year, except for the following changes.

■ Changes in accounting policies

In 2012 the Group has initially applied the following new and revised standards and interpretations. The adoption of these standards and interpretations only had an impact on group financial statements as of 31 December 2012 if it is marked with "yes" in the table below.

Regulation		Effective Date ¹	Impact on group financial statements
IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters	01/07/2011	no
IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets	01/07/2011	no
IAS 12	Recovery of Underlying Assets	01/01/2012	no

¹ to be applied for annual periods beginning on or after this date

The following new or revised standards and interpretations which have been adopted by the European Union, have not been applied early in 2012, but will be applied in the respective reporting periods for which application becomes mandatory:

Regulation		Effective Date ¹	Impact on group financial statements
IFRS 7	Offsetting of Financial Assets and Financial Liabilities	01/01/2013	no
IFRS 10	Consolidated Financial Statements	01/01/2014	no
IFRS 11	Joint Arrangements	01/01/2014	no
IFRS 12	Disclosures of Interests in Other Entities	01/01/2014	yes
IFRS 13	Fair Value Measurement	01/01/2013	no
IAS 1	Presentation of Items of Other Comprehensive Income	01/07/2012	yes
IAS 19	Employee Benefits	01/01/2013	yes
IAS 27	Separate Financial Statements	01/01/2014	no
IAS 28	Investments in Associates and Joint Ventures	01/01/2014	no
IAS 32	Offsetting Financial Assets and Financial Liabilities	01/01/2014	no
IFRIC 20	Stripping costs in the production phase of a surface mine	01/01/2013	no

¹ to be applied for annual periods beginning on or after this date

It is expected that the initial application of these new or amended standards and interpretations will not have any impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 requires disclosures concerning interests in subsidiaries, joint arrangements and associates. The disclosures are considerably more extensive than the current requirements of IAS 27, 28 and 31.

Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified (for example actuarial gains and losses on employee defined benefit plans). The amendments are limited to changes in presentation but do not impact the Group's financial position and financial performance.

IAS 19 Revised – Employee Benefits

The IASB issued significant revisions to IAS 19. The accounting options available under current IAS 19 have been eliminated and the defined benefit obligation of defined benefit plans has to be fully recognized in the balance sheet.

Actuarial gains and losses are now required to be recognized in other comprehensive income (OCI) and excluded permanently from profit and loss. Currently the group recognizes actuarial gains and losses in profit and loss which will

lead to a reclassification from profit and loss into other comprehensive income. Furthermore there are a number of new disclosure requirements concerning defined benefit plans.

■ Balance sheet date

Balance sheet date of all companies included in the Company's accounts is 31 December.

■ Consolidation principles

Upon capital consolidation, business combinations are accounted for using the acquisition method i. e. the consideration transferred is offset against the proportionate fair value of the acquired assets and liabilities of the acquired business.

The consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 in profit and loss under other financial expenses or income, respectively. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Acquisition costs incurred are expensed (general and administrative expenses).

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net asset.

Afterwards, their share of profit after tax and other comprehensive income is attributed to non-controlling interests. In case of losses, a negative balance could be recorded.

According to a merger in 2012 the Company entitled non-controlling interests to sell their shares to the Company at any time. The Company has committed itself to purchase the offered shares. The purchase price depends on the profits generated by the acquired company. The anticipated discounted purchase amount of the put option is calculated based on current corporate planning figures and recognized in other liabilities as granting of the put option created an unconditional payment obligation of the group. The financial liability has initially been recognized by reclassification of the non-controlling interests measured at the proportionate share of revalued net assets at the acquisition date. The remaining difference to the anticipated discounted purchase amount at the acquisition date has been reclassified from equity attributable to the owners of the parent company without any effect on profit and loss. From a group perspective subsidiaries with such put option obligations are fully consolidated. Profits of the respective entity are fully allocated to the owners of the parent company. Dividend payments to non-controlling interests are recognized in other financial expenses. Subsidiaries are fully consolidated since their acquisition date, i. e. when the Company gets control over the acquired business. The consolidation ends when the Company loses control over the subsidiary. Changes in the ownership without loss of control are recorded as equity transactions.

All intercompany receivable and payable balances were reconciled at the balance sheet date and offset in the course of the elimination process.

Sales and other income resulting from activities between the group companies were reconciled in the relating consolidation period and offset against the corresponding expenses.

Intercompany profits arising from the delivery of goods between group companies were also eliminated.

■ Going concern basis

The consolidated financial statements were prepared on a going concern basis.

■ Uniform accounting principles

The financial statements of all consolidated entities were prepared in accordance with uniform group accounting policies.

■ Foreign currency translation

The consolidated financial statements are denominated in Euros, the functional and reporting currency of the Group. Each group member determines its own functional currency. The line items in the individual company financial statements are measured by using this functional currency.

Foreign currency transactions were translated at the exchange rate in effect at the transaction date. Monetary items denominated in foreign currencies were converted at the rate in effect at the balance sheet date. Currency differences were booked in profit or loss in the period they occurred.

For the group financial statements, the financial statements of foreign subsidiaries are translated into Euros, in accordance with the concept of functional currency:

- The assets and liabilities, both monetary and non-monetary, are translated at the balance sheet date.
- All income and expense items of the foreign subsidiaries are translated at an average exchange rate for the year.

The development of the currency rates was as follows:

1 EUR =	Balance sheet date		Average annual rates	
	31.12.2012	31.12.2011	2012	2011
USD	1.3194	1.2939	1.2856	1.3917
GBP	0.8161	0.8353	0.8111	0.8678
CAD	1.3137	1.3215	1.2848	1.3756
MXN	17.1845	18.0512	16.9920	17.2791
BRL	2.7036	2.4159	2.5097	2.3259
VND	27,596.5	27,491.0	26,986.4	29,218.8

Exchange differences resulting from translating the financial statements of the subsidiaries are classified as “currency translation reserve within equity” of the consolidated financial statements, the movement in the current year is recorded under “other comprehensive income.”

■ Split in current and non-current assets and liabilities

Assets and liabilities with a residual term to maturity of less than one year are reported as current, those with a residual term to maturity of more than one year as non-current. Residual time to maturity is determined on the basis of the balance sheet date.

Operating assets and liabilities, such as Trade Accounts Receivable and Trade Accounts Payable, are always considered as current, even if their maturity is beyond 12 months as of the balance sheet date.

■ Financial instruments

A financial instrument is an agreement whereby a financial asset is created in one company, simultaneously with a financial liability or equity in the other company. Such transactions are recognized at the settlement date, according to IAS 39.

A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired,
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party, or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is removed when the underlying obligation is discharged, canceled or when it expires.

The consolidated balance sheet shows the following financial instruments (categorized according to IAS 39):

Cash and cash equivalents

All cash, bank deposits and short-term financial investments available for sale are recorded under line item Cash and cash equivalents, because they can be converted into cash at any time. They are measured at current value at the balance sheet date and are not subject to significant changes in their value. Marketable financial instruments are non-derivative financial assets which are not held for trading purposes.

After initial recognition, marketable financial instruments are measured at their fair values while resulting profits and losses are booked into equity. The fair value is the market value of the respective assets at the balance sheet date. Upon disposal or impairment of marketable financial assets recognized in equity to that point, gains or losses are accounted for in the annual profit and loss statement.

Interest and dividends earned on financial investments are stated in the annual result.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or definable payments, which are not listed at an active market. They particularly include Trade receivables, Loans and Other Receivables. Interest at market rates is charged on those trade receivables which are granted for credit periods which exceed those normally granted in business.

Receivables and other assets are recognized at the settlement date at acquisition costs, thereafter they are measured at amortized costs using the effective interest method, less any allowance for impairment. Gains and losses are booked into the profit and loss statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Company grants credits to its customers in the normal course of business, but generally does not require any collateral or security to support the amounts due, with the exception of occasional customers and customers located in high risk countries from whom the Company obtains confirmed letters of credit. Management performs permanent credit evaluations of its customers and builds up allowances for doubtful accounts if required.

The Company regularly assesses its receivables and records individual allowances for doubtful debts if necessary. These allowances are sufficient to cover the expected risk of default whereas actual defaults result in writing off the respective receivable. The decision whether to account for default risk by means of allowances or to recognize impairment losses depends on the reliability of the risk evaluation.

Management evaluates the adequacy of the allowances for doubtful debts using structural analyses of due dates and balances in accounts receivable, the history of payment defaults, customer ratings and changes in terms of payment.

Liabilities

Financial liabilities particularly include Trade payables, Payables due to banks, Bonds, Payables under finance leasing and Derivative financial liabilities.

Liabilities are initially recognized at its fair value minus directly attributable transaction costs; later they are measured at amortized costs, using the effective interest method. Income and expenses resulting from the use of the effective interest method are booked into profit and loss.

The interest in subsidiaries, which is held by the respective management, is recorded also under financial liabilities. The management is obliged by contract to sell the shares under specific circumstances, and the Company is obliged to buy these shares. The selling price is based on the value of the respective equity portion at the date of the transaction.

Pursuant to IAS 32.23, such contracts constitute a financial liability, valued at the fair value of the redemption price. For the current valuation, the respective portion of the equity at the balance sheet date is used since no exact measurement of the future value is available, including the portion of the income from the current year, which is displayed in the consolidated Profit and Loss-statement under "other financial expenses".

This portion of income in the current year is considered as representative for the effective interest expense.

Further the participation rights granted to the management of subsidiaries are recorded as financial liabilities. A transfer of such rights to third parties needs the approval of the Company. The Company has the option to purchase participation rights under specific circumstances, the purchase price is based on the respective equity portion at the date of the transaction.

Derivative financial instruments and hedging relationships

The Group uses financial instruments, such as currency futures and interest swaps to cover its interest and currency risks. These derivative financial instruments are recognized at fair value at the contract dates and are measured at the respective fair values in the following periods. Derivative financial instruments are recognized as assets if their fair values are positive and as liabilities if fair values are negative.

The fair values of derivative financial investments traded on active markets are determined by the market prices quoted at the balance sheet date; for those financial investments that are not traded on active markets, the fair values are determined by means of other acknowledged valuation methods (recent, comparable transactions between knowledgeable, independent partners willing to trade, comparison with the fair value of other, essentially identical financial instruments, as well as other valuation methods).

The Company uses the following instruments:

Fair Value Hedging

The accounting treatment applied to fair value hedges differs in that the change in the value of the derivative used as a hedging instrument and any gain or loss on the hedged item attributable to the hedged risk are recognized in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the profit and loss statement.

Other derivatives

In order to cover the foreign currency risk relating to monetary assets and liabilities in the balance sheet, the Company applies hedging measures, which, although not in compliance with the strict requirements set out in IAS 39 for hedge accounting, contribute effectively to hedge the financial risk from the risk management perspective.

Income or expenses resulting from changes in the fair value of financial instruments which do not fulfil the accounting criteria regarding hedging relationships under IAS 39, are directly booked to the profit and loss statement.

Income and expenses resulting from foreign currency hedging transactions which were made to hedge the exchange risk related to intra-group trading in foreign currencies are not displayed separately but reported together with the foreign exchange income and expenses from the hedged items in the operating result.

Also in place are liabilities for contingent purchase price payments from business combinations and an option commitment relating to cancelable non-controlling interests. The valuation at the balance sheet date is made according to the underlying agreements based on the discounted payments using the most recent sales forecast. The addition of accrued interest related to liabilities for contingent purchase price payments is recognized in interest expense. Gains or losses resulting from changes in the expected discount cash flows are recorded as other financial income or other financial expenses, respectively.

■ Inventories

Inventories consist of materials and purchased parts in various stages of assembly and are stated at the lower of cost or net realizable value at the balance sheet date. Costs are determined by the first-in, first-out, weighted average or specific identification methods. The costs of finished goods comprise raw material expenses, other direct costs and related production overheads, but exclude interest expense. The Company reviews inventories for slow moving or obsolete items on an ongoing basis and establishes appropriate adjustment provisions if necessary.

■ Tangible and intangible fixed assets

The Company's non-current assets are recorded at cost less depreciation/amortization. Depreciation is principally computed by means of the straight-line method, over the expected useful life of the asset. The estimated useful lives are as follows:

	Useful life in years
Other Intangibles	4 - 10
Buildings and improvements	5 - 50
Plant and machinery	3 - 17
Fixtures, furniture and equipment	2 - 10

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the profit and loss account in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit and loss account.

Repairs and refurbishments are charged to profit and loss at the time the expenditure has been incurred. Borrowing costs are also expensed as incurred, unless they are related to a qualifying asset with a commencement date (acquisition or production) after 1 January 2009.

Where tangible assets are financed by leasing agreements which give rights approximating to ownership (finance leases), they are treated as if they were purchased outright at the lower of the fair value or the fair value of the minimum lease payments. The corresponding leasing liabilities are shown in the balance sheet as finance lease obligations.

Interest expenditures on capitalized lease objects are based on interest rates between 5.0 % and 7.0 %. This rate is in turn determined using the Company's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

The determination whether an arrangement contains a lease is based on its economic substance and requires a judgement as to whether the fulfilment of the contractual arrangement depends on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

■ Goodwill

Goodwill is recognized at acquisition cost not amortized but tested for impairment annually as of 31 December. For this purpose, the goodwill is assigned to cash generating units. The impairment test for cash generating units is performed by calculating the value in use on the basis of expected future cash flows.

A write down of goodwill cannot be reversed in future periods.

■ Current and deferred income taxes

The actual tax refund receivables and tax payables for the current and previous periods are measured in the amount of the expected refund by, or payment to the tax authority. The respective amounts are based on the current tax rates and laws at the balance sheet date.

Current and deferred taxes related to items in other comprehensive income or in equity are not recognized in profit and loss but in equity.

The Company uses the “balance sheet liability method” under which deferred taxes are determined, based on the temporary difference between the amounts attributed to assets or liabilities in the individual group companies for tax purposes (tax base) and the carrying amounts of those assets or liabilities in the balance sheet. Deferred tax income or expenses arise from any movement in deferred tax assets or liabilities. They are measured by the tax rates which become effective when the differences reverse (IAS 12). Deferred tax assets are recognized to the extent it is probable that there will be taxable income in future against which the deductible temporary differences may be offset. Deferred tax assets are to be formed for tax loss carry forwards, provided these tax loss carry forwards can be consumed with future tax profits. Deferred taxes are measured at the tax rates that are expected to apply to the year, when the asset is realized or the liability is settled.

Current and deferred taxes which relates to items recognized under “other comprehensive income” or equity are also posted in “other comprehensive income” or equity but not through profit and loss.

■ Government grants

Subsidies are recognized only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and that the grants will in fact be received. Grants are recognized systematically as income over the period necessary to match them with the related costs, for which they are intended to compensate.

Grants relating to assets are recognized as a liability upon fulfilment of all requirements for the receipt of such grants. They are released over the useful life of the respective assets. The release is displayed in the consolidated Profit and Loss-statement (line item "other operating income").

■ Provisions

In accordance with IAS 37, provisions are recognized when the Company has current legal or constructive obligations which are based on past events and which will probably lead to a payment. The provisions are measured at the best estimate of the management at the balance sheet date. If a reliable estimate is not possible, no provision is made.

■ Employee benefits

Defined contribution pension plans

In Austria the Company operates a contribution-based pension scheme for its workforce, with the related obligations having been transferred into the external APK (Allgemeine Pensionskasse) pension fund. Under this pension scheme, the Company pays the following contributions for its employees on an annual basis: for employees who do not themselves contribute to the pension scheme, the Company contributes 0.5 % of their annual salary (up to a maximum monthly salary of EUR 4,230 (2011: EUR 4,200)). For employees contributing 1 % of their annual salaries to the pension fund, the Company also contributes 1 %.

The Company has established the "SBOE U.S. Retirement Savings Plan" for its U.S.-based subsidiaries.

Eligible participants in this plan are the employees of Schoeller-Bleckmann America Inc., Godwin-SBO L. L. C., Schoeller-Bleckmann Sales Co. L. L. C., Schoeller-Bleckmann Energy Services L. L. C. and BICO Drilling Tools Inc.

Employees are eligible for participation in the plan upon reaching 18 years of age and completion of six months of service, as defined. Employees may elect to defer a percentage of their qualifying wages, up to the maximum dollar amount set by law. Employer contributions are discretionary. The Company decided to contribute 33.3 % towards the first 6 % of employee contributions, calculated per payroll period.

Knust-SBO L. L. C. sponsors a 401(K) profit sharing and income deferral plan which covers substantially all employees. Employees may elect to defer a percentage of their qualifying wages, up to the maximum dollar amount set by law. The partnership may then make matching contributions equal to a discretionary percentage of the participants' salary deductions. For the years ended on 31 December 2012 and 2011, the partnership elected to make no matching contributions.

