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# MANAGEMENT- MENT REPORT

## MARKET ENVIRONMENT

Global economic growth in 2014, despite some occasional periods of recovery, ultimately remained behind what was originally expected. According to current estimates of the International Monetary Fund (IMF), global economic growth in 2014 came to 3.3 %, the same level as in 2013. The average growth rate of industrialised countries in 2014 was 1.8 %, following 1.3 % in 2013. Economic growth in the emerging markets arrived at 4.4 % in 2014, following 4.7 % in 2013.<sup>1</sup>

Stagnating economy in the eurozone and many emerging markets, lower growth in China and geopolitical conflicts prompted the IMF to revise downwards its original growth forecasts. Geopolitical crises impacted growth mainly in the emerging markets concerned (Russia, Middle East), but all in all - thanks to China and India - they still posted attractive growth rates. The US economy continued its growth trend due to successful shale oil and gas production triggering an upswing for the US industry. In the third quarter of 2014, the United States even generated a GDP increase of 5 %.

Average global oil consumption in 2014, according to the International Energy Agency (IEA), rose by 0.6 million barrels per day (mb/d), or 0.7 %, to 92.5 mb/d (2013: 91.8 mb/d). This relatively moderate increase was due to consumption in OECD countries declining to 45.6 mb/d, down 0.5 mb/d or 1.0 % (2013: 46.1 mb/d). Falling demand in OECD countries was overcompensated by rising demand in emerging markets: Average oil consumption in non-OECD countries in 2014 went up by 1.1 mb/d, or 2.5 %, to 46.8 mb/d in (2013: 45.7 mb/d)<sup>2</sup>.

The oil market was characterised by oversupplies mainly in the second half of 2014: Both OPEC and non-OPEC countries increased their outputs. In the past years, due to rapidly growing shale oil production, the United States turned into one of the three leading oil producing nations outside Saudi Arabia and Russia. And the U.S. further stepped up its oil output in 2014: In October 2014, volumes arrived at the highest level since February 1986.<sup>3</sup>

The 2014 rig count<sup>4</sup>, the number of globally operating drilling rigs, was rising again from a slight decline seen in 2013. The average global rig count in 2014 was 3,578 units, up 166 rigs, or 4.9 %, year-on-year (2013: 3,412 rigs). Except for Latin America (-22 rigs or -5.3 %), the number of drilling rigs went up in all regions of the world, with the highest percentage share reported in the Middle East (up 34 units or 9.1 %), Canada (up 25 units or 7.0 %), Europe (up 10 units or 7.4 %) and Africa (up 9 units or 7.2 %). In absolute figures, the rise occurred mainly in the United States (up 101 units or 5.7 %).

<sup>1</sup> International Monetary Fund (IMF), World Economic Outlook Update, January 2015

<sup>2</sup> International Energy Agency (IEA), Oil Market Report, February 2015

<sup>3</sup> U.S. Energy Information Agency (EIA): U.S. Field Production of Crude Oil (Thousand Barrels per Day) as at 23 January 2015

<sup>4</sup> Baker Hughes Inc.

## “THE MASSIVE OIL PRICE DECLINE LED TO INCREASING VOLATILITY OF THE ENVIRONMENT FOR THE OILFIELD SERVICE INDUSTRY.”

In December 2014, the global rig count still was up 2.6 % from the previous year, regardless of the oil price slump. However from November to December it fell by 2.7 %, or 100 rigs, a decline which concerned almost exclusively North America.

In 2014, according to analyst estimates, global spending for exploration and production rose by approximately 5.8 % from the previous year to total roughly USD 679.5 billion.<sup>5</sup>

Prices of WTI and Brent crudes developed at a high level during the first half of 2014. The price of one barrel of US crude WTI rose from USD 95.14 at the beginning of the year to its annual high of USD 107.95 posted on 20 June 2014. European crude Brent started into the year at a price of USD 107.94 per barrel and climbed to its annual high of USD 115.19 on 19 June 2014.<sup>6</sup>

Despite the large number of geopolitical crises prices of both crudes were dropping sharply over the year: On 31 December 2014, WTI arrived at USD 53.45 per barrel and Brent at USD 55.27 per barrel, both marking their annual lows. In the course of the year (2 January - 31 December 2014), the price of WTI thus fell by 43.8 %, and of Brent by 48.8 %. This situation was different from previous market developments when the oil price had been rising considerably mostly in response to geopolitical crises. The reason, experts say, was the oversupplied oil market mainly accounted for by high shale oil production volumes in the United States. Surplus supplies in the fourth quarter of 2014 totalled around 0.8 mb/d.<sup>7</sup>

Also, OPEC decided in November 2014 to leave its crude output at a high level. In similar situations in the past, OPEC used to curb its production to keep control of crude prices.

Owing to that massive oil price plunge the overall environment for the oilfield service industry was becoming increasingly volatile in the second half of the year, against the background of mounting uncertainty in the market. Although the rig count at year-end had not gone down over the previous year, many companies in the oilfield service industry announced towards the end of 2014 that they planned to curtail their capex spending in fiscal 2015 because of the falling oil price.

<sup>5</sup> Barclays, Global 2014 E&P Spending Outlook, 8 Jan. 2015

<sup>6</sup> U.S. Energy Information Agency (EIA), Spot Prices for Crude Oil

<sup>7</sup> International Energy Agency (IEA), Oil Market Report, January 2015

“BY ACQUIRING RESOURCE SBO ADDED THE NEW COMPLETION PRODUCT FAMILY TO THE PORTFOLIO OF SBO, WITHOUT MOVING AWAY FROM THE CORE BUSINESS.”

## BUSINESS DEVELOPMENT

In 2014, Schoeller-Bleckmann Oilfield Equipment AG (SBO) posted sound business results with continued high profitability. Regardless of the volatile environment, sales and bookings increased. The operating profit before one-off effects was well above the previous year's level.

SBO grew bookings in 2014 by 16.9 %, to MEUR 497.9 (2013: MEUR 425.9). Following a hesitant start in the first weeks, bookings were continuously picking up in all business segments over the rest of the year. While bookings were declining in the fourth quarter from the third quarter, they still were above the reading of the same quarter of the previous year, regardless of the massive oil price plunge. This was due mainly to the global rig count that had remained largely stable at least up until the end of 2014. Order backlog at year-end 2014 stood at MEUR 122.1 (end of 2013: MEUR 111.5).

SBO's business is composed of two segments - High Precision Components (manufacture of high precision drillstring components) and Oilfield Equipment (non-magnetic drill collars, drilling motors, circulation tools, completion tools and other components including maintenance and repair). Both segments increased their bookings in 2014 compared to the previous year and generated sound results with high profitability.

In 2014, the High Precision Components segment developed largely in line with customers' capex spending. As in 2013, customers tended to overhaul and repair tools to maximise their lifetime or take other measures to increase efficiency so as to reduce the number of new orders to a minimum. This was the market environment against which SBO managed to keep sales at the level posted the year before and asserted its position as global market leader. However, the segment felt some price pressure in the fourth quarter, an effect usually seen with dramatically dropping oil prices.

SBO's new production facility at the Ternitz site went on stream in 2014 ensuring process optimisation for the High Precision Components segment and delivery time reduction. Apart from that, SBO continued spending for targeted product innovation to strengthen the company's technological edge in this segment.

Sales were increased in the Oilfield Equipment segment benefiting from rising global drilling activity lasting almost until the end of 2014. Additionally, sales went up for non-magnetic drill collars and high-tech repair and maintenance.

Drilling motor subsidiary BICO recorded satisfying growth, mainly in North America, its prime market until now. BICO is the market leader for high-performance drilling motors, which are particularly

suited to fulfil the requirements of challenging drilling operations and, apart from their very attractive rate of penetration, stand out by their long lifetime. Since demand was strong, BICO further expanded its drilling motor fleet in 2014.

Our subsidiary DSI, the clear global market leader for downhole circulation tools, also looks back on positive development. DSI's high-end tools stand out by the fact that they reduce mud losses and downtime and, as a result, significantly step up well cost efficiency. In 2014 DSI won new customers and further expanded its fleet.

In the area of High-Tech Repair and Maintenance of Oilfield Tools SBO benefited from customers' efforts to extend the lifetime of their tools. SBO pursues a one-stop shop concept in this business around the globe to deliver full customer service on the spot.

A new addition to the Oilfield Equipment segment is Canadian „Resource Well Completion Technologies Inc.“ (Resource), as SBO acquired a share of 67 % in the company in the fourth quarter. An option to take over the remaining 33 % after three years is in place. The purchase price is variable, with the first instalment of CAD 39.3 million payable when the deal was closed in November 2014. Due to the prevailing market situation, SBO will most likely not have to pay the second part of the purchase price.

This acquisition adds the new Completion product family to SBO's business portfolio, without moving the company away from its core business. Resource is a highly innovative provider of high-end products for efficient oil and gas production stimulation. Resource provides an ideal technology platform to further grow SBO's activities in the completion business.

SBO intends to step up profitability of business activities in the United Kingdom. This is why a programme was started in 2014 to exploit cost potentials between neighbouring subsidiaries „Techman Engineering Ltd.“ and „Darron Tool & Engineering Ltd.“. Fixed costs can be cut by using synergies and process optimisation between both companies. The purpose is to further build business based on the resulting improved cost structure. The required measures are scheduled for completion in 2015.

## Capital expenditure

Regarding capital expenditure, SBO pursues a long-term approach to fully meet customer requirements. State-of-the art machinery combined with appropriate production capacities are the foundation to protect and sustain the market position of SBO.

In the 2014 financial year, total additions to fixed assets amounted to MEUR 43.8 (2013: MEUR 62.6), with a focus on further expanding the drilling motor fleet in the US and Canada and the circulation tools fleet of DSI. A smaller part of capex spending was used for settling accounts regarding construction works for the new production facility at the Ternitz site.

As in the years before, additions were financed almost exclusively from the company's cashflow. Total purchase commitments for expenditure in property, plant and equipment as at the end of 2014 were MEUR 5.2 (end of 2013: MEUR 7.3).

## 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.

Concerning the segment of High Precision Components, one of the developments pursued was an innovative machining process for orientated and controlled deviation from the main bore in a collar.

In the segment Oilfield Equipment the new Exoko drilling motor technology offering customers an even better price-performance ratio is now ready to enter the market.



## OUTLOOK

For 2015, the International Monetary Fund (IMF) projects average global growth of 3.5 %, following 3.3 % in 2014 and 2013. Growth expectations for the industrialised nations in 2015 are 2.4 % (following 1.8 % in 2014 and 1.3 % in 2013). This points to moderate economic recovery in the industrialised countries that will occur mainly in the United States. Concerning emerging markets, the IMF expects growth in 2015 to come to 4.3 % (following 4.4 % in 2014 and 4.7 % in 2013). Regardless of their slowdown in economic growth, China and India - with expected growth rates of 6.8 % and 6.3 %, respectively - remain the driving forces behind the global economy.<sup>8</sup>

Various factors of uncertainty with an impact on forecasts for global economic development seen already in 2014 are set to persist in 2015: Apart from the disappointing economic development in Europe and the associated risk of deflation, weak growth in Japan and decelerating economic growth in some emerging markets, it is above all the current geopolitical crises (Ukraine and Russia, Middle East) that constitute major elements of uncertainty.

It remains to be seen to which extent the drastically declining oil price will trigger growth in the western industrialised nations and China. According to market analyses<sup>9</sup>, growth should be boosted by cheaper imports of energy – in the eurozone, for instance, this should drive the GDP up by as much as 0.4 percentage points theoretically, should the oil price fall by 10 %. Conversely, the loss of revenue puts a grave economic burden on oil and gas exporting countries. This is why Russia's further economic development is characterised by great uncertainty.

The International Energy Agency (IEA) expects global oil demand to rise further in 2015: Oil consumption in 2015 is set to come to 93.4 million barrels per day, representing an increase of 0.9 million barrels per day, or by 1.0 %, compared to the previous year (2014: 92.5 mb/d). Average global oil demand in the OECD countries of around 45.6 mb/d is believed to arrive at the same level as in 2014, while oil demand of non-OECD countries is projected to grow by 1.0 mb/d, or 2.0 %, to total 47.8 mb/d.<sup>10</sup>

According to market analyses, spending for exploration and production (E&P) in 2015 will be cut because of the persistent oversupply of the oil market. The projected decline ranges from 8.8 %<sup>11</sup> to 17 %<sup>12</sup>, with an average oil price of USD 65 - 70 per barrel for WTI and Brent crudes. At an average oil price below that range, the decline is expected to be even sharper. Experts say that it is mainly North America that will be hit by significantly curtailed E&P spending.

<sup>8</sup> International Monetary Fund (IMF), World Economic Outlook Update, January 2015

<sup>9</sup> For example: William De Vijlder, BNP Paribas

<sup>10</sup> International Energy Agency (IEA), Oil Market Report, February 2015

<sup>11</sup> Barclays Global 2015 E&P Spending Outlook, January 2015

<sup>12</sup> Cowen, The Original E&P Spending Survey, January 2015

## “2015 WILL BE A CHALLENGING YEAR FOR THE OILFIELD SERVICE INDUSTRY, BUT SBO IS ABLE TO MANAGE THE INDUSTRY CYCLES.”

SBO starts into fiscal 2015 with well filled order books, but expects 2015 to become a challenging year for the oilfield service industry. Whatever the development is going to be, the company is ready and able to manage the cycles of the industry. SBO has demonstrated in the past its capacity to respond flexibly and promptly to any change in the market situation, generating relatively sound returns even under difficult overall conditions. SBO took initial actions in 2014 to further improve its earnings structure and mitigate effects of the expected downturn in the market environment:

- › SBO launched a programme in the third quarter of 2014 to streamline cost structures of the UK subsidiaries at an early stage regardless of plummeting oil prices.
- › Due to the volatile environment in January 2015 SBO adjusted the goodwill of US subsidiary Godwin.
- › SBO decided in 2014 to go for internationalisation of the profitable drilling motor business of BICO with the aim of opening up new market opportunities outside North America. The intention is to use SBO's Dubai-based branch office to develop markets in the Middle East. Apart from that, subsidiaries of BICO are being set up in Mexico and Saudi-Arabia.
- › SBO added the new Completion product family to the portfolio by acquiring the majority share in the Canadian company Resource in November 2014. Resource provides an excellent technology platform for further growth in this business field. Until now, Resource has operated primarily in the Canadian market. In 2015 SBO plans to extend distribution of Resource products using BICO's branch office network across the entire US market. As part of the purchase price depended on the business environment, SBO took advantage of the market weakness for an anticyclical investment.
- › SBO will adjust its own capex spending in 2015 to market requirements and, if necessary, reduce it largely to maintenance investments. Spending for research and development will be kept at a stable level.
- › If required by declining demand, SBO is in a position to respond very promptly and flexibly to the prevailing market conditions.

Short-term market prospects cannot be foreseen because of the current oil price development. However, medium- to long-term growth perspectives for the industry remain absolutely intact: The IEA<sup>13</sup> expects global oil demand to rise by around 30 % until the year 2040. Daily oil consumption, according to IEA figures, will go up from 90.1 mb/d in 2013 to 116.6 mb/d in 2040.

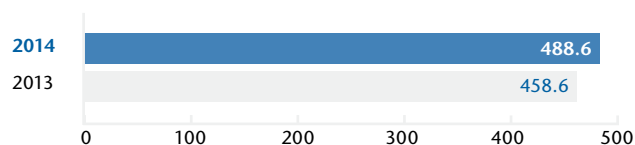
Covering that demand calls for constantly growing use of high-tech equipment. As a technology leader, SBO is perfectly positioned to benefit sustainably from this growth potential for a long time to come.

<sup>13</sup> IEA World Energy Outlook November 2014, Current Policy Scenario

## 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). In the past financial year, acquisition of Canadian company Resource in November 2014 added the product range of Completion Tools to SBO's business activities. That company was included in the scope of consolidation for the first time as at 1 November 2014.

### Sales in MEUR



Year-on-year, sales rose from MEUR 458.6 in 2013 to MEUR 488.6 in 2014, up by 6.6 %.

As in the previous years, development of the US dollar exchange rate had a major influence both on the profit and loss statement and the balance sheet. In 2014, 82 % (following 80 % in 2013) of sales and income were generated in US dollars, with around 50 % of expenditure - as before - were also incurred in US dollars. While the average exchange rate in 2014 of 1 Euro = USD 1.3288 remained almost unchanged from 2013, 1 Euro = USD 1.3282, the US dollar climbed markedly compared to the euro at the end of the year. The closing rate on 31 December 2014 was 1 Euro = USD 1.2141, compared to 1 Euro = USD 1.3791 on 31 December 2013.

### Exchange rate in EUR/USD

	High	Low	Average	Closing
Year 2014	1.3953	1.2141	1.3288	1.2141
Year 2013	1.3814	1.2768	1.3282	1.3791

The average rates for the years ended 31 December 2013 and 31 December 2014 were used by the company in the preparation of the consolidated profit and loss statements, whereas the closing rates for the years 2013 and 2014 were used in the preparation of the consolidated balance sheets.

### Sales by business segments

In fiscal 2014 business segment reporting was newly organized. For comparison, the 2013 fiscal year was also rearranged accordingly.

The High Precision Components segment comprises the sale and manufacture of complex high precision parts, so-called MWD (Measurement While Drilling) and LWD (Logging While Drilling) precision drillstring components.

The Oilfield Equipment segment comprises the production and sale of non-magnetic drill collars as well as drilling motors and special downhole circulation tools, service and repair activities and - since 2014 - completion tools.

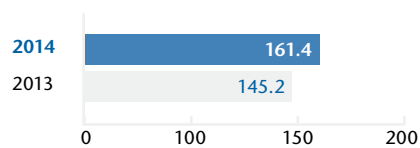
### Sales by segments in MEUR

	High Precision Components	Oilfield Equipment	Total sales
Year 2014	228.8	259.8	488.6
Year 2013	236.5	222.1	458.6

The customer base for the High Precision Components segments essentially comprises major, globally active directional drilling service companies. Business development in the High Precision Components segment depends largely on customers' CAPEX spending. Customers tended to maximise potential tool lifetime by increasing repairs and other efficiency improvements and thus keep spending for new tools low. Against this background, sales declined slightly in 2014, by 3.3 %, from MEUR 236.5 in 2013 to MEUR 228.8 in 2014.

Sales in the Oilfield Equipment segment rose from MEUR 222.1 to MEUR 259.8, up 17.0 %. The segment benefited from strong global drilling activity lasting until the end of the year.

### Gross profit in MEUR

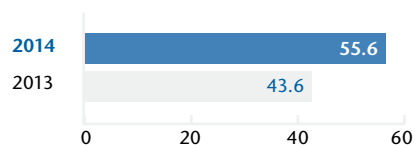


In 2014, gross profit went up by 11.2 %, from MEUR 145.2 to MEUR 161.4. The gross margin increased from 31.7 % to 33.0 %, which was largely due to sales growth in the Oilfield Equipment segment.

While a certain price pressure was felt in particular from Q4 on, this was compensated by ongoing process optimisation and systematic cost monitoring and control in all areas.

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

### Selling and administrative expenses in MEUR



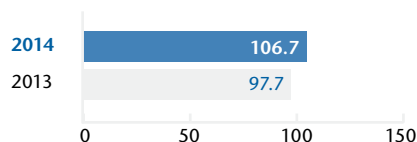
Selling and administrative expenses increased from MEUR 43.6 in 2013 to MEUR 55.6 in 2014. Whereas the increase in selling expenses of MEUR 19.4 in 2013 to MEUR 22.5 in 2014 was largely due to business expansion in the Oilfield Equipment segment, the increase in administrative expenses from MEUR 24.3 to MEUR 33.0 was caused, besides general cost inflation mainly by due diligence expenses both for external advisors and internal activities.

Apart from the due diligence expenses mentioned above, 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.

### Other operating income and expenses

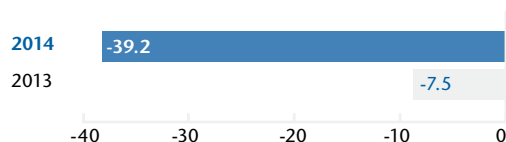
Other operating expenses amounted to MEUR 14.1 in 2014 (2013: MEUR 13.8). This item contains primarily research and development costs amounting to MEUR 6.2 (2013: MEUR 5.6), incurred mainly for the Oilfield Equipment segment, as well as exchange losses of MEUR 7.7 (2013: MEUR 7.9) that were offset by exchange gains in other operating income of MEUR 12.7 (2013: MEUR 6.3). Total other operating income in 2014 was MEUR 14.9 (2013: MEUR 9.9) and, apart from exchange gains, consisted of rental income, service charges and income from the sale of fixed assets.

