

AUDITED FINANCIAL  
STATEMENTS  
*Group and AG*

## CONSOLIDATED PROFIT AND LOSS STATEMENT

for the period October 1, 2006 to September 30, 2007 (with prior year comparison)

(IN € 000S; AS PER IAS/IFRS)

2006/07

2005/06

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150f.	1. Net sales	482,211	425,552
	2. Increase / (decrease) in inventory of finished goods and work in process	4,373	(2,699)
	3. Other own costs capitalized	0	71
151f.	4. Other operating income	12,321	12,599
	<i>Total revenue</i>	498,905	435,523
152f.	5. Cost of raw materials and supplies	(234,911)	(178,371)
153f.	6. Personnel expenses	(146,721)	(136,732)
154	7. Expenses for scheduled depreciation	(28,751)	(24,192)
155	8. Other operating expenses	(68,432)	(60,987)
	9. <i>Results from ordinary business activities</i>	20,090	35,241
156	10. Other interest and similar income	3,106	910
156	11. Interest and similar expenses	(12,477)	(8,996)
156	12. Gains / (losses) in foreign exchange	263	(423)
	13. <i>Earnings before taxes</i>	10,982	26,732
156ff.	14. Taxes on income	7,884	(8,922)
	15. <i>Net income from continuing operations</i>	18,866	17,810
	16. <i>Net income from discontinued operations</i>	14,789	(5,979)
	17. <i>Total net income</i>	33,655	11,831
	of which related to –		
	shareholders of schlott gruppe AG	33,656	11,831
	Minority shareholders	(1)	0

## CASH FLOW STATEMENT

for the period October 1, 2006 to September 30, 2007 (with prior year comparison)

(IN € 000S; AS PER IAS/IFRS)	2006/07	2005/06
<b>CASH FLOW FROM ORDINARY BUSINESS ACTIVITIES</b>		
RESULTS FROM ORDINARY BUSINESS ACTIVITIES, INCLUDING FOREIGN EXCHANGE GAINS/(LOSSES)	20,353	34,817
Depreciation of fixed assets	28,751	24,192
Increase in value of fixed assets	0	(680)
Dissolution of passive differential on purchase price allocation	(1,748)	0
Increase/(decrease) in provisions	(12,977)	(5,954)
(Gains)/losses from disposals of fixed assets	(167)	(579)
RESULTS PRIOR TO CHANGES IN NET CURRENT ASSETS	34,212	51,796
(Increase)/decrease in inventory, raw materials and supplies	(2,491)	2,269
(Increase)/decrease in accounts receivable	(1,210)	(2,438)
Increase/(decrease) in accounts payable	7,544	5,417
(Increase)/decrease in other net current assets	(1,524)	(5,281)
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	36,531	51,763
(Payments)/receipts in income taxes	(8,087)	(5,511)
NET CASH FLOW FROM ORDINARY BUSINESS ACTIVITIES	28,444	46,252
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Investments in property, plant and equipment	(10,999)	(46,758)
Receipts from disposals of property, plant and equipment	1,083	15,632
Investments in intangible assets	(598)	(1,701)
Receipts from disposals of intangible assets	67	3,908
Investments in financial assets	(29)	0
Acquisitions of subsidiaries	(17,674)	(11,362)
Receipts from disposals of subsidiaries	29,566	150
NET CASH FLOW FROM INVESTMENT ACTIVITIES	1,416	(40,131)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Distributions to shareholders and minority interests	(6,204)	(6,204)
Receipts from taking out loans	16,000	35,745
Repayments of debentures and loans	(41,654)	(20,861)
Increase/(decrease) in short-term liabilities to banks	(670)	(4,269)
Receipts from other long-term liabilities	24	55
Repayments of other long-term liabilities	(233)	(450)
Group financing of discontinued operations	14,498	(879)
Interest paid	(10,941)	(7,359)
NET CASH FLOW FROM FINANCING ACTIVITIES	(29,180)	(4,222)
NET INCREASE/(DECREASE) IN CASH	679	1,899
CHANGES DUE TO EXCHANGE		
RATES AND VALUATIONS	0	(431)
CASH AT THE BEGINNING OF THE PERIOD	1,958	490
CASH AT THE END OF THE PERIOD	2,637	1,958

## STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

as of september 30, 2007 (with prior year comparison)

(IN € 000S; AS PER IAS/IFRS)	Subscribed Capital	Capital Reserves	Other Earnings Reserves
Balance on October 1, 2005	18,570	58,712	35,614
Valuation of financial assets and cash flow hedges	0	0	0
Differentials from translation of foreign currencies	0	0	0
Gains and losses not recognized in profit and loss statement	0	0	0
Net income for the period	0	0	0
Net results for the period	0	0	0
Dividends	0	0	0
Issuance of employee shares	43	(43)	0
Additions to earnings reserves	0	0	7,200
	43	(43)	7,200
Balance on September 30, 2006	18,613	58,669	42,814
Balance on October 1, 2006	18,613	58,669	42,814
Valuation of financial assets and cash flow hedges	0	0	0
Differentials from translation of foreign currencies	0	0	0
Gains and losses not recognized in profit and loss statement	0	0	0
Net income for the period	0	0	0
Net results for the period	0	0	0
Dividends	0	0	0
Additions to earnings reserves	0	0	7,500
	0	0	7,500
Balance on September 30, 2007	18,613	58,669	50,314

Translation Reserves	Valuation Reserves	Retained Earnings	Shareholders schlott gruppe AG	Minority Shareholders	Total
(193)	(2,522)	34,688	144,869	(2)	144,867
0	2,846	0	2,846	0	2,846
147	0	(3)	144	0	144
147	2,846	(3)	2,990	0	2,990
0	0	11,831	11,831	0	11,831
147	2,846	11,828	14,821	0	14,821
0	0	(6,204)	(6,204)	0	(6,204)
0	0	0	0	0	0
0	0	(7,200)	0	0	0
0	0	(13,404)	(6,204)	0	(6,204)
(46)	324	33,112	153,486	(2)	153,484
(46)	324	33,112	153,486	(2)	153,484
0	(176)	0	(176)	0	(176)
519	0	248	767	0	767
519	(176)	248	590	0	590
0	0	33,655	33,656	(1)	33,655
519	(176)	33,903	34,246	(1)	34,245
0	0	(6,204)	(6,204)	0	(6,204)
0	0	(7,500)	0	0	0
0	0	(13,704)	(6,204)	0	(6,204)
473	148	53,311	181,528	(3)	181,525

CONSOLIDATED BALANCE SHEET *as of september 30, 2007 (with prior year comparison)*

<b>ASSETS</b> (IN € 000S; AS PER IAS/IFRS)		<i>2006/07</i>	<i>2005/06</i>
<i>Seite</i>			
<b>A. LONG-TERM ASSETS</b>			
<i>160f.</i>	<b>I. INTANGIBLE ASSETS</b>		
	1. Goodwill	81,821	89,575
	2. Other intangible assets	13,505	2,650
	3. Down payments	0	33
		95,326	92,258
<i>161ff.</i>	<b>II. PROPERTY, PLANT AND EQUIPMENT</b>		
	1. Land, land rights and buildings, including buildings on land owned by others	132,547	145,972
	2. Technical plant and machinery	153,601	139,351
	3. Other plant, machinery and business equipment	20,386	21,734
	4. Down payments and plant under construction	1,014	35,308
		307,548	342,365
<i>163</i>	<b>III. FINANCIAL ASSETS</b>		
	1. Shares in affiliated companies	209	209
	2. Shares in other companies	194	194
	3. Other loans	22	0
		425	403
<i>163</i>	<b>IV. INVESTMENT PROPERTIES</b>	6,088	7,627
<i>164</i>	<b>V. LONG-TERM RECEIVABLES AND OTHER ASSETS</b>		
	1. Claims for tax refunds	4,552	0
	2. Other assets	2,362	67
		6,914	67
<i>164</i>	<b>VI. DEFERRED TAXES</b>	821	1,077
	<i>Total long-term assets</i>	417,122	443,797
<b>B. SHORT-TERM ASSETS</b>			
<i>164</i>	<b>I. INVENTORY, RAW MATERIALS AND SUPPLIES</b>	24,584	21,441
<i>165f.</i>	<b>II. SHORT-TERM RECEIVABLES AND OTHER ASSETS</b>		
	1. Accounts receivable	47,790	57,667
	2. Claims for tax refunds	2,330	254
	3. Other assets	13,348	5,239
		63,468	63,160
<i>166</i>	<b>III. CASH AND CASH EQUIVALENTS</b>	2,637	2,881
<i>166</i>	<b>IV. DEFERRED ITEMS</b>	1,371	1,693
	<i>Total short-term assets</i>	92,060	89,175
		509,182	532,972