Severance payment

Austrian law requires payment of a lump sum upon normal retirement or termination of an employment agreement, if the employee has been with the Company for at least three years, and provided that the employment commenced

before 1 January 2003 (defined benefit plan). Severance payment ranges from two to twelve months of salary based on the length of service. Payments are made on normal retirement or any other termination, with the exception of voluntary terminations. The provisions were calculated by applying the Projected Unit Credit Method using the mortality table AVÖ 2008-P (2011: AVÖ 2008-P) by Pagler & Pagler and an interest rate of 3.0 % (2011: 4.5 %), an annual increase in salaries of 4.5 % (2011: 4.5 %) and an appropriate fluctuation rate. The statutory pension age was taken into account as well.

For employment agreements commenced after 1 January 2003, the Company has to contribute 1.53 % of current remunerations to an external providence fund, according to the legal requirements (defined contribution plan).

Employees' jubilee payments for long service

According to the collective work agreement, employees in Austria are entitled to jubilee payments, depending on their length of service with their company (defined benefit plan). The amounts accrued for this were also calculated by applying the Projected Unit Credit Method. The actuarial assumptions used for the severance payments are also applied for the calculation of the jubilee payment provision.

For all provisions for employee benefits, the actuarial gains or losses are booked in the profit and loss statement as incurred.

■ Own shares

Own shares are carried at acquisition costs and are subtracted from the equity. The purchase, sale, issuance and redemption of own shares are not recognized in profit or loss. Potential differences between the carrying value and the related settlements are booked in Contributed capital.

■ Revenue recognition

Sales revenue is recognized when title passes, generally upon delivery to the customer or on performance of the related service.

Revenue on operating leases is recognized on a pro-rated basis over the period.

Income on interest is recognized on a pro-rated basis over the period, by taking the effective interest into account.

■ Research and development

Pursuant to IAS 38, research costs are expensed as incurred. Development costs are only expensed, if the requirements of IAS 38 for a capitalization of development expenses are not fully met.

■ Earnings per share

Earnings per share are calculated in line with IAS 33 by dividing the profit after tax attributable to the owners of the parent company by the average number of ordinary shares outstanding during the period.

■ Estimates, discretionary decisions and assumptions

The **preparation of consolidated annual financial statements** in conformity with International Financial Reporting Standards (IFRS) requires estimates and assumptions as well as discretionary decisions to be made by the management that affect the amounts reported in the balance sheet, in the notes and in the profit and loss statement. Actual future results may differ from such estimates, however, as seen from today's perspective, the Board does not expect any major negative implications on the financial results in the near future.

For the yearly **impairment test of goodwill**, an estimate of the value in use is necessary. The management has to make assumptions for the expected future cash flows of the cash-generating units and has to choose a suitable discount rate (see Note 9).

For the consideration of **deferred taxes**, it is necessary to make estimates of the future taxable income which will be available for the exploitation of tax loss carry forwards and other timing differences (see Note 11).

The **accruals for defined benefit plans** and other employee benefits are based on actuarial computations. For such calculations it is necessary to make assumptions for the discount rate, future salary increases, mortality rate and pension raises (see Note 18).

In order to measure **inventories**, the management expectations of price and market developments are required (see Note 7).

Provisions are carried at those values which correspond to the best estimate by the management at the balance sheet date (see Note 15).

It is necessary to make assumptions regarding the default probability of **receivables** (see Note 5).

In **Property, plant and equipment** and **Intangible assets** it is necessary to include estimates for the period during which these assets are expected to be used (see Notes 8 and 9).

The **option commitment relating to cancellable non-controlling interests** is recorded at the balance sheet date with its fair value, which is derived from the most recent profit planning (see Notes 14 and 36).

Liabilities for contingent purchase price payments due to business combinations are recorded at the balance sheet date with their fair value, which is derived from the most recent sales forecast (see Note 19).

The valuation of **liabilities for management interest in subsidiaries** and similar participation rights is based on assumptions about the service life for the respective managers with the company and the expected profitability of the subsidiaries as well. The Company considers the proportion of the yearly profit as representative for the effective interest expense in the period payable to the managers (see Note 19).

NOTE 5

Trade accounts receivable

An analysis of trade receivables as of 31 December shows the following situation:

in TEUR	Carrying value	Not past-due and not impaired	Past-due, not impaired				
			≤ 30 days	31-60 days	61-90 days	91-120 days	> 120 days
2012	71,854	43,081	16,198	5,704	2,340	2,201	2,238
2011	72,973	45,857	14,974	6,046	2,656	2,585	830

The book value of impaired balances amounted to TEUR 92 (2011: TEUR 25).

The allowance account reflects the following:

in TEUR	2012	2011
As of 1 January	2,399	810
Exchange differences	-48	136
Usage	-208	0
Reversal	-654	-263
Expensed additions	960	1,716
As of 31 December	2,449	2,399

The receivables listed are not secured.

NOTE 6

Other accounts receivable and prepaid expenses

This position mainly consists of balances due from tax authorities and deferred charges as well.

The receivables are not secured, no allowances were recorded.

NOTE 7

Inventories

Inventories are detailed by major classification as follows:

in TEUR	31 December 2012	31 December 2011
Raw materials	12,292	11,085
Work in progress	74,899	63,464
Finished goods	70,353	64,349
Prepayments	429	189
Total	157,973	139,087

Allowance expenses booked for 2012 were TEUR 4,361 (2011: TEUR 4,785).

NOTE 8

Property, plant & equipment

The following is a summary of the gross carrying amounts and the accumulated depreciation of the property, plant and equipment held:

Year 2012 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2012	64,107	247,973	11,557	7,845	331,482
Exchange differences	-444	-2,003	-52	61	-2,438
Business combinations	8	335	26	0	369
Additions	3,359	28,141	1,473	20,091	53,064
Transfers	2,086	15,606	3	-17,711	-16
Disposals	-7	-9,466	-432	0	-9,905
31 December 2012	69,109	280,586	12,575	10,286	372,556
Accumulated depreciation & impairments					
1 January 2012	15,086	160,441	8,448	0	183,975
Exchange differences	-80	-1,089	-22	0	-1,191
Business combinations	5	100	10	0	115
Additions depreciation	2,319	26,713	1,371	0	30,403
Transfers	0	2	-5	0	-3
Disposals	-7	-5,794	-404	0	-6,205
31 December 2012	17,323	180,373	9,398	0	207,094
Carrying value					
31 December 2012	51,786	100,213	3,177	10,286	165,462
31 December 2011	49,021	87,532	3,109	7,845	147,507

Year 2011 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2011	59,348	225,377	10,345	5,201	300,271
Exchange differences	1,542	4,803	208	313	6,866
Additions	2,274	23,679	1,316	9,535	36,804
Transfers	1,053	5,504	56	-6,679	-66
Disposals	-110	-11,390	-368	-525	-12,393
31 December 2011	64,107	247,973	11,557	7,845	331,482
Accumulated depreciation & impairments					
1 January 2011	12,995	141,273	7,246	0	161,514
Exchange differences	338	2,796	159	0	3,293
Additions depreciation	1,808	25,637	1,400	0	28,845
Disposals	-55	-9,015	-357	0	-9,427
Appreciations	0	-250	0	0	-250
31 December 2011	15,086	160,441	8,448	0	183,975
Carrying value					
31 December 2011	49,021	87,532	3,109	7,845	147,507
31 December 2010	46,353	84,104	3,099	5,201	138,757

The Company has manufacturing facilities in the following countries: USA, Austria, the UK, Mexico, Vietnam and Singapore.

Service and maintenance as well as marketing outlets are maintained in the USA, Canada, the UK, Singapore, the UAE, Russia and Brazil.

No impairments were made, neither in 2012 nor in 2011.

In 2012 write-ups were made in the amount of TEUR 0 (2011: TEUR 250).

As of 31 December 2012 commitments for capital expenditure amounted to TEUR 12,881 (2011: TEUR 9,789).

Finance Lease

Plant and machinery held under finance lease are as follows:

in TEUR	31 December 2012	31 December 2011
Acquisition cost	1,228	2,381
Accumulated depreciation	-811	-1,162
Carrying value	417	1,219

The following minimum lease payments arise from the utilization of such assets:

in TEUR	31 December 2012	31 December 2011
For the following year	192	379
Between one and five years	85	274
More than five years	0	0
Total minimum lease payments	277	653
Less discount	-5	-18
Present value	272	635

Operating lease

Commitments arising from lease and rental contracts (for items not shown in the balance sheet) amounted to:

in TEUR	31 December 2012	31 December 2011
For the following year	1,299	1,155
Between one and five years	2,582	3,242
After five years	160	121

Payments for operating leases which were expensed in the current year amounted to TEUR 1,299 (2011: TEUR 1,260).

NOTE 9

Intangible Assets

The list below summarizes the gross carrying amounts and the accumulated amortization of intangible assets:

Year 2012 in TEUR	Goodwill	Other intangibles	Total
At cost			
1 January 2012	83,021	60,793	143,814
Exchange differences	-1,066	-578	-1,644
Business combinations	7,685	22,147	29,832
Additions	0	174	174
Transfers	0	16	16
Disposals	0	-3	-3
31 December 2012	89,640	82,549	172,189
Accumulated amortization & impairments			
1 January 2012	24,287	12,336	36,623
Exchange differences	-207	-85	-292
Additions amortization	0	7,026	7,026
Additions impairments	0	2,181	2,181
Transfers	0	3	3
Disposals	0	-3	-3
31 December 2012	24,080	21,458	45,538
Carrying value			
31 December 2012	65,560	61,091	126,651
31 December 2011	58,734	48,457	107,191

Year 2011 in TEUR	Goodwill	Other intangibles	Total
At cost			
1 January 2011	80,757	58,704	139,461
Exchange differences	2,264	1,852	4,116
Additions	0	228	228
Transfers	0	66	66
Disposals	0	-57	-57
31 December 2011	83,021	60,793	143,814
Accumulated amortization & impairments			
1 January 2011	23,668	5,943	29,611
Exchange differences	619	529	1,148
Additions amortization	0	5,921	5,921
Disposals	0	-57	-57
31 December 2011	24,287	12,336	36,623
Carrying value			
31 December 2011	58,734	48,457	107,191
31 December 2010	57,089	52,761	109,850

As of 31 December 2012, commitments for acquisitions of intangible assets amounted to TEUR 0 (2011: TEUR 0).

1. Goodwill

The impairment test for the cash generating units was computed by using their value in use, which is based on the estimated future cash flows and a 11.2 % - 14.9 % (2011: 11.0 % - 14.7 %) capital cost rate before taxes (WACC = Weighted Average Costs of Capital). The WACC was determined based on the current figures for similar companies in the same industry segment and adjusted for specific inflation rates in different countries. A detailed planning period of 3 years is used, which is derived from the budgets of the management. For the terminal period, a fixed growth rate of 1 % was assumed.

The calculation of the cash flow is based on revenue expectations and planned capital expenditures. The value in use of the cash generating unit is largely determined by sales revenues. Sales plans are based on the demand forecasts of our main customers on the one hand and on the current backlog of orders on the other hand. Organic sales growth has been taken into account in the cash flow estimation.

The impairment tests carried out as of 31 December 2012 and 2011 demonstrated that no write-down of goodwill was necessary. For all cash generating units no impairment was necessary, as demonstrated by a sensitivity analysis, assuming any realistic changes in cash flows or capital costs, except for Techman Engineering Limited.

For the cash generating unit Techman Engineering Limited a slight increase of the discount rate or a decrease of the expected cash flows would lead to a write-down of the related goodwill.

The goodwill set out in the balance sheet is attributable to the following cash generating units:

in TEUR	31 December 2012	31 December 2011
Drilling Systems International Limited	19.009	19.374
Knust-SBO L. L. C.	14.454	14.739
Godwin-SBO L. L. C.	12.925	13.169
Schoeller-Bleckmann Oilfield Technology GmbH	4.655	4.655
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	3.675	3.675
Techman Engineering Limited	1.590	1.546
BICO Drilling Tools Inc.	1.425	1.435
BICO Faster Drilling Tools Inc.	142	141
Goodwill not yet assigned to cash generating units	7.685	0
Total	65.560	58.734

Changes in the carrying amounts 2012 were exclusively due to the conversion of foreign exchange amounts.

2. Other intangible assets

As part of the initial accounting of the business combinations, TEUR 18,320 for acquired technology was capitalized in 2012. The technology can be used for a maximum period of 7 years since acquisition date. Also, non-compete-agreements with a duration of 5 years in the amount of TEUR 3,827 were capitalized in 2012 (see Note 36).

In 2012 an impairment of TEUR 2,181 was booked under other operating expenses (research and development expenses) relating to technology in the segment Europe. This impairment was the result of the current technological development in the respective market.

The recoverable amount is the result of the fair value less costs to sell and is determined by discounting the expected future cash flows resulting from the technology over the remaining service life.

Other intangible assets comprise right-of-use for IT software.

In 2011 no significant additions or disposals were made.

NOTE 10

Long-term receivables

This line item mainly refers to interest-bearing loans which have been granted to the management of subsidiaries of the Company for the acquisition of stock or participation rights in their respective companies (also see Note 19). As the stock has to be returned in the event of non-compliance with the loan agreements, there is no credit risk for the Group worth mentioning.

in TEUR	31 December 2012	31 December 2011
Loans	17,530	13,604
Other receivables	206	204
Total	17,736	13,808

As there were no past-due receivables, no write-downs had to be made either as of 31 December 2012 or 31 December 2011. The other receivables are not secured.

NOTE 11

Deferred taxes

The Company's deferred tax assets and deferred tax payables result from the following positions:

in TEUR	31 December 2012	31 December 2011
Fixed assets (different valuation)	-16,507	-13,446
Fixed assets (different useful lives)	-6,686	-5,601
Inventory (different valuation)	8,845	5,867
Other items (different valuation)	1,296	3,538
Not deductible accruals	2,195	1,880
Exchange differences intercompany debt elimination	-1,221	-2,523
Tax loss carry forward	1,485	1,941
Total	-10,593	-8,344

The line items as reflected in the group balance sheet:

in TEUR	31 December 2012	31 December 2011
Deferred tax assets	12,356	9,723
Deferred tax liabilities	-22,949	-18,067
Total	-10,593	-8,344

Not recognized are deferred tax assets in the amount of TEUR 232 (2011: TEUR 267) related to tax losses carried forward, because the utilization of these losses could not be expected in the foreseeable future (TEUR 140 must be utilized until 2014, the balance has indefinite duration).

NOTE 12

Bank Loans and Overdrafts

As of 31 December 2012, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	9,095	1.10 % variable
GBP loans	6,126	1.36 % variable
Subtotal	15,221	
Export promotion loans (EUR)	16,234	0.78 % variable
Total	31,455	

As of 31 December 2011, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	9,274	1.01 % variable
GBP loans	3,591	2.52 % variable
Subtotal	12,865	
Export promotion loans (EUR)	16,234	1.63 - 2.00 % variable
Total	29,099	

The **export promotion loans** represent revolving short-term credit facilities; according to those arrangements the Company may use these funds permanently as long as it complies with the terms of agreement. In accordance with export promotion guidelines, the Company has agreed to assign receivables in the amount of TEUR 19,480 (2011: TEUR 18,754) to securitize these loans.

The **USD borrowings** due to banks in the amount of TEUR 9,095 (2011: TEUR 9,274) are collateralized by specific current assets of the borrowing company ("floating charge").

NOTE 13

Government grants

The subsidies include a grant by the Federal Investment and Technology Fund, as well as other investment subsidies received for the acquisition of fixed assets, and investments in research and development. For some investment grants specific covenants have to be met (e. g. number of workers employed), as was the case at the balance sheet dates 2012 and 2011.

NOTE 14

Other payables

Other short-term payables were as follows:

in TEUR	31 December 2012	31 December 2011
Vacation not yet used	1,867	1,657
Other personnel expenses	12,025	9,741
Legal and other counseling fees	644	586
Taxes	2,350	2,162
Social expenses	1,435	1,527
Option commitment relating to cancelable non-controlling interests	6,054	0
Earn-outs from business combinations	1,291	392
Sundry payables	4,739	6,026
Total	30,405	22,091

The accruals for invoices not yet received in the amount of TEUR 3,766 (2011: TEUR 3,514) were reclassified from other payables to account payable trade. The balance sheet 2011 was adjusted accordingly.

In connection with a business combination in 2012, the Company offered to the non-controlling shareholders the right to sell their remaining interest to the Company at any time, whereas the Company is obliged to purchase the offered shares. The purchase price for these shares is based on the achieved financial results of the acquired entity.

As at 31 December 2012 an option commitment relating to cancelable non-controlling interests in the amount of TEUR 6,054 was recognized.

With respect to earn-outs relating to cancelable non-controlling interests please see Note 19.