### Profit from operations before non-recurring items in MEUR



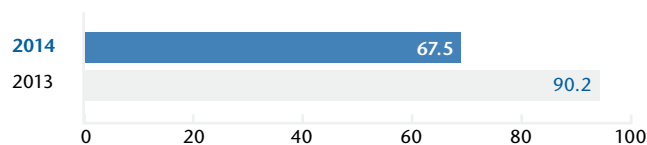
Profit from operations before non-recurring items was increased by 9.2 %, from MEUR 97.7 to MEUR 106.7 and thus accounted for 21.8 % of sales, following 21.3 % in the previous year.

### Non-recurring items in MEUR



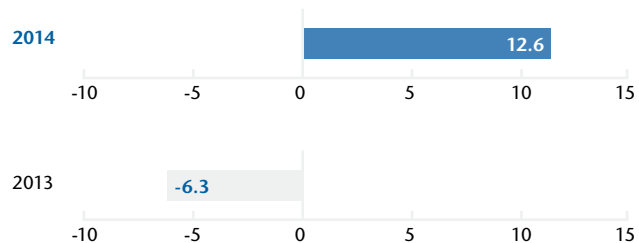
In fiscal 2014, expenses for non-recurring items came to MEUR 39.2, with MEUR 4.6 spent for costs of reorganising the two UK subsidiaries and MEUR 34.6 for goodwill impairment; the latter spent for the newly acquired Canadian company Resource in the amount of MEUR 21.3 – this amount being opposed by MEUR 22.9 on other financial income from the dissolution of a contingent purchase price and the revaluation of an option commitment - MEUR 10.4 for US subsidiary Godwin-SBO and MEUR 2.9 for UK subsidiary Darron Tool & Engineering.

### Profit from operations in MEUR



Due to the restructuring costs and goodwill impairment mentioned above profit from operations decreased from MEUR 90.2 in 2013 to MEUR 67.5 in 2014. Despite high one-time effects a reading of 13.8 % of sales was achieved, following 19.7 % in the year before.

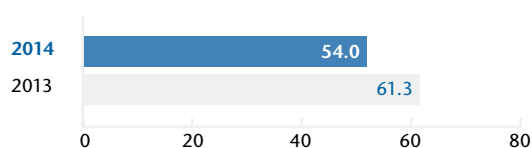
### Financial result in MEUR



In 2014, the financial result arrived at MEUR 12.6, following MEUR -6.3 in 2013. It is substantially influenced by the dissolution of the contingent purchase price and the revaluation of the option commitment mentioned above, which amounted to MEUR 22.9. Other financial expenses amounting to MEUR 1.1 (2013: MEUR 0.9) related to the increase of the contingent purchase price for the acquisition of DSI recognised as expense. The purchase price was increased because business developed better than expected at the time of acquisition.

In the past fiscal year, net interest expenses were MEUR -11.0 (2013: MEUR -13.7). Also included as interest expenses are interests in subsidiaries and participation rights held by the respective managements, which came to MEUR 4.6 in 2014 (2013: MEUR 5.4).

#### Profit after tax in MEUR / dividend in EUR



Profit after tax for 2014 was MEUR 54.0, following MEUR 61.3 in the year before.

The tax burden rose from 25.8 % in 2013 to 31.0 % in 2014 mainly due to non-tax-effective one-offs on expenses.

Earnings per share arrived at EUR 3.38 in 2014, following EUR 3.81 in 2013.

The Executive Board proposes to the Annual General Meeting to pay a dividend of EUR 1.50 per share for 2014, resulting in a total distribution of MEUR 24.0 to the shareholders.

#### Assets and financial position

Shareholders' equity as of 31 December 2014 was MEUR 455.7, following MEUR 382.2 as of 31 December 2013. The equity ratio arrived at 56.9 %, following 54.3 % in the year before. This development is due, on the one hand, to profit after tax and, on the other hand, to higher USD exchange rates leading to a positive development of adjustment items from foreign currency conversion.

Net debt as of 31 December 2014 was MEUR 35.6, which is up by MEUR 19.0 from 31 December 2013. The gearing ratio (net debt in percent of shareholders' equity) was 7.8 % as of 31 December 2014, following 4.3 % in the year before.

Cashflow from operating activities arrived at MEUR 138.9 in 2014, following MEUR 110.4 in 2013. The main elements contributing to this key figure were profit after tax amounting to MEUR 54.0 (2013: MEUR 61.3) as well as depreciation and impairment amounting to MEUR 81.8 (2013: MEUR 46.3).

The net working capital went from MEUR 135.7 as of 31 December 2013 to MEUR 199.2 as of 31 December 2014. This development was mainly influenced by the US dollar exchange rate.

Therefore, the cashflow from operating activities went to MEUR 67.9, following MEUR 109.5 in 2013.



Net cash outflow from investing activities totalled MEUR 64.5 (2013: MEUR 58.7), of which MEUR 23.3 were spent for acquiring Canadian company Resource, and MEUR 43.8 (2013: MEUR 62.6) for additions to fixed assets, of which MEUR 31.4 were used for the Oilfield Equipment segment, primarily for expanding the drilling motor rental fleet, and MEUR 12.2 for the High Precision Components segment.

### **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 40, Financial Information.

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

Please refer to Note 20, Financial Information.



# FINANCIAL INFORMATION

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## CONSOLIDATED BALANCE SHEET

ASSETS in TEUR		31.12.2014	31.12.2013
<b>Current assets</b>			
Cash and cash equivalents		130,220	158,366
Trade accounts receivable	Note 5	107,311	78,636
Income tax receivable		641	0
Other accounts receivable and other assets	Note 6	4,778	7,103
Inventories	Note 7	164,694	133,057
<b>TOTAL CURRENT ASSETS</b>		<b>407,644</b>	<b>377,162</b>
<b>Non-current assets</b>			
Property, plant & equipment	Note 8	203,688	188,430
Goodwill	Note 9	100,417	63,517
Other intangible assets	Note 9	59,735	45,625
Long-term receivables and assets	Note 10	18,962	17,046
Deferred tax assets	Note 11	9,990	11,681
<b>TOTAL NON-CURRENT ASSETS</b>		<b>392,792</b>	<b>326,299</b>
<b>TOTAL ASSETS</b>		<b>800,436</b>	<b>703,461</b>

## CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDER'S EQUITY in TEUR		31.12.2014	31.12.2013
<b>Current liabilities</b>			
Bank loans and overdrafts	Note 12	35,744	32,132
Current portion of bonds	Note 16	19,993	0
Current portion of long-term loans	Note 17	11,673	12,622
Finance lease obligations		92	81
Trade accounts payable		24,050	35,347
Government grants	Note 13	37	294
Income taxes payable		10,524	10,872
Other payables	Note 14	36,629	27,522
Other provisions	Note 15	7,013	9,310
<b>TOTAL CURRENT LIABILITIES</b>		<b>145,755</b>	<b>128,180</b>
<b>Non-current liabilities</b>			
Bonds	Note 16	0	19,980
Long-term loans	Note 17	98,196	110,166
Finance lease obligations		91	0
Government grants	Note 13	437	462
Employee benefit obligations	Note 18	6,831	5,987
Other payables	Note 19	70,807	37,617
Deferred tax liabilities	Note 11	22,644	18,882
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>199,006</b>	<b>193,094</b>
<b>Shareholder's equity</b>			
Share capital	Note 20	15,976	15,912
Contributed capital		67,560	61,567
Legal reserve - non-distributable	Note 21	785	785
Other reserves	Note 22	22	26
Currency translation reserve		13,834	-30,203
Retained earnings		357,498	332,257
<i>Equity attributable to the owners of the parent company</i>		<i>455,675</i>	<i>380,344</i>
Non-controlling interests	Note 23	0	1,843
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>455,675</b>	<b>382,187</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>800,436</b>	<b>703,461</b>

## CONSOLIDATED PROFIT AND LOSS STATEMENT

in TEUR		2014	2013
<b>Sales</b>	Note 24	<b>488,612</b>	<b>458,573</b>
Cost of goods sold	Note 25	-327,197	-313,380
<b>Gross profit</b>		<b>161,415</b>	<b>145,193</b>
Selling expenses	Note 25	-22,536	-19,366
General and administrative expenses	Note 25	-33,017	-24,265
Other operating expenses	Note 26	-14,078	-13,775
Other operating income	Note 26	14,896	9,933
<b>Profit from operations before non-recurring items</b>		<b>106,680</b>	<b>97,720</b>
Restructuring costs	Note 27	-4,632	0
Impairment on goodwill	Note 9	-34,588	0
Impairment on other intangible assets	Note 9	0	-7,517
<b>Profit from operations</b>		<b>67,460</b>	<b>90,203</b>
Interest income		679	915
Interest expenses		-11,706	-14,624
Other financial income	Note 28	24,711	8,290
Other financial expenses	Note 19	-1,133	-856
<b>Financial result</b>		<b>12,551</b>	<b>-6,275</b>
<b>Profit before tax</b>		<b>80,011</b>	<b>83,928</b>
Income taxes	Note 29	-26,004	-22,604
<b>Profit after tax</b>		<b>54,007</b>	<b>61,324</b>
Thereof attributable to non-controlling interests		0	572
Thereof attributable to the owners of the parent company		54,007	60,752
		<b>54,007</b>	<b>61,324</b>
Average number of shares outstanding		15,959,912	15,955,477
<b>Earnings per share in EUR (basic = diluted)</b>		<b>3.38</b>	<b>3.81</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR		2014	2013
<b>Profit after tax</b>		<b>54,007</b>	<b>61,324</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Foreign exchange adjustment - subsidiaries		42,244	-13,878
Foreign exchange adjustment - other items <sup>(1)</sup>		2,390	-773
Income tax effect	Note 29	-597	193
		<b>44,037</b>	<b>-14,458</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Remeasurement gains (losses) on defined benefit plans	Note 18	-166	255
Income tax effect		41	-64
		<b>-125</b>	<b>191</b>
<b>Other comprehensive income, net of tax</b>		<b>43,912</b>	<b>-14,267</b>
<b>Total comprehensive income, net of tax</b>		<b>97,919</b>	<b>47,057</b>
Thereof attributable to non-controlling interests		0	361
Thereof attributable to the owners of the parent company		97,919	46,696
		<b>97,919</b>	<b>47,057</b>

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



## CONSOLIDATED CASHFLOW STATEMENT

in TEUR		2014	2013
Profit after tax		54,007	61,324
Depreciation, amortization and impairments		81,831	46,337
Write-ups of fixed assets		0	-1,264
Change in employee benefit obligations		844	103
Gain (loss) from sale of property, plant and equipment		-270	-180
Income from release of government grants		-292	-342
Other non-cash expenses and revenues		3,558	6,985
Change in deferred taxes		-734	-2,534
<b>Cashflow from profit</b>		<b>138,944</b>	<b>110,429</b>
Change in trade accounts receivable		-16,165	-9,790
Change in other accounts receivable and other assets		2,284	61
Change in inventories		-11,782	19,161
Change in trade accounts payable		-19,003	-2,032
Change in other payables and provisions		-26,362	-8,360
<b>Cashflow from operating activities</b>	Note 37	<b>67,916</b>	<b>109,469</b>
Expenditures for property, plant & equipment		-43,798	-62,593
Expenditures for other intangible assets		-1,172	-164
Change in accounts payable for capital expenditure		-569	395
Expenditures for the acquisition of subsidiaries less cash acquired	Note 38	-23,250	0
Proceeds from sale of property, plant & equipment		4,315	3,629
<b>Cashflow from investing activities</b>	Note 37	<b>-64,474</b>	<b>-58,733</b>
Acquisition of own shares	Note 20	0	-3,684
Dividend payment		-23,964	-23,940
Repayment finance lease		-18	-182
Dividend payment to non-controlling interests	Note 32	-997	-245
Change in bank loans and overdrafts		596	1,178
Proceeds from long-term loans	Note 17	0	37,500
Repayments of long-term loans	Note 17	-12,935	-15,605
Repayments of bonds	Note 16	0	-20,000
Repayments of other long-term payables		-1,983	-2,727
<b>Cashflow from financing activities</b>	Note 37	<b>-39,301</b>	<b>-27,705</b>
<b>Change in cash and cash equivalents</b>		<b>-35,859</b>	<b>23,031</b>
Cash and cash equivalents at the beginning of the year		158,366	138,260
Effects of exchange rate changes on cash and cash equivalents		7,713	-2,925
<b>Cash and cash equivalents at the end of the year</b>	Note 37	<b>130,220</b>	<b>158,366</b>
<b>Supplementary information on operating cashflow</b>			
Interest received		639	836
Interest paid		-4,302	-5,534
Income tax paid		-27,691	-30,113

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

Year 2014 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					
<b>1. January 2014</b>	<b>15,912</b>	<b>61,567</b>	<b>785</b>	<b>26</b>	<b>-30,203</b>	<b>332,257</b>	<b>380,344</b>	<b>1,843</b>	<b>382,187</b>
Profit after tax						54,007	54,007		54,007
Other comprehensive income, net of tax					44,037	-125	43,912		43,912
Total comprehensive income, net of tax	0	0	0	0	44,037	53,882	97,919	0	97,919
Dividends <sup>(1)</sup>						-23,964	-23,964	-997	-24,961
Share-based payment	6	1,088					1,094		1,094
Decrease in non-controlling interests and related disposal of own shares	58	4,905				-4,681	282	-846	-564
Changes in reserves				-4		4	0		0
<b>31. December 2014</b>	<b>15,976</b>	<b>67,560</b>	<b>785</b>	<b>22</b>	<b>13,834</b>	<b>357,498</b>	<b>455,675</b>	<b>0</b>	<b>455,675</b>

(1) The dividend payment in the year 2014 of TEUR 23,964 was distributed to a share capital eligible for dividends of TEUR 15,976. Accordingly, the dividend per share amounted to EUR 1.50.

Year 2013 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					
<b>1. January 2013</b>	<b>15,960</b>	<b>65,203</b>	<b>785</b>	<b>29</b>	<b>-15,956</b>	<b>295,382</b>	<b>361,403</b>	<b>1,727</b>	<b>363,130</b>
Profit after tax						60,752	60,752	572	61,324
Other comprehensive income, net of tax					-14,247	191	-14,056	-211	-14,267
Total comprehensive income, net of tax	0	0	0	0	-14,247	60,943	46,696	361	47,057
Dividends <sup>(1)</sup>						-23,940	-23,940	-245	-24,185
Acquisition of own shares	-48	-3,636					-3,684		-3,684
Option commitment relating to cancelable non-controlling interests <sup>(2)</sup>						-131	-131		-131
Change in reserves				-3		3	0		0
<b>31. December 2013</b>	<b>15,912</b>	<b>61,567</b>	<b>785</b>	<b>26</b>	<b>-30,203</b>	<b>332,257</b>	<b>380,344</b>	<b>1,843</b>	<b>382,187</b>

(1) The dividend payment in the year 2013 of TEUR 23,940 was distributed to a share capital eligible for dividends of TEUR 15,960. Accordingly, the dividend per share amounted to EUR 1.50.

(2) See Note 33.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1

#### Information about the company

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (the Company, SBO), 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 2014 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. In addition, the supplemental requirements of § 245a article 1 UGB (Austrian Commercial Code) were adhered to.

The consolidated financial statements for SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft and its subsidiaries for the business year 2014 (as of 31 December 2014) were released by the Executive Board on 6 March 2015.

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 2014 comprise the accounts of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the group parent company and 35 subsidiaries (2013: 31 subsidiaries).

Company	Location	Interest held in % 31.12.2014	Interest held in % 31.12.2013
Schoeller-Bleckmann Oilfield Technology GmbH	Ternitz, AT	100.00	100.00
DSI FZE	Dubai, AE	100.00	90.00
Drilling Systems International Limited	Cayman Islands, CY	100.00	90.00
Schoeller-Bleckmann America Inc.	Wilmington, US	100.00	100.00
Godwin-SBO L.L.C. (*)	Houston, US	97.20	96.60
Knust-SBO L.L.C. (*)	Houston, US	93.60	93.60
Knust-SBO Far East Pte. Ltd. (*)	Singapur, SG	93.60	93.60
Schoeller-Bleckmann Energy Services L.L.C. (*)	Lafayette, US	86.80	88.80
Schoeller-Bleckmann Sales Co. L.L.C.	Houston, US	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Rotherham, GB	100.00	100.00
Darron Tool & Engineering Limited (*)	Rotherham, GB	100.00	97.05
Darron Oil Tools Limited	Rotherham, GB	100.00	100.00
Schoeller-Bleckmann Darron Limited (*)	Aberdeen, GB	91.00	91.00
Schoeller-Bleckmann Darron (Aberdeen) Limited (*)	Aberdeen, GB	94.00	94.65
Techman Engineering Limited (*)	Chesterfield, GB	91.35	91.35
BICO Drilling Tools Inc. (*)	Houston, US	85.00	85.00
BICO Faster Drilling Tools Inc. (*)	Nisku, CA	73.95	72.25
Schoeller-Bleckmann de Mexico S. A. de C. V. (*)	Monterrey, MX	97.00	97.00
Schoeller Bleckmann do Brasil, Ltda.	Macaé, BR	100.00	100.00
SB Darron Pte. Ltd.	Singapur, SG	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, AE	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Vietnam Co. Ltd.	Binh Duong, VN	100.00	100.00
Schoeller-Bleckmann Canada Ltd.	Calgary, CA	100.00	0.00
Resource Completion Systems Holdings Inc.	Calgary, CA	67.00	0.00
Resource Well Completions Technologies Inc.	Calgary, CA	67.00	0.00
Resource Completion Systems Inc.	Calgary, CA	67.00	0.00

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

The shares disclosed for each company represent the voting rights. Therefore the control of the entity directly relates to the shares held.

In the business year 2014 the scope of consolidation changed as follows:

- › Amalgamation of Schoeller-Bleckmann Drilling and Production Equipment GmbH and BICO-DSI Investment GmbH with Schoeller-Bleckmann Oilfield Equipment AG (see Note 32);
- › Amalgamation of Accudrill L.L.C. with Godwin-SBO L.L.C. as of 20 November 2014;
- › Formation of Schoeller-Bleckmann Canada Ltd. as of 7 November 2014
- › Acquisition of 67.00 % of the shares of Resource Completion System Holdings Inc. and its subsidiaries Resource Well Completion Technologies Inc. and Resource Completion Systems Inc. as of 25 November 2014 (see Note 38).

## 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 2014 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 2014 if it is marked with "yes" in the table below.

Regulation		Effective Date <sup>1</sup>	Impact on group financial statements
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
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014	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 10-12	Transition Guidance	01.01.2014	yes
others	Amendments to IFRS 10, IFRS 12, IAS 27 – Investment Entities	01.01.2014	no

<sup>1</sup> to be applied for annual periods beginning on or after this date

#### IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 requires disclosures relating to interests in subsidiaries, joint arrangements and associates. The disclosures are considerably more extensive than the current requirements of IAS 27, 28 and 31 and accordingly lead to additional notes disclosures.

The following new or revised standards and interpretations which have been published but are not yet mandatory or have not yet been adopted by the European Union, have not been applied early in 2014, but will be applied in the respective reporting periods for which application becomes mandatory:

Regulation		Effective Date <sup>1</sup>	Impact on group financial statements
IAS 1	Disclosure Initiative	01.01.2016 <sup>2</sup>	open
IAS 16	Clarification of Acceptable methods of Depreciation and Amortisation	01.01.2016 <sup>2</sup>	no
IAS 38			
IAS 16	Agriculture: Bearer plants	01.01.2016 <sup>2</sup>	no
IAS 41			
IAS 19	Defined benefit plans: Employee Contributions	01.01.2015	no
IAS 27	Equity Method in Separate Financial Statements	01.01.2016 <sup>2</sup>	no
IFRS 9	Financial Instruments	01.01.2018 <sup>2</sup>	open
IFRS 10	Sale or Contribution of assets between an Investor and its Associate or Joint Venture	01.01.2016 <sup>2</sup>	no
IAS 28			
IFRS 10	Investment Entities:	01.01.2016 <sup>2</sup>	no
IFRS 12	Applying the Consolidation Exception		
IAS 28			
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	01.01.2016 <sup>2</sup>	no
IFRS 14	Regulatory Deferral Accounts	01.01.2016 <sup>2</sup>	no
IFRS 15	Revenue from Contracts with Customers	01.01.2017 <sup>2</sup>	yes
IFRIC 21	Levies	17.06.2014	no
others	Annual Improvements to IFRSs 2010-2012 Cycle	12.01.2015	no
others	Annual Improvements to IFRSs 2011-2013 Cycle	22.12.2014	no
others	Annual Improvements to IFRSs 2012-2014 Cycle	01.01.2016 <sup>2</sup>	no

<sup>1</sup> to be applied in the European Union for annual periods beginning on or after this date

<sup>2</sup> this standard is not yet mandatory in the European Union and was not applied early in 2014. The date listed refers to the effective date published by the IASB.