## A. SHAREHOLDERS EQUITY

## I. RELATED TO SHAREHOLDERS

## OF SCHLOTT GRUPPE AG

1. Subscribed capital	18,613	18,613	166 ff.
2. Capital reserves	58,669	58,669	169
3. Earnings reserves	50,787	42,769	169
4. Valuation reserves	148	324	170
5. Retained earnings	53,311	33,112	

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## II. MINORITY SHAREHOLDERS

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## B. LONG-TERM DEBT

## I. LONG-TERM FINANCIAL LIABILITIES

1. Due to banks	99,686	115,297	170 f.
2. Other long-term liabilities	806	1,683	

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## II. LONG-TERM PROVISIONS

1. Provisions for pension and similar liabilities	19,886	22,833	172 ff.
2. Other long-term provisions	6,563	7,194	

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## III. DEFERRED TAXES

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## IV. LONG-TERM DEFERRED ITEMS

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## C. SHORT-TERM DEBT

## I. SHORT-TERM FINANCIAL LIABILITIES

1. Due to banks	71,286	78,745	176 f.
2. Down payments	1,305	413	
3. Accounts payable	54,177	45,141	
4. Due to affiliated companies	33	32	
5. Other liabilities	13,813	27,031	

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## II. SHORT-TERM PROVISIONS

1. Provisions for taxes	1,741	10,055	178 ff.
2. Other provisions	28,050	36,183	

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## III. SHORT-TERM DEFERRED ITEMS

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## DEVELOPMENTS IN FIXED ASSETS AND VALUE ADJUSTMENTS

for the period October 1, 2006 to September 30, 2007

### ACQUISITION AND MANUFACTURING COSTS

	Oct. 1, 2006	Translation Differences	Additions	Disposals	(Eliminations) Additions Consolidation	Transfers	Sept. 30, 2007
<b>(IN € 000S; AS PER IAS/IFRS)</b>							
<b>I. INTANGIBLE ASSETS</b>					(7,886)		
1. Goodwill	89,575	0	132	0	0	0	81,821
2. Other intangible assets	18,685	9	225	180	(2,262)	148	28,625
					(406)		
3. Down payments	33	0	373	0	0	0	0
					(10,554)		
	108,293	9	730	180	12,000	148	110,446
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>							
1. Land, land rights and buildings, including buildings on land owned by others	236,294	261	2,640	920	(47,412)	4,824	211,832
					16,145		
2. Technical plant and machinery	478,803	547	4,819	15,200	(76,909)	22,713	482,706
– of which leased	5,664	75	0	495	(689)	(1,838)	2,717
3. Other plant, machinery and business equipment	77,387	96	4,086	2,226	(16,539)	7,695	71,339
4. Down payments and plant under construction	35,308	63	1,105	26	(74)	(35,380)	1,014
					18		
	827,792	967	12,650	18,372	(140,934)	(148)	766,891
					84,936		
<b>III. FINANCIAL ASSETS</b>							
1. Shares in affiliated Companies	209	0	0	0	0	0	209
2. Shares in other Companies	194	0	0	0	0	0	194
3. Other loans	0	0	22	0	0	0	22
	403	0	22	0	0	0	425
<b>IV. INVESTMENT PROPERTIES</b>					(3,068)		
	26,766	0	7	0	0	0	23,705
					(154,556)		
	963,254	976	13,409	18,552	96,936	0	901,467