NOTE 15

Other provisions

The following development was recorded:

Year 2012 in TEUR	31. Dec. 2011	Usage	Reversal	Additions	31. Dec. 2012
Warranty/product liability	4,172	-441	0	585	4,316
Restructuring	575	0	0	0	575
Other	1,478	-59	-102	565	1,882
Total	6,225	-500	-102	1,150	6,773

Year 2011 in TEUR	31. Dec. 2010	Usage	Reversal	Additions	31. Dec. 2011
Warranty/product liability	3,798	-560	0	934	4,172
Restructuring	575	0	0	0	575
Other	1,530	0	-210	158	1,478
Total	5,903	-560	-210	1,092	6,225

Important items in the line „other provisions“ refer to pending proceedings and governmental instructions.

It is expected that the costs accounted for in short-term provisions will be incurred in the following business year.

NOTE 16

Bonds

In June 2008, two bonds with a total face value of MEUR 20.0 each were issued, in the form of 800 equally ranking bearer debentures with a par value of EUR 50,000 each.

The debentures were 100 % securitized by two changeable collective certificates which were deposited with Oesterreichische Kontrollbank Aktiengesellschaft in Vienna on the day of issuance. Individual debentures or coupons have not been issued.

The annual interest rates on the debentures until maturity are 5.75 % (on bond 2008-2013) and 5.875 % (on bond 2008-2015), related to their par values. The interest is payable in arrears, on 18 June of each year. The redemption will be in the amount of the par value, i. e., MEUR 20.0 each, on 18 June 2013 and 18 June 2015.

The bonds are traded in the third market at the Vienna Stock Exchange under ISIN Nos. AT0000A09U32 and AT0000A09U24.

NOTE 17

Long-term loans including current portion (amortization in following year)

As of 31 December 2012, long-term borrowings consist of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	2,977	0.00 % fixed	2008 – 2024	quarterly from 2011
EUR	8,000	3.10 % fixed	2010 – 2018	2018
EUR	30,000	3.05 % fixed	2010 – 2018	semi-annually from 2012
EUR	2,285	0.00 % fixed	2011 – 2017	quarterly from 2012
EUR	5,000	2.40 % fixed	2012 – 2017	2017
EUR	10,000	2.31 % fixed	2012 – 2017	2017
EUR	15,000	2.40 % fixed	2012 – 2017	2017
EUR	2,917	4.73 % fixed	2009 – 2016	semi-annually from 2010
EUR	5,000	5.25 % fixed	2009 – 2016	2016
EUR	1,177	3.99 % fixed	2006 – 2015	semi-annually
EUR	2,503	0.00 % fixed	2008 – 2015	quarterly from 2011
EUR	3,257	2.25 % fixed	2009 – 2015	semi-annually from 2011
EUR	6,000	2.55 % fixed	2010 – 2015	annually from 2013
EUR	66	2.50 % fixed	2008 – 2014	2014
EUR	70	2.00 % fixed	2010 – 2014	2014
EUR	2,166	2.25 % fixed	2008 – 2014	semi-annually from 2010
EUR	1,500	1.40 % variable	2010 – 2013	annually from 2012
EUR	2,400	4.79 % fixed	2008 – 2013	semi-annually from 2010
USD	595	6.35 % fixed	2003 – 2016	monthly
	100,913			

The following borrowings were collateralized:

EUR-loans:

TEUR 9,931 – Machinery pledged with a carrying-value of TEUR 10,685.

USD-loans:

TEUR 595 – Mortgage on land and building with a carrying-value of TEUR 1,449.

As of 31 December 2011, long-term borrowings consist of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	3,242	0.00 % fixed	2008 – 2024	quarterly
EUR	32,000	3.05 % fixed	2010 – 2018	semi-annually from 2012
EUR	8,000	3.10 % fixed	2010 – 2018	2018
EUR	2,404	0.00 % fixed	2011 – 2017	quarterly from 2012
EUR	5,000	5.25 % fixed	2009 – 2016	2016
EUR	3,750	4.73 % fixed	2009 – 2016	semi-annually
EUR	6,000	2.55 % fixed	2010 – 2015	annually from 2013
EUR	4,560	1.75 % fixed	2009 – 2015	semi-annually
EUR	3,274	0.00 % fixed	2008 – 2015	quarterly
EUR	1,648	3.99 % fixed	2006 – 2015	semi-annually
EUR	3,610	2.25 % fixed	2008 – 2014	semi-annually
EUR	70	2.00 % fixed	2010 – 2014	2014
EUR	66	2.50 % fixed	2008 – 2014	2014
EUR	4,800	4.79 % fixed	2008 – 2013	semi-annually
EUR	4,000	2.65 % variable	2010 – 2013	annually from 2012
EUR	3,125	3.22 % fixed	2009 – 2013	semi-annually
EUR	3,000	2.80 % variable	2010 – 2012	semi-annually
EUR	2,000	2.75 % variable	2010 – 2012	2012
EUR	938	1.50 % fixed	2006 – 2012	semi-annually
GBP	2,057	2.00 % variable	2007 – 2022	monthly
USD	739	6.35 % fixed	2003 – 2016	monthly
	94,283			

The following borrowings were collateralized:

EUR-loans:

TEUR 13,469 – Machinery pledged with a carrying-value of TEUR 13,642.

USD-loans:

TEUR 739 – Mortgage on land and building with a carrying-value of TEUR 1,520.

GBP-loans:

TEUR 2,057 – Lien on property (land and building) and on other assets (“floating charge”).

Adjustments of the variable interest rates are made quarterly.

With respect to the fair value of the loans see Note 31, regarding interest rate risk and hedging see Note 32.

NOTE 18

Employee benefit obligations

As of the balance sheet date, the employee benefit obligations consisted of the following:

in TEUR	31 December 2012	31 December 2011
Severance payments	4,706	3,620
Jubilee payments for long service	1,178	951
Total	5,884	4,571

The actuarial assumptions for the provisions of severance payments were as follows:

	2012	2011
Interest rate	3.00 %	4.50 %
Salary increases	4.50 %	4.50 %
Fluctuation rate (mark-down)	0.0 – 15.0 %	0.0 – 15.0 %

Actuarial gains or losses are expensed in the profit and loss statement as incurred.

No contributions were made to a separately maintained fund for these obligations.

Provisions for severance payments

The status of the accrual for severance payments has developed as follows:

in TEUR	2012	2011	2010	2009	2008
Defined benefit obligation as of 1 January	3,620	2,839	2,488	2,796	2,700
Current service cost	184	157	145	172	175
Interest cost	161	127	136	156	133
Current severance payments	-165	-12	-237	-230	-194
Actuarial gain/loss during the year	906	509	307	-406	-18
Defined benefit obligation as of 31 December	4,706	3,620	2,839	2,488	2,796
Of which: Experience based adjustments	203	509	-6	-406	-25

Current service costs, interest costs and actuarial gains/losses are exclusively booked under Income from operations (personnel expenses).

Pension plans (defined contributions)

Payments made under the defined contribution plans (pensions and other providence funds) were expensed and amounted to TEUR 775 in 2012 (2011: TEUR 854).

NOTE 19

Other payables

Other payables include earn-outs from business combinations in the amount of TEUR 12,431, thereof short-term TEUR 1,291 (2011: TEUR 7,275, thereof TEUR 392 short-term). The short-term portion was reclassified for the disclosure in the 2011 balance sheet. The contingent purchase price payments determined as a certain percentage of achieved sales (to a certain extent when sales are exceeding a contractually agreed upon amount) are due within the next 3-7 years.

The liabilities for contingent purchase price payments were adjusted through profit and loss in 2012: increases are recorded as other financial expenses of TEUR -2,518 (2011: TEUR -1,909), decreases are recorded as other financial income of TEUR +252 (2011: TEUR 0). These adjustments were derived from the discounted payments based on the most recent sales forecast.

For the settlement of contingent purchase price payments in 2012 the payments exceeded by TEUR 88 the accrued amount in the previous balance sheet. Differences from settlements are recorded under other financial income or expenses, respectively the addition of accrued interest related to liabilities for contingent purchase price payments in the amount of TEUR 275 (2011: TEUR 213) is booked under interest expense.

Also the interest in subsidiaries, which are held by the respective management are included: TEUR 22,572 (2011: TEUR 18,655).

The management of the following (fully consolidated) subsidiaries had the following interest in their respective companies:

Company	31 December 2012	31 December 2011
BICO Drilling Tools Inc.	15.00 %	15.00 %
BICO Faster Drilling Tools Inc.	15.00 %	15.00 %
Schoeller-Bleckmann Energy Services L. L. C.	12.20 %	12.20 %
Schoeller-Bleckmann Darron Limited	9.85 %	7.35 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	7.35 %	0 %
Knust-SBO L. L. C.	5.40 %	5.40 %
Godwin-SBO L. L. C.	3.40 %	3.40 %
Schoeller-Bleckmann de Mexico S. A. de C. V.	3.00 %	0 %
Darron Tool & Engineering Limited	1.05 %	6.58 %

Accordingly, the management holds pro-rated shares in these companies.

Liabilities in the amount of TEUR 3,810 are recorded for participation rights (2011: TEUR 3,810).

The effective interest expense recorded for management interest and participation rights in 2012 amounted to TEUR 3,508 (2011: TEUR 4,199), which is recorded under other financial expense.

Other significant payables are related to a non compete agreement and an interest-swap transaction.

NOTE 20

Share capital

The share capital of the Company on 31 December 2012 as well as on 31 December 2011 was EUR 16 million; divided into 16 million common shares with a par value of EUR 1.00 each.

The Ordinary Shareholders' Meeting on 25 April 2012 authorized the Management Board for a period of 30 months to buy back own shares of the Company up to a maximum of 10 % of the share capital, the redemption price has to be EUR 1.00 at least and EUR 300.00 at the most. In 2012 no usage of this authorization was made.

As of 31 December 2012, the Company holds (unchanged to 2011) 39,884 of its own shares at acquisition costs of TEUR 1,554, equaling a 0.25 % share in its capital stock. There are 15,960,116 shares in circulation.

In connection with the business combination with EXOKO COMPOSITES COMPANY LLC. in 2010, a conditional earn-out in the form of 50,000 shares of the Company would become due, if future sales levels are achieved as agreed. Since the sales target was not met in 2012, no dilution in the number of shares in circulation was effected at 31 December 2012.

As of 31 December 2012, approximately 31 % of the share capital is held by Berndorf Industrieholding AG, Berndorf.

NOTE 21**Legal reserve – non-distributable**

Austrian law requires the establishment of a legal reserve in the amount of one tenth of the nominal value of the Company's share capital. As long as the legal reserve and other restricted capital reserves have not reached such an amount, the Company is required to allocate five percent of its annual net profit (net of amounts allocated to make up losses carried forward from prior years, after changes in untaxed reserves have been taken into consideration) to such reserves. For the formation of such reserves, only the annual financial statements of the parent company are relevant, which are prepared in accordance with Austrian Accounting Principles. No further allocation is required because of the contributions already made.

NOTE 22**Other reserves**

The other reserves as shown in the balance sheet result from accelerated depreciation on specific, non-current assets for which a tax break is available. These reserves are untaxed profit allocations.

NOTE 23**Non-controlling interests**

The amount in the balance sheet represents the portion of the equity which is held by non-controlling interests by the following companies:

	2012	2011
BICO-DSI Investment GmbH	10 %	10 %
DSI FZE	10 %	10 %

NOTE 24

Additional breakdown of revenues

Net sales consist of:

in TEUR	2012	2011
Sale of goods	416,120	325,878
Operating lease revenue	96,026	82,771
Total net sales	512,146	408,649

The Company leases drilling machinery under operating leases with terms of less than a year. The respective leasing fees are charged to customers according to the duration of use.

NOTE 25

Additional breakdown of expenses

As the Company classifies its expenses by function, the following additional information is given as required by IAS 1 (accounted for by using the "total cost accounting method"):

in TEUR	2012	2011
Material expenses	229,109	192,724
Personnel expenses	105,534	85,732
Depreciation tangible assets	30,403	28,845
Amortization other intangibles	7,026	5,921

NOTE 26

Other operating income and expenses

The main contents in the position **other operating expenses** are:

in TEUR	2012	2011
Exchange losses	11,491	9,797
Research and development expenses	5,909	2,445

So far, development costs were not capitalized due to the uncertainties of the future economic benefits attributable to them.

The main contents in the position **other operating income** are:

in TEUR	2012	2011
Exchange gains	12,218	9,696
Other income	3,125	2,151

NOTE 27

Income taxes

A **reconciliation of income taxes** applying the Austrian statutory tax rate to income taxes stated for the Group is as follows:

in TEUR	2012	2011
Income tax expense at a calculated tax rate of 25 %	-27,534	-19,552
Foreign tax rate differentials	-3,657	-3,406
Not deductible expenses	-620	-1,568
Income exempt from tax and tax incentives	1,509	643
Withholding and other foreign taxes	-1,709	-1,971
Prior year adjustments	-110	698
Other differences	-1,771	381
Consolidated income tax expense	-33,892	-24,775
Profit before tax	110,136	78,207
Profit allocation to management participations	3,508	4,199
	113,644	82,406
Consolidated income tax expense	-33,892	-24,775
Consolidated tax rate	29.8 %	30.1%

The **components of income taxes** were as follows:

in TEUR	2012	2011
Current taxes	-35,169	-23,154
Deferred taxes	1,277	-1,621
Total	-33,892	-24,775

Deferred taxes mainly result from the formation and reversal of temporary differences, and the capitalization of current tax losses as well.

The following income taxes were booked in "other comprehensive income":

in TEUR	2012	2011
Current taxes		
Exchange rate differences	-144	-81
Deferred taxes		
Exchange rate differences	205	-76
Total	61	-157

From the utilization of tax loss carry forwards the effective taxes in 2012 were reduced by TEUR 235 (2011: TEUR 151).

The payment of dividends to the shareholders will not result in any implications on income taxes for the business year 2012 and the comparative period of 2011 for the Company.

NOTE 28

Segment reporting

The Company operates worldwide mainly in one industry segment, the designing and manufacturing of drilling equipment for the oil and gas industry.

For management purposes, the Group is organized into regions. Accordingly, the segment reporting is made by regions, the allocation of the business units is based on the location of the business units.

No operating segments have been aggregated to form the reportable operating segments. Management monitors revenues and operating results of the business units separately for the purpose of making decisions about resource allocation.

As the figures stated represent a summary of the single balance sheets and income statements of the consolidated companies, holding adjustments and consolidation entries (elimination of intercompany profits and other group transactions) have to be taken into account, in order to arrive at the reported group numbers.

Intersegment sales are carried out in accordance with the "at arm's length" principle.

As shown in the following schedule, the Company's operations are concentrated in North America and Europe:

Year 2012 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	138,914	320,972	52,260	0	512,146
Intercompany sales	123,799	22,730	4,080	-150,609	0
Total sales	262,713	343,702	56,340	-150,609	512,146
Operating income	64,208	56,768	6,986	-7,696	120,266
Attributable assets	193,268	315,018	102,126	88,026	698,438
Attributable liabilities	98,777	105,566	35,779	95,186	335,308
Capital expenditure	16,702	26,554	8,244	1,738	53,238
Depreciation & amortization	11,316	18,306	7,327	2,661	39,610
Thereof impairments	2,181	0	0	0	2,181
Head count (average)	693	656	189	21	1,559

Year 2011 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	69,269	298,512	40,868	0	408,649
Intercompany sales	128,451	21,874	1,216	-151,541	0
Total sales	197,720	320,386	42,084	-151,541	408,649
Operating income	38,097	52,077	4,228	-4,203	90,199
Attributable assets	166,399	312,483	100,373	40,792	620,047
Attributable liabilities	96,093	125,852	28,776	54,554	305,275
Capital expenditure	5,232	24,603	6,917	280	37,032
Depreciation & amortization	11,879	14,291	5,949	2,647	34,766
Head count (average)	596	604	153	21	1,374

Sales by product line:

in TEUR	2012	2011
High-precision components	283,373	219,003
Oilfield supplies and services	228,773	189,646
Total Sales	512,146	408,649

The following categories are used, based on the intended purpose of the goods and services.

1. High-precision components

For applications in the MWD/LWD technology sector, collars and internals made of highly alloyed steel and other non-magnetic metals are required. These collars and internals are used to mount antennas, sensors, batteries, generators and other kind of electronic parts, for making measurements and analyses during the drill operation. All those components need the utmost high dimensional accuracy in intricate machining.

2. Oilfield supplies and services

This group comprises the following products:

- **Non-Magnetic Drill Collars (NMDC)**, steel bars which are used to prevent magnetic interference during MWD operations.
- **Drilling motors**, which drive the bit for directional drilling operations.
- **Circulation tools** steer the flow direction of drilling muds in the drill string.
- Various **other tools** for the oilfield such as stabilizers, reamers, hole openers, drilling jars and shock tools.