### IFRS 9 Financial Instruments

IFRS 9 introduces a single approach for the classification and measurement of financial assets. The standard refers to their cash-flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities especially with regard to managing non-financial risks. The Company is currently assessing the impacts of adopting IFRS 9 on the Company's Consolidated Financial Statements.

### IFRS 15 Revenue from Contracts with Customers

According to the new standard, the recognition of revenue reflects the transfer of promised goods or services to a customer at the amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when the entity fulfills the delivery of goods or services. IFRS 15 also requires a set of quantitative and qualitative disclosures to enable users of the Company's Consolidated Financial Statements to understand the nature, amount, timing, and uncertainty of revenue and cashflows arising from contracts with customers. The Company expects that the adoption of IFRS 15 will not have material effects on the Company's Consolidated Financial Statements.

- **Balance sheet date**

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

- **Consolidation principles**

According to International Financial Reporting Standards 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).



Non controlling interests are recognized at their fair value of the proportionate share of identifiable net assets as at the acquisition date. Subsequently, 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. Changes in the ownership without loss of control are recorded as equity transactions.

In the course of a business combination in 2014 the Company entitled the non-controlling interests to sell their shares to the Company at any time on or after 31 March 2018. The Company has committed itself to purchase the offered shares. In addition the Company obtained the right to purchase the shares from the non-controlling interests at any time on or after 31 March 2018. The non-controlling interests have committed themselves to sell the respective shares (put- and call option) in this case. The purchase price depends on the profits generated by the acquired company as well as on the EBITDA multiple of Schoeller-Bleckmann Oilfield Equipment AG (SBO) at the time of the transfer. The anticipated discounted purchase amount under this option is determined based on current planning figures and is recognized in other liabilities as granting of the option created an unconditional payment obligation for the Group. As the option can be exercised by both parties at equivalent terms the Group has effectively acquired 100 % of the shares of the subsidiary at the time of the business combination.

In the course of another business combination 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 (put option). The purchase price depends on the profits generated by the acquired company. The anticipated discounted purchase amount under the put option is determined based on current planning figures and is recognized in other liabilities as granting of the put option created an unconditional payment obligation for the Group.

From a group perspective due to these option agreements 100 % of the shares of these two subsidiaries are consolidated. Profits of the respective entities 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 starting from 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. 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 mother company. Each group member determines its own functional currency. All financial statement line items of each individual company 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 recognized in profit or loss in the period they occurred.

For the group financial statements, the financial statements of foreign subsidiaries which are prepared using their functional currency are translated into Euros using the modified closing rate method:

- › Assets and liabilities, both monetary and non-monetary, are translated at the exchange rate at balance sheet date.
- › All income and expense items of 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 rate	
	31.12.2014	31.12.2013	2014	2013
USD	1.2141	1.3791	1.3288	1.3282
GBP	0.7789	0.8337	0.8064	0.8493
CAD	1.4063	1.4671	1.4669	1.3685
MXN	17.8679	18.0731	17.6621	16.9644
BRL	3.2207	3.2576	3.1228	2.8669
VND	26,023.2	29,134.0	28,040.3	28,043.2

Exchange differences resulting from translating the financial statements of the subsidiaries are recognized under “currency translation reserve” within equity in 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 which simultaneously creates a financial asset in one company and a financial liability or an equity instrument in the other company.

Such transactions of financial instruments are recognized at the settlement date, according to IAS 39.

A financial asset is derecognized when:

- › the rights to receive cashflows from the asset have expired,
- › the Company retains the right to receive cashflows 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 cashflows 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 derecognized when the underlying obligation is discharged, canceled or when it expires.

The consolidated balance sheet includes 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 recognized within equity. The fair value is the market value of the respective assets at the balance sheet date. Upon disposal or impairment of such marketable financial assets recognized within 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 recognized through profit and loss.

### 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; subsequently 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.

In addition, financial liabilities include purchase prices for the interest in subsidiaries, which are held by the respective management. The management is obliged by contract to sell these shares to the Company 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 present value of the redemption amount. As no exact measurement of the future value is available subsequent measurement refers to the respective portion of the equity at the balance sheet date, which includes the portion of the income from the current year. The respective current

year's income portion is recognized in the consolidated profit and loss statement under interest expenses and is considered to be representative for the effective interest expense.

Furthermore, participation rights granted to the management of subsidiaries are recorded under 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, with the purchase price being based on the respective equity portion at the date of the transaction. Current year's income portion is considered to be representative for the effective interest expense and accordingly increases the liability.

#### 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 Company uses the following instruments:

#### 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, effectively contribute 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.

In addition, the Company records liabilities for contingent purchase price payments from business combinations and option commitments 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 expenses. Gains or losses resulting from changes in the expected discounted cashflows are recorded as other financial income or other financial expenses, respectively.

### Hedging relationships

In the course of a business combination in 2010 the foreign currency hedge transaction of the purchase price between signing and closing dates of the business combination was recognized as fair value hedge of a fixed underlying transaction not recognized in the balance sheet. The loss attributable to the secured risk was recognized as basis adjustment for the acquired assets and is now expensed in the profit and loss statement according to the profit and loss effectiveness of the assets (according to the depreciation based on the estimated useful lives).

#### ○ 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 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
<b>Intangible assets:</b>	
Software	4
Technology	5 - 10
Customer base	5 - 10
Non-compete agreements	5 - 10
Trademarks	10
<b>Property, plant &amp; equipment:</b>	
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.

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 of 4.0 %. 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 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 and is 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 cashflows.

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 tax laws applicable at the balance sheet date.

The Company uses the “balance sheet liability method” according to IAS 12 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. They are measured by the tax rates which become effective when the differences reverse (IAS 12). Deferred tax income or expenses arise from any movement in deferred tax assets or liabilities. 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 benefit plans

Defined benefit plans exclusively refer to severance payment obligations of Austrian companies. Employers are obliged to pay 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. Severance payments range from four to twelve months of salary at the time of termination based on the length of service. Payments are made on normal retirement or any other termination, with the exception of voluntary terminations by employees. The obligations accrued for at each balance sheet are determined on the basis of actuarial reports applying the Projected Unit Credit Method using a service period of 25 years and correspond to the present value of the benefits accruing to the employees at the end of the reporting period. Pension entry ages are considered in compliance with current legal provisions. Expected future salary increases and fluctuation rates are considered based on medium-term past experiences. All remeasurements relating to defined benefit plans (actuarial gains and losses) are recognized under "other comprehensive income" according to IAS 19. For further details on provisions for severance payments please refer to Note 18.

#### Defined contribution plans

According to the legal requirements for employment agreements commenced after 1 January 2003 under Austrian labor law, the Company has to contribute 1.53 % of current remunerations to an external providence fund.

Further contribution-based pension schemes are in place in several group entities. These are based either on legal obligations or bargaining agreements or subject to individual contractual agreements. The obligation of the Group is limited at paying the contribution to each pension fund when it is due. There is no legal or constructive obligation for future benefits. All contributions to defined contribution plans are recognized as expense at the time when employees have fulfilled their services obliging the Company to make this contribution.

### 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 these provisions 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. Remeasurements (actuarial gains or losses) are recognized 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 par value and the related settlements are recorded under Contributed capital.

#### ○ **Revenue recognition**

Sales revenue from the sale of manufactured items and goods is recognized when risks are transferred, generally upon delivery to the customer. Revenues from service and repair are recognized at the time of performance of the related services.

Several entities within SBO group operate as lessors. Lease agreements refer to operating lease only. Revenue on operating leases is recognized based on actual usage of the tools under the lease agreement by the customer.

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.

- **Share based payment**

In 2014 an agreement on share based payment was entered into with the Chief Executive Officer. As the plan is and will be settled with equity instruments the related transactions are recognized in personnel expense and within equity.

- **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.

Assumptions and discretionary decisions need to be taken for the recognition and valuation of [intangible assets](#) acquired in the course of business combinations (see Note 38).

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).

For the yearly [impairment test of goodwill](#) and [intangible assets not yet in use](#), an estimate of the value in use is necessary. Management has to make assumptions on the expected future cashflows of the cash-generating units and has to choose an adequate discount rate (see Note 9).

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

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

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

For the recognition of **provisions** the probability of occurrence needs to be evaluated at balance sheet date by management. Provisions are carried at those values which correspond to the best estimate by the management at the balance sheet date (see Note 15).

**Expenses for defined benefit plans** are based on actuarial computations. For such calculations it is necessary to make assumptions on the discount rate, future salary increases, mortality rates and fluctuation rates (see Note 18).

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, 19 and 38).

**Liabilities for contingent purchase price payments** due to business combinations are recorded at the balance sheet date with their fair values, which are derived from the most recent sales and earnings forecast (see Notes 14, 19 and 38).

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
2014	107,311	61,099	22,132	10,951	7,360	2,789	2,668
2013	78,636	49,507	16,045	6,190	3,187	1,434	2,073

The book value of impaired balances amounted to TEUR 312 (2013: TEUR 200).

The allowance account reflects the following:

in TEUR	2014	2013
As of 1 January	2,056	2,449
Exchange differences	210	-95
Business combinations	559	0
Consumption	-1,451	-124
Reversal	-616	-797
Expensed addition	1,418	623
<b>As of 31 December</b>	<b>2,176</b>	<b>2,056</b>

The receivables listed are not secured.

## NOTE 6

### Other accounts receivable and assets

This line item mainly consists of balances due from tax authorities and deferred charges.

The receivables are not secured, and no allowances were recorded.

## NOTE 7

### Inventories

Inventories are detailed by major classification as follows:

in TEUR	31 December 2014	31 December 2013
Raw materials	13,622	11,160
Work in progress	66,849	65,299
Finished goods	84,107	56,427
Prepayments	116	171
<b>Total</b>	<b>164,694</b>	<b>133,057</b>

Allowance expenses booked for 2014 were TEUR 3,943 (2013: TEUR 3,477).

## NOTE 8

## Property, Plant &amp; Equipment

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

Year 2014 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
<b>At cost</b>					
1 January 2014	85,013	305,060	12,283	8,287	410,643
Exchange differences	6,362	24,100	858	313	31,633
Business combinations	40	112	599	0	751
Additions	3,072	32,357	1,750	6,619	43,798
Transfers	2,736	6,673	0	-9,409	0
Disposals	-282	-13,896	-929	0	-15,107
31 December 2014	96,941	354,406	14,561	5,810	471,718
<b>Accumulated depreciation &amp; impairment</b>					
1 January 2014	19,970	193,052	9,191	0	222,213
Exchange differences	1,523	14,278	648	0	16,449
Business combinations	18	36	361	0	415
Additions depreciation	3,010	31,396	1,352	0	35,758
Additions impairment	0	4,257	0	0	4,257
Transfers	45	-45	0	0	0
Disposals	-266	-9,887	-909	0	-11,062
31 December 2014	24,300	233,087	10,643	0	268,030
<b>Carrying value</b>					
31 December 2014	72,641	121,319	3,918	5,810	203,688
31 December 2013	65,043	112,008	3,092	8,287	188,430

Year 2013 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
<b>At cost</b>					
1 January 2013	69,109	280,586	12,575	10,286	372,556
Exchange differences	-2,074	-8,491	-315	-120	-11,000
Additions	14,380	32,780	1,792	13,805	62,757
Transfers	3,757	12,992	-1,065	-15,684	0
Disposals	-159	-12,807	-704	0	-13,670
31 December 2013	85,013	305,060	12,283	8,287	410,643
<b>Accumulated depreciation &amp; impairments</b>					
1 January 2013	17,323	180,373	9,398	0	207,094
Exchange differences	-509	-4,951	-234	0	-5,694
Additions depreciation	2,589	28,283	1,252	0	32,124
Transfers	623	0	-623	0	0
Disposals	-56	-9,389	-602	0	-10,047
Write-ups	0	-1,264	0	0	-1,264
31 December 2013	19,970	193,052	9,191	0	222,213
<b>Carrying value</b>					
31 December 2013	65,043	112,008	3,092	8,287	188,430
31 December 2012	51,786	100,213	3,177	10,286	165,462

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

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

In fiscal year 2014 the company recorded TEUR 4,257 (2013: TEUR 0) within non-recurring items for impairment on plant and machinery relating to eliminating duplication of work and concentrating parts of the manufacturing process of two entities on one site in the segment High Precision Components. For the recoverable amount of the cash generating unit Darron Tool & Engineering Limited we refer to Note 9.

No write-ups were made in 2014. In 2013 write-ups in the amount of TEUR 1,264 were made in the segment High Precision Components (prior segment Europe) as a sustained repair possibility of a damaged production facility was found (recorded within cost of sales).

As of 31 December 2014 commitments for capital expenditure amounted to TEUR 5,229 (2013: TEUR 7,260).



## Finance Lease

Plant and machinery held under finance lease are as follows:

in TEUR	31 December 2014	31 December 2013
Acquisition cost	483	480
Accumulated depreciation	-288	-290
<b>Carrying value</b>	<b>195</b>	<b>190</b>

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

in TEUR	31 December 2014	31 December 2013
For the following year	99	83
Between one and five years	94	0
More than five years	0	0
Total minimum lease payments	193	83
Less discount	-10	-2
<b>Present value</b>	<b>183</b>	<b>81</b>

## Operating lease

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

in TEUR	31 December 2014	31 December 2013
For the following year	1,652	1,345
Between one and five years	1,788	1,757
After five years	142	168

Payments for operating leases which were expensed in the current year amounted to TEUR 1,824 (2013: TEUR 1,458).

## NOTE 9

## Intangible assets

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

Year 2014 in TEUR	Goodwill	Other intangibles	Total
<b>At cost</b>			
1 January 2014	86,853	80,586	167,439
Exchange differences	9,155	8,428	17,583
Business combinations	66,196	15,579	81,775
Additions	0	1,172	1,172
Disposals	0	-8	-8
31 December 2014	162,204	105,757	267,961
<b>Accumulated amortization and impairment</b>			
1 January 2014	23,336	34,961	58,297
Exchange differences	3,863	3,841	7,704
Business combinations	0	0	0
Additions amortization	0	7,228	7,228
Additions impairment	34,588	0	34,588
Disposals	0	-8	-8
31 December 2014	61,787	46,022	107,809
<b>Carrying value</b>			
31 December 2014	100,417	59,735	160,152
31 December 2013	63,517	45,625	109,142

Year 2013 in TEUR	Goodwill	Other intangibles	Total
<b>At cost</b>			
1 January 2013	89,640	82,549	172,189
Exchange differences	-2,787	-2,114	-4,901
Additions	0	164	164
Disposals	0	-13	-13
31 December 2013	86,853	80,586	167,439
<b>Accumulated amortization and impairment</b>			
1 January 2013	24,080	21,458	45,538
Exchange differences	-744	-697	-1,441
Additions amortization	0	6,696	6,696
Additions impairment	0	7,517	7,517
Disposals	0	-13	-13
31 December 2013	23,336	34,961	58,297
<b>Carrying value</b>			
31 December 2013	63,517	45,625	109,142
31 December 2012	65,560	61,091	126,651

As of 31 December 2014, commitments for acquisitions of intangible assets amounted to TEUR 0 (2013: TEUR 0).

### 1. Goodwill

Impairment testing for each cash generating unit was computed by using their value in use, which is based on the estimated future cashflows and a 12.2 % - 16.9 % (2013: 11.9 % - 15.6 %) 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 5 years (2013: 3 years) is used, which is based on the budgets of the management. For the terminal period, a fixed growth rate of 1 % was considered.

Cashflows are determined based on revenue expectations and planned capital expenditures. The value in use of the cash generating unit is largely determined by sales revenues. Sales and cashflow plans consider the cyclical nature of the industry derived from historical experiences as well as long-term developments of the business market. On this basis organic sales growth has been taken into account in the cashflow estimation. Sales plans are based on the demand forecasts of our main customers on the one hand and on the current backlog of orders and expected market growth according to expected business development on the other hand. In addition, margin plans are derived from the estimated product mix (based on purchase orders on hand and feedback of the sales departments) and estimated cost developments of material (based on price indications of current suppliers and material price development on commodity markets and deducible trends) and planned capital expenditures. Furthermore,

estimated personnel development (based on planned headcount, required qualification of employees and expected personnel cost based on current economic climate) is considered.

The impairment tests carried out as of 31 December 2014 demonstrated that write-downs were required for the cash generating units Godwin-SBO L.L.C., Darron Tool & Engineering Limited and Resource Well Completions Technologies Inc. due to reduced income expectations under the current market environment.

In the fiscal year 2014 impairment of the cash generating unit Godwin-SBO L.L.C. amounted to TEUR 10,408. The recoverable amount of TEUR 40,597 was determined considering the company's business plans and is calculated by discounting the expected future cashflows of the cash generating unit using a discount rate of 15.9 % (2013: 15.5 %). An increase of the discount rate by 1 percentage point or a reduction of the expected cashflows by 10 % would result in a full impairment of the remaining goodwill as of 31 December 2014 of TEUR 2,659.

In 2014 an impairment of TEUR 2,877 was recorded relating to the cash generating unit Darron Tool & Engineering Limited. The recoverable amount of TEUR 13,133 was determined considering the company's business plans and is calculated by discounting the expected future cashflows of the cash generating unit using a discount rate of 13.2 % (2013: 14.0 %). As the entire goodwill amount was impaired in 2014 an increase in the discount rate or a decrease of expected future cashflows would not have any further impact on goodwill.

Due to the deterioration of the market and related reduced income expectations particularly for 2015 an impairment of TEUR 21,303 was required in 2014 for the cash generating unit Resource Well Completions Technology Inc. (see Note 38). The recoverable amount of TEUR 67,446 was determined considering the company's business plans and is calculated by discounting the expected future cashflows of the cash generating unit using a discount rate of 13.9 %. An increase of the discount rate by 1 percentage point would lead to an additional impairment of TEUR 7,564; a reduction of the expected cashflows by 10 % would result in an additional impairment of TEUR 6,462.

For all other cash generating units the impairment tests carried out demonstrated that no write-down of goodwill was necessary. The Company prepared sensitivity analyses for all cash generating units, which revealed that except for the cash generating unit Knust-SBO L.L.C. any realistic changes in planned cashflows or capital costs would not result in any impairment requirements. For the cash generating unit Knust-SBO L.L.C. a slight increase of the discount rate by 0.25 percentage points or a decrease of the expected cashflows by 2.0 % would lead to a write-down of the related goodwill.

The impairment tests carried out as of 31 December 2013 demonstrated that no write-down of goodwill was necessary.

Goodwill amounts according to the balance sheet refer to the following cash generating units and segments:

in TEUR	31 December 2014	31 December 2013
<b>Segment High Precision Components</b>		
Knust-SBO L.L.C.	15,707	13,828
Schoeller-Bleckmann Oilfield Technology GmbH	4,655	4,655
Godwin-SBO L.L.C.	2,659	12,390
Techman Engineering Limited	1,684	1,550
Darron Tool & Engineering Limited	0	2,877
<b>Segment Oilfield Equipment</b>		
Resource Well Completions Technology Inc. (Note 38)	44,340	0
DSI FZE	20,617	18,206
BICO Drilling Tools Inc.	9,824	9,086
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
BICO Faster Drilling Tools Inc.	133	127
<b>Total</b>	<b>100,417</b>	<b>63,517</b>

Due to the change of internal management in 2014 (see Note 30) goodwill amounting to TEUR 3,675, which had been allocated to the cash generating unit Schoeller-Bleckmann Oilfield Equipment (UK) Limited, was reallocated to its respective subsidiaries in the corresponding segments:

The cash generating unit Darron Tool & Engineering Limited (before impairment TEUR 2,877) was allocated to the segment "High Precision Components" and the cash generating unit Schoeller-Bleckmann Darron (Aberdeen) Limited (TEUR 798) was allocated to the segment "Oilfield Equipment".

Further changes in the carrying amounts 2014, except for additions in 2014 relating to Resource Well Completions Technology Inc. as well as recognized impairment relating to Godwin-SBO L.L.C., Darron Tool & Engineering Limited and Resource Well Completions Technology Inc., were due to the conversion of foreign exchange amounts.

## 2. Other intangible assets

Other intangible assets mainly comprise acquired technology, customer base, trademarks and rights from non-compete agreements relating to circulation tools from a business combination in the year 2010 (TEUR 27,705). These assets are amortized over a useful life of 10 years.