VALUE ADJUSTMENTS

REMAINING BOOK VALUE

Oct. 1, 2006	Translation Differences	Allocations	Dissolutions	(Eliminations) Additions Consolidation	Transfers	Sept. 30, 2007	Sept. 30, 2007	Sept. 30, 2006
0	0	0	0	0	0	0	81,821	89,575
				(1,983)				
16,035	1	1,084	113	0	96	15,120	13,505	2,650
0	0	0	0	0	0	0	0	33
				(1,983)				
16,035	1	1,084	113	0	96	15,120	95,326	92,258
				(22,369)				
90,322	30	5,645	859	8,401	(1,885)	79,285	132,547	145,972
				(61,661)				
339,452	293	19,694	14,645	49,340	(3,368)	329,105	153,601	139,351
2,237	24	307	495	(92)	(1,038)	943	1,774	3,427
				(13,425)				
55,653	69	4,721	1,952	730	5,157	50,953	20,386	21,734
0	0	0	0	0	0	0	1,014	35,308
				(97,455)				
485,427	392	30,060	17,456	58,471	(96)	459,343	307,548	342,365
0	0	0	0	0	0	0	209	209
0	0	0	0	0	0	0	194	194
0	0	0	0	0	0	0	22	0
0	0	0	0	0	0	0	425	403
				(1,794)				
19,139	0	272	0	0	0	17,617	6,088	7,627
				(101,232)				
520,601	393	31,416	17,569	58,471	0	492,080	409,387	442,653

## DEVELOPMENTS IN FIXED ASSETS AND VALUE ADJUSTMENTS

for the period October 1, 2005 to September 30, 2006

### ACQUISITION AND MANUFACTURING COSTS

	Oct. 1, 2005	Translation Differences	Additions	Disposals	(Eliminations) Additions Consolidation	Transfers	Sept. 30, 2006
<b>(IN € 000S; AS PER IAS/IFRS)</b>							
<b>I. INTANGIBLE ASSETS</b>							
1. Goodwill	87,796	0	1,923	144	0	0	89,575
2. Other intangible assets	17,436	2	1,919	5,547	(153) 4,942	86	18,685
3. Down payments	111	0	33	8	0	(103)	33
					(153) 4,942		
	105,343	2	3,875	5,699	4,942	(17)	108,293
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>							
1. Land, land rights and buildings, including buildings on land owned by others	235,567	253	454	14,263	(2,811) 17,081	13	236,294
2. Technical plant and machinery	468,572	374	18,081	6,767	(16,270) 9,246	5,567	478,803
– of which leased	2,485	0	747	0	2,584	(152)	5,664
3. Other plant, machinery and business equipment	79,675	67	1,826	2,024	(3,987) 1,710	120	77,387
4. Down payments and plant under construction	11,432	1	29,866	0	(341) 33	(5,683)	35,308
					(23,409) 28,070		
	795,246	695	50,227	23,054	28,070	17	827,792
<b>III. FINANCIAL ASSETS</b>							
1. Shares in affiliated companies	29	0	0	0	180	0	209
2. Shares in other companies	214	0	0	0	(20) 0	0	194
					(20) 180		
	243	0	0	0	180	0	403
<b>IV. INVESTMENT PROPERTIES</b>							
	26,766	0	0	0	0	0	26,766
					(23,582) 33,192		
	927,598	697	54,102	28,753	33,192	0	963,254

VALUE ADJUSTMENTS

REMAINING BOOK VALUE

Oct. 1, 2005	Translation Differences	Allocations	Dissolutions	(Eliminations) Additions Consolidation	Value Decreases (Increases)	Transfers	Sept. 30, 2006	Sept. 30, 2006	Sept. 30, 2005
0	0	0	0	0	0	0	0	89,575	87,796
				(126)					
15,583	3	1,342	1,639	896	0	(24)	16,035	2,650	1,853
8	0	0	8	0	0	0	0	33	103
				(126)					
15,591	3	1,342	1,647	896	0	(24)	16,035	92,258	89,752
				(1,226)					
86,707	38	5,641	1,064	906	(680)	0	90,322	145,972	148,860
				(11,365)					
333,418	198	17,505	4,924	4,691	0	(71)	339,452	139,351	135,154
1,426	2	301	0	660	0	(152)	2,237	3,427	1,059
				(3,370)					
54,905	46	4,826	1,839	990	0	95	55,653	21,734	24,770
0	0	0	0	0	0	0	0	35,308	11,432
				(15,961)					
475,030	282	27,972	7,827	6,587	(680)	24	485,427	342,365	320,216
0	0	0	0	0	0	0	0	209	29
0	0	0	0	0	0	0	0	194	214
0	0	0	0	0	0	0	0	403	243
18,761	0	378	0	0	0	0	19,139	7,627	8,005
				(16,087)					
509,382	285	29,692	9,474	7,483	(680)	0	520,601	442,653	418,216