In addition to the manufacture of the above mentioned products, **service and repair work** is carried out. These activities focus on drillstring components which need to be inspected, checked for magnetic inclusions, rethreaded, butt-welded, resurfaced with hard metal, reground, shot peened, etc. as quickly as possible and with the highest standard in workmanship.

Geographic information:

Sales to external customers were as follows:

in TEUR	2012	2011
Austria	3,303	3,531
Great Britain	40,726	25,887
U. S. A.	283,908	263,820
Other countries	184,209	115,411
Total Sales	512,146	408,649

The classification is based on the location of the customer.
For information regarding most important customers we refer to Note 32.

NOTE 29

Remuneration for the executive and supervisory board

The remuneration for the Executive Board in the year 2012 was as follows:

in TEUR	fixed	variable	total
Gerald Grohmann	444	608	1,052
Franz Gritsch	355	474	829
Total	799	1,082	1,881

The remuneration for the Supervisory Board amounted to TEUR 93 in the business year, which is a combination of a flat rate and a variable rate depending on the Group's results (2011: TEUR 60).

No loans were granted to the members of the Executive Board or to the Supervisory Board, respectively.

NOTE 30

Transactions with related parties

The following transactions with related but non-consolidated companies were carried out:

Schleizer & Partner, attorneys-at-law:

This law firm is the legal consultant to the Company. One of the law firm's partners, Dr. Karl Schleizer, is a member of the Supervisory Board. Total charges for 2012 amounted to TEUR 36 (2011: TEUR 36), thereof outstanding as of 31 December 2012 is TEUR 12 (31 December 2011: TEUR 11).

NOTE 31

Financial instruments

Derivative Financial Instruments

1. Forward exchange contracts

The Austrian company hedges its net receivables and order backlog denominated in US dollars and CAN dollars on an ongoing basis by entering into forward exchange contracts. All transactions have short-term durations (3 – 8 months).

Forward exchange transactions as of 31 December 2012	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Fair value in TEUR
USD	33,322	32,580	+742
CAD	2,295	2,202	+93

Forward exchange transactions as of 31 December 2011	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Fair value in TEUR
USD	32,498	33,989	-1,491
CAD	3,762	3,966	-204

The forward exchange transactions are measured at fair value and recognized in the profit and loss statement, since the requirements under IAS 39 for hedge accounting are not fully met.

2. Interest swap

The Company entered into an interest swap until 2015. For this purpose, a variable interest rate was swapped with a fixed interest rate of 5.48 %. The fair value at 31 December 2012 amounted to TEUR -279 (31 December 2011: TEUR -411), the variance was expensed into profit and loss.

3. Other derivative financial instruments

In place are liabilities for contingent purchase price payments from business combinations (see Note 19) and an option commitment relating to cancelable non-controlling interests (see Note 14).

Overview financial instruments

The following table shows the financial instruments, classified in accordance with IAS 39 and IFRS 7:

FINANCIAL INSTRUMENTS		Category acc. to IAS 39			Classification acc. to IFRS 7: Valuation method								
		Loans and receivables	Other financial liabilities	Derivatives	Fair value		Amortized costs						
					Derivatives		Cash and cash equivalents	Accounts receivable trade	Lendings	Financing liabilities	Accounts payable trade	Other	
31.12.2012 in TEUR													
Current assets													
Cash and cash equivalents	138,260	138,260				138,260							
Trade accounts receivable	71,854	71,854					71,854						
Income tax receivable	1,497												
Other accounts receivable and prepaid expenses	6,649			835	835								
Inventories	157,973												
Total current assets	376,233												
Non-current assets													
Property, plant & equipment	165,462												
Goodwill	65,560												
Other intangible assets	61,091												
Long-term receivables	17,736	17,530						17,530					
Deferred tax assets	12,356												
Total non-current assets	322,205												
TOTAL ASSETS	698,438	227,644	0	835	835	138,260	71,854	17,530	0	0	0	0	0
Current liabilities													
Bank loans and overdrafts	31,455		31,455						31,455				
Current portion of bonds	19,988		19,988						19,988				
Current portion of long-term loans	15,606		15,606						15,606				
Finance lease obligations	189		189						189				
Accounts payable trade	37,819		37,819								37,819		
Government grants	358												
Income taxes payable	17,316												
Other payables	30,405		4,739	7,345	7,345								4,739
Other provisions	6,773												
Total current liabilities	159,909												
Non-current liabilities													
Bonds	19,963		19,963						19,963				
Long-term loans	85,307		85,307						85,307				
Finance lease obligations	83		83						83				
Government grants	744												
Retirement benefit obligations	5,884												
Other payables	40,469		29,051	11,418	11,418				26,382				2,669
Deferred tax payables	22,949												
Total non-current liabilities	175,399												
Shareholders' equity													
Share capital	15,960												
Contributed capital	65,203												
Legal reserve - non-distributable	785												
Other reserves	29												
Translation component	-15,956												
Retained earnings	295,382												
Non-controlling interests	1,727												
Total shareholders' equity	363,130												
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	698,438	0	244,200	18,763	18,763	0	0	0	198,973	37,819	7,408	0	0

FINANCIAL INSTRUMENTS	Category acc. to IAS 39				Classification acc. to IFRS 7: Valuation method								
		Loans and receivables	Other financial liabilities	Derivatives	Fair value		Amortized costs						
					Derivatives	Cash and cash equivalents	Accounts receivable trade	Lendings	Financing liabilities	Accounts payable trade	Other		
31.12.2011													
in TEUR													
Current assets													
Cash and cash equivalents	120,842	120,842				120,842							
Trade accounts receivable	72,973	72,973					72,973						
Income tax receivable	2,074												
Other accounts receivable and prepaid expenses	6,842												
Inventories	139,087												
Total current assets	341,818												
Non-current assets													
Property, plant & equipment	147,507												
Goodwill	58,734												
Other intangible assets	48,457												
Long-term receivables	13,808	13,604						13,604					
Deferred tax assets	9,723												
Total non-current assets	278,229												
TOTAL ASSETS	620,047	207,419	0	0	0	120,842	72,973	13,604	0	0	0	0	0
Current liabilities													
Bank loans and overdrafts	29,099		29,099						29,099				
Current portion of long-term loans	19,751		19,751						19,751				
Finance lease obligations	361		361						361				
Accounts payable trade	46,944		46,944								46,944		
Government grants	271												
Income taxes payable	9,966												
Other payables	22,091		4,331	2,087	2,087								4,331
Other provisions	6,225												
Total current liabilities	134,708												
Non-current liabilities													
Bonds	39,906		39,906						39,906				
Long-term loans	74,532		74,532						74,532				
Finance lease obligations	274		274						274				
Government grants	556												
Retirement benefit obligations	4,571												
Other payables	32,661		25,367	7,294	7,294				22,465				2,902
Deferred tax payables	18,067												
Total non-current liabilities	170,567												
Shareholders' equity													
Share capital	15,960												
Contributed capital	65,203												
Legal reserve - non-distributable	785												
Other reserves	33												
Translation component	-10,859												
Retained earnings	242,149												
Non-controlling interests	1,501												
Total shareholders' equity	314,772												
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	620,047	0	240,565	9,381	9,381	0	0	0	186,388	46,944	7,233	0	0

Fair value of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have significant effects on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

in TEUR	31 December 2012	Level 2	Level 3
Assets			
Derivatives	835	835	0
Liabilities			
Derivatives	-18,763	-279	-18,484
in TEUR	31 December 2011	Level 2	Level 3
Liabilities			
Derivatives	-9,381	-2,106	-7,275

During the reporting years 2012 and 2011, there were no transfers between level 1 and level 2 fair value measurements.

Derivatives shown under level 3 consist only of contingent liabilities for purchase price payments, which are disclosed in Note 19, and the option commitment relating to cancelable non-controlling interests to purchase the offered shares from the minority shareholders due to the business combinations in 2012 (see Note 14).

The development was as follows:

in TEUR	2012	2011
As of 1 January	-7,275	-4,820
Additions from business combinations	-3,275	0
Addition from option commitment relating to cancelable non-controlling interests	-6,313	0
Addition of accrued interest	-2,379	-213
Gains/losses from the revaluation	97	-1,909
Disposals from settlements	449	0
Currency adjustment	212	-333
As of 31 December	-18,484	-7,275

For each category of financial instruments which are amortized at acquisition costs, both the carrying value and the fair value are provided in the table below:

in TEUR	2012		2011	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Trade receivables	71,854	71,854	72,973	72,973
Lendings	17,530	17,530	13,604	13,604
Liabilities				
Bonds	-39,951	-41,000	-39,906	-42,100
Borrowings from banks, finance lease obligations and other loans	-132,640	-134,405	-124,017	-122,927
Management interest and participation rights	-26,382	-26,382	-22,465	-22,465
Trade payables	-37,819	-37,819	-46,944	-46,944
Other	-7,408	-7,408	-7,233	-7,233

Acknowledged valuation methods have been used to determine the fair values of the derivative financial instruments. For assessing the fair value of lendings, borrowings and leasing obligations, the expected cash-flows have been discounted using market interest rates. The fair value for bonds was derived from the stock exchange price.

Regarding bank and other long-term loans with variable interest, the interest rates charged are current market rates, resulting in the fact that the carrying values equal the fair values to a large extent.

Cash and cash equivalents, trade receivables and payables and all other items have mostly short residual lives. Therefore, the carrying values equal the fair values at the balance sheet date.

Net result from financial instruments

The following table shows the net result by classification, according to IAS 39:

Year 2012 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	OCI(*)	P/L	OCI(*)	
Loans and receivables	-671	-	-	-	-	-671
Derivatives	-	+380	-	-	-	+380
Year 2011 in TEUR	Allowance	P/L	OCI(*)	P/L	OCI(*)	Net result
Loans and receivables	-1,476	-	-	-	-	-1,476
Derivatives	-	-3,321	-	-	-	-3,321

(*) OCI = other comprehensive income

NOTE 32

Risk management

The operations of the Company are exposed to a great number of risks that are inextricably linked to its worldwide business activities. Efficient steering and control systems are being used to detect, analyze, and cope with these risks, with the help of which the management of each company monitors the operating risks and reports them to the group management board.

From a current point of view, no risks are discernible that may pose a threat to the survival of the Company.

■ General economic risks

The business situation of Schoeller-Bleckmann Oilfield Equipment highly depends on cycles, in particular on the cyclical development of oil and gas drilling activities performed by the international oil companies. In order to minimize the risks of pertinent order fluctuations, the manufacturing companies of the Group have been designed to ensure maximum flexibility.

■ Sales and procurement risks

The market for products and services of the Company is to a great extent determined by continuous development and the application of new technologies. Therefore, securing and maintaining the Company's customer stock depends on the ability to offer new products and services tailored to the customers' needs.

In the year 2012, the three biggest customers (which are the worldwide dominant service companies in the directional drilling market) accounted for 61.6 % of all sales worldwide (2011: 59.5 %). SBO addresses the risk of potential sales declines following the loss of a customer by means of continuous innovation, quality assurance measures and close customer relationship management.

On the procurement side, raw materials and in particular alloy surcharges for non-magnetic steel are subject to significant price fluctuations. These alloy surcharges are partly passed on to the customers as part of our agreements.

The Company procures non-magnetic steel, its most essential raw material, almost exclusively from one supplier and therefore faces the risk of delayed deliveries, capacity shortages or business interruptions. From today's perspective, the Company foresees no difficulty in obtaining quality steel from this supplier in future. In the event this supplier falls short of deliveries, there is only limited potential of substitution in the short-term.

■ Substitution risks

SBO is subject to the risk of substitution of its products and technologies, which may result in the emergence of new competitors. SBO counteracts that risk through continuous market observation, intensive customer relationship management and proprietary innovations.

■ Financial risks

As a direct result of its business operations, the Company on the one hand holds various financial assets, such as trade receivables as well as cash and cash equivalents. On the other hand, it also uses financial instruments to ensure the continuity of its operations, such as bonds, payables due to banks and trade payables.

In addition, the Company also uses derivative financial instruments to hedge interest rate and foreign exchange risks arising from its financing and business operations. However, derivatives are not used for trading or speculative purposes.

The financial instruments principally entail interest-related cash-flow risks, as well as liquidity, currency and credit risks.

Foreign currency risks

Foreign currency risks arise from fluctuations in the value of financial instruments or cash-flows caused by foreign exchange fluctuations.

Foreign currency risks arise in the Company where balance sheet items as well as income and expenses are generated or incurred in a currency other than the local one. Forward exchange contracts (mainly in US dollars) are concluded in order to secure receivables and liabilities in foreign currencies.

From a long-term perspective, SBO invoices around 80 % of its sales volume in US dollars. This is due to its customer structure. All dominating service companies on the directional drilling market are located in the US, handling their worldwide activities in US dollars. Also from a long-term perspective, approximately 50 % of the costs are incurred in US dollars, with important production facilities being located both in the US and Europe. In order to minimize the currency exposure involved, orders are hedged between the times of order acceptance and invoicing. However, for reasons of costs and expedience, SBO does not hedge its entire net dollar exposure. In any case, the profit generated by SBO is contingent on the dollar-euro exchange rates.

The Company also faces currency translation risks when sales revenues, operating results and balance sheets of foreign subsidiaries are converted into the group currency. The respective values depend on the exchange rate in force at the respective date. The US is not only the main market for the Group but also the base of important production facilities with significant investments. Therefore, changes in the US dollar rate have a strong impact on the group balance sheet, which SBO addresses by taking out US dollar loans.

The table below shows the implications of a potential change in the US dollar exchange rate on the consolidated financial statements only in respect of the value of the derivative instruments in place at balance sheet date:

in TEUR Changes in EURO – US dollar rate	2012		2011	
	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit before taxes	+2,582	-2,582	+2,626	-2,626

Interest rate risks

Interest rate risks result from fluctuations in interest rates on the market; these fluctuations may lead to changes in value of financial instruments and interest-related cash-flows.

The majority of the long-term borrowings (approximately 98 %) have fixed interest rates; therefore they are without any interest rate risk. However, the fair value of these credit facilities is subject to fluctuations. The interest rates for all loans are disclosed in Note 17. With the exception of bonds, loans and finance-lease obligations, no other liabilities are interest bearing and therefore not subject to any interest rate risk.

The interest rate risk is further reduced by short-term interest-bearing investments which the Company holds on a permanent basis. Depending on whether there is a credit or debit balance, the interest risk may result from increasing or decreasing interest rates.

The table below shows the reasonably foreseeable implications of a potential change in interest rates on profit before taxes (there are no implications on group equity). These implications could affect the amount of interest payable to banks or interest earned on bank deposits, both only in the case of variable rates.

in TEUR Change in basic points	2012		2011	
	+ 10	+ 20	+ 10	+ 20
Change in profit before taxes	+70	+140	+83	+166

Credit risks

Credit risk arises from the non-compliance with contractual obligations by business partners and the resulting losses. The maximum default risk equals the book value of the respective receivables.

The credit risk with our customers can be considered as low as there have been long-standing, stable and smooth business relations with all major customers. Furthermore, we regularly check the credit rating of new and existing customers and monitor the amounts due. Adequate allowances for default risks are established.

With regard to loans granted to the management of subsidiaries, the default risk is eliminated as the loans are securitized by the acquired shares (see Note 10).

As for other financial assets (liquid funds, marketable securities), the maximum credit risk equals the respective book values, in the event the counterparty defaults. The pertinent credit risk may, however, be considered as low since we choose highly rated banks and well-renowned issuers of securities only.

Liquidity risks

Liquidity risk bears the uncertainty whether or not the Company has the liquid funds required to settle its obligations at all times and in a timely manner.

Due to the high self-financing capability and earning power of the Company, the liquidity risk is relatively low. The Company earns liquid funds through its operating business and uses external financing when needed. The worldwide spread of financing sources prevents any significant concentration of risk.

As the most important risk spreading measure, the group management constantly monitors the liquidity and financial planning of the Company's operative units. Also the financing requirements are centrally managed and based on the consolidated financial reporting of the group members.

The table below shows all obligations for repayments and interest on financial obligations accounted for and agreed by contract as of 31 December. For the other obligations, the non-discounted cash-flows for the following business years are stated.