In addition, as part of the initial accounting of Resource Well Completions Technology Inc. TEUR 3,576 for acquired technology and TEUR 6,965 for the acquired customer base were capitalized in the business year 2014. The acquired technology will be amortized

over a period of 7 years since acquisition date, the customer base will be amortized using a useful life of 5 years. Furthermore, non-compete agreements with a duration of 5 years were capitalized in the amount of TEUR 4,823 (see Note 38).

Further other intangible assets relate to technology and non-compete agreements which were acquired in the course of a business combination in 2012.

In the year 2013 an impairment at TEUR 7,517 relating to acquired technology not yet in use was recorded in the segment Oilfield Equipment (prior segment Europe) which was allocated to the developing engineering company as cash generating unit. The recoverable amount at TEUR 13,144 as of 31 December 2013 was determined based on the value in use considering the company's business plans and was calculated by discounting the expected future cashflows resulting from the technology over the remaining service life. In the year 2014 apart from regular amortization no impairment or write-up was required.

In addition, other intangible assets comprise right-of-use for IT software.

## NOTE 10

### Long-term receivables and assets

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 material credit risk for the Group.

in TEUR	31 December 2014	31 December 2013
Loans	18,454	16,621
Other receivables and assets	508	425
<b>Total</b>	<b>18,962</b>	<b>17,046</b>

As there were no past-due receivables, no write-downs had to be made either as of 31 December 2014 or 31 December 2013.

Other receivables and assets are not secured.

## NOTE 11

## Deferred taxes

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

in TEUR	31 December	31 December	31 December	31 December
	2014 assets	2014 liabilities	2013 assets	2013 liabilities
Property, plant & equipment (differences in useful lives)	0	-7,271	277	-6,309
Property, plant & equipment (differences in valuation)	1,007	-4,959	480	-4,854
Other intangible assets (differences in useful lives)	0	-399	0	-267
Goodwill and other intangible assets (differences in valuation)	910	-11,704	1,017	-10,895
Inventories (differences in valuation)	5,972	0	6,001	0
Write-down of shares in subsidiaries	1,000	0	1,200	0
Other items (differences in valuation)	1,092	-773	1,286	-463
Accruals and provisions	2,209	0	2,755	0
Exchange differences intercompany debt elimination	0	-2,332	0	-592
Tax loss carry forwards	2,594	0	3,163	0
<b>Subtotal</b>	<b>14,784</b>	<b>-27,438</b>	<b>16,179</b>	<b>-23,380</b>
Netting related to identical tax authorities	-4,794	4,794	-4,498	4,498
<b>Total</b>	<b>9,990</b>	<b>-22,644</b>	<b>11,681</b>	<b>-18,882</b>

Deferred tax assets in the amount of TEUR 803 (2013: TEUR 528) related to tax loss carry forwards were not recognized, because the utilization of these losses could not be expected for the foreseeable future (thereof an amount of TEUR 0 (2013: TEUR 61) can only be utilized until 2015, the balance has indefinite duration).

Relating to consolidated subsidiaries included in the consolidated financial statements differences exist between the tax base of equity interests and the proportional share of equity (outside basis differences) which in particular result from retained earnings and uncovered losses. Such timing differences as at 31 December 2014 amount to TEUR 92,474 (2013: TEUR 68,478) due to the fact that dividend payments or the sale of certain subsidiaries would be taxable. However, as the Group does not plan dividends or sales relating to these subsidiaries in the foreseeable future no tax deferrals were recognized according to IAS 12.39. For expected dividend payments deferred tax liabilities of TEUR 408 (2013: TEUR 362) were recognized at 31 December 2014.

## NOTE 12

## Bank loans and overdrafts

As of 31 December 2014, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
GBP loans	7,703	1.26 % variable
CAD loans	2,394	4.50 - 5.00 % variable
USD loans	1,647	1.30 % variable
Subtotal	11,744	
Export promotion loans (EUR)	24,000	0.48 % variable
<b>Total</b>	<b>35,744</b>	

As of 31 December 2013, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	8,701	1.30 % variable
GBP loans	7,197	1.16 % variable
Subtotal	15,898	
Export promotion loans (EUR)	16,234	0.63 % variable
<b>Total</b>	<b>32,132</b>	

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 28,800 (2013: TEUR 19,480) to securitize these loans.

The [CAD borrowings](#) due to banks in the amount of TEUR 2,394 (2013: TEUR 0) are collateralized by the entire assets of the borrowing company ("floating charge").

The [USD borrowings](#) due to banks in the amount of TEUR 1,647 (2013: TEUR 8,701) 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 2014 and 2013. The subsidies received amount to TEUR 474 as of 31 December 2014 (2013: TEUR 756).

## NOTE 14

**Other payables**

Other short-term payables were as follows:

in TEUR	31 December 2014	31 December 2013
Vacation not yet used	2,226	1,792
Other personnel expenses	14,116	11,113
Legal and other counseling fees	1,471	701
Taxes	2,108	2,259
Social expenses	1,889	1,270
Option commitment relating to cancelable non-controlling interests	4,160	4,160
Earn-outs from business combinations	4,428	1,978
Sundry payables	6,231	4,249
<b>Total</b>	<b>36,629</b>	<b>27,522</b>

In the course of 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 2014 an option commitment relating to cancelable non-controlling interests in the amount of TEUR 4,160 (2013: TEUR 4,160) was recognized.

Regarding contingent purchase price payments relating to cancelable non-controlling interests please see Note 19.

## NOTE 15

## Other provisions

The other provisions developed as follows:

Year 2014					
in TEUR	31 Dec. 2013	Usage	Reversal	Additions	31 Dec. 2014
Warranty/Product liability	9,241	-248	-2,968	488	6,513
Other	69	0	0	431	500
<b>Total</b>	<b>9,310</b>	<b>-248</b>	<b>-2,968</b>	<b>919</b>	<b>7,013</b>

Year 2013					
in TEUR	31 Dec. 2012	Usage	Reversal	Additions	31 Dec. 2013
Warranty/Product liability	4,316	-427	0	5,352	9,241
Restructuring	575	0	-575	0	0
Other	1,882	-113	-1,709	9	69
<b>Total</b>	<b>6,773</b>	<b>-540</b>	<b>-2,284</b>	<b>5,361</b>	<b>9,310</b>

Due to nonconformance of parts delivered within a comprehensive single order a warranty provision of TEUR 4,720 relating to this particular case was recognized in 2013. After detailed examination of all parts the expected volume of defective parts was reduced, thus an amount of TEUR 2,968 could be released in the fiscal year 2014.

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

At the end of 2013 a competitor claimed patent infringements by a subsidiary of SBO. Management evaluated this claim to be entirely unfounded. Accordingly, no provision was recognized in the consolidated financial statements as of 31 December 2013. In early 2014 the plaintiff abandoned the lawsuit.

In January 2015 again a competitor claimed patent infringements by a subsidiary of SBO. Management evaluates this claim to be entirely unfounded and vigorously rejects any allegations. Based on the current circumstances a reliable estimate on the amount of a potential obligation can not yet be made and is not evaluated to be probable. Accordingly, no provision was recognized in the consolidated financial statements as of 31 December 2014.

## 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. One of these debentures was repaid on 18 June 2013 in the amount of the par value, i. e., MEUR 20.0; the redemption of the second debenture in the amount of the par value, i. e., MEUR 20.0 will be on 18 June 2015.

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

## NOTE 17

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

As of 31 December 2014, long-term borrowings consist of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	2,447	0.00 % fixed	2008 – 2024	quarterly from 2011
EUR	20,000	3.11 % fixed	2013 – 2020	2020
EUR	10,000	3.11 % fixed	2013 – 2020	2020
EUR	7,500	0.50 % fixed	2013 – 2019	semi-annually from 2015
EUR	8,000	3.10 % fixed	2010 – 2018	2018
EUR	20,000	3.05 % fixed	2010 – 2018	semi-annually from 2012
EUR	1,323	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	1,250	4.73 % fixed	2009 – 2016	semi-annually from 2010
EUR	5,000	5.25 % fixed	2009 – 2016	2016
EUR	235	3.99 % fixed	2006 – 2015	semi-annually
EUR	963	0.00 % fixed	2008 – 2015	quarterly from 2011
EUR	651	2.25 % fixed	2009 – 2015	semi-annually from 2011
EUR	2,500	2.55 % fixed	2010 – 2015	yearly from 2013
	<b>109,869</b>			

The following borrowings were collateralized:

#### EUR-loans:

- › TEUR 12,234 – land and building and machinery pledged with a carrying-value of TEUR 17,906

As of 31 December 2013, long-term borrowings consist of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	2,712	0.00 % fixed	2008 – 2024	quarterly from 2011
EUR	20,000	3.11 % fixed	2013 – 2020	2020
EUR	10,000	3.11 % fixed	2013 – 2020	2020
EUR	7,500	0.50 % fixed	2013 – 2019	semi-annually from 2015
EUR	8,000	3.10 % fixed	2010 – 2018	2018
EUR	25,000	3.05 % fixed	2010 – 2018	semi-annually from 2012
EUR	1,804	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	2,084	4.73 % fixed	2009 – 2016	semi-annually from 2010
EUR	5,000	5.25 % fixed	2009 – 2016	2016
EUR	706	3.99 % fixed	2006 – 2015	semi-annually
EUR	1,733	0.00 % fixed	2008 – 2015	quarterly from 2011
EUR	1,954	2.25 % fixed	2009 – 2015	semi-annually from 2011
EUR	5,000	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	722	2.25 % fixed	2008 – 2014	semi-annually from 2010
USD	437	6.35 % fixed	2003 – 2016	monthly
	<b>122,788</b>			

The following borrowings were collateralized:

**EUR-loans:**

- › TEUR 14,471 – Mortgage on land and building and machinery pledged with a carrying-value of TEUR 21,844

**USD-loans:**

- › TEUR 437 – Mortgage on land and building with a carrying-value of TEUR 1,347

Adjustments to variable interest rates are made quarterly.

Referring to disclosures on the fair value of the loans see Note 33, regarding interest rate risk and hedging see Note 34.

## NOTE 18

**Employee benefit obligations**

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

in TEUR	31 December 2014	31 December 2013
Severance payments	5,184	4,728
Jubilee payments for long service	1,647	1,259
<b>Total</b>	<b>6,831</b>	<b>5,987</b>

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

	2014	2013
Interest rate	2.00 %	3.00 %
Salary increases	4.00 %	4.50 %
Fluctuation rate (mark-down)	0.0 – 15.0 %	0.0 – 15.0 %

Provisions were determined based on mortality tables AVÖ 2008-P (2013: AVÖ 2008-P) of Pagler & Pagler. Remeasurements of provisions for severance payments (actuarial gains or losses) are recognized under "other comprehensive income" according to IAS 19.

No contributions were made to separately maintained funds for these obligations.

## Provisions for severance payments

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

in TEUR	2014	2013
Defined benefit obligation as of 1 January	4,728	4,706
Current service cost	214	240
Interest cost	140	140
Total expenses for severance payments	354	380
Remeasurements during the year	166	-255
Current severance payments	-64	-103
<b>Defined benefit obligation as of 31 December</b>	<b>5,184</b>	<b>4,728</b>

The expenses shown in the table are recognized within profit and loss under personnel expenses of each functional cost group (see Note 25).

Remeasurements recognized under "other comprehensive income" according to IAS 19 are as follows:

in TEUR	2014	2013
<b>Remeasurement of obligations</b>		
from changes to demographic assumptions	0	0
from changes to financial assumptions	384	0
adjustments based on past experience	-218	-255
<b>Total</b>	<b>166</b>	<b>-255</b>

The average duration of the defined benefit plan obligation as of 31 December 2014 is 13.7 years (2013: 14.5 years).

## Sensitivity analysis

The effects on the obligations resulting from changes in significant actuarial assumptions were presented in the following sensitivity analyses. One significant factor of influence was changed in each case, while the remaining factors were held constant. In reality, however, these factors of influence are more likely to be correlated. The changed obligation was determined in accordance with IAS 19 in the same way as the actual obligation, using the projected unit credit method

Severance payments		Present value of obligation (DBO) 31 December 2014	
in TEUR	Change in assumption	increase in assumption	decrease in assumption
Interest rate	+/- 0.5 percentage points	-269	+297
Increases in salaries	+/- 0.5 percentage points	+277	-254

## Jubilee payments for long service

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

in TEUR	2014	2013
Defined benefit obligation as of 1 January	1,259	1,178
Current service cost	127	120
Interest cost	37	34
Total expenses for jubilee payments	164	154
Remeasurements during the year	266	-10
Current jubilee payments	-42	-63
Defined benefit obligation as of 31 December	1,647	1,259

## Pension plans (defined contributions)

Payments made under the defined contribution plans (pensions and other providence funds) were expensed and amounted to TEUR 1,186 in 2014 (2013: TEUR 559). For the following year contributions in the amount of approximately TEUR 500 are expected to be paid.



## NOTE 19

## Other payables

Other long-term payables were as follows:

in TEUR	31 December 2014	31 December 2013
Option commitment	29,676	0
Management interest	29,064	24,066
Contingent considerations	4,547	6,982
Participation rights	5,020	4,122
Non-compete agreements	2,015	2,308
Interest swap	0	139
Other obligations	485	0
<b>Total</b>	<b>70,807</b>	<b>37,617</b>

In the course of a business combination in 2014 the Company entitled the non-controlling interests to sell their shares to the Company at any time on or after 31 March 2018. The Company has committed itself to purchase the offered shares. In addition the Company obtained the right to purchase the shares from the non-controlling interests at any time on or after 31 March 2018. The non-controlling interests have committed themselves to sell the respective shares (put- and call option) in this case. As the option can be exercised by both parties at equivalent terms the Group has effectively acquired 100% of the shares of the subsidiary at the time of the business combination.

Furthermore, other payables include contingent considerations from business combinations in the amount of TEUR 8,975 (2013: TEUR 8,960), thereof TEUR 4,547 long-term (2013: TEUR 6,982) and TEUR 4,428 short-term (2013: TEUR 1,978). The contingent purchase price payments prior to 2014 were determined as a certain percentage of achieved sales (to a certain extent when sales are exceeding a contractually agreed upon amount) and are to be paid on a yearly basis with a residual term of further 1-5 years. Regarding the contingent purchase price payments relating to the business combination in 2014, the Note 38.

The liabilities for contingent purchase price payments were adjusted through profit and loss in 2014: increases are recorded as other financial expenses of TEUR -1,133 (2013: TEUR -842), decreases are recorded as other financial income of TEUR +19,475 (2013: TEUR +3,547) (see Notes 28 and 38). These adjustments were derived from discounting expected payments based on the most recent sales and earnings forecasts.

For the settlement of contingent purchase price payments in 2014 the payments exceeded the accrued amount in the previous balance sheet by TEUR 204 (2013: TEUR 103). 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 359 (2013: TEUR 1,004) is recognized within interest expenses.

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

Company	31 December 2014	31 December 2013
BICO Drilling Tools Inc.	15.00 %	15.00 %
BICO Faster Drilling Tools Inc.	13.00 %	15.00 %
Schoeller-Bleckmann Energy Services L.L.C.	13.20 %	11.20 %
Schoeller-Bleckmann Darron Limited	9.00 %	9.00 %
Techman Engineering Limited	8.65 %	8.65 %
Knust-SBO L.L.C.	6.40 %	6.40 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	5.35 %
Godwin-SBO L.L.C.	2.80 %	3.40 %
Schoeller-Bleckmann de Mexico S. A. de C. V.	3.00 %	3.00 %
Darron Tool & Engineering Limited	0.00 %	2.95 %

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

As of 31 December 2014 participation rights were granted by Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz, at 0.65 % (2013: 0.35 %) and DSI FZE, Dubai, at 6.4 % (2013: 7.2 %).

The effective interest expense recorded for management interest and participation rights in 2014 at TEUR 4,642 (2013: TEUR 5,387) is recorded under interest expenses.

## NOTE 20

### Share capital

The share capital of the Company as of 31 December 2014 as well as of 31 December 2013 was EUR 16 million; divided into 16 million common shares with a par value of EUR 1.00 each.

The Ordinary Shareholders' Meeting on 23 April 2014 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. In 2014 this right was not exercised. Based on an authorization from the annual General Meeting as of 25 April 2012 the Company acquired 47,877 own shares for a purchase price of TEUR 3,684 in 2013.

As of 31 December 2014, the Company holds 24,000 of its own shares (2013: 87,761 shares) at acquisition costs of TEUR 1,432 (2013: TEUR 5,238), equaling a 0.15 % share in its capital stock (2013: 0.55 %). There are 15,976,000 shares in circulation (2013: 15,912,239).

In the course of a business combination in 2010, 50,000 shares of the Company would become due as contingent consideration, if future sales levels are achieved as agreed. Since the sales target was not met in 2014, no dilution in the number of shares in circulation was effected at 31 December 2014.

As of 31 December 2014, approximately 32.6 % of the share capital is held by Berndorf Industrieholding AG, Berndorf (2013: approximately 31 %).

## 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 relating to the following companies:

	2014	2013
BICO-DSI Investment GmbH	0 %	10 %
DSI FZE *)	0 %	10 %
Drilling Systems International Limited *)	0 %	10 %

\*) held by BICO-DSI Investment GmbH

During 2014 BICO-DSI Investment GmbH which held shares in DSI FZE and its subsidiary Drilling Systems International Limited, was merged with Schoeller-Bleckmann Oilfield Equipment AG, resulting in the disposal of non controlling interests which from a group perspective were considered to be not material. 100 % of the shares of the operating company DSI FZE and Drilling Systems International Limited are held by the group as of 31 December 2014. The corresponding development of results of the non controlling interests can be seen in the consolidated statement of changes in the shareholders' equity.

## NOTE 24

## Additional breakdown of revenues

Net sales consist of:

in TEUR	2014	2013
Sale of goods	340,666	342,058
Sale of services and repair	26,184	19,839
Operating lease revenue	121,762	96,676
<b>Total net sales</b>	<b>488,612</b>	<b>458,573</b>

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 (disclosure according to “total cost accounting method”):

in TEUR	2014	2013
Material expenses	197,913	171,719
Personnel expenses	110,795	97,868
Depreciation property plant & equipment incl. impairment	40,015	32,124
Amortization other intangible assets incl. impairment	7,228	14,213
Impairment Goodwill	34,588	0

## NOTE 26

**Other operating income and expenses**

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

in TEUR	2014	2013
Exchange losses	7,651	7,937
Research and development expenses	6,242	5,601

Up to present 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	2014	2013
Exchange gains	12,691	6,333
Other income	2,205	3,599

## NOTE 27

### Restructuring expenses

Restructuring expenses mainly refer to impairment of plant and machinery amounting to TEUR 4,257 (2013: TEUR 0) which were recorded within the segment High Precision Components and which relate to eliminating duplication of work and concentrating parts of the manufacturing process of two entities on one site. Further expenses refer to related personnel expenses.

## NOTE 28

### Other financial income

Other financial income mainly includes revaluation gains relating to contingent purchase price payments amounting to TEUR 19,475 (2013: TEUR 3,547) (see Note 38) and revaluation gains from option commitments amounting to TEUR 5,159 (2013: TEUR 4,699) (see Notes 14 and 19).

## NOTE 29

## 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	2014	2013
Income tax expense at tax rate of 25 %	-20,003	-20,982
Foreign tax rate differentials	-380	-1,475
Change tax rate differentials	37	140
Non deductible expenses *)	-7,978	-845
Income exempt from tax and tax incentives *)	7,167	3,530
Withholding and other foreign taxes	-2,265	-1,771
Prior year adjustments	-523	229
Tax loss carryforwards not recognized	-274	-369
Consumption of tax loss carryforwards not capitalized in prior years	361	0
Profit allocation to management participations	-946	-685
Other differences	-1,200	-376
<b>Consolidated income tax expense</b>	<b>-26,004</b>	<b>-22,604</b>
Profit before tax	80,011	83,928
Profit allocation to management participations	3,841	3,537
	<b>83,852</b>	<b>87,465</b>
<b>Consolidated income tax expense</b>	<b>-26,004</b>	<b>-22,604</b>
Consolidated tax rate	31.0 %	25.8 %

\*) In the business year 2014 tax effects from non deductible expenses include non taxable goodwill impairment amounting to TEUR 6,097. Tax effects from tax exempt income and tax incentives included non taxable releases of contingent purchase price commitments and option commitments amounting to TEUR 5,796.

The components of income taxes were as follows:

in TEUR	2014	2013
Current taxes	-26,738	-25,138
Deferred taxes	734	2,534
<b>Total</b>	<b>-26,004</b>	<b>-22,604</b>

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

The following income taxes were recognized under "other comprehensive income":

in TEUR	2014	2013
<b>Current taxes</b>		
Exchange rate differences	0	-59
Remeasurements IAS 19	41	-64
<b>Deferred taxes</b>		
Exchange rate differences	-598	252
<b>Total</b>	<b>-557</b>	<b>129</b>

The total negative balance of deferred taxes included in the balance sheet was increased by TEUR 1,739 during 2014 (2013: decreased by TEUR 606) due to exchange rate differences.