31. December 2012 in TEUR	Due at call	2013	2014	2015	2016 cont'd
Bonds	-	21,750	1,175	20,588	-
Payables due to banks	31,773	-	-	-	-
Long-term loans	-	18,379	14,959	12,891	65,160
Leasing obligations	-	192	85	-	-
Management interest and Participation rights	-	-	-	-	26,382
Trade payables	-	34,053	-	-	-
Derivatives	6,054	1,291	2,293	4,073	6,951
Other	-	27,199	453	373	1,868

31. December 2011 in TEUR	Due at call	2012	2013	2014	2015 cont'd
Bonds	-	2,325	21,750	1,175	20,588
Payables due to banks	29,562	-	-	-	-
Long-term loans	-	22,457	19,343	15,239	47,051
Leasing obligations	-	379	191	83	-
Management interest and Participation rights	-	-	-	-	22,465
Trade payables	-	43,430	-	-	-
Derivatives	-	2,087	1,117	1,858	5,372
Other	-	23,904	466	466	2,318

Other financial market risks

The risk variables are in particular the share prices and stock indexes.

■ Capital management

It is a paramount goal of the Group to ensure that we maintain a high credit rating and equity ratio in order to support our operations and to maximize the shareholder value.

It is particularly the gearing ratio (net indebtedness as a percentage of equity) that is used to monitor and manage capital. The indebtedness includes bonds, long-term loans, payables due to banks and leasing rates, less cash and cash equivalents and long-term financial investments. The gearing was 9.5 % as of 31 December 2012 and 13.7 % as of 31 December 2011.

in TEUR	31. December 2012	31. December 2011
Bank loans	31,455	29,099
Long-term loans	100,913	94,283
Finance lease obligations	272	635
Bonds	39,951	39,906
Less: Cash and cash equivalents	-138,260	-120,842
Net debt	34,331	43,081
Total equity	363,130	314,772
Gearing	9.5 %	13.7 %

The Company considers a gearing ratio of up to 60 % reasonable without having an impact on the refinancing conditions. In addition an average dividend ratio of 30-60 % (of the consolidated profit after tax) payable to the shareholders is deemed to be appropriate.

NOTE 33

Contingencies

No contingencies existed as of the balance sheet dates 31 December 2012 and 31 December 2011.

NOTE 34

Other Commitments

The Company has operating lease commitments and commitments for capital expenditure (see Note 8). Apart from that no other commitments existed.

NOTE 35

Cash flow Statement

The consolidated cash flow statement displays the change of cash and cash equivalents in the reporting year as a result of inflows and outflows of resources.

The liquid fund corresponds to cash and cash equivalents in the consolidated balance sheet and only includes cash on hand and bank balances as well as short-term investments/marketable securities.

In the cash flow statement, cash flows are classified into cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

The cash flows from foreign operations have been allowed for by applying average foreign exchange rates.

The cash flow from operating activities is determined using the indirect method, based on income after taxation and adjusting it for non-cash expenses and revenues. The result plus changes in net working capital (excluding liquid funds) as shown in the balance sheet is the cash flow from operating activities.

Inflows/outflows of resources from current operations include inflows and outflows from interest payments and income taxes.

Dividend payments are shown under cash flow from financing activities.

For the allotment of shares in subsidiaries and participation rights to the managers in 2012 and 2011, the Company granted loans to the participants in the same amount of TEUR 5,007 (2011: TEUR 7,990). Hence, no cash flows were effected.

NOTE 36

Business combinations

Year 2012

As of 28 February 2012, 85.02 % of the shares of **D-TECH (UK) Limited, Bristol, UK**, were acquired. D-TECH (UK) Limited is an engineering company in the process of being set up. By integrating this company into the SBO group, the Group expects to gain know-how to optimize the product range in the segment Oilfield Supplies & Services.

In connection with a business combination in 2012, the Company offered to the non-controlling shareholders the right to sell their remaining interest to the Company at any time, whereas the Company is obliged to purchase the offered shares. The purchase price for these shares is based on the achieved financial results of the acquired entity. The expected discounted payment price for this option of extraordinary termination is booked under other payables (see Note 14), as there is an unconditional payment obligation for the Company. The financial liability was recognized by reclassification of the non-controlling interest, which resulted from the acquisition, and recorded at the fair value of the net assets. The residual balance to the expected payment obligation at acquisition date was reclassified from the retained earnings not affecting profit or loss. Because of this option commitment, 100 % of this company are incorporated into the Group's accounts.

Furthermore, the company **Foxano AG, Luzern, Switzerland**, was acquired on 13 December 2012. This company does not yet carry out any operating activities.

Listed below are the fair values of the acquired identifiable assets and liabilities for both business combinations at the acquisition date:

in TEUR	Fair value
Intangible assets	22,147
Property, plant & equipment	254
Other accounts receivable	228
Deferred taxes	969
Liquid funds	174
	23,772
Trade accounts payable	-83
Deferred taxes	-4,974
Net assets	18,715
Goodwill resulting from the acquisitions	7,685
Non-controlling interests	-2,779
Total considerations	23,621

The intangible assets contain technology in the amount of TEUR 18,320 and a non-compete-agreement in the amount of TEUR 3,827.

The gross amount of accounts receivable amounted to TEUR 228 and was equal to their fair value. None of the accounts receivable were impaired.

The total consideration for both business combinations were transferred in 2012.

The cash outflow due to the business combinations were as follows (in TEUR):

Cash outflow	20,346
Net cash acquired	-174
	20,172

The consideration for the business combination includes the fair value of a contingent consideration of TEUR 3,275 at acquisition date which will be payable when sales are exceeding a contractually agreed upon amount in the next 4 years and which has been calculated by discounting expected future contingent payments based on the business plan. The respective liabilities have been recognized in "other payables" in the balance sheet.

Additionally, transaction costs of TEUR 957 have been expensed and are included in general and administrative expenses.

Goodwill of TEUR 7,685 comprises the value of expected synergies arising from the acquisitions and has been allocated temporarily to the segment "Europe". The Group is still evaluating to which extent some business units will benefit from the synergies due to the acquisition of the engineering company, which is still being established. Therefore it was not possible to conclude the allocation of the goodwill to cash-generating units in 2012.

It is expected that none of the goodwill will be deductible for income tax purposes.

Due to the acquisitions, the Group's profit after tax was reduced by TEUR 633 in 2012, the Group sales remained unchanged. If the businesses had been acquired at the beginning of the year, Group sales would not have changed, too.

Regarding the development of the liabilities for contingent purchase price payments we refer to Note 19.

Year 2011

No business combinations were executed in 2011.

NOTE 37

Personnel

The total average number of employees was as follows:

	2012	2011
Blue collar	1,230	1,070
White collar	329	304
	1,559	1,374

NOTE 38

Events after the balance sheet date

After the balance-sheet date no events of particular significance have occurred that would have changed the presentation of the Group's financial position and financial performance.

NOTE 39

Proposed dividend

The Executive Board proposes to the shareholders that a dividend of EUR 0.50 per share (2011: EUR 0.50) plus a bonus of EUR 1.00 per share (2011: EUR 0.70), in total EUR 1.50 (2011: EUR 1.20) per share should be paid. Thus, the total distribution will amount to MEUR 24.0 compared to MEUR 19.2 in the year before.

NOTE 40

Expenses incurred for the group auditors

The following expenses were incurred from Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.:

in TEUR	2012	2011
Audit of the consolidated annual financial statements	65	79
Due diligence	162	0
Other services	52	57

MANAGEMENT INFORMATION

Executive Board:

Gerald Grohmann (President and CEO)
 Franz Gritsch (Executive Vice-president and CFO)

The contracts with the members of the Executive Board are valid for one term and will expire on 31 December 2015.

Committees of the Supervisory Board:

Remuneration Committee:

Norbert Zimmermann
 Dr. Peter Pichler
 Dr. Karl Schleinzer

Audit Committee:

Norbert Zimmermann
 Dr. Peter Pichler
 Karl Samstag

Supervisory Board:

Norbert Zimmermann (Chairman)
 First nomination: 1995
 End of current appointment: 2017

Dr. Peter Pichler (Deputy Chairman)
 First nomination: 1995
 End of current appointment: 2017

Helmut Langanger
 First nomination: 2003
 End of current appointment: 2017

Karl Samstag
 First nomination: 2005
 End of current appointment: 2017

Dr. Karl Schleinzer
 First nomination: 1995
 End of current appointment: 2017

In each year one member of the Supervisory Board withdraws from the Supervisory Board with the end of the Annual General Meeting, thereby guaranteeing that in the course of the Annual General Meeting the election of one member of the Supervisory Board can be resolved. As far as the order of withdrawal cannot be ascertained from the term of office it shall be ascertained by lot. In the Supervisory Board meeting that takes place before the Annual General Meeting for consultation on the proposed resolutions and elections in accordance with section 108 paragraph 1 Austrian Stock Corporation Act the lot shall decide which member of the Supervisory Board shall withdraw with the end of the next Annual General Meeting. The withdrawing member can immediately be reelected.

Ternitz, 28 February 2013

Gerald Grohmann Franz Gritsch
 Members of the Executive Board

AUDITORS' REPORT^{*)}

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of SCHOELLER BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, for the fiscal year from January 1, 2012 to December 31, 2012. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2012, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Accounting Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2012 and of its financial performance and its cash flows for the fiscal year from January 1, 2012 to December 31, 2012 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the consolidated management report is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the consolidated management report is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, February 28, 2013

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H

Mag. Karl Rab
Certified Auditor

Mag. Markus Jandl
Certified Auditor

*) This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditor's opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

REPORT OF THE SUPERVISORY BOARD CONCERNING THE 2012 BUSINESS YEAR

During the 2012 business year, the Supervisory Board carried out the duties allocated to it by law and the articles of association and held 6 meetings to this end. The management provided the Board with regular written and verbal reports concerning business developments and the company's status, including the situation of the Group companies. An Audit Committee for handling questions of the Financial Statements and a Remuneration Committee for handling questions regarding the reimbursement of the Executive Board was installed.

The Annual Accounts for the 2012 business year and the Status Report of SBO AG were examined by SST Schwarz & Schmid Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. The Consolidated Financial Statements and the Consolidated Status Report for the SBO Group as at 31 December 2012 were examined by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. According to their unqualified audit certification, the accounts, the Annual Accounts for the 2012 business year and the 2012 Consolidated Financial Statements meet the statutory requirements, present a true and fair view of the assets, financial position and profitability of the company and the Group in accordance with generally accepted accounting principles. The Annual Accounts of SBO AG have been prepared in accordance with the Austrian Commercial Code and Austrian Generally Accepted Accounting Principles; the Consolidated Financial Statements of the SBO Group have been prepared in accordance with the International Financial Reporting Standards (IFRS).

At its meeting on 19 March 2013, the Supervisory Board approved the Annual Accounts for the 2012 business year, the Consolidated Financial Statements as at 31 December 2012, the proposal for the distribution of profits, the Corporate Governance Report and the Status Report combined with the Consolidated Status Report presented by the Executive Board.

Ternitz, 19 March 2013

A handwritten signature in black ink, appearing to read 'N. Zimmermann', with a long horizontal stroke under the name.

Norbert Zimmermann
Chairman of the Supervisory Board

CORPORATE INFORMATION

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FINANCIAL STATEMENT OF SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG

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SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

Anlage 2

GEWINN- UND VERLUSTRECHNUNG
vom 1. Jänner bis 31. Dezember 2012

	2012 EUR	2011 TEUR
1. Umsatzerlöse	8.243.662,97	6.447
2. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	0,00	1
b) Erträge aus der Auflösung von Rückstellungen	2.755,45	111
c) übrige	925.053,26	3.747
	927.808,71	3.859
3. Personalaufwand		
a) Löhne	-173.936,33	-159
b) Gehälter	-2.925.645,13	-2.640
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Vorsorgekassen	-194.643,18	-381
d) Aufwendungen für Altersvorsorge	-297.464,48	-500
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-343.290,83	-336
f) sonstige Sozialaufwendungen	-23.203,88	0
	-3.958.083,83	-4.016
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		
planmäßige Abschreibungen	-1.083.416,27	-1.106
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und Ertrag fallen	-144.364,40	-66
b) übrige	-6.523.194,10	-4.590
	-6.667.558,50	-4.656
6. Zwischensumme Z 1 bis Z 6 (Betriebserfolg)	-2.837.686,92	628
7. Erträge aus Beteiligungen	37.448.649,69	22.892
davon aus verbundenen Unternehmen EUR 37.448.649,69 (2011: TEUR 22.892)		
8. Erträge aus anderen Wertpapieren und Ausleihungen des Anlagevermögens	2.311.899,32	2.533
davon aus verbundenen Unternehmen EUR 2.310.670,82 (2011: TEUR 2.533)		
9. sonstige Zinsen und ähnliche Erträge	1.811.724,75	2.023
davon aus verbundenen Unternehmen EUR 1.210.161,55 (2011: TEUR 1.357)		
10. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	2.018.949,79	552
11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	-2.058.084,31	-229
a) davon Abschreibungen EUR 2.000.000,00 (2011: TEUR 0)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR 2.058.084,31 (2011: TEUR 229)		
12. Zinsen und ähnliche Aufwendungen	-5.482.357,01	-5.861
davon betreffend verbundene Unternehmen EUR 886.610,20 (2011: TEUR 714)		
13. Zwischensumme Z 7 bis Z 12 (Finanzerfolg)	36.050.782,23	21.910
14. Ergebnis der gewöhnlichen Geschäftstätigkeit	33.813.195,31	22.438
15. Steuern vom Einkommen und vom Ertrag	118.418,53	-475
davon Ertrag aus Steuerumlagen EUR 17.531.591,72 (2011: TEUR 8.648)		
16. Jahresüberschuss	33.631.613,84	21.963
17. Auflösung unsteuerter Rücklagen		
Bewertungsreserve auf Grund von Sonderabschreibungen	3.420,00	4
18. Gewinnvortrag aus dem Vorjahr	3.266.183,85	461
19. Bilanzgewinn	36.901.217,69	22.418

Anlage III

ANHANG ZUM JAHRESABSCHLUSS 2012**I. Allgemeine Angaben**

Der Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) wurde nach den Vorschriften des Unternehmensgesetzbuches (§§ 189ff UGB) in der geltenden Fassung erstellt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten. Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurden der Grundsatz der Einzelbewertung und eine Fortführung des Unternehmens unterstellt. Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden.

Für erkennbare Risiken und drohende Verluste, die aus dem vergangenen und früheren Geschäftsjahren resultieren und in der Zukunft schlagend werden könnten, wurden entsprechende Vorsorgen in die Bilanz eingestellt.

Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Die SBO erstellt einen Konzernabschluss gemäß § 245a UGB nach international anerkannten Rechnungslegungsgrundsätzen. Der Konzernabschluss wird beim Firmenbuch des Handelsgerichtes Wiener Neustadt hinterlegt.

II. Bilanzierungs- und Bewertungsmethoden

Die beim Jahresabschluss 2011 angewendeten **Bilanzierungs- und Bewertungsmethoden** wurden beibehalten. Allfällige Ausweisänderungen sind bei den Erläuterungen zu den betreffenden Positionen angeführt.

Bei der Bewertung des **Anlagevermögens** wurde das Niederstwertprinzip eingehalten. Die vorgenommenen Abschreibungen tragen den verbrauchsbedingten und sonstigen Wertminderungen voll Rechnung. Die planmäßige Abschreibung wird linear vorgenommen.

Die **Forderungen und sonstigen Vermögensgegenstände** wurden nach dem strengen Niederstwertprinzip bilanziert. Fremdwährungsforderungen wurden mit dem Devisen-Geldkurs zum Bilanzstichtag oder zu niedrigeren Anschaffungskursen bewertet. Allen erkennbaren Einzelrisiken wurde durch Wertberichtigungen Rechnung getragen. Pauschalwertberichtigungen wurden nicht vorgenommen.

Auf Fremdwährung lautende **Guthaben bei Kreditinstituten** wurden mit dem Devisen-Geldkurs zum Bilanzstichtag bilanziert.

Die Bewertung der **Verbindlichkeiten** erfolgte unter Bedachtnahme auf den Grundsatz der Vorsicht mit ihrem Rückzahlungsbetrag. Fremdwährungsverbindlichkeiten wurden mit ihrem Entstehungskurs oder mit dem höheren Devisen-Briefkurs zum Bilanzstichtag bewertet.

Anlage III

Die Berechnung der **Abfertigungsrückstellungen** erfolgte mittels versicherungsmathematischem Verfahren gemäß IAS 19 (Methode der laufenden Einmalprämien). Hierzu wurden die folgenden Berechnungsannahmen verwendet: Zinssatz 3,0 % (Vorjahr: 4,5 %), Gehaltssteigerung 4,5 % (Vorjahr: 4,5 %) p. a., Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen.

Die **Jubiläumsgeldrückstellungen** wurden ebenfalls gemäß IAS 19 berechnet.

III. Erläuterungen zu den Posten der Bilanz und der Gewinn- und Verlustrechnung

1. ERLÄUTERUNGEN ZUR BILANZ

ANLAGEVERMÖGEN

Die Entwicklung des Anlagevermögens ist im beiliegenden Anlagenspiegel dargestellt.