The payment of dividends to the shareholders will not result in any implications on income taxes for the business year 2014 and the comparative period of 2013 for the Company.



## NOTE 30

### Segment reporting

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

The following segment report is prepared in accordance with IFRS 8 using the "management approach" of the Management Board of Schoeller-Bleckmann Oilfield Equipment AG in its capacity as the chief operating decision maker on the allocation of resources to the business segments.

In the past the internal management of SBO group was based on regional organizational structures with the reporting segments "North America", "Europe" and "other regions". Divisional structures, however, continuously gained importance in internal reporting systems. Therefore, in the second quarter 2014 internal management and thus internal reporting structures were adjusted. As a consequence with the report on the second quarter 2014 SBO group adapts its segment reporting disclosures. Manufacturing and service sites are combined to the segments "High Precision Components" and "Oilfield Equipment" in accordance with product groups and services offered and existing customer groups, respectively.

The segment "High Precision Components" includes complex machining of high precision components with utmost high dimensional accuracy which are ordered by the engineering divisions of our customers. 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.

The segment "Oilfield Equipment" covers products directly ordered by the operating oilfield organizations of our customers, such as

- › 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;
- › Completion tools which allow for an improved oil and gas production at increased well integrity

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, buttwelded, resurfaced with hard metal, reground, shot peened, etc. as quickly as possible and with the highest standard in workmanship.

Internal management of the group as well as the allocation of resources is based on the financial performance of these segments. Management monitors sales, operating profit and profit before taxes of these business units separately for the purpose of making decisions on the allocation of resources. The aggregation to the two reporting segments was performed based on business activities. Prior year figures were adjusted accordingly.

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.

Results in the total column correspond to those in the income statement.

Intersegment sales are carried out in accordance with the “at arm’s length” principle.

<b>Year 2014 in TEUR</b>	<b>High Precision Components</b>	<b>Oilfield Equipment</b>	<b>SBO-Holding &amp; Consolidation</b>	<b>Group</b>
External sales	228,780	259,832	0	488,612
Intercompany sales	52,526	73,054	-125,580	0
Total sales	281,306	332,886	-125,580	488,612
Operating profit before non-recurring items	37,306	71,606	-2,232	106,680
Profit before taxes	19,414	71,114	-10,517	80,011
Attributable assets	341,108	449,044	10,284	800,436
Attributable liabilities	118,522	121,089	105,150	344,761
Capital expenditure	12,432	32,364	174	44,970
Depreciation & amortization	33,489	47,129	1,213	81,831
thereof impairment	17,542	21,303	0	38,845
Write-ups	0	0	0	0
Head count (average)	1,130	546	25	1,701

<b>Year 2013 *) in TEUR</b>	<b>High Precision Components</b>	<b>Oilfield Equipment</b>	<b>SBO-Holding &amp; Consolidation</b>	<b>Group</b>
External sales	236,517	222,056	0	458,573
Intercompany sales	47,851	68,297	-116,148	0
Total sales	284,368	290,353	-116,148	458,573
Operating profit before non-recurring items	31,325	69,747	-3,352	97,720
Profit before taxes	31,649	65,539	-13,260	83,928
Attributable assets	331,243	301,787	70,431	703,461
Attributable liabilities	125,518	89,290	106,466	321,274
Capital expenditure	21,932	40,789	36	62,757
Depreciation & amortization	16,354	28,773	1,210	46,337
thereof impairment	0	7,517	0	7,517
Write-ups	1,264	0	0	1,264
Head count (average)	1,098	441	25	1,564

\*) comparative prior year figures were adjusted

## Geographic information:

Sales to external customers were as follows:

in TEUR	2014	2013
Austria	2,968	2,949
Great Britain	56,333	48,313
U. S. A.	255,896	252,540
Other countries	173,415	154,771
<b>Total</b>	<b>488,612</b>	<b>458,573</b>

The classification is based on the location of the customer. There are no other single countries with sales exceeding 10 % of total sales of SBO group.

For informatin regarding most important customers we refer to Note 34.

Long-term assets are located as follows:

in TEUR	2014	2013
Austria	62,937	64,638
Great Britain	53,855	58,126
U. S. A.	108,971	102,355
Canada	61,526	1,605
Dubai	56,302	52,470
Other countries	20,250	18,378
<b>Total</b>	<b>363,841</b>	<b>297,572</b>

Assets are classified according to the location of the entity.

## NOTE 31

## Remuneration for the executive and supervisory board

The remuneration paid to the Executive Board was as follows:

2014 in TEUR	fixed	variable	total
Gerald Grohmann	558	605	1,163
Franz Gritsch	362	406	768
<b>Total</b>	<b>920</b>	<b>1,011</b>	<b>1,931</b>

2013 in TEUR	fixed	variable	total
Gerald Grohmann	439	626	1,065
Franz Gritsch	356	483	839
<b>Total</b>	<b>795</b>	<b>1,109</b>	<b>1,904</b>

Expenses for pensions and severance payments relating to the Executive Board amounted to TEUR 760 (2013: TEUR 187). Thereof, TEUR 661 (2013: TEUR 97) referred to defined contribution pension plans.

Expenses resulting from share-based payments amounted to TEUR 1,094 in 2014 (2013: TEUR 0). During the business year 2014 an agreement was entered into with the executive board member Gerald Grohmann covering an annual transfer of 6,000 shares of SBO. The first shares were transferred as of 31 March 2014. These shares are subject to a restraint on disposal and collateralization on the part of Mr. Grohmann for a period of 2 years (but up to the termination of the employment contract at a maximum). The transfer is limited to a total market value of TEUR 1,300, with the market value being determined at the end of each retention period. As of 31 December 2014 the total market value of the transferred shares amounts to TEUR 360.

In addition, during 2014 the Company granted to the Chief Executive Officer a voluntary severance payment of 30,000 SBO shares at the end of the employment contract.

Remuneration for the Supervisory Board amounted to TEUR 110 in the business year 2014 (2013: TEUR 128), which is a combination of a flat rate and a variable rate depending on the Group's results.

In 2014 and 2013 no loans were granted to the members of the Executive Board or to the Supervisory Board, respectively.

## NOTES 32

### Transactions with related parties

The following transactions with related but non-consolidated companies and persons were carried out at generally acceptable market conditions:

The law firm Schleinzer & Partner is the legal consultant to the Company. One of the law firm's partners, Dr. Karl Schleinzer, is a member of the Supervisory Board. Total charges for 2014 amounted to TEUR 36 (2013: TEUR 36), thereof outstanding as of 31 December 2014 TEUR 9 (31 December 2013: TEUR 0).

In the business year 2014 BICO-DSI Investment GmbH, Ternitz paid dividends to its shareholders at a total amount of TEUR 9,965 (2013: TEUR 2,450). Thereof TEUR 997 (2013: TEUR 245) were paid to the executive board member of SCHOELLER-BLECKMANN Oilfield Equipment AG, Gerald Grohmann, who held 10 % of the shares of this company until the company was merged in 2014 (see Note 23).

In order to condense the group structure, a resolution to merge the two non-operating entities Schoeller-Bleckmann Drilling and Production Equipment GmbH, Ternitz, and BICO-DSI Investment GmbH, Ternitz, with SCHOELLER-BLECKMANN Oilfield Equipment Aktiengesellschaft, Ternitz, was adopted on 21 February 2014. In this regard the minority shareholder of BICO-DSI Investment GmbH withdrew in 2014 and was compensated with 57,761 SBO shares. Non-controlling interests amounting to TEUR 1,843 fully ceased to exist. No further effects on the consolidated financial statements occurred in this context.

## NOTE 33

## 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 2014	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Fair value in TEUR
USD	27,775	28,811	-1,036
CAD	2,179	2,198	-19

Forward exchange transactions as of 31 December 2013	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Fair value in TEUR
USD	22,776	22,444	+332
CAD	1,870	1,799	+71

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 2014 amounted to TEUR -29 (31 December 2013: TEUR -139), the variance was expensed into profit and loss.

## 3. Other derivative financial instruments

The Group has recognized 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					
						Fair value		Amortized costs			
		Loans and receivables	Other financial liabilities	Derivatives	Derivatives	Cash and cash equivalents	Trade accounts receivable	Lendings	Financing liabilities	Trade accounts payable	Other
<b>31.12.2014</b>											
<b>in TEUR</b>											
<b>Current assets</b>											
Cash and cash equivalents	130,220	130,220				130,220					
Trade accounts receivable	107,311	107,311					107,311				
Income tax receivable	641										
Other accounts receivable and other assets	4,778										
Inventories	164,694										
<b>Total current assets</b>	<b>407,644</b>										
<b>Non-current assets</b>											
Property, plant & equipment	203,688										
Goodwill	100,417										
Other intangible assets	59,735										
Long-term receivables	18,962	18,454						18,454			
Deferred tax assets	9,990										
<b>Total non-current assets</b>	<b>392,792</b>										
<b>TOTAL ASSETS</b>	<b>800,436</b>	<b>255,985</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,220</b>	<b>107,311</b>	<b>18,454</b>	<b>0</b>	<b>0</b>	
<b>Current liabilities</b>											
Bank loans and overdrafts	35,744		35,744						35,744		
Current portion of bonds	19,993		19,993						19,993		
Current portion of long-term loans	11,673		11,673						11,673		
Finance lease obligations	92		92						92		
Trade accounts payable	24,050		24,050							24,050	
Government grants	37										
Income taxes payable	10,524										
Other payables	36,629		5,176	9,643	9,643					5,176	
Other provisions	7,013										
<b>Total current liabilities</b>	<b>145,755</b>										
<b>Non-current liabilities</b>											
Bonds	0										
Long-term loans	98,196		98,196						98,196		
Finance lease obligations	91		91						91		
Government grants	437										
Employee benefit obligations	6,831										
Other payables	70,807		36,585	34,222	34,222				34,084	2,501	
Deferred tax payables	22,644										
<b>Total non-current liabilities</b>	<b>199,006</b>										
<b>Shareholder's equity</b>											
Share capital	15,976										
Contributed capital	67,560										
Legal reserve - non-distributable	785										
Other reserves	22										
Translation reserve	13,834										
Retained earnings	357,498										
Non-controlling interests	0										
<b>Total shareholder's equity</b>	<b>455,675</b>										
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>800,436</b>	<b>0</b>	<b>231,600</b>	<b>43,865</b>	<b>43,865</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>199,873</b>	<b>24,050</b>	<b>7,677</b>





### 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.

2014 in TEUR	Bilanzposition	Total	Level 2	Level 3
<b>Assets</b>				
Derivatives	Other receivables and assets	0	0	0
<b>Liabilities</b>				
Derivatives	Other liabilities	-43,865	-1,055	-42,810
2013 in TEUR	Bilanzposition	Total	Level 2	Level 3
<b>Assets</b>				
Derivatives	Other receivables and assets	394	394	0
<b>Liabilities</b>				
Derivatives	Other liabilities	-13,259	-139	-13,120

During the reporting years 2014 and 2013, there were no transfers between level 1 and level 2 fair value measurements. In general, if required, transfers are carried out at the end of each reporting period.

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

The development in 2014 was as follows:

#### Liabilities for contingent purchase price payments

in TEUR	2014	2013
As of 1 January	-8,960	-12,431
Additions from business combinations	-19,860	0
Addition of accrued interest	-359	-1,004
Revaluation gains	19,475	3,547
Revaluation losses	-1,133	-842
Disposals from settlements of contingent purchase price payments	2,198	1,366
Currency adjustment	-336	404
<b>As of 31 December</b>	<b>-8,975</b>	<b>-8,960</b>

#### Option commitments relating to cancelable non-controlling interest

in TEUR	2014	2013
As of 1 January	-4,160	-6,054
Additions from business combinations	-33,401	0
Addition from option commitment relating to cancelable non-controlling interest	0	-486
Addition of accrued interest	-1,352	-2,319
Revaluation gains	5,159	4,699
Revaluation losses	0	0
Disposal from settlement	0	0
Currency adjustments	-82	0
<b>As of 31 December</b>	<b>-33,836</b>	<b>-4,160</b>

Revaluation gains and losses as shown in the table above refer to financial instruments still existing at balance sheet date. Revaluation gains are recognized under other financial income, revaluation losses under other financial expenses.

In 2013 an unilateral capital increase by one of the option holding non-controlling interests resulted in an increase of the option liability by TEUR 486 and a reduction of consolidated equity by TEUR 131.

The foreign currency forward contracts are measured based on observable spot exchange rates. The fair value of interest swaps has been determined using a discounted cashflow model based on interest curves observable on the market.

The contingent purchase price payments from business combinations and the option commitments relating to cancelable non-controlling interests are measured at balance sheet date according to the underlying agreements based on the expected discounted payments using the most recent business plans. 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 to be paid on a yearly basis with a residual term of further 1-5 years. The exercise price of the option commitments relating to cancelable non-controlling interests is based on the achieved financial results of the acquired entities. The liabilities are discounted using a risk adequate discount rate for the duration of each liability.

The sensitivity analysis for significant, non-observable input factors is as follows:

in TEUR		Change in assumption	If assumption increases, liability changes by	If assumption decreases, liability changes by
	Assumption			
<b>option commitments</b>	Net results	+/- 10 %	+3,304	-3,436
	Interest rate 32.5 %, 1.8 %	+/- 10 %, +/- 1 %	-1,050	+2,327
<b>contingent purchase price payments</b>	Sales	+/- 10 %	+1,653	-1,579
	Interest rate 32.5 %, 13.3 %, 4 %	+/- 10 %, +/- 1 %, +/- 1 %	-46	+48

For assessing the fair value of lendings, borrowings and leasing obligations, the expected cashflows 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.

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

in TEUR	Level	2014		2013	
		Carrying value	Fair value	Carrying value	Fair value
<b>Liabilities</b>					
Bonds	1	-19,993	-20,480	-19,980	-21,400
Borrowings from banks, finance lease obligations and other loans	2	-145,796	-148,832	-155,001	-155,130

#### Net result from financial instruments

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

Year 2014 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	OCI (*)	P/L	OCI (*)	
Loans and receivables	-839	-	-	-	-	-839
Derivatives	-	+20,480	-	-	-	+20,480
<b>Year 2013</b>						
Year 2013 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
Loans and receivables	+171	-	-	-	-	+171
Derivatives	-	+3,779	-	-	-	+3,779

The total amount of interest expenses determined by using the effective interest rate method for financial liabilities not valued at fair value through profit or loss is TEUR 10,354 (2013: TEUR 11,301).

## NOTE 34

### 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 2014, the three biggest customers (which are the worldwide dominant service companies in the directional drilling market) accounted for 55.2 % of all sales worldwide (2013: 58.1 %). 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 cashflow 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 cashflows 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 approximately 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, as no material accounts receivable or accounts payable exist which are not denominated in the functional currency of each group currency :

in TEUR Changes in EURO – US dollar rate	2014		2013	
	+10 Cent	-10 Cent	+10 Cent	-10 Cent
Change in profit before taxes	+2,204	-2,204	+1,651	-1,651

#### 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 cashflows.

All long-term borrowings at 31 December 2014 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	2014		2013	
	+10	+20	+10	+20
Change in profit before taxes	+121	+242	+137	+274



### 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, the Company regularly checks 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 limited 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 the Company chooses 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 cashflows for the following business years are stated.

<b>31 December 2014 in TEUR</b>	<b>Due at call</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 cont'd</b>
Bonds	-	20,588	-	-	-
Payables due to banks	36,085	-	-	-	-
Long-term loans	-	14,622	15,894	39,721	50,685
Leasing obligations	-	99	71	23	0
Management interest and Participation rights	-	-	-	-	34,084
Trade payables	-	24,050	-	-	-
Derivatives	4,160	4,458	4,570	97	31,451
Other	-	28,657	615	373	1,119

<b>31 December 2013 in TEUR</b>	<b>Due at call</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2018 cont'd</b>
Bonds	-	1,175	20,588	-	-
Payables due to banks	32,431	-	-	-	-
Long-term loans	-	15,922	14,791	16,050	90,405
Leasing obligations	-	83	-	-	-
Management interest and Participation rights	-	-	-	-	28,188
Trade payables	-	35,347	-	-	-
Derivatives	4,160	1,949	3,276	4,468	257
Other	-	21,757	373	373	1,494

### 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.

Gearing was 7.8 % as of 31 December 2014 and 4.3 % as of 31 December 2013.

in TEUR	31 December 2014	31 December 2013
Bank loans	35,744	32,132
Long-term loans	109,869	122,788
Finance lease obligations	183	81
Bonds	19,993	19,980
Less: Cash and cash equivalents	-130,220	-158,366
<b>Net debt</b>	<b>35,569</b>	<b>16,615</b>
Total equity	455,675	382,187
<b>Gearing</b>	<b>7.8 %</b>	<b>4.3 %</b>

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 35

### Contingencies

No contingencies existed as of the balance sheet dates 31 December 2014 and 31 December 2013.

## NOTE 36

### Other commitments

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

## NOTE 37

### Cashflow statement

The consolidated cashflow 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 cashflow statement, cashflows are classified into cashflow from operating activities, cashflow from investing activities and cashflow from financing activities.

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

The cashflow 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 cashflow 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 cashflow from financing activities.

For the changes of shares in subsidiaries and participation rights held by managers in 2014 amounting to TEUR 632 (2013: TEUR -1,487) the Company granted loans or reduced loans to the participants in the same amounts. Hence, no cashflows were effected.

## NOTE 38

### Business combinations

#### Year 2014

With share purchase agreement as of 25 November 2014 67.00 % of the shares of Resource Completion System Holdings Inc., Calgary, CA, and its subsidiaries Resource Well Completion Technologies Inc., Calgary, CA, and Resource Completion Systems Inc., Calgary, CA, were acquired. As a consequence all assets, liabilities, expenses and revenues of the subsidiaries were consolidated by the group starting from 1 November 2014.

Resource Well Completion Technologies is committed to provide their customers and industry partners with efficient, reliable, technically advanced and cost effective solutions to downhole completion. The primary multistage products are the ZONE SEEKER, a leading ball-drop system which is used for "open hole completion" and the ZONE STRIKER, a unique coil tubing activated system which is needed for "cemented completion". Both reliable systems offer quick and cost efficient ways to improve oil or gas production while reducing water usage and increase well integrity.

Listed below are the fair values of the acquired identifiable assets and liabilities for the business combination:

in TEUR	Fair value
Intangible assets	15,579
Property, plant & equipment	336
Inventories	5,247
Trade accounts receivable	3,318
Other receivables and assets	741
Liquid funds	4,567
	<b>29,788</b>
Trade accounts payable	-6,585
Bank loans	-2,015
Other liabilities	-2,465
Deferred taxes	-3,841
<b>Net assets</b>	<b>14,882</b>
Goodwill resulting from the acquisition	66,196
<b>Total consideration</b>	<b>81,078</b>

Intangible assets contain technology at TEUR 3,576, customer base at TEUR 6,965 and non-compete agreements at TEUR 4,823.

The gross amount of acquired accounts receivable amounted to TEUR 3,898, with one receivable at TEUR 581 being impaired (fair value TEUR 0). The company expects that no payments will be received related to this receivable. For all other receivables the book value was equal to their fair value. None of these other accounts receivable were impaired.

The cash outflow due to the business combination was as follows:

in TEUR	
Cash outflow	27,817
Net cash acquired	-4,567
	<b>23,250</b>

The share purchase agreement includes a contingent purchase price payment depending on the financial results of the acquired subsidiary until 31 March 2015. The payment was determined at TEUR 19,860 at the time of the business combination by discounting expected future contingent payments based on the business plan. The corresponding liability was recognized within "other payables" at the time of the business combination. Market conditions particularly in North America have deteriorated significantly between acquisition date and balance sheet date due to a pronounced drop in crude oil price. As a result sales and financial results are expected to be significantly lower for the period relevant for determining the contingent purchase price payment until 31 March 2015. At the time of preparing the consolidated financial statements no further payment relating to the contingent purchase price is expected. Therefore, as of 31 December 2014 the relevant liability was released; the corresponding revaluation gain at TEUR 19,110 is recorded within other financial income.

In the course of this business combination the Company entitled the non-controlling interests to sell their shares to the Company at any time on or after 31 March 2018. The Company has committed itself to purchase the offered shares. In addition the Company obtained the right to purchase the shares from the non-controlling interests at any time on or after 31 March 2018. The non-controlling interests have committed themselves to sell the respective shares (put- and call option) in this case. The purchase price depends on the profits generated by the acquired company as well as on the EBITDA multiple of SBO at the time of the transfer. As the option can be exercised by both parties at equivalent terms the Group has effectively acquired 100 % of the shares of the subsidiary at the time of the business combination. The anticipated discounted purchase amount under this option is determined based on current planning figures and is recognized in other liabilities as granting of the option created an unconditional payment obligation for the Group (see Note 19). From a group perspective due to these option agreement 100 % of the shares of this subsidiary are consolidated. Profits of the respective entity are fully allocated to the owners of the parent company.

Goodwill which was allocated to the segment "Oilfield Equipment" and which amounts to TEUR 44,340 as of 31 December 2014 (see Note 9), comprises the value of the expected business development considering the expected synergies arising from the acquisition.

It is expected that the goodwill will not be deductible for income tax purposes.

Due to the acquisition the Group's profit was increased by TEUR 1,686 in 2014, the Group's sales were increased by TEUR 4,051. Had the business been acquired at the beginning of the year, Group's sales would have increased by TEUR 24,066.

Transaction cost of TEUR 2,609 have been expensed and are included in general and administrative expenses.

Regarding the development of the liabilities for contingent purchase price payments and for option price commitments we refer to Notes 14, 19 and 33.

## Year 2013

No business combinations were executed in 2013.

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

## NOTE 39

### Personnel

The total average number of employees was as follows:

	2014	2013
Blue collar	1,290	1,215
White collar	411	349
	<b>1,701</b>	<b>1,564</b>

## NOTE 40

### 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 of the group financial statements as of 31 December 2014.

In January 2015 the Company took up a loan amounting to EUR 40,000,000 with fixed interest rates of 0.75 % and a duration until 31 December 2018. The loan is partly used to refinance the bonds maturing in June 2015 amounting to EUR 20,000,000.

Furthermore in January 2015 a competitor claimed patent infringements by a subsidiary of SBO (see Note 15).

In addition, no further reportable events occurred.



## NOTE 41

**Proposed dividend**

The Executive Board proposes to the shareholders that a dividend of EUR 1.50 per share (2013: EUR 1.50) should be paid. Thus, the total distribution will amount to MEUR 24.0 compared to MEUR 24.0 in the preceding year.

## NOTE 42

**Expenses incurred for the group auditor's**

The following expenses were incurred from [Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.](#):

in TEUR	2014	2013
Audit of the consolidated annual financial statements	81	73
Other services	53	56

## MANAGEMENT INFORMATION

### Executive Board:

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

The contracts with the members of the Executive Board are valid for one term. The contract of Ing. Gerald Grohmann will expire on 31 Dec. 2018. The contract of Mag. Franz Gritsch will expire on 31 Dec. 2015.

### Committees of the Supervisory Board:

Remuneration Committee:

Mag. Norbert Zimmermann  
Dr. Peter Pichler  
Dr. Karl Schleinzer

Audit Committee:

Mag. Norbert Zimmermann  
Dr. Peter Pichler  
Karl Samstag

### Supervisory Board:

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

Dr. Peter Pichler (Deputy Chairman)  
First nomination: 1995  
End of current appointment: 2018

Mag. Brigitte Ederer  
First nomination: 2014  
End of current appointment: 2019

Mag. Dipl. Ing. Helmut Langanger  
First nomination: 2003  
End of current appointment: 2019

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, 6 March 2015

Ing. Gerald Grohmann      Mag. Franz Gritsch  
Executive Board

## 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, 2014 to December 31, 2014. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cashflow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2014, and the 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, and the additional requirements under Section 245a UGB. 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 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, 2014 and of its financial performance and its cashflows for the fiscal year from January 1, 2014 to December 31, 2014 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, March 6, 2015

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Karl Fuchs mp  
Certified Auditor

Mag. Markus Jandl mp  
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 OF SBO AG CONCERNING THE 2014 BUSINESS YEAR

During the business year 2014 the Supervisory Board performed all duties assigned to it by law and the articles of association and held 5 meetings. The Executive Board provided the Supervisory Board with regular written and verbal reports concerning business developments and the Company's status, including the situation of the Group and Group companies. Focus of discussions were the strategic development of the Group, key business events and measures. An Audit Committee for handling questions regarding the financial statements and a Remuneration Committee for handling questions regarding the reimbursement of the Executive Board was installed.

The financial statements as of 31 December 2014 and the management report including the Company's accounting records were audited by Deloitte Schwarz & Schmid Wirtschaftsprüfungs GmbH. The audit revealed that the financial statements comply with legal requirements, that they give a true and fair view of the Company's assets and financial position on 31 December 2014 and of the Company's earnings for the fiscal year from 1 January 2014 to 31 December 2014 in compliance with generally accepted Austrian accounting principles, and that the management report is consistent with the financial statements.

The consolidated financial statements as of 31 December 2014 of SBO Group, which were prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the consolidated management report, which was prepared in accordance with the Austrian Commercial Code (UGB), were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The auditor confirmed that the consolidated financial statements comply with legal requirements, that they give a true and fair view of the Group's assets and financial position on 31 December 2014 and of the Group's financial performance and cashflows for the fiscal year from 1 January 2014 to 31 December 2014, and that the Group management report is consistent with the consolidated financial statements.

The audits did not give rise to any objections. The auditors issued an unqualified audit opinion on the financial statements for 2014 and the consolidated financial statements for 2014.

At its meeting on 18 March 2015, the Supervisory Board approved the financial statements as of 31 December 2014 and the management report, thereby adopting the financial statements 2014 according to sec. 96 para. 4 Austrian Stock Corporation Act (AktG). In addition, the Supervisory Board approved the consolidated financial statements as of 31 December 2014 and the consolidated management report, the Corporate Governance Report submitted by the Executive Board as well as the proposal for the distribution of profits 2014.

The Supervisory Board would like to thank the Executive Board and all the employees for their high level of dedication and their successful work during financial year 2014. The Supervisory Board would also like to thank the Group's shareholders and customers for their trust.

Ternitz, 18 March 2015

A handwritten signature in black ink, appearing to read "Zimmermann N.", with a stylized flourish at the end.

Norbert Zimmermann  
Chairman of the Supervisory Board

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106	Financial statement of Schoeller-Bleckmann Oilfield Equipment AG
133	Declaration of all legal representatives pursuant to § 82 Sect. 4 (3) of the Austrian Stock Exchange Act

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

Anlage 1

Bilanz zum 31.12.2014

AKTIVA	31.12.2014		31.12.2013		PASSIVA
	EUR	TEUR	EUR	TEUR	
<b>A. ANLAGEVERMÖGEN</b>					
I. Immaterielle Vermögensgegenstände					
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorrechte sowie daraus abgeleitete Lizenzen	3.553.979,18	4.021			
II. Sachanlagen					
1. Grundstücke, grundstücksgleiche Rechte und Bauten davon Grundwert EUR 3.162.546,12 (2013: TEUR 3.163)	12.864.031,16	13.450			
2. andere Anlagen, Betriebs- und Geschäftsausstattung	202.865,77	74			
	13.066.896,93	13.524			
III. Finanzanlagen					
1. Anteile an verbundenen Unternehmen	190.471.167,41	124.791			
2. Ausleihungen an verbundene Unternehmen	16.914.248,57	19.391			
3. Wertpapiere	100.000,00	100			
	207.485.916,98	144.282			
	224.146.692,09	161.827			
<b>B. UMLAUFVERMÖGEN</b>					
I. Forderungen und sonstige Vermögensgegenstände					
1. Forderungen gegenüber verbundenen Unternehmen	16.630.323,67	48.734			
2. sonstige Forderungen und Vermögensgegenstände	10.585.633,38	10.556			
	27.215.957,05	59.290			
II. Wertpapiere und Anteile					
eigene Anteile	1.246.572,75	4.556			
III. Kassenbestand, Guthaben bei Kreditinstituten	49.126.200,21	84.586			
	77.598.730,01	148.434			
	301.736.422,10	310.261			
<b>A. EIGENKAPITAL</b>					
I. Grundkapital	16.000.000,00	16.000			
II. Kapitalrücklagen					
gebundene Kapitalrücklage	69.976.047,03	69.976			
III. Optionsrücklage	1.094.000,00	0			
IV. Gewinnrücklagen					
1. gesetzliche Rücklage	785.314,64	759			
2. Rücklage für eigene Anteile	1.246.572,75	4.558			
3. andere (freie) Rücklagen	15.537.322,47	12.226			
	17.569.209,86	17.570			
V. Bilanzgewinn	26.377.202,53	24.456			
davon Gewinnvertrag EUR 603.007,79 (2013: TEUR 12.961)	131.016.462,42	128.012			
	22.290,00	26			
<b>B. UNVERSTEUERTE RÜCKLAGEN</b>					
Bewertungsreserve auf Grund von Sonderabschreibungen					
<b>C. RÜCKSTELLUNGEN</b>					
1. Rückstellungen für Abfertigungen	1.417.226,00	1.269			
2. Steuerrückstellungen	8.609.966,95	9.260			
3. sonstige Rückstellungen	1.704.692,00	1.714			
	11.531.884,95	12.263			
<b>D. VERBINDLICHKEITEN</b>					
1. Anleihen	20.000.000,00	20.000			
2. Verbindlichkeiten gegenüber Kreditinstituten	96.985.399,97	105.750			
3. Verbindlichkeiten aus Lieferungen und Leistungen	243.871,79	194			
4. Verbindlichkeiten gegenüber verbundenen Unternehmen	36.765.979,75	39.369			
5. sonstige Verbindlichkeiten	4.769.563,22	4.567			
davon aus Steuern EUR 5.535,61 (2013: TEUR 109)					
davon im Rahmen der sozialen Sicherung EUR 618.544,39 (2013: TEUR 65)					
	158.764.844,73	169.940			
	301.736.422,10	310.261			

Der beiliegende Anlagepassivteil bildet einen integrierenden Bestandteil dieser Bilanz.

Haltungsverhältnisse 46.324.356,26

34.265

## SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

## Anlage 2

## GEWINN- UND VERLUSTRECHNUNG

vom 1. Jänner bis 31. Dezember 2014

	2014 EUR	2013 TEUR
1. Umsatzerlöse	9.044.359,73	7.417
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	12.000,00	0
b) übrige	1.843.891,73	260
	1.855.891,73	260
3. Personalaufwand		
a) Löhne	-184.986,58	-181
b) Gehälter	-3.620.985,24	-2.674
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Vorsorgekassen	-440.439,13	-127
d) Aufwendungen für Altersvorsorge	-665.925,52	-101
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-284.134,03	-315
f) sonstige Sozialaufwendungen	-423,78	-21
	-5.196.894,28	-3.419
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		
planmäßige Abschreibungen	-1.057.886,18	-1.049
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und Ertrag fallen	-216.524,25	-70
b) übrige	-9.652.931,84	-4.972
	-9.869.456,09	-5.042
<b>6. Zwischensumme Z 1 bis Z 5 (Betriebserfolg)</b>	<b>-5.223.985,09</b>	<b>-1.833</b>
7. Erträge aus Beteiligungen	32.531.417,30	23.120
davon aus verbundenen Unternehmen EUR 32.531.417,30 (2013: TEUR 23.120)		
8. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	1.684.764,25	1.918
davon aus verbundenen Unternehmen EUR 1.682.989,75 (2013: TEUR 1.917)		
9. sonstige Zinsen und ähnliche Erträge	1.051.746,80	1.368
davon aus verbundenen Unternehmen EUR 578.451,72 (2013: TEUR 624)		
10. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	680.105,35	397
11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	-1.043,38	-8.212
a) davon Abschreibungen EUR 0,00 (2013: TEUR 8.162)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR 1.043,38 (2013: TEUR 8.212)		
12. Zinsen und ähnliche Aufwendungen	-5.530.083,98	-6.159
davon betreffend verbundene Unternehmen EUR 1.250.227,12 (2013: TEUR 1.044)		
<b>13. Zwischensumme Z 7 bis Z 12 (Finanzerfolg)</b>	<b>30.416.906,34</b>	<b>12.432</b>
<b>14. Ergebnis der gewöhnlichen Geschäftstätigkeit</b>	<b>25.192.921,25</b>	<b>10.599</b>
<b>15. Verschmelzungsgewinn</b>	<b>251.663,93</b>	<b>0</b>
davon verschmelzungsbedingte Ergebnisübernahme aus Vorperioden EUR -1.472.374,82; 2013: TEUR 0)		
16. Steuern vom Einkommen und vom Ertrag	426.192,56	903
davon Ertrag aus Steuerumlagen EUR 9.706.466,12 (2013: TEUR 10.824)		
<b>17. Jahresüberschuss</b>	<b>25.870.777,74</b>	<b>11.502</b>
18. Auflösung unversteuerter Rücklagen		
Bewertungsreserve auf Grund von Sonderabschreibungen	3.420,00	3
19. Gewinnvortrag aus dem Vorjahr	503.007,79	12.961
<b>20. Bilanzgewinn</b>	<b>26.377.205,53</b>	<b>24.466</b>

## ANHANG ZUM JAHRESABSCHLUSS 2014

### 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 2013 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 3

Die Berechnung der **Abfertigungsrückstellungen** erfolgte mittels versicherungsmathematischem Verfahren gemäß IAS 19 (Methode der laufenden Einmalprämien). Hierzu wurden die folgenden Berechnungsannahmen verwendet: Zinssatz 2,0 % (Vorjahr: 3,0 %), Gehaltssteigerung 4,0 % (Vorjahr: 4,5 %) p. a., Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen. Im Rahmen der Ermittlung der Abfertigungsrückstellung erfolgt die Verteilung des Dienstzeitaufwandes für die Leistungsart Pensionierung über den Zeitraum vom Eintritt in das Unternehmen bis zum Zeitpunkt des geplanten Pensionsantrittes des jeweiligen Dienstnehmers.

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 31.12.2014: TEUR 3.578,1; Vorjahr: TEUR 3.999,1) und seit 2009 gegen Lizenzgebühr zur Nutzung überlassen wird.

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

- DSI FZE Verschmelzungszugang	TEUR	40.185,5
- Schoeller-Bleckmann Canada Ltd. Neugründung	TEUR	35.423,9
- Schoeller-Bleckmann Drilling- and Production-Equipment GmbH Verschmelzungsabgang	TEUR	- 9.004,8
- Schoeller-Bleckmann do Brasil Ltda. Abgang	TEUR	- 1.016,8
- Foxano AG Zugang	TEUR	92,7

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

## Anlage 3

in TEUR	<1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
31.12.2014	2.029,7	14.885,0	0,0	16.914,7
31.12.2013	4.506,2	14.884,9	0,0	19.391,1

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

Vom Zuschreibungswahlrecht gem. § 208 Abs. 2 UGB in Höhe von TEUR 3.558,6 wurde nicht Gebrauch gemacht (Vorjahr: TEUR 1.168,4). Die daraus resultierende steuerliche Belastung wäre TEUR 889,6 (Vorjahr: TEUR 292,1).

UMLAUFVERMÖGENForderungen und sonstige Vermögensgegenstände

Die Restlaufzeit stellt sich wie folgt dar:

31.12.2014 (in TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	10.694,5	5.935,8	16.630,3
sonstige Forderungen und Vermögensgegenstände	395,2	10.190,5	10.585,7
<b>Summe</b>	<b>11.089,7</b>	<b>16.126,3</b>	<b>27.216,0</b>

31.12.2013 (in TEUR)	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	45.025,6	3.708,6	48.734,2
sonstige Forderungen und Vermögensgegenstände	57,4	10.498,6	10.556,0
<b>Summe</b>	<b>45.083,0</b>	<b>14.207,2</b>	<b>59.290,2</b>

Die **Forderungen gegenüber verbundenen Unternehmen** resultieren ausschließlich aus Konzernfinanzierungen.

Die größten Positionen in den **sonstigen Forderungen** waren Darlehen an Mitarbeiter von Konzerngesellschaften (TEUR 10.170,6; Vorjahr: TEUR 10.478,8).

Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen (TEUR 27,8; Vorjahr: TEUR 64,1).

Eigene Anteile

Im Jahr 2014 hat die Gesellschaft keine eigenen Aktien erworben (Vorjahr: 47.877 Stück erworben). Zum Bilanzstichtag 2014 hält die Gesellschaft nun 24.000 Stück eigene Aktien (31.12.2013 87.761 Stück). Dies entspricht einem Anteil von 0,15 % am Grundkapital (Vorjahr: 0,55 %) mit einem Buchwert von TEUR 1.246,6 (Vorjahr: TEUR 4.557,7).

Vom Zuschreibungswahlrecht gemäß § 208 Abs. 2 UGB in Höhe von TEUR 7,6 (Vorjahr TEUR 680,1) wurde nicht Gebrauch gemacht. Die daraus resultierende steuerliche Belastung wäre TEUR 1,9 (Vorjahr: TEUR 170,0).

Anlage 3EIGENKAPITAL

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 23. April 2014 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. Im Jahr 2014 wurde von dieser Ermächtigung kein Gebrauch gemacht. Im Jahr 2013 hat die Gesellschaft auf Basis einer in der Hauptversammlung vom 25. April 2012 beschlossenen Ermächtigung 47.877 Stück eigene Aktien um TEUR 3.684,2 erworben.

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 TEUR 15.537,3 (Vorjahr: TEUR 12.226,2). Im Jahr 2014 erfolgte aufgrund des Abgangs von eigenen Aktien eine erfolgsneutrale Umwidmung aus der Rücklage für eigene Anteile in Höhe von TEUR 3.311,1 (Vorjahr: erfolgsneutrale Umwidmung in die Rücklage für eigene Anteile in der Höhe von TEUR 3.684,2).

Die **Rücklage für eigene Anteile** betrug zum Bilanzstichtag TEUR 1.246,6 (Vorjahr: TEUR 4.557,7). Dies entspricht dem Buchwert der eigenen Aktien zum Bilanzstichtag.

Die **Optionsrücklage** wurde in Zusammenhang mit einem im Jahr 2014 vereinbarten Vorstandsvergütungsprogramm für die künftige Abgabe von eigenen Aktien in Höhe von TEUR 1.094,0 dotiert (VJ: TEUR 0,0).

Gemäß dem Hauptversammlungsbeschluss vom 23. April 2014 wurden vom **Bilanzgewinn 2013** TEUR 23.963,9 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 503,0 auf neue Rechnung vorgetragen.

UNVERSTEUERTE RÜCKLAGEN

in TEUR	2013	Auflösung	2014
Bewertungsreserve gemäß § 8 EStG: Bauten	25,7	3,4	22,2

RÜCKSTELLUNGEN

In den **übrigen Rückstellungen** sind enthalten:

in TEUR	31.12.2014	31.12.2013
Jubiläumsgeldrückstellungen	58,0	39,6
Rückstellungen für nicht konsumierte Urlaube	363,9	363,0
sonstige Personalrückstellungen	956,0	990,3
Rechts-, Prüfungs- und Beratungskosten	176,8	172,0
Bilanzveröffentlichung	150,0	150,0
<b>Summe</b>	<b>1.704,7</b>	<b>1.714,9</b>

## Anlage 3

VERBINDLICHKEITEN

Die **Verbindlichkeiten** weisen folgende Fristigkeiten auf:

31.12.2014 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	20.000,0	0,0	0,0	20.000,00
Verbindlichkeiten gegenüber Kreditinstituten	8.568,7	58.416,7	30.000,0	96.985,4
Verbindlichkeiten aus Lieferungen und Leistungen	243,9	0,0	0,0	243,9
Verbindlichkeiten gegenüber verbundenen Unternehmen	36.766,0	0,0	0,0	36.766,0
sonstige Verbindlichkeiten	2.586,5	1.058,5	1.124,6	4.769,6
<b>Summe</b>	<b>68.165,1</b>	<b>59.475,2</b>	<b>31.124,6</b>	<b>158.764,9</b>

31.12.2013 (in TEUR)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Anleihen	0,0	20.000,0	0,0	20.000,00
Verbindlichkeiten gegenüber Kreditinstituten	8.804,1	66.985,4	30.000,0	105.789,5
Verbindlichkeiten aus Lieferungen und Leistungen	193,7	0,0	0,0	193,7
Verbindlichkeiten gegenüber verbundenen Unternehmen	39.388,9	0,0	0,0	39.388,9
sonstige Verbindlichkeiten	2.119,2	1.058,5	1.389,2	4.566,9
<b>Summe</b>	<b>50.505,9</b>	<b>88.043,9</b>	<b>31.389,2</b>	<b>169.939,0</b>

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. Eine Teilschuldverschreibung wurde am 18. Juni 2013 zum Nennbetrag von MEUR 20,0 zurückgezahlt, die weitere ist am 18. Juni 2015 zum Nennbetrag von MEUR 20,0 fällig. 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 2.393,1 (Vorjahr: TEUR 1.818,3) Aufwendungen, die nach dem Abschlussstichtag zahlungswirksam werden.