Das **abnutzbare Anlagevermögen** wird über folgende Nutzungsdauern planmäßig linear abgeschrieben:

- EDV-Software 4 Jahre
- Rechte 15 Jahre
- Gebäude und Grundstückseinrichtungen 10 bis 50 Jahre
- Betriebs- und Geschäftsausstattung 4 bis 8 Jahre

In den **Immateriellen Vermögensgegenständen** ist „Intellectual Property“ (gewerbliche Schutz- und Musterrechte) enthalten, welches von einem verbundenen Unternehmen im Jahr 2008 erworben wurde (Buchwert per 31.12.2012 TEUR 4.420,0) und seit 2009 gegen Lizenzgebühr zur Nutzung überlassen wird.

Die Zugänge bei den **Sachanlagen** betreffen im Wesentlichen Grundstücke und Gebäude für Produktion und Verwaltung.

Bei den **Anteilen an verbundenen Unternehmen** gab es folgende Bewegungen:

- Foxano AG
Erwerb und Kapitaleinlage TEUR 17.347,4
- Schoeller-Bleckmann de Mexico S. A. de C. V.
Zuschreibung bzw. Abgang durch Verkauf 3 % TEUR 1.143,2
- Schoeller-Bleckmann do Brasil Ltda.
Teilwertabschreibung TEUR - 2.000,0

Die **Ausleihungen** betrafen ausschließlich Konzerngesellschaften. Deren Fristigkeit stellt sich wie folgt dar:

in TEUR	<1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
31.12.2012	3.557,2	21.569,6	0,0	25.126,8
31.12.2011	11.107,9	18.986,7	1.353,2	31.447,8

Bei der Bewertung der **Fremdwährungsausleihungen (USD)** wurde vom Niederstwertprinzip Gebrauch gemacht.

Anlage III

Vom Zuschreibungswahlrecht gem. § 208 Abs. 2 UGB in Höhe von TEUR 2.178,0 wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 544,5.

UMLAUFVERMÖGENForderungen und sonstige Vermögensgegenstände

Die Restlaufzeit stellt sich wie folgt dar:

31.12.2012 (In TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	40.423,0	1.921,4	42.344,4
sonstige Forderungen	9,0	11.499,3	11.508,3
Summe	40.432,0	13.420,7	53.852,7

31.12.2011 (In TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	36.265,2	0,0	36.265,2
sonstige Forderungen	0,0	7.986,3	7.986,3
Summe	36.265,2	7.986,3	44.251,5

Die Forderungen gegenüber verbundenen Unternehmen resultieren ausschließlich aus Konzernfinanzierungen.

Die größten Positionen in den sonstigen Forderungen waren Darlehen an Mitarbeiter von Konzerngesellschaften (TEUR 11.479,5; Vorjahr: TEUR 7.966,5).

Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen (TEUR 5,3; Vorjahr: TEUR 0,0).

Eigene Anteile

Im Jahr 2012 fanden keine Veränderungen statt, weshalb die Gesellschaft zum Bilanzstichtag 2012 weiterhin 39.884 Stück eigene Aktien hält. Dies entspricht einem Anteil von 0,25 % am Grundkapital mit einem Buchwert von TEUR 873,5.

Vom Zuschreibungswahlrecht gemäß § 208 Abs. 2 UGB in Höhe von TEUR 2.288,9 wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 572,2.

EIGENKAPITAL

Das Grundkapital von TEUR 16.000,0 besteht aus 16.000.000 auf Inhaber lautende Aktien zu je EUR 1,00.

In der Hauptversammlung vom 25. April 2012 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückwerb zu leistende Gegenwert EUR 300,00 beträgt. Im Jahr 2012 wurde von dieser Ermächtigung kein Gebrauch gemacht.

Anlage III

Die **gebundene Kapitalrücklage** betrug zum Bilanzstichtag unverändert TEUR 69.976,0 und resultiert aus dem Agio bei der Ausgabe junger Aktien in 1997 und in 2005.

Die **gesetzliche Rücklage** betrug zum Bilanzstichtag unverändert TEUR 785,3.

Die **freie Rücklage** betrug zum Bilanzstichtag unverändert TEUR 15.910,4.

Die **Rücklage für eigene Anteile** betrug zum Bilanzstichtag unverändert TEUR 873,5. Dies entspricht dem Buchwert der eigenen Aktien zum Bilanzstichtag.

Gemäß dem Hauptversammlungsbeschluss vom 25. April 2012 wurden vom **Bilanzgewinn 2011** TEUR 19.151,5 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 3.266,2 auf neue Rechnung vorgetragen.

UNVERSTEUERTE RÜCKLAGEN

In TEUR	2011	Auflösung	2012
Bewertungsreserve gemäß § 8 EStG: Bauten	32,5	3,4	29,1

RÜCKSTELLUNGEN

In den übrigen Rückstellungen sind enthalten:

In TEUR	31.12.2012	31.12.2011
Jubiläumsgeldrückstellungen	30,7	68,4
Rückstellungen für nicht konsumierte Urlaube	341,9	293,3
sonstige Personalarückstellungen	1.131,8	821,6
Rechts-, Prüfungs- und Beratungskosten	219,9	306,6
Bilanzveröffentlichung	140,0	130,0
Summe	1.864,3	1.619,9

VERBINDLICHKEITEN

Die **Verbindlichkeiten** weisen folgende Fristigkeiten auf:

31.12.2012 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	20.000,0	20.000,0	0,0	40.000,0
Verbindlichkeiten gegenüber Kreditinstituten	11.204,1	62.789,6	13.000,0	86.993,7
Verbindlichkeiten aus Lieferungen und Leistungen	110,0	0,0	0,0	110,0
Verbindlichkeiten gegenüber verbundenen Unternehmen	20.314,1	0,0	0,0	20.314,1
sonstige Verbindlichkeiten	2.157,9	1.058,5	1.653,8	4.870,2
Summe	53.786,1	83.848,1	14.653,8	162.288,0

Anlage III

31.12.2011 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	0,0	40.000,0	0,0	40.000,0
Verbindlichkeiten gegenüber Kreditinstituten	14.454,1	40.868,7	18.000,0	73.322,8
Verbindlichkeiten aus Lieferungen und Leistungen	176,8	0,0	0,0	176,8
Verbindlichkeiten gegenüber verbundenen Unternehmen	16.670,4	0,0	0,0	16.670,4
sonstige Verbindlichkeiten	2.412,1	1.058,5	1.918,5	5.389,1
Summe	33.713,4	81.927,2	19.918,5	135.559,1

Im Juni 2008 wurden zwei Anleihen im Gesamtnennbetrag von jeweils MEUR 20,0, eingeteilt in 800 untereinander gleichrangige auf den Inhaber lautende Teilschuldverschreibungen im Nennbetrag von je EUR 50.000 emittiert. Die Teilschuldverschreibungen werden zur Gänze durch zwei veränderbare Sammelurkunden verbrieft, die am Tag der Begebung bei der Oesterreichischen Kontrollbank Aktiengesellschaft, Wien, hinterlegt wurden. Einzelne Teilschuldverschreibungen oder Zinsscheine wurden nicht ausgegeben. Die Teilschuldverschreibungen werden bezogen auf ihren Nennbetrag bis zum Fälligkeitstag mit jährlich 5,75 % (Anleihe 2008-2013) bzw. 5,875 % (Anleihe 2008-2015) verzinst. Die Zinsen sind jeweils nachträglich am 18. Juni eines jeden Jahres zahlbar. Die Teilschuldverschreibungen werden am 18. Juni 2013 bzw. 18. Juni 2015 zum Nennbetrag von jeweils MEUR 20,0 zurückgezahlt. Die Anleihen sind in den Dritten Markt an der Wiener Börse unter den ISIN AT0000A09U32 bzw. AT0000A09U24 einbezogen.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren ausschließlich aus Konzernfinanzierungen.

In den sonstigen Verbindlichkeiten betrafen TEUR 1.658,9 (Vorjahr: TEUR 1.813,3) Aufwendungen, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

in TEUR	31.12.2012		31.12.2011	
	Gesamtbetrag	davon für verbundene Unternehmen	Gesamtbetrag	davon für verbundene Unternehmen
Haftungen für Kredite und Kurssicherungen	39.515,6	39.515,6	38.617,0	38.617,0

FINANZIELLE VERPFLICHTUNGEN

Im Zuge eines Unternehmenszusammenschlusses im Jahr 2012 hat die Gesellschaft den anderen Gesellschaftern das Recht eingeräumt, ihre Anteile der Gesellschaft anzubieten und hat sich diesfalls die Gesellschaft verpflichtet, die angebotenen Anteile zu erwerben. Der Kaufpreis ist von den erzielten Ergebnissen des erworbenen Unternehmens abhängig.

Die Gesellschaft hat sich verpflichtet, für eine Wettbewerbsvereinbarung jährlich USD 500.000 zu zahlen, sofern sich der Vertragspartner während der Laufzeit bis 2020 an die Vertragsbedingungen hält.

Für die Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen bestehen Mietverträge mit folgenden Verpflichtungen:

- fällig innerhalb 1 Jahr: TEUR 5,5
- fällig innerhalb der nächsten 5 Jahre: TEUR 5,5

Für **Bestellungen zu Sachanlagen** bestanden Verpflichtungen in der Höhe von TEUR 0,0 (Vorjahr: TEUR 0,0).

Anlage III

2) ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNGUMSATZERLÖSE

Die größten Posten sind:

In TEUR	2012	2011
Verrechnete Holdingleistungen	4.526,9	3.632,7
Mieterträge	2.122,2	1.398,8
Verrechnete Konzernversicherung	962,8	835,3
Lizenzeeinnahmen	617,0	572,2

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

In TEUR	2012	2011
Kursgewinne	918,6	2.208,1
Auflösung Wertberichtigungen	6,4	1.537,6
Versicherungsvergütungen	0,0	1,3

PERSONALAUFWAND

Im Posten Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 10,3 (Vorjahr: TEUR 8,8) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den übrigen sonstigen betrieblichen Aufwendungen sind:

In TEUR	2012	2011
Kursverluste	325,2	1.250,8
Rechts-, Prüfungs- und Beratungskosten	2.666,3	636,9
Versicherungen	346,3	274,3

Darüber hinaus sind Spesen des Geldverkehrs, EDV-Aufwand sowie sonstige Verwaltungs- und Vertriebsaufwendungen unter dieser Position verbucht.

BETEILIGUNGSERGEBNIS

Die Erträge aus Beteiligungen des Jahres 2012 betreffen überwiegend die Ausschüttung aus 2012 von der Schoeller-Bleckmann Oilfield Technology GmbH.

STEUERN VOM EINKOMMEN UND VOM ERTRAG

Die Schoeller-Bleckmann Oilfield Equipment AG hat die Möglichkeit der Bildung einer steuerlichen Unternehmensgruppe gemäß § 9 KStG genutzt. Gruppenmitglieder sind:

Anlage III

Inland:

- Schoeller-Bleckmann Oilfield Technology GmbH., Ternitz..... (ab 2008),
- Schoeller-Bleckmann Drilling and Production Equipment GmbH., Ternitz (ab 2010),
- BICO-DSI Investment GmbH., Ternitz..... (ab 2010).

Ausland:

- Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey (ab 2005),
- Schoeller-Bleckmann Oilfield Equipment Vietnam L.L.C, Binh Duong (ab 2009),
- Schoeller-Bleckmann do Brasil Ltda., Macae..... (ab 2009).

Die aktive Steuerlatenz beträgt TEUR 184,0 (Vorjahr: TEUR 204,5). Sie wurde gemäß § 198 Abs. 10 UGB nicht in der Bilanz ausgewiesen.

Der auf das Jahr 2012 entfallende Steuerertrag für die gesamte steuerliche Unternehmensgruppe beträgt TEUR +118,4, TEUR -180,9 entfallen auf Steuern für Vorjahre, TEUR -424,6 auf sonstige Steuern. Für das Jahr 2012 wurde eine Steuerumlage von TEUR +17.531,6 an die inländischen Gruppenmitglieder verrechnet.

BILANZGEWINN

Das Geschäftsjahr 2012 schließt mit einem Jahresüberschuss von TEUR 33.631,6. Nach Berücksichtigung der Rücklagenbewegungen sowie zuzüglich des Gewinnvortrags aus 2011 ergibt sich ein Bilanzgewinn von TEUR 36.901,2.

Der Vorstand schlägt vor, an die dividendenberechtigten Aktien eine Dividende von EUR 1,50 je Aktie auszuschütten und den verbleibenden Bilanzgewinn auf neue Rechnung vorzutragen.

GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Es liegen keine berichtspflichtigen Geschäftsfälle gemäß § 237 Z. 8b UGB vor.

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Im Jahr 2012 sind für den Abschlussprüfer, die **SST Schwarz & Schmid Wirtschaftsprüfungsges.m.b.H.**, und mit diesem verbundene Unternehmen folgende Aufwendungen angefallen:

- Prüfung des Jahresabschlusses..... TEUR 23,0
- Steuerberatungsleistungen..... TEUR 21,0

IV. Angaben über Beteiligungen und Beziehungen zu verbundenen Unternehmen

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG war zum 31. Dezember 2012 an folgenden Unternehmen beteiligt:

Anlage III

	Anteil in Prozent		Ergebnis in TEUR	Eigenkapital in TEUR
	Direkt	Indirekt		
Schoeller-Bleckmann Oilfield Technology GmbH, Temitz	100,00		54.692,0	67.238,2
Schoeller-Bleckmann Drilling- and Production-Equipment GmbH, Temitz	100,00		3,9	9.094,4
BICO-DSI Investment GmbH, Temitz		90,00	6.419,2	15.043,9
DSI FZE, Dubai, AE		90,00	3.823,5	42.422,1
Schoeller-Bleckmann America Inc., Wilmington, US	100,00		6.445,5	26.175,8
ACCUADRILL LLC, Houston, US		96,60	163,1	1.534,5
GODWIN-SBO LLC, Houston, US		96,60	7.336,7	62.410,2
KNUST-SBO LLC, Houston, US		94,60	13.715,1	76.756,9
KNUST-SBO Far East Pte Ltd., Singapur, SG		94,60	-753,2	206,8
Schoeller-Bleckmann Energy Services LLC, Lafayette, US		87,80	3.330,7	12.218,4
Schoeller-Bleckmann Sales Co. LLC, Houston, US		100,00	6.424,4	13.017,6
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00		9.221,6	48.654,9
Darron Tool & Engineering Limited, Rotherham, GB		98,95	-1.279,0	7.628,9
Schoeller-Bleckmann Darron Limited, Aberdeen, GB		90,15	1.812,7	7.689,3
Schoeller-Bleckmann Darron (Aberdeen) Limited, Aberdeen, GB		92,65	2.107,2	6.995,7
Techman Engineering Limited, Chesterfield, GB		100,00	1.721,3	5.049,6
BICO Drilling Tools Inc., Houston, US	85,00		17.746,0	65.589,3
BICO-FASTER Drilling Tools Inc., Nisku, CA		72,25	1.339,0	8.474,9
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MX	97,00		690,4	4.563,1
Schoeller-Bleckmann do Brasil Ltda., Macae, BR	100,00		-963,6	1.095,3
SB Darron Pte Ltd., Singapur, SG	100,00		95,4	4.558,0
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	100,00		293,2	4.036,3
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	100,00		588,9	13.979,1

Für die Angaben zu weiteren Beteiligungen wird von der Bestimmung gem. § 241 Abs. 2 Zi. 2 UGB Gebrauch gemacht.

V. Angaben über Organe und Arbeitnehmer

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2012	2011
Gehaltsempfänger	13	13
Lohnempfänger	7	8
Summe Mitarbeiter	20	21

Zum 31.12.2012 betrug der Personalstand 22 Mitarbeiter: 15 Gehaltsempfänger und 7 Lohnempfänger (Vorjahr: 21 Mitarbeiter, 14 Gehaltsempfänger und 7 Lohnempfänger).

Die Bezüge für die Mitglieder des Vorstands betragen im Jahr 2012 TEUR 1.881 (davon fixer Anteil TEUR 799, davon variabler Anteil TEUR 1.082).

Im Geschäftsjahr 2012 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 92,8 (Vorjahr: TEUR 60,2).

Aufsichtsrat:

Mag. NORBERT ZIMMERMANN
Vorsitzender seit 10.04.1995

Dr. PETER PICHLER
Mitglied seit 10.04.1995, stellvertretender Vorsitzender seit 29.04.2003

Mag. DI HELMUT LANGANGER
Mitglied seit 29.04.2003

KARL SAMSTAG
Mitglied seit 24.10.2005

Dr. KARL SCHLEINZER
Mitglied seit 24.05.1995

Vorstand:

Ing. GERALD GROHMANN
seit 03.10.2001

Mag. FRANZ GRITSCH
seit 01.12.1997

Ternitz, am 21. Februar 2013

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. GERALD GROHMANN

Mag. FRANZ GRITSCH

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagenpiegel zum 31.12.2012

	Entwicklung der Anschaffungs- und Herstellungskosten		Kumulierte Abschreibungen	Buchwert 31.12.2012	Buchwert 31.12.2011	Abschreibungen des Geschäftsjahres	Zuschreibungen des Geschäftsjahres
	Stand 01.01.12	Stand 31.12.12					
I. Immaterielle Vermögensgegenstände							
Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	0,00	0,00	1.948.255,16	4.420.219,06	4.844.607,87	424.388,81	0,00
Summe immaterielle Vermögensgegenstände	0,00	0,00	1.948.255,16	4.420.219,06	4.844.607,87	424.388,81	0,00
II. Sachanlagen							
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 3.162.546,12 (2010: TEUR 1.287)	17.718.855,27	2.022.957,36	5.699.021,63	14.042.791,00	12.615.919,22	596.085,58	0,00
2. andere Anlagen, Betriebs- und Geschäftsausstattung	671.841,30	7.777,60	584.742,94	94.875,96	149.641,07	62.542,71	0,00
3. geringwertige Wirtschaftsgüter	0,00	399,17	0,00	0,00	0,00	399,17	0,00
Summe Sachanlagen	18.390.696,57	2.031.134,13	6.283.764,57	14.137.666,96	12.765.560,29	659.027,46	0,00
III. Finanzanlagen							
1. Anteile an verbundenen Unternehmen	117.484.638,71	20.374.405,92	4.000.162,89	130.655.088,30	114.164.475,82	2.000.000,00	1.320.000,00
2. Ausleihungen an verbundene Unternehmen	38.705.575,79	0,00	8.555.632,03	25.126.787,33	31.447.778,47	0,00	0,00
Summe Finanzanlagen	156.190.214,50	20.374.405,92	10.555.794,92	155.781.875,63	145.612.254,29	2.000.000,00	1.320.000,00
Summe Anlagevermögen	180.949.385,29	22.405.540,05	18.787.814,65	174.339.761,65	163.222.422,45	3.083.416,27	1.320.000,00

Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft
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LAGEBERICHT

für das Geschäftsjahr 2012

1) Bericht über den Geschäftsverlauf und die wirtschaftliche Lage

Die Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft (SBO) fungiert als konzernleitende Holdinggesellschaft zur Steuerung und Beratung der Tochter- und Beteiligungsgesellschaften.

Finanzielle und nichtfinanzielle Leistungsindikatoren

Wegen ihrer Holdingfunktion haben die finanziellen Kennzahlen der SBO keine Aussagekraft für die wirtschaftliche Entwicklung des Konzerns. Die Beurteilung der Vermögens- und Ertragslage des SBO-Konzerns ist deshalb nur anhand des Konzernabschlusses möglich.

Die **Umsatzerlöse** der SBO betragen 2012 MEUR 8,2 (Vorjahr: MEUR 6,4). Bei den von SBO ausgewiesenen Umsatzerlösen handelt es sich um konzerninterne Leistungen, Lizenz-einnahmen sowie um Erlöse aus der Vermietung von Grund- und Gebäudeflächen in Ternitz.

Das **Ergebnis der gewöhnlichen Geschäftstätigkeit (EGT)** betrug 2012 MEUR 33,5 (Vorjahr: MEUR 22,4). Es war wesentlich gekennzeichnet durch Erträge aus Beteiligungen in Höhe von MEUR 37,4 (Vorjahr: MEUR 22,9). Es handelt sich hierbei um Ausschüttungen von Schoeller-Bleckmann Oilfield Technology GmbH., Ternitz und BICO Drilling Tools Inc, Houston.

Die **Zugänge zu Sachanlagen und immateriellen Vermögensgegenständen** betragen 2012 MEUR 2,0 (Vorjahr: MEUR 0,3).

Die **Zugänge zu Finanzanlagen** betragen MEUR 20,4 (Vorjahr: MEUR 31,5) und betrafen mit MEUR 20,4 *Anteile an verbundenen Unternehmen* (Vorjahr: MEUR 11,4) und mit MEUR 0,0 Ausleihungen an verbundene Unternehmen (Vorjahr: MEUR 20,1). Es wurden Ausleihungen an verbundene Unternehmen in der Höhe von MEUR 7,0 planmäßig getilgt. Bei den Anteilen an verbundenen Unternehmen waren Abgänge in Höhe von MEUR 3,2 zu verzeichnen.

Die **Bilanzsumme** erhöhte sich 2012 auf MEUR 310,7 (Vorjahr: MEUR 270,7).

Die **Eigenkapitalquote** betrug 45,2 % (Vorjahr: 46,5 %).

Das **langfristig gebundene Vermögen** (überwiegend Finanzanlagen) betrug 56,1 % der Bilanzsumme (Vorjahr: 60,3 %).

Der **Cash-Flow aus laufender Geschäftstätigkeit** betrug TEUR 11.615 (Vorjahr: TEUR 22.099).

Der Personalstand der SBO zum 31. Dezember 2012 betrug 22 Mitarbeiter (15 Gehaltsempfänger und 7 Lohnempfänger), verglichen mit einem Personalstand zum 31. Dezember 2011 von 21 Mitarbeitern (14 Gehaltsempfänger und 7 Lohnempfänger).

Es bestehen keine Zweigniederlassungen der SBO.

Marktumfeld des SBO-Konzerns

Die Weltwirtschaft stand im Jahr 2012 im Zeichen einer abermaligen, kontinuierlichen Abschwächung. Nach einem kurzen Aufwind Anfang des Jahres musste die Weltkonjunktur ab dem zweiten Quartal erneut Rückschläge hinnehmen. Der Euro-Raum hatte mit der Verschuldungsthematik in Griechenland, Spanien, Italien und Portugal zu kämpfen. In der zweiten Jahreshälfte verschlechterten sich die Finanzierungsbedingungen dieser Länder weiter und die Konjunkturflaute dehnte sich von Südeuropa nach Norden aus. Die US-Wirtschaft hingegen entwickelte sich zunächst positiv, im Jahresverlauf verlor sie allerdings wieder etwas an Dynamik. Die schwache Konjunktur in den westlichen Industrieländern wirkte sich auch auf die Exportwirtschaft der Emerging Markets aus. In Summe betrachtet wiesen diese Länder aber noch immer hohe Wachstumsraten auf.

Das durchschnittliche globale Wirtschaftswachstum (BIP) im Jahr 2012 betrug laut aktueller Schätzung des Internationalen Währungsfonds (IWF) 3,2 % (3,9 % im Jahr 2011). Der größte Teil dieses weltweiten Wachstums 2012 fand mit 5,1 % (im Jahr zuvor 6,3 %) in den Schwellen- und Entwicklungsländern, insbesondere China und Indien, statt. Die Industriestaaten wuchsen lediglich um 1,3 % im Jahr 2012 (nach 1,6 % im Jahr 2011).¹ Die Oilfield Service-Industrie blieb aufgrund der weiterhin wachsenden Nachfrage nach Öl und Gas von der globalen Konjunkturabschwächung im Wesentlichen unberührt.

Laut der Internationalen Energie Agentur (IEA) erreichte die durchschnittliche globale Ölnachfrage im Jahr 2012 89,8 Millionen Barrel pro Tag – eine Zunahme von 1 Million Barrel pro Tag bzw. 1,1 % im Vergleich zur durchschnittlichen globalen Ölnachfrage 2011 von 88,8 Millionen Barrel pro Tag². Grund für den moderaten Anstieg des Ölbedarfs war vor allem der leichte Rückgang der Ölnachfrage der OECD-Länder, die 2012 um 0,9 % auf 46,02 Millionen Barrel pro Tag sank (nach 46,44 Millionen Barrel pro Tag im Vorjahr). Dies lag vorrangig an der sinkenden Ölnachfrage Europas, die sich aus der Kombination von Rekord-Produktpreisen und einer schwächeren Konjunktur ergab. Das vergleichsweise starke Wachstum der Nachfrage in Asien konnte die europäische Entwicklung jedoch aufwiegen. Die durchschnittliche Ölnachfrage der Nicht-OECD-Länder betrug 2012 43,81 Millionen Barrel pro Tag, eine Zunahme um 1,43 Millionen Barrel pro Tag im Vorjahresvergleich³.

Der Rig Count³, die Maßzahl der in Betrieb befindlichen Bohranlagen, zeigte sich 2012 von der weltwirtschaftlichen Abschwächung über das Jahr hinweg größtenteils unbeeinflusst. Der durchschnittliche weltweite Rig Count 2012 betrug 3.518 Einheiten, was einen Anstieg von 1,5 % gegenüber den in 2011 durchschnittlich in Betrieb befindlichen Anlagen mit 3.465 Einheiten bedeutet. Zudem stiegen die globalen Investitionen in Exploration und Produktion im Jahr 2012 um rund 8,8 % auf rund 604 Milliarden USD an.⁴ Gegen Ende des Jahres verzeichnete der Rig Count in Nordamerika jedoch eine leichte Abschwächung.

Die Bohraktivitäten in den USA sanken von Anfang Jänner bis Ende Dezember 2012 um 12,2 % auf 1.763 Bohranlagen, was hauptsächlich auf einen Rückgang der Gasbohrungen um 46,9 % seit Jahresbeginn zurückzuführen war. Diese Abschwächung stabilisierte sich im

¹ IWF: World Economic Outlook Update, January 2013

² IEA: Oil Market Report, February 2013

³ Baker Hughes Rig Count

⁴ Barclays Global 2013 E&P Spending Outlook, December 2012

vierten Quartal und konnte vor allem durch die stark ansteigende Zahl der Ölbohrungen größtenteils kompensiert werden. Im Jahr 2012 stieg der Anteil der Ölbohrungen auf 75,3 %, wogegen sich der Anteil der Gasbohrungen auf 24,4 % verringerte. Ende des Jahres 2011 lag die Verteilung noch bei 59,4 % Ölbohrungen und 40,3 % Gasbohrungen.

Gegenüber dem US-Rig Count Ende 2010 stieg die Anzahl der in Betrieb befindlichen Bohranlagen jedoch um 4,1 %, was als Indiz für eine kontinuierliche Entwicklung des US-Marktes zu werten ist. Der weltweite Rig-Count 2012 stieg verglichen mit dem Jahresendwert 2010 (3.227 Einheiten) um 5,1 %.

In Nordamerika erhöhte sich der Anteil von Directional und Horizontal Drilling Rigs an der Gesamtzahl von Rigs weiter auf 72,9 % per Jahresende 2012. Das vorangegangene Jahr 2011 wurde noch mit einem Anteil von 68,8 % (29.12.2011) beendet.

Die Anzahl der Rigs im Golf von Mexiko stieg bis Jahresende 2012 um 17,1 % auf 48 Einheiten nach 41 in Betrieb befindlichen Bohranlagen Ende 2011.

Die internationalen Bohraktivitäten legten gegenüber dem Vorjahreswert per Ende Dezember von 1.180 auf 1.253 Rigs zu. Dies stellt einen erfreulichen Anstieg um 6,2 % im Jahresvergleich dar.

Der Preis der Europäischen Sorte Brent stieg von Jahresbeginn bis Mitte März von USD 111,12 auf USD 128,14 pro Barrel (13. März 2012) an. Bis Ende Juni fiel er auf sein Jahrestief von USD 88,69 je Barrel (25. Juni 2012). Am 31. Dezember 2012 lag der Preis für ein Barrel der Sorte Brent bei USD 110,8, ein Niveau, bei dem alle komplexen Öl- und Gasbohrungen wirtschaftlich durchgeführt werden können.

Der Ölpreis der Sorte WTI stieg von Anfang Jänner bis Ende Februar auf den Jahreshöchstkurs von USD 109,39 pro Barrel (24. Februar 2012) und fiel Mitte des Jahres auf sein Jahrestief von USD 77,72 je Barrel (28. Juni 2012). Bis Jahresende legte der WTI wieder zu und pendelte zwischen USD 85 und USD 95 für ein Barrel, um zu Jahresende bei USD 91,83 per Barrel (31. Dezember 2012) zu schließen. Im Jahresverlauf fiel der Preis je Barrel WTI um 10,8 %. Die seit 2011 bestehende Preisdifferenz von rund USD 20 zwischen WTI und Brent blieb auch 2012 bestehen.

Geschäftsentwicklung des SBO-Konzerns

Der SBO-Konzern konnte im abgelaufenen Geschäftsjahr 2012 neuerlich eine sehr erfreuliche Geschäftsentwicklung verzeichnen. Als Folge eines hohen Auftragselanges stiegen Umsatz- und Ergebniskennzahlen auf ein neues, absolutes Rekordniveau. Alle Segmente des Konzerns konnten 2012 von der insgesamt guten Branchenkonjunktur profitieren.

Besonders erfreulich entwickelte sich das Segment Hochpräzisions-Bohrstrangkomponenten (High Precision Components).

Mit MEUR 471,4 (nach MEUR 460,5 im Jahr zuvor) lag der Auftragseingang im Gesamtjahr auf sehr hohem Niveau. Dabei war vor allem im ersten und zweiten Quartal ein überdurchschnittlich starker Auftragseingang zu verzeichnen, dem im zweiten Halbjahr eine Abschwächungsphase folgte. Ursachen dafür waren einerseits Überbestellungen seitens der Kunden, die auf einer allzu optimistischen Entwicklung der Branchenkonjunktur beruhten. Hinzu kam im weiteren Jahresverlauf die immer geringere Visibilität über die weitere globale Konjunkturentwicklung. Aus all diesen Gründen lag der Auftragseingang der SBO-Gruppe im zweiten Halbjahr um rund 30 % unter dem Rekordwert des ersten Halbjahres.

Der insgesamt starke Auftragseingang führte zu hohen Auslastungsquoten an allen Standorten des Konzerns, wobei vor allem die operative Performance der Produktions-Gesellschaft Ternitz/Österreich herausstach. Plangemäß entwickelten sich die neuen Produktionstöchter in Singapur (Knust-SBO Far East) sowie in Vietnam. Sie trugen dazu bei, die kontinuierlich steigende lokale Nachfrage nach SBO-Produkten in Asien abzudecken.

Auftragsspitzen konnten durch Personalaufstockungen, schwerpunktmäßig in Österreich und den USA, sowie durch Mehrschichten und Überstunden gut abgearbeitet werden. Zudem wurde das Wachstum 2012 durch die laufende Erweiterung des Maschinenparks sichergestellt.

Der Auftragsstand des Konzerns betrug zu Jahresende MEUR 149,8 (nach MEUR 176,4 Ende 2011). Dabei ist festzuhalten, dass dieser fast ausschließlich die Bestellungen im Segment Hochpräzisions-Bohrstrangteile (High Precision Components) widerspiegelt.

Im Segment Downhole Tools, Ölfeldausrüstung und Service entwickelte sich die Nachfrage erfreulich, wobei SBO-Komponenten durch den Wechsel von Gas- zu Ölbohrungen in den USA nunmehr vermehrt in Liquid Rich Plays eingesetzt werden. Das Geschäft der Bohrmotoren-Tochtergesellschaft BICO und der Downhole-Tool Gesellschaft DSI entwickelte sich ebenfalls auf erfreulich hohem Niveau. BICO Motoren werden sowohl bei Schiefergas- als auch bei Schieferölbohrungen wegen ihres höheren Drehmomentes und der höheren Standzeiten gegenüber herkömmlichen Motoren bevorzugt nachgefragt. Ebenso positiv waren im Geschäftsjahr 2012 in diesem Segment die Verkäufe von amagnetischen Stählen an Dritte. Die Auslastung der weltweit tätigen Service & Supply Shops war ebenfalls ausgezeichnet.

Investitionen

Auf Basis der langfristigen Wachstumsperspektiven intensivierte der Konzern 2012 sein Investitionsprogramm.

Im ersten Quartal 2012 wurde die Grundsatzentscheidung für den weiteren Ausbau des Produktionsstandortes Ternitz/Österreich getroffen. Damit kann SBO der wachsenden Nachfrage nach Hochpräzisionskomponenten mittel- und langfristig gerecht werden. Mit einem Investitionsaufwand von voraussichtlich rund MEUR 54 wird ein neues Bearbeitungszentrum für amagnetische Oilfield Service-Bohrstrangkomponenten errichtet. Die Finanzierung dieses Großprojektes erfolgt weitgehend aus dem Cashflow des Unternehmens.

Damit schafft SBO auch die kapazitätsmäßige Voraussetzung für das Wachstum im Kerngeschäft Hochpräzisions-Bohrstrangteile. Zudem wird eine Entflechtung der bestehenden, historisch gewachsenen Betriebsstätten am Standort Ternitz ermöglicht. Ein optimierter Materialfluss und eine effizientere Logistik werden die Produktionsleistung des Standortes Ternitz weiter verbessern.