Anlage 3HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

in TEUR	31.12.2014		31.12.2013	
	Gesamtbetrag	davon für verbundene Unternehmen	Gesamtbetrag	davon für verbundene Unternehmen
Haftungen für Kredite und Kurssicherungen	46.342,3	46.324,3	34.265,1	34.265,1

Darüber hinaus wurden für ein Bankdarlehen eines verbundenen Unternehmens Pfandrechte an Liegenschaften der Gesellschaft bis zu einem Höchstbetrag von TEUR 9.000,0 eingeräumt (Vorjahr: TEUR 9.000,0).

Weiters hat die Gesellschaft gegenüber einem verbundenen Unternehmen eine Patronats-erklärung mit Befristung bis März 2015 abgegeben, die eine unwiderrufliche Zusicherung enthält, das Unternehmen derart zu unterstützen, dass dieses jederzeit ihren finanziellen Verpflichtungen nachkommen kann.

FINANZIELLE VERPFLICHTUNGEN

Im Zuge eines Unternehmenszusammenschlusses im Jahr 2014 hat die Gesellschaft den anderen Gesellschaftern das ab 31. März 2018 jederzeit ausübbares Recht eingeräumt, ihre Anteile der Gesellschaft anzubieten und hat sich diesfalls die Gesellschaft verpflichtet, die angebotenen Anteile zu erwerben. Zudem hat die Gesellschaft das Recht erworben, ab 31. März 2018 jederzeit die Anteile der anderen Gesellschafter zu erwerben, welche sich dazu verpflichtet haben, die Anteile diesfalls an die Gesellschaft zu übertragen (Put- und Call-Option). Der Kaufpreis ist jeweils von den erzielten Ergebnissen des erworbenen Unternehmens abhängig.

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 0,0 (Vorjahr: TEUR 5,5)
- fällig innerhalb der nächsten 5 Jahre: TEUR 0,0 (Vorjahr: TEUR 5,5)

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

**2) ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG**UMSATZERLÖSE

Die größten Posten sind:

in TEUR	2014	2013
Verrechnete Holdingleistungen	6.730,6	4.369,4
Mieterträge	1.680,1	1.647,9
Lizenzeeinnahmen	624,0	590,8
Verrechnete Konzernversicherung	9,7	808,6

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

in TEUR	2014	2013
Kursgewinne	1.843,9	256,8

PERSONALAUFWAND

Im Posten **Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen** sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 12,5 (Vorjahr: TEUR 12,2) enthalten.

Von den Aufwendungen für Abfertigungen und Pensionen entfallen TEUR 1.060,2 (Vorjahr: TEUR 187,4) auf die Mitglieder des Vorstands.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den **übrigen sonstigen betrieblichen Aufwendungen** sind:

in TEUR	2014	2013
Rechts-, Prüfungs- und Beratungskosten	5.088,3	594,5
Forschungs- und Entwicklungsaufwendungen	950,0	900,0
Dienstleistungen Konzern	756,1	0,0
Versicherungen	306,9	304,2
Kursverluste	5,1	935,0

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

Anlage 3BETEILIGUNGSERGEBNIS

Die **Erträge aus Beteiligungen** betreffen nachfolgende Gesellschaften:

in TEUR	2014	2013
Schoeller-Bleckmann Oilfield Technology GmbH	14.000,0	16.000,0
Schoeller-Bleckmann America Inc.	7.910,8	0,0
DSI FZE	7.849,2	0,0
BICO Drilling Tools Inc.	2.771,4	7.120,6

VERSCHMELZUNGSGEWINN

Zur Straffung der Konzernstruktur wurde am 21. Februar 2014 beschlossen, die beiden nicht operativ tätigen Gesellschaften Schoeller-Bleckmann Drilling and Production Equipment GmbH, Ternitz, sowie die BICO-DSI Investment GmbH, Ternitz, als übertragende Gesellschaften mit der SCHOELLER-BLECKMANN Oilfield Equipment Aktiengesellschaft, Ternitz, als übernehmende Gesellschaft rückwirkend zum 30. September 2013 zu verschmelzen.

Aus der Verschmelzung dieser Gesellschaften ergab sich ein Verschmelzungsgewinn von TEUR 251,7.

STEUERN VOM EINKOMMEN UND VOM ERTRAG

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

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 LLC, Binh Duong.....(ab 2009),
- Schoeller-Bleckmann do Brasil Ltda., Macae.....(ab 2009).

Die Schoeller-Bleckmann Drilling and Production Equipment GmbH., Ternitz sowie die BICO-DSI Investment GmbH., Ternitz wurden in 2014 mit der Gesellschaft verschmolzen. Die Schoeller-Bleckmann do Brasil Ltda., Macae, wurde im Geschäftsjahr veräußert, wodurch sie aus der Steuergruppe in 2014 ausgeschieden ist.

Die aktive Steuerlatenz beträgt TEUR 1.164,4 (Vorjahr: TEUR 1.357,5). Sie wurde gemäß § 198 Abs. 10 UGB nicht in der Bilanz ausgewiesen.

Im Geschäftsjahr 2014 weist die Gesellschaft nach Verrechnung der Steuerumlagen an inländische Gruppenmitglieder in Höhe von TEUR 9.706,5 (Vorjahr: TEUR 10.824,3) einen Steuerertrag in Höhe von TEUR 426,2 (Vorjahr: TEUR 903,6) aus. Darin sind Aufwendungen für Quellensteuern in Höhe von TEUR 594,7 (Vorjahr: TEUR 392,1) sowie auf Vorjahre entfallende Steuern von TEUR -41,1 (Vorjahr: TEUR -44,3) enthalten.

Anlage 3BILANZGEWINN

Das Geschäftsjahr 2014 schließt mit einem Jahresüberschuss von TEUR 25.870,8 Nach Berücksichtigung der Rücklagenbewegungen sowie zuzüglich des Gewinnvortrags aus 2013 ergibt sich ein Bilanzgewinn von TEUR 26.377,2.

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

Im Zusammenhang mit der Verschmelzung der beiden nicht operativ tätigen Gesellschaften Schoeller-Bleckmann Drilling and Production Equipment GmbH, Ternitz, und BICO-DSI Investment GmbH, Ternitz, als übertragende Gesellschaften mit der SCHOELLER-BLECKMANN Oilfield Equipment Aktiengesellschaft, Ternitz, als übernehmende Gesellschaft schied im Geschäftsjahr 2014 der Minderheitsgesellschafter der BICO-DSI Investment GmbH aus und wurde mit 57.761 Stück SBO-Aktien abgefunden.

Für das Geschäftsjahr 2014 liegen keine berichtspflichtigen Geschäftsfälle gemäß § 237 Z. 8b UGB vor.

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Im Jahr 2014 sind für den Abschlussprüfer, die **Deloitte Schwarz & Schmid Wirtschaftsprüfungs GmbH**, und mit diesem verbundene Unternehmen folgende Aufwendungen angefallen:

- Prüfung des Jahresabschlusses .....	TEUR 21,2	(Vorjahr: TEUR 20,0)
- Steuerberatungsleistungen .....	TEUR 35,7	(Vorjahr: TEUR 6,0)
- Sonstige Leistungen .....	TEUR 78,7	(Vorjahr: TEUR 0,0)

IV. Angaben über Beteiligungen und Beziehungen zu verbundenen Unternehmen

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG war zum 31. Dezember 2014 an folgenden Unternehmen beteiligt:

## Anlage 3

	Anteil in Prozent		Ergebnis in TEUR	Eigenkapital in TEUR
	Direkt	Indirekt		
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	100,00		28.469,1	31.12.2014 97.730,9
DSI FZE, Dubai, AE	100,00		8.654,5	55.358,7
Schoeller-Bleckmann America Inc., Wilmington, US	100,00		6.684,4	43.098,7
GODWIN-SBO LLC, Houston, US		97,20	- 5.301,9	59.163,2
KNUST-SBO LLC, Houston, US		93,60	7.180,0	83.066,1
KNUST-SBO Far East Pte Ltd., Singapur, SG		93,60	52,4	4.715,4
Schoeller-Bleckmann Energy Services LLC, Lafayette, US		86,80	3.487,1	17.104,3
Schoeller-Bleckmann Sales Co. LLC, Houston, US		100,00	3.524,1	11.262,8
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00		1.441,2	53.208,4
Darron Tool & Engineering Limited, Rotherham, GB		100,00	- 3.875,3	4.243,5
Schoeller-Bleckmann Darron Limited, Aberdeen, GB		91,00	2.430,0	12.250,4
Schoeller-Bleckmann Darron (Aberdeen) Limited, Aberdeen, GB		94,00	2.682,1	10.500,0
Techman Engineering Limited, Chesterfield, GB		91,35	599,7	8.440,5
BICO Drilling Tools Inc., Houston, US	85,00		15.494,4	90.535,8
BICO-FASTER Drilling Tools Inc., Nisku, CA		73,95	2.091,0	10.280,3
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MX	97,00		-169,4	3.468,6
Schoeller-Bleckmann do Brasil Ltda., Macae, BR		100,00	1.663,6	3.573,2
SB Darron Pte Ltd., Singapur, SG	100,00		1.441,8	7.086,9
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	100,00		702,8	5.493,4
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	100,00		1.857,3	18.345,6
Schoeller-Bleckmann Canada, Calgary, CA	100,00		-525,0	35.006,6
Resource Well Completion Technology Inc., Calgary, CA	100,00		1.686,1	5.132,1

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:

	2014	2013
Gehaltsempfänger	15	15
Lohnempfänger	7	8
<b>Summe Mitarbeiter</b>	<b>22</b>	<b>23</b>

Zum 31.12.2014 betrug der Personalstand 22 Mitarbeiter: 15 Gehaltsempfänger und 7 Lohnempfänger (Vorjahr: 22 Mitarbeiter, 15 Gehaltsempfänger und 7 Lohnempfänger).

Die Bezüge für die Mitglieder des Vorstands betrugen im Jahr 2014 TEUR 1.931 (davon fixer Anteil TEUR 920, davon variabler Anteil TEUR 1.011 (Vorjahr: TEUR 1.904 (davon fixer Anteil TEUR 795, davon variabler Anteil TEUR 1.109).

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden Ing. Gerald Grohmann für Vorstandstätigkeiten eine jährliche Übertragung von jeweils 6.000 Stück SBO Aktien zugesagt, wobei die erste Übertragung am 31.3.2014 erfolgte. Diese Aktien unterliegen auf die Dauer von 2 Jahren ab der jeweiligen Übertragung, längstens aber bis zur Beendigung des Dienstvertrages, einer Verfügungs- und Belastungsbeschränkung seitens Herrn Grohmann. Die Gewährung der Aktien ist mit einem Gesamtkurswert von TEUR 1.300,0 beschränkt, wobei die Wertermittlung am Ende der jeweiligen Sperrfrist erfolgt. Zum 31.12.2014 beträgt der Kurswert der bereits übertragenen Aktien TEUR 360,0.

Weiters wurde im Geschäftsjahr 2014 dem Vorstandsvorsitzenden eine freiwillige Abfertigung in Höhe von 30.000 Stück SBO Aktien bei Vertragsende zugesagt.

Im Geschäftsjahr 2014 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 109,7 (Vorjahr: TEUR 128,3).

Anlage 3Aufsichtsrat:

Mag. NORBERT ZIMMERMANN  
Vorsitzender seit 10.04.1995

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

Mag. Brigitte EDERER  
Mitglied seit 23.04.2014

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 20. Februar 2015

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

  
Ing. GERALD GROHMANN

  
Mag. FRANZ GRITSCH

**SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft**

**Anlagenpiegel zum 31.12.2014**

	Entwicklung der Anschaffungs- und Herstellungskosten				Kumulierte Abschreibungen	Buchwert 31.12.2014	Buchwert 31.12.2013	Abschreibungen des Geschäftsjahres
	Stand 01.01.2013	Zugänge	Abgänge	Stand 31.12.2014				
<b>I. Immaterielle Vermögensgegenstände</b>								
Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	6.380.530,22	0,00	0,00	6.380.530,22	2.786.652,04	3.593.878,18	4.021.211,24	427.333,06
<b>Summe Immaterielle Vermögensgegenstände</b>	<b>6.380.530,22</b>	<b>0,00</b>	<b>0,00</b>	<b>6.380.530,22</b>	<b>2.786.652,04</b>	<b>3.593.878,18</b>	<b>4.021.211,24</b>	<b>427.333,06</b>
<b>II. Sachanlagen</b>								
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 3.162.546,12 (2013: TEUR 3.163)	19.741.812,63	0,00	0,00	19.741.812,63	6.877.781,47	12.864.031,16	13.450.113,46	586.082,30
2. andere Anlagen, Betriebs- und Geschäftsausstattung	685.443,70	173.297,10	-95.895,80	762.845,00	559.979,23	202.865,77	73.640,32	44.071,65
3. geringwertige Wirtschaftsgüter	0,00	399,17	-399,17	0,00	0,00	0,00	0,00	399,17
<b>Summe Sachanlagen</b>	<b>20.427.256,33</b>	<b>173.696,27</b>	<b>-96.294,97</b>	<b>20.504.657,63</b>	<b>7.437.760,70</b>	<b>13.066.896,93</b>	<b>13.523.753,78</b>	<b>630.553,12</b>
<b>III. Finanzanlagen</b>								
1. Anteile an verbundenen Unternehmen	136.877.473,41	75.702.163,01	-14.508.306,12	198.071.330,30	7.600.162,89	190.471.167,41	124.790.664,25	0,00
2. Ausleihungen an verbundene Unternehmen	25.320.134,65	0,00	-2.551.918,36	22.768.216,29	5.853.466,72	16.914.749,57	19.391.145,94	0,00
3. Wertrechte	100.000,00	0,00	0,00	100.000,00	0,00	100.000,00	100.000,00	0,00
<b>Summe Finanzanlagen</b>	<b>162.297.608,06</b>	<b>75.702.163,01</b>	<b>-17.060.224,48</b>	<b>220.939.546,59</b>	<b>13.453.629,61</b>	<b>207.485.916,98</b>	<b>144.281.810,19</b>	<b>0,00</b>
<b>Summe Anlagevermögen</b>	<b>189.105.394,61</b>	<b>75.875.859,28</b>	<b>-17.156.519,45</b>	<b>247.824.734,44</b>	<b>23.678.042,35</b>	<b>224.146.692,09</b>	<b>161.826.775,21</b>	<b>1.057.886,18</b>



Anlage 4

<b>Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft</b>
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**LAGEBERICHT****für das Geschäftsjahr 2014****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 2014 MEUR 9,0 (Vorjahr: MEUR 7,4). 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 2014 MEUR 25,2 (Vorjahr: MEUR 10,6). Es war wesentlich gekennzeichnet durch Erträge aus Beteiligungen in Höhe von MEUR 32,5 (Vorjahr: MEUR 23,1). Es handelt sich hierbei um Ausschüttungen von Schoeller-Bleckmann Oilfield Technology GmbH., Schoeller-Bleckmann America Inc., DSI FZE und BICO Drilling Tools Inc.

Die **Zugänge zu Sachanlagen und immateriellen Vermögensgegenständen** betragen 2014 MEUR 0,2 (Vorjahr: MEUR 0,0).

Die **Zugänge zu Finanzanlagen** betragen MEUR 75,7 (Vorjahr: MEUR 10,0) und betrafen mit MEUR 75,7 *Anteile an verbundenen Unternehmen und Wertrechte* (Vorjahr: MEUR 2,3) und mit MEUR 0,0 *Ausleihungen an verbundene Unternehmen* (Vorjahr: MEUR 7,7). Von den Ausleihungen an verbundene Unternehmen wurden MEUR 2,6 planmäßig getilgt. Bei den Anteilen an verbundenen Unternehmen waren Abgänge in der Höhe von MEUR 10,0 zu verzeichnen.

Die **Bilanzsumme** 2014 blieb mit MEUR 301,7 nahezu unverändert (Vorjahr: MEUR 310,3).

Die **Eigenkapitalquote** betrug 43,4 % (Vorjahr: 41,3 %).

Das **langfristig gebundene Vermögen** (überwiegend Finanzanlagen) betrug 74,3 % der Bilanzsumme (Vorjahr: 52,2 %).

Der **Personalstand** der SBO zum 31. Dezember 2014 betrug 22 Mitarbeiter (15 Gehaltsempfänger und 7 Lohnempfänger), verglichen mit einem Personalstand zum 31. Dezember 2013 von 22 Mitarbeitern (15 Gehaltsempfänger und 7 Lohnempfänger).

Es bestehen keine Zweigniederlassungen der SBO.

### Marktumfeld des SBO-Konzerns

Das weltweite Wirtschaftswachstum blieb im Jahr 2014 trotz punktueller Erholung letztlich hinter den ursprünglichen Erwartungen zurück. Der aktuellen Schätzung des Internationalen Währungsfonds (IWF) zufolge betrug das globale Wirtschaftswachstum im Jahr 2014, wie schon im Jahr zuvor 3,3 %. Die durchschnittliche Wachstumsrate der Industrienationen 2014 betrug 1,8 %, nach 1,3 % in 2013. Das Wirtschaftswachstum der Schwellenländer lag 2014 bei 4,4 % nach 4,7 % im Jahr 2013.<sup>1</sup>

Die stagnierende Konjunktur in der Eurozone und vielen Emerging Markets, das geringere Wachstum in China und geopolitische Konflikte veranlassten den IWF, die ursprünglichen Wachstumsprognosen nach unten zu korrigieren. Die geopolitischen Krisen drückten vor allem auf das Wachstum der davon betroffenen Schwellenländer (Russland, Nahost). In Summe betrachtet zeigten die Schwellenländer dank China und Indien aber immer noch attraktive Wachstumsraten. Die Wirtschaft in den USA setzte ihren positiven Wachstumstrend dank der erfolgreichen Schieferöl- und Schiefergasförderung, die ein Aufleben der US - Industrie nach sich zog, fort. Im dritten Quartal 2014 erzielten die USA sogar ein BIP -Plus von 5 %.

Der durchschnittliche globale Ölverbrauch stieg im Jahr 2014 laut Internationaler Energie Agentur (IEA ) um 0,6 Millionen Barrel pro Tag (mb/d) oder 0,7 % auf 92,5 (2013: 91,8 mb/d). Dieser relativ moderate Anstieg war auf einen Rückgang des Verbrauchs in den OECD - Ländern um 0,5 mb/d oder 1,0 % auf 45,6 mb/d (2013: 46,1 mb/d) zurückzuführen. Der Nachfragerückgang in OECD -Ländern wurde durch den wachsenden Bedarf der Schwellenländer überkompensiert: Der durchschnittliche Ölverbrauch in Nicht-OECD -Ländern stieg im Jahr 2014 um 1,1 mb/d oder 2,5 % auf 46,8 mb/d 2014.<sup>2</sup> (2013: 45,7 mb/d).

Angebotsseitig war der Ölmarkt vor allem in der zweiten Jahreshälfte 2014 überversorgt: Sowohl die OPEC - als auch die Nicht-OPEC -Staaten erhöhten die Fördermengen. Die USA haben sich in den vergangenen Jahren aufgrund der rasant steigenden Schieferölförderung zu einem der drei führenden Ölfördernationen neben Saudi-Arabien und Russland entwickelt. Auch 2014 steigerten die USA ihre Ölfördermenge: Im Oktober 2014 lag sie auf dem höchsten Niveau seit Februar 1986.<sup>3</sup>

Der Rig Count<sup>4</sup> – die Zahl der in Betrieb befindlichen Bohranlagen – stieg 2014 wieder an, nachdem er 2013 leicht rückläufig war. Der weltweite Rig Count betrug 2014 durchschnittlich

<sup>1</sup> Internationaler Währungsfonds (IWF), World Economic Outlook Update, Jänner 2015

<sup>2</sup> International Energy Agency (IEA), Oil Market Report, Februar 2015

<sup>3</sup> U.S. Energy Information Agency (EIA): U.S. Field Production of Crude Oil (Thousand Barrels per Day) per 23. Jänner 2015

<sup>4</sup> Baker Hughes Inc.

3.578 Anlagen. Das bedeutete ein Plus von 166 Anlagen oder 4,9 % im Jahresvergleich (2013: 3.412 Anlagen).

In allen Weltregionen mit Ausnahme von Lateinamerika (minus 22 Anlagen oder 5,3 %) erhöhte sich die Zahl der Bohranlagen – prozentuell am stärksten im Nahen Osten (+ 34 Anlagen oder 9,1 %), in Kanada (+ 25 Anlagen oder 7,0 %), Europa (+10 Anlagen oder 7,4 %) sowie Afrika (+ 9 Anlagen oder 7,2 %) und in absoluten Zahlen vor allem in den USA (+ 101 Anlagen oder 5,7 %).