Die Investition soll in mehreren Teilschritten über einen Zeitraum von rund zwei Jahren realisiert werden. Im Geschäftsjahr 2012 wurde umgehend mit den Planungs- und Fundamentierungsarbeiten begonnen. Die Fertigstellung des Rohbaus wird bereits zu Jahresmitte 2013 erwartet. Ein Jahr später, Mitte 2014, soll der gesamte Ausbau in Ternitz abgeschlossen sein.

Weiters wurde 2012 durch die Erweiterung des Maschinenparks der Ausbau der anderen Produktionsstätten fortgesetzt. Dies betraf insbesondere die US-Standorte Godwin-SBO und Knust-SBO sowie die Standorte in Singapur und Vietnam. Ebenso wurde die Bohrmotorenflotte der Tochtergesellschaft BICO vergrößert und der Nachfrage entsprechend auch die Anzahl der Downhole Circulation Tools bei DSI schrittweise aufgestockt. Diese Tools werden den Kunden auf Leasingbasis zur Verfügung gestellt.

Der Konzern übernahm 2012 zudem das britische Start-Up Unternehmen D-TECH (UK). Es handelt sich um ein im Aufbau befindliches Engineering-Unternehmen, das noch keine Verkaufsumsätze erzielt. Durch die Integration in die Schoeller-Bleckmann Oilfield Equipment Gruppe erwartet sich SBO einen langfristigen Zufluss an Know-how für die Optimierung der Produktpalette im Segment Oilfield Supplies & Services.

Insgesamt lagen die Investitionen in das Sachanlagevermögen der Gruppe im Geschäftsjahr 2012 mit MEUR 53,1 (nach MEUR 36,8 im Jahr zuvor) um 44,2 % neuerlich deutlich über dem Wert des vorangegangenen Geschäftsjahres. Die Finanzierung erfolgte weitestgehend aus dem Cashflow. Das Bestellobligo für das Anlagevermögen betrug zu Jahresende 2012 MEUR 12,9 (nach MEUR 9,8 zu Jahresende 2011).

Nachtragsbericht

Nach dem Bilanzstichtag sind keine Vorgänge von besonderer Bedeutung eingetreten, die zu einer anderen Darstellung der Vermögens-, Finanz- und Ertragslage geführt hätten.

2) Bericht über die voraussichtliche Entwicklung und die Risiken des Unternehmens

Ausblick des SBO-Konzerns

Der Internationale Währungsfonds (IWF) prognostiziert für das Jahr 2013 ein durchschnittliches globales Wirtschaftswachstum von 3,5 % (nach 3,2 % im Jahr 2012 und 3,9 % im Jahr 2011). In den Schwellen- und Entwicklungsländern geht der IWF 2013 von einem Wachstum von 5,5 % nach 5,1 % im Jahr 2012 aus. Vor allem China und Indien werden mit einem Wirtschaftswachstum von voraussichtlich 8,2 % bzw. 5,9 % 2013 die Wachstumsmotoren der Weltwirtschaft bleiben. Die Industrienationen werden im Vergleich hingegen nur um 1,4 % (nach 1,3 % im Jahr 2012 und 1,6 % im Jahr 2011) wachsen.⁵

Die neuerlich nur moderate Konjunktorentwicklung in den westlichen Industrieländern wird auf den Anstieg des weltweiten Energieverbrauchs nur einen geringen Einfluss haben.

Denn während die durchschnittliche Ölnachfrage der OECD-Staaten im Jahresvergleich von 46,02 Millionen Barrel pro Tag im Jahr 2012 um 0,9 % auf 45,62 Millionen Barrel pro Tag im Jahr 2013 sinken wird, wird die durchschnittliche Ölnachfrage der Nicht-OECD Länder im selben Zeitraum von 43,81 Millionen Barrel pro Tag um 2,8 % auf 45,06 Millionen Barrel pro Tag steigen. Der weltweite durchschnittliche Ölbedarf wird laut IEA im Jahr 2013 bei 90,68 Millionen Barrel pro Tag liegen, was einen Anstieg von 0,84 Millionen Barrel pro Tag gegenüber 89,84 Millionen Barrel pro Tag im Jahr 2012 bedeutet.⁶

Zu Jahresbeginn 2013 zeigte die Weltwirtschaft sowie die Öl- und Gasindustrie somit ein verhaltenes Bild mit einem vorsichtig optimistischen Grundton.

Aktuell stellt der Konzern bei einigen Kunden das Bestreben fest, CAPEX-Ausgaben und Lagerbestände zu optimieren und daher eher in die Reparatur von Tools als in Neuanschaffungen zu investieren. Dies spiegelte sich auch in den Bestelleingängen des Konzerns zu Jahresbeginn 2013 wider. Nachdem die Fundamentaldaten der Oilfield Service-Industrie unverändert intakt sind, sehen wir dennoch ein positives Branchenumfeld. Zudem hatten in der Vergangenheit vergleichbare Maßnahmen auf Kundenseite stets vorübergehenden Charakter.

Neben dem zuvor bereits beschriebenen erwarteten Nachfragezuwachs, gehen Marktanalysen⁷ derzeit davon aus, dass die Ausgaben in Exploration und Produktion von USD 604 Milliarden im Jahr 2012 um knapp 6,6 % auf USD 644 Milliarden im Jahr 2013 steigen werden. Hinzu kommt, dass ein Ölpreis über USD 100 je Barrel (Brent) ebenfalls für ein günstiges Investitionsklima sorgt. Dies alles dürfte sich positiv auf die Bohraktivität in der Oilfield Service-Industrie niederschlagen. Die verstärkten Investitionen sind nachvollziehbar, da die Produktionsrate existierender Ölfelder jährlich zwischen 4 – 8% sinkt. Zudem verschärft die nach wie vor geringe OPEC-Spare-Capacity von rund 3 Millionen Barrel die Situation weiter. Selbst wenn der Ölverbrauch 2013 um nur ein Prozent ansteigt, müssen erhebliche Investitionen getätigt werden um die fehlende Fördermenge von 4 – 5 Millionen Barrel pro Jahr zu kompensieren. Die großen Erfolge in der Förderung von Öl und Gas aus unkonventionellen

⁵ IWF: World Economic Outlook Update, January 2013

⁶ IEA: Oil Market Report, February 2013

⁷ Barclays Global 2013 E&P Spending Outlook, December 2012

Lagerstätten in den USA können dazu nur zum Teil beitragen. Es werden weitere E&P-Aktivitäten in tieferen und entlegeneren Gebieten notwendig sein, um die weltweite Ölversorgung sicher zu stellen.

Der niedrige Gaspreis der letzten Jahre in den USA hatte zu Überkapazitäten in einzelnen Bereichen der Oilfield Service-Industrie geführt, die nur teilweise von den vermehrten Schieferölbohrungen kompensiert werden konnten. In den ersten Wochen 2013 erholten sich die Gaspreise von ihren 10-Jahres-Tiefstständen und auch in Asien stieg die Nachfrage nach LNG-Gas an.

Weiters ist eine große Anzahl von geplanten neuen Offshore-E&P-Vorhaben bereits in der Pipeline. Vleierorts ist von einem Offshore-Boom in den kommenden Jahren die Rede. Neue Projekte zur Erschließung konventioneller und unkonventioneller Gas- und Ölvorkommen sowie Investitionen zur besseren Ausbeutung der bestehenden Ölfelder werden die Nachfrage nach Hochpräzisions-Ausrüstungsgütern ebenso weiter vorantreiben.

Der Konzern ist auf alle Fälle für jedes Marktumfeld gut gerüstet. Das Unternehmen kann trotz der laufenden Wachstumsinvestitionen auf ein gesundes Bilanzbild mit niedriger Verschuldung und attraktivem Cashflow bauen. Dieses Investitionsprogramm wird ein wichtiger Baustein für die SBO-Gruppe sein, auch für die kommenden Jahre die Weltmarktführerschaft in den vom Konzern besetzten Geschäftsfeldern der Oilfield Service-Industrie abzusichern. Es bildet damit die Basis für das langfristig ausgerichtete Wachstum des Konzerns.

Risikomanagement

SBO AG fungiert als strategische Managementholding für ihre Tochtergesellschaften. Ein wesentliches Aufgabengebiet der Holding ist, sich mit den strategischen und operativen Risiken auseinander zu setzen und rechtzeitig Maßnahmen zur Optimierung dieser Risiken zu setzen. Ein konzernweites Reportingsystem unterstützt den Vorstand der SBO AG beim laufenden Monitoring des operativen Geschäftes und damit der Einschätzung operativer Risiken der Tochtergesellschaften. Die strategischen Risiken werden in Zusammenhang mit der jährlichen Erstellung der Mittelfristplanung zwischen dem Vorstand der SBO AG und den Geschäftsführern der Tochtergesellschaften erörtert und bewertet.

Finanzinstrumente

Die Ausleihungen wurden nur an verbundene Unternehmungen gewährt und sind fix verzinst. Diese lauten auf USD und unterliegen daher Fremdwährungsschwankungen. Ebenso besteht der Großteil der sonstigen Forderungen aus langfristigen verzinslichen Forderungen in USD, GBP und CAD.

Die liquiden Mittel bestehen aus Guthaben bei österreichischen Banken mit marktkonformer Verzinsung.

Der Großteil der zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten wird fix verzinst und unterliegt daher keinem Zinsänderungsrisiko.

Zur langfristigen Finanzierung des Wachstums und zur Optimierung der Fremdkapitalkosten emittierte Schoeller-Bleckmann im Juni 2008 eine in zwei Tranchen geteilte Unternehmensanleihe im Volumen von MEUR 40. Der Kupon für die erste Tranche beträgt 5,75 % bei einer Laufzeit von fünf Jahren, für die zweite Tranche 5,875 % bei einer Laufzeit von sieben Jahren. Das Angebot richtete sich ausschließlich an institutionelle Anleger und war mehrfach überzeichnet. Die Anleiheemission konnte noch vor Einsetzen der Turbulenzen auf den Finanzmärkten erfolgreich abgeschlossen werden.

Aufgrund der derzeitig verfügbaren liquiden Mittel bestehen aus heutiger Sicht keine Liquiditäts- oder Cash-Flow-Probleme.

3) Bericht über die Forschung und Entwicklung im SBO-Konzern

Schoeller-Bleckmann Oilfield Equipment AG hat ihre Forschungs- und Entwicklungstätigkeiten seit vielen Jahren in den operativen Geschäftsbetrieb integriert. Dieses System gewährleistet eine markt- und kundennahe F&E-Tätigkeit.

Auch das Geschäftsjahr 2012 war von einer regen Fertigungs- und Entwicklungstätigkeit bei Prototypen gekennzeichnet.

Am Standort Godwin / Houston wurde ein eigener Shop für die Fertigung von Prototypen eingerichtet. Damit kann SBO losgelöst von den Produktionsabläufen der Serienproduktion gemeinsam mit ihren Kunden Prototypen unter optimalen Bedingungen fertigen.

Weiters wurde bei Godwin erstmalig für die Oilfield Service-Industrie eine digitale Laser-Kopiermaschine in Betrieb genommen. Sie ermöglicht die automatische Fertigung von Tools bis zum Ausmaß von 10 mal 15 Zoll direkt ausgehend von einer Konstruktionszeichnung. SBO bietet ihren Kunden mit diesem System einen neuen, effizienten Lösungsansatz für die Kleinserienfertigung komplexer Produkte an.

Die Entwicklung einer neuen Exoko-Bohrmotorentechnologie wurde 2012 ebenfalls weiter vorangetrieben.

4) Berichterstattung über wesentliche Merkmale des internen Kontrollsystems und des Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess

Die Gesamtverantwortung für das Risikomanagement der SBO-Gruppe liegt beim Vorstand, während die unmittelbare Verantwortung bei den Geschäftsführern der operativen Einheiten liegt. Demzufolge besitzt das interne laufende Berichtswesen an die Konzernzentrale besonders hohe Bedeutung, um Risiken frühzeitig erkennen und Gegenmaßnahmen ergreifen zu können. Dies erfolgt durch eine zeitnahe monatliche Berichterstattung über die Geschäftsentwicklung und Gebarung von den operativen Einheiten an den Vorstand.

Für die Tochterunternehmen wurden vom Konzern weltweit einheitliche Standards für die Umsetzung und Dokumentation des gesamten internen Kontrollsystems und damit vor allem auch für den Rechnungslegungsprozess vorgegeben. Dadurch sollen jene Risiken vermieden werden, die zu einer unvollständigen oder fehlerhaften Finanzberichterstattung führen können.

Weiters werden die von den Tochtergesellschaften erstellten internen Berichte in der Konzernzentrale auf Plausibilität geprüft und mit Planungsrechnungen verglichen, um bei Abweichungen geeignete Maßnahmen setzen zu können. Hierzu werden von den Gesellschaften Jahresbudgets und Mittelfristplanungen angefordert, welche vom Vorstand genehmigt werden müssen.

Die Ordnungsmäßigkeit des Rechnungswesens bei den Tochtergesellschaften wird durch laufende Prüfungstätigkeiten des Konzerncontrollings überwacht. Auch im Zuge der internen Revision werden schwerpunktmäßige Prüfungen über das Rechnungswesen durchgeführt. Weiters werden alle Jahresabschlüsse durch internationale Prüfungsgesellschaften geprüft.

Im Zuge von regelmäßigen Sitzungen des Vorstandes mit den lokalen Geschäftsführungen werden die laufende Geschäftsentwicklung sowie absehbare Chancen und Risiken besprochen.

Für die Erstellung des Konzernabschlusses bestehen in Ergänzung zu den internationalen Rechnungslegungsvorschriften konzerninterne Richtlinien, um eine einheitliche Darstellung bei den berichtenden Gesellschaften zu gewährleisten (Bewertungs- und Ausweisfragen).

Für die automationsunterstützte Aufstellung des Konzernabschlusses wird ein zertifiziertes Konsolidierungsprogramm verwendet, welches mit den notwendigen Prüf- und Konsolidierungsroutinen ausgestattet ist.

Für das Rechnungswesen der Holdinggesellschaft sind anerkannte Standardprogramme im Einsatz.

5) Angaben zu Kapital-, Anteils-, Stimm- und Kontrollrechten und damit verbundenen Verpflichtungen

Das Grundkapital der Gesellschaft beträgt MEUR 16,0 und ist zerlegt in 16 Mio. Stück Nennbetragsaktien zum Nennbetrag von je EUR 1,00.

In der Hauptversammlung vom 25. April 2012 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückwerb zu leistende Gegenwert EUR 300,00 beträgt.

Im Jahr 2012 wurde von dieser Ermächtigung kein Gebrauch gemacht.

Im Jahr 2012 wurden keine eigenen Aktien erworben oder abgegeben. Zum Bilanzstichtag 2012 hält die Gesellschaft somit unverändert 39.884 Stück eigene Aktien. Dies entspricht einem Anteil von 0,25 % am Grundkapital mit einem Buchwert von TEUR 873,5.

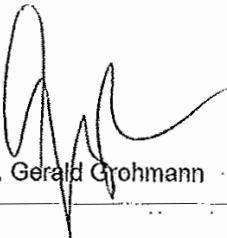
Zum 31.12.2012 hält die Berndorf Industrieholding AG, Berndorf, rund 31 % vom Grundkapital.

Darüber hinaus bestehen keine weiteren angabepflichtigen Sachverhalte gemäß § 243a UGB.

Ternitz, 21. Februar 2013

SCHOELLER-BLECKMANN
OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand



Ing. Gerald Grohmann



Mag. Franz Gritsch

4. Bestätigungsvermerk

Tz 14 Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, für das Geschäftsjahr vom 1. Jänner 2012 bis zum 31. Dezember 2012 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2012, die Gewinn- und Verlustrechnung für das am 31. Dezember 2012 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt des Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

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Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

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Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft zum 31. Dezember 2012 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2012 bis zum 31. Dezember 2012 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

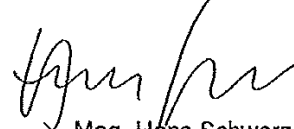
Aussagen zum Lagebericht

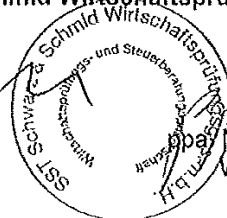

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 21. Februar 2013

SST Schwarz & Schmid Wirtschaftsprüfungsges.m.b.H.


 Mag. Hans Schwarz
 Wirtschaftsprüfer



 Mag. Eveline Schramm
 Wirtschaftsprüferin

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.



**Declaration of all Legal Representatives
Pursuant to § 82 Sect. 4 (3) of the
Austrian Stock Exchange Act**

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Ternitz, 28 February 2013



 Ing. Gerald Grohmann Mag. Franz Gritsch
 Member of the Executive Board

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