Auch im Dezember 2014 lag der weltweite Rig-Count trotz des Ölpreisverfalls immer noch um 2,6 % über dem Vorjahr. Von November auf Dezember sank er allerdings um 2,7 % oder 100 Anlagen. Dieser Rückgang betraf fast ausschließlich Nordamerika.

Die weltweiten Ausgaben für Exploration und Produktion stiegen im Jahr 2014 gegenüber dem Vorjahr nach Analystenschätzungen um ca. 5,8 % auf insgesamt rund 679,5 Mrd. USD.<sup>5</sup>

Die Preise der beiden handelsüblichen Ölsorten WTI und Brent entwickelten sich in der ersten Jahreshälfte 2014 zunächst noch auf hohem Niveau. Der Preis für ein Barrel der US-Sorte WTI stieg von USD 95,14 zu Jahresbeginn auf ein Jahreshoch von USD 107,95 am 20. Juni 2014. Die europäische Sorte Brent startete zu Jahresbeginn mit einem Preis von USD 107,94 pro Barrel und stieg am 19. Juni 2014 auf ein Jahreshoch von USD 115,19.<sup>6</sup>

Der Ölpreis beider Handelssorten fiel im weiteren Verlauf des Jahres allerdings deutlich: Am 31. Dezember 2014 lag der Ölpreis der Sorte WTI bei USD 53,45 pro Barrel, der Preis der Sorte Brent bei USD 55,27 pro Barrel und damit bei beiden auf einem Jahrestief. Im Jahresverlauf (02.01. - 31.12.2014) fiel der Ölpreis der Sorte WTI damit um 43,8 %, jener der Sorte Brent um 48,8 %.

Diese Situation unterschied sich von früheren Marktentwicklungen, bei denen der Ölpreis meist als Reaktion auf geopolitische Krisen deutlich anstieg. Experten begründeten dies mit dem mehr als ausreichend versorgten Ölmarkt, wofür vor allem die hohe Schieferölförderung in den USA verantwortlich war. Der Angebotsüberschuss betrug im 4. Quartal 2014 rund 0,8 mb/d.<sup>7</sup>

Zudem entschied die OPEC im November 2014, ihre Ölfördermenge auf hohem Niveau zu belassen. In ähnlichen Situationen hatte die OPEC in der Vergangenheit ihre Produktion gedrosselt und somit den Rohölpreis gesteuert.

Durch diesen massiven Ölpreisverfall wurde das Umfeld für die Oilfield Service-Industrie im zweiten Halbjahr zunehmend volatil. Die Unsicherheit am Markt stieg. Der Rig-Count ging bis Jahresende zwar gegenüber dem Vorjahr noch nicht zurück, viele Unternehmen der Oilfield Service-Industrie kündigten aber bereits gegen Ende 2014 an, ihre Investitionen infolge des fallenden Ölpreises im Geschäftsjahr 2015 reduzieren zu wollen.

<sup>5</sup> Barclays, Global 2014 E&P Spending Outlook, 8. Jänner 2015

<sup>6</sup> U.S. Energy Information Agency (EIA), Spot Prices for Crude Oil

<sup>7</sup> International Energy Agency (IEA), Oil Market Report, Jänner 2015

### Geschäftsentwicklung des SBO-Konzerns

Das Geschäft des SBO-Konzerns entwickelte sich 2014 bei einer anhaltend hohen Profitabilität solide. Trotz des volatilen Umfelds stiegen Umsatz und Auftragseingang.

Das Betriebsergebnis vor Einmaleffekten lag deutlich über dem Vorjahresniveau. Der Konzern konnte 2014 den Auftragseingang um 16,9 % auf MEUR 497,9 steigern (2013: MEUR 425,9).

Nach einem verhaltenen Start in den ersten Wochen zogen die Auftragseingänge im weiteren Jahresverlauf in allen Geschäftsfeldern an. Der Auftragseingang ging zwar im vierten Quartal gegenüber dem dritten Quartal zurück, lag aber trotz des deutlichen Verfalls des Ölpreises immer noch über dem Vorjahresquartal. Dies war vor allem auf den zumindest bis Ende 2014 weitgehend stabilen globalen Rig-Count zurück zu führen.

Der Auftragsstand lag zum Jahresende 2014 bei MEUR 122,1 (Ende 2013: MEUR 111,5).

Der Konzern gliedert sein Geschäft in die zwei Segmente High Precision Components (Fertigung von Präzisionsbohrstrangteilen) und Oilfield Equipment (Non-Magnetic-Drill-Collars, Bohrmotoren, Circulation Tools, Completion-Tools sowie andere Komponenten einschließlich Service- und Reparaturarbeiten). Beide Segmente konnten 2014 gegenüber dem Vorjahr die Auftragseingänge steigern und erzielten ein solides Ergebnis mit einer hohen Rentabilität.

Das Segment High Precision Components entwickelte sich 2014 entsprechend den CAPEX Ausgaben der Kunden. Wie schon 2013 tendierten die Kunden dazu, die mögliche Einsatzdauer ihrer Tools vermehrt durch Aufbereitung und Reparatur sowie andere Effizienzsteigerungsmaßnahmen zu maximieren und damit die Zahl der Neubestellungen zu minimieren. In diesem Marktumfeld gelang es dem Konzern, den Umsatz auf Vorjahresniveau zu halten und behauptete ihre Position als Weltmarktführer. Wie üblich bei einem derart starken Verfall des Ölpreises spürte das Segment allerdings im vierten Quartal einen gewissen Preisdruck.

Der Konzern nahm 2014 die neue Fertigung am Standort Tarnitz in Betrieb. Damit konnten im Segment High Precision Components Prozesse optimiert und die Lieferzeit reduziert werden. Zudem investierte der Konzern weiter gezielt in die Produktinnovation, um ihren technologischen Vorsprung in diesem Segment zu festigen.

Das Segment Oilfield Equipment konnte den Umsatz steigern. Es profitierte vom Anstieg der weltweiten Bohrtätigkeit, der bis Ende 2014 fast unverändert anhielt. Zudem stiegen die Umsätze im Bereich der Non-Magnetic-Drill-Collars sowie bei High-Tech-Repair und Maintenance.

Die Bohrmotoren-Tochter BICO verzeichnete ein durchwegs zufriedenstellendes Wachstum, vor allem in Nordamerika, wo bislang ihr Schwerpunkt liegt. BICO ist Marktführer im Bereich der High Performance-Bohrmotoren. Ihre Hochleistungs-Bohrmotoren sind besonders gut für anspruchsvolle Bohrungen geeignet und verfügen neben einer sehr attraktiven „rate of penetration“ auch über eine lange Lebensdauer. Aufgrund der hohen Nachfrage baute BICO ihre Bohrmotoren-Flotte im Jahr 2014 weiter aus.

Positiv entwickelte sich auch die Tochtergesellschaft DSI, die im Bereich der Down Hole Circulation-Tools klarer Weltmarktführer ist. Die High-End-Tools der DSI zeichnen sich vor allem dadurch aus, dass sie Spülungsverluste und Ausfallzeiten reduzieren und damit die Kosteneffizienz einer Bohrung deutlich erhöhen. DSI gewann 2014 weitere Kunden und baute ihre Flotte ebenfalls weiter aus.

Im Geschäftsfeld High-Tech-Repair und Maintenance von Oilfield-Tools profitierte der Konzern vom Bemühen der Kunden, die Lebensdauer ihrer Tools zu verlängern. SBO ist mit

einem One-Stop-Shop-Konzept in diesem Geschäftsfeld weltweit vertreten und kann damit die Kunden vor Ort umfassend betreuen.

Neu in das Segment Oilfield Equipment wurde im vierten Quartal das kanadische Unternehmen „Resource Well Completion Technologies Inc.“ (Resource) eingegliedert, an dem der Konzern 67 % übernahm. Es besteht eine Option zur Übernahme der übrigen 33 % nach Ablauf von drei Jahren. Der Kaufpreis ist variabel: Die erste Tranche in der Höhe von 39,3 Millionen Kanadische Dollar (CAD) war mit dem Closing im November 2014 fällig. Die zweite Tranche wird am 31. März 2015 fällig und orientiert sich am herrschenden Geschäftsumfeld. Mit dieser Akquisition erweiterte der Konzern sein Produktportfolio um den Bereich Completion, ohne sich vom Kerngeschäft zu entfernen. Resource ist ein hochinnovatives Unternehmen. Es produziert High-End-Produkte, mit denen man besonders effizient die Öl- und Gasproduktion stimulieren kann. Resource bietet eine ideale Technologieplattform, um das profitable Completion-Geschäft weiter auszubauen.

Der Konzern beabsichtigt, die Rentabilität seiner Aktivitäten in England zu steigern. Daher wurde 2014 ein Programm aufgesetzt, um zwischen den benachbarten Tochtergesellschaften „Techman Engineering Ltd.“ und „Darron Tool & Engineering Ltd.“ Kostenpotentiale auszuschöpfen. Durch die Beseitigung von Doppelgleisigkeiten, dem Nutzen von Synergien und Prozessoptimierungen können Fixkosten reduziert werden. Auf Basis einer dadurch verbesserten Kostenstruktur soll das Geschäft in Zukunft weiter ausgebaut werden. Die Umsetzung der Maßnahmen wird 2015 abgeschlossen sein.

### **Nachtragsbericht**

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

Unter anderem zur Refinanzierung der im Juni 2015 auslaufenden Anleihe in Höhe von TEUR 20.000 wurden im Jänner 2015 Darlehen in Höhe von TEUR 40.000 mit einer Fixverzinsung von 0,75% und einer Laufzeit bis 31.12.2018 aufgenommen.

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

### **Ausblick des SBO-Konzerns**

Der Internationale Währungsfond (IWF) prognostiziert für das Jahr 2015 ein durchschnittliches globales Wachstum von 3,5 %, nach 3,3 % in den Jahren 2014 und 2013. Die Industriestaaten sollen im Jahr 2015 um 2,4 % wachsen (nach 1,8 % im Jahr 2014 und 1,3 % im Jahr 2013). Damit zeichnet sich eine moderate Erholung der Konjunktur in den Industriestaaten ab, die vor allem von den USA getragen wird. In den Schwellenländern geht der IWF 2015 von einem Wachstum von 4,3 % aus (nach 4,4 % im Jahr 2014 und 4,7 % im Jahr 2013). Trotz eines verlangsamten Wirtschaftswachstums bleiben China und Indien mit erwarteten Wachstumsraten von 6,8 % und 6,3 % die treibenden Kräfte der Weltwirtschaft.<sup>8</sup>

Mehrere Unsicherheitsfaktoren, die bereits im Jahr 2014 die Prognosen für die globale Konjunkturentwicklung beeinflussten, bestehen im Jahr 2015 weiter: Neben der enttäuschenden Konjunkturentwicklung in Europa mit Deflationsgefahr, einem schwachen Wachstum in Japan und dem verlangsamten Wirtschaftswachstum in einigen Schwellenländern stellen vor allem die weiterhin aktuellen, geopolitischen Krisen (Ukraine und Russland, Naher Osten) große Unsicherheitsfaktoren dar.

Offen ist, in welchem Ausmaß der drastisch gesunkene Ölpreis zu einer Belebung des Wachstums in den westlichen Industrienationen sowie China führt. Marktanalysen<sup>9</sup> rechnen einerseits mit einem Wachstumsschub auf Grund billigerer Energieimporte, sehen aber auch, dass ein starker US Dollar die Energiekosten (Öl ist in US Dollar notiert) außerhalb des Dollarraumes erhöht. Für die Öl- und Gasexportländer führt der Einnahmeausfall jedenfalls zu hohen volkswirtschaftlichen Belastungen. Die weitere wirtschaftliche Entwicklung in Russland ist deshalb von hoher Unsicherheit gekennzeichnet.

Die Internationale Energieagentur (IEA) geht auch für 2015 von einem weiteren Anstieg des Ölbedarfs aus: Der Ölverbrauch soll 2015 93,4 Millionen Barrel pro Tag betragen. Das bedeutet einen Anstieg von 0,9 Millionen Barrel pro Tag oder plus 1,0 % im Vergleich zum Vorjahr (2014: 92,5 mb/d). Die durchschnittliche Ölnachfrage in den OECD -Staaten soll mit rund 45,6 mb/d auf demselben Niveau wie 2014 liegen, während der Ölbedarf der Nicht-OECD -Staaten um 1,0 mb/d oder 2,0 % auf insgesamt 47,8 mb/d steigen soll.<sup>10</sup>

Marktanalysen sagen für 2015 aufgrund der anhaltenden Überversorgung des Ölmarktes eine Reduktion der Ausgaben für Exploration und Produktion (E&P) voraus. Die Berechnungen pendeln zwischen einem Rückgang um 8,8 %<sup>11</sup> und 17 %<sup>12</sup> bei einem durchschnittlichen Ölpreis von USD 65-70 pro Barrel für die Handelssorten WTI und Brent. Sollte der durchschnittliche Ölpreis unter diesem Niveau liegen, wird mit einem noch höheren Rückgang gerechnet. Vor allem für Nordamerika erwarten die Experten eine deutliche Reduktion der E&P Ausgaben.

<sup>8</sup> Internationaler Währungsfonds (IWF), World Economic Outlook Update, Jänner 2015

<sup>9</sup> Beispielsweise: William De Vijlder, BNP Paribas

<sup>10</sup> International Energy Agency (IEA), Oil Market Report, Februar 2015

<sup>11</sup> Barclays Global 2015 E&P Spending Outlook, Jänner 2015

<sup>12</sup> Cowen, The Original E&P Spending Survey, Jänner 2015 13 IEA World Energy Outlook 2014, Current Policy Scenario

Der Konzern startet mit gut gefüllten Auftragsbüchern in das Geschäftsjahr 2015, geht aber davon aus, dass 2015 ein herausforderndes Jahr für die Oilfield Service-Industrie werden wird. Das Unternehmen ist jedenfalls in der Lage, mit den Zyklen der Industrie umzugehen. Es hat in der Vergangenheit bewiesen, rechtzeitig flexibel auf eine Veränderung der Marktverhältnisse reagieren zu können und selbst unter schwierigen Rahmenbedingungen vergleichsweise gute Renditen zu erzielen. Der Konzern hat in 2014 erste Maßnahmen gesetzt, um die Ertragsstruktur weiter zu verbessern und der zu erwartenden Abschwächung des Marktumfeldes entgegenzuwirken:

Der Konzern hat im dritten Quartal 2014 – frühzeitig und unabhängig vom Verfall des Ölpreises – ein Programm gestartet, um die Kostenstruktur der Gesellschaften in England zu optimieren. Der Konzern hat aufgrund des volatilen Umfelds im Jänner 2015 beschlossen, den Firmenwert der US-Tochter Godwin anzupassen und eine Abwertung vorzunehmen.

Der Konzern hat bereits 2014 begonnen das profitable Bohrmotorengeschäft von BICO zu internationalisieren. Damit sollen neue Marktchancen außerhalb Nordamerikas genutzt werden. Die bereits bestehende SBO-Niederlassung in Dubai soll genutzt werden, um die Märkte im Nahen Osten zu erschließen.

Weiters sind Tochtergesellschaften der BICO in Mexiko und Saudi-Arabien in Gründung.

Der Konzern hat im November 2014 mit der Übernahme der Mehrheit an dem kanadischen Unternehmen Resource sein Produktportfolio im Bereich Completion erweitert. Resource bietet eine hervorragende Technologieplattform für weiteres Wachstum in diesem Geschäftsfeld.

Das Portfolio des Konzerns ist dadurch breiter geworden. Resource ist bislang vor allem am kanadischen Markt tätig. Für 2015 plant SBO, den Vertrieb der Resource Produkte über das Niederlassungsnetz von BICO auf den gesamten US-Markt auszudehnen. Da ein Teil des Kaufpreises vom Geschäftsumfeld abhängig ist, konnte SBO die aktuelle Marktschwächephase nutzen, um antizyklisch zu investieren.

Der Konzern wird die eigenen CAPEX-Ausgaben in 2015 auf die Anforderungen am Markt abstimmen und gegebenenfalls weitestgehend auf Erhaltungsinvestitionen reduzieren. Die Ausgaben für Forschung & Entwicklung werden stabil gehalten.

Falls der Rückgang der Nachfrage es notwendig macht, ist der Konzern in der Lage, seine Kapazitäten sehr rasch und flexibel an die entsprechenden Marktgegebenheiten anzupassen. Die kurzfristigen Marktaussichten sind auf Grund der aktuellen Ölpreisentwicklung nicht vorhersehbar.

Die mittel- und langfristigen Wachstumsaussichten für die Industrie sind allerdings absolut intakt: Die IEA 13 geht davon aus, dass der weltweite Ölbedarf bis zum Jahr 2040 um gut 30 % steigen wird. Der tägliche Öl-Verbrauch wird laut Berechnung der IEA von 90,1 mb/d in 2013 auf 116,6 mb/d in 2040 wachsen. Zur Abdeckung dieser Nachfrage ist ein ständig steigender Technologieeinsatz erforderlich.

Der Konzern ist als Technologieführer optimal positioniert, um dieses Wachstumspotential langfristig und nachhaltig nutzen zu können.

### **Risikomanagement**

Die Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft 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 Reporting-System 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.

Alle zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten werden fix verzinst und unterliegen 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. Eine der beiden Teilschuldverschreibungen wurde planmäßig am 18. Juni 2014 zum Nennbetrag von MEUR 20,0 zurückgezahlt, die zweite wird am 18. Juni 2015 zum Nennbetrag von ebenso MEUR 20,0 zurückgezahlt werden.

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

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

Der Konzern hat seine Forschungs- und Entwicklungstätigkeiten seit vielen Jahren in den operativen Geschäftsbetrieb integriert. Dieses System gewährleistet eine markt- und kundennahe F&E-Tätigkeit.

Im Bereich der High Precision Components wurde 2014 unter anderem ein neuartiges Bearbeitungsverfahren entwickelt, das ein gezieltes und kontrolliertes Ablenken der Grundbohrung in einem Collar ermöglicht. In der Produktgruppe der Down-Hole-Tools ist nunmehr die neue Exoko-Bohrmotorentechnologie marktfähig, die ein weiter verbessertes Preis-Leistungsverhältnis für die Kunden bietet.



#### **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.

Die für den Konzern dargestellten Merkmale des internen Kontrollsystems und des Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess sind auch uneingeschränkt für die Holdinggesellschaft anwendbar. Für das Rechnungswesen der Holdinggesellschaft sind ebenfalls 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 23. April 2014 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. Im Jahr 2014 wurde von dieser Ermächtigung kein Gebrauch gemacht. Im Jahr 2013 hat die Gesellschaft auf Basis einer in der Hauptversammlung vom 25. April 2012 beschlossenen Ermächtigung 47.877 Stück eigene Aktien um TEUR 3.684 erworben.

Zum Bilanzstichtag 2014 hält die Gesellschaft 24.000 Stück eigene Aktien (Vorjahr: 87.761 Stück). Dies entspricht einem Anteil von 0,15 % (Vorjahr: 0,55 %) am Grundkapital mit einem Anschaffungswert von TEUR 1.432 (Vorjahr TEUR 5.238). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.976.000 Stück (Vorjahr: 15.912.239 Stück).

Zum 31.12.2014 hält die Berndorf Industrieholding AG, Berndorf, rund 32,6 % vom Grundkapital.

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

Ternitz, 20. Februar 2015

SCHOELLER-BLECKMANN  
OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

  
Ing. Gerald Grohmann

  
Mag. Franz Gritsch

## Bestätigungsvermerk

### Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, für das Geschäftsjahr vom 1. Jänner 2014 bis zum 31. Dezember 2014 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2014, die Gewinn- und Verlustrechnung für das am 31. Dezember 2014 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.

#### *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.

#### *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 2014 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2014 bis zum 31. Dezember 2014 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

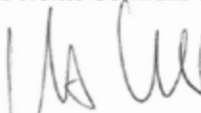
#### **Aussagen zum Lagebericht**

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.

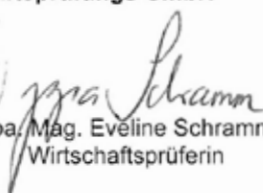
Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 20. Februar 2015

**Deloitte Schwarz & Schmid Wirtschaftsprüfungs GmbH**

  
Dr. Christoph Waldeck  
Wirtschaftsprüfer



  
ppa. 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, 6. März 2015

  
Ing. Gerald Grohmann  
Executive Board

  
Mag. Franz Gritsch