## PROFIT AND LOSS STATEMENT

for the period October 1, 2006 to September 30, 2007 (with prior year comparison)

(IN € 000S; AS PER HGB)

2006/07

2005/06

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214f.	1. Net sales	4,141	4,300
215	2. Other operating income	6,858	6,039
215	3. Personnel expenses		
	a) Wages and salaries	(3,548)	(2,376)
	b) Social security, pension and other benefits	(441)	(657)
216	4. Depreciation		
	of intangible assets and property, plant and equipment	(600)	(920)
216	5. Other operating expenses	(4,028)	(5,630)
217	6. Income from participations	248	171
217	7. Income from marketable securities and from loans	1,773	1,473
217	8. Other interest and similar income	6,246	4,373
217	9. Income from profit absorption agreements	38,721	23,432
217	10. Depreciation of financial assets and marketable securities	(19,800)	0
217	11. Interest and similar expenses	(9,438)	(6,993)
217	12. Expenses from loss absorption agreements	(6,562)	(180)
	13. <i>Results from ordinary business activities</i>	13,570	23,032
217f.	14. Taxes on income	3,518	(7,593)
	15. Other taxes	(18)	(8)
	16. <i>Net income</i>	17,070	15,431
218	17. Profit carried-forward	23,627	21,900
	18. Additions to other earnings reserves	(8,500)	(7,500)
	19. <i>Retained earnings</i>	32,197	29,831

## CASH FLOW STATEMENT

for the period October 1, 2006 to September 30, 2007 (with prior year comparison)

(IN € 000S; AS PER HGB)

2006/07

2005/06

	2006/07	2005/06
NET INCOME FOR THE PERIOD	17,070	15,431
Depreciation of fixed assets	20,400	920
Increase / (decrease) in provisions	(6,975)	1,040
Other non-cash expenses / (income)	(3,419)	(547)
(Gains) / losses from disposals of fixed assets	(25)	(12)
(Increase) / decrease in inventory, accounts receivable and other assets that are not attributable to investment or financing activities	(1,712)	169
Increase / (decrease) in accounts payable and other liabilities that are not attributable to investment or financing activities	4,394	(3,495)
<b>CASHFLOW FROM CURRENT BUSINESS ACTIVITIES</b>	<b>29,733</b>	<b>13,506</b>
Receipts from disposals of property, plant and equipment	46	24
Investments in property, plant and equipment	(189)	(34)
Investments in intangible assets	(2)	(1,640)
Investments in financial assets	(26,513)	(10,811)
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>(26,658)</b>	<b>(12,461)</b>
Receipts from capital contributions	0	312
Distributions to shareholders and minority interests	(6,204)	(6,204)
Receipts from financial credits	16,000	0
Repayments of financial credits	(2,780)	(1,280)
Group financing	(10,134)	6,149
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>(3,118)</b>	<b>(1,023)</b>
NET INCREASE / (DECREASE) IN CASH	(43)	22
CASH AT THE BEGINNING OF THE PERIOD	46	24
CASH AT THE END OF THE PERIOD	3	46

## BALANCE SHEET

as of September 30, 2007 (with prior year comparison)

ASSETS (IN € 000S; AS PER HGB)

2006/07

2005/06

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	2006/07	2005/06
<b>A. FIXED ASSETS</b>		
201 -----	<b>I. INTANGIBLE ASSETS</b>	
	1. Concessions, industrial proprietary rights and similar rights and assets, including licenses of such rights and assets	
	1,180	1,524
	2. Goodwill	
	0	166
	-----	-----
	1,180	1,690
	-----	-----
201 -----	<b>II. PROPERTY, PLANT AND EQUIPMENT</b>	
	Other plant, machinery and business equipment	
	220	139
	-----	-----
201 ff. -----	<b>III. FINANCIAL ASSETS</b>	
	1. Shares in affiliated companies	
	163,779	166,987
	2. Loans to affiliated companies	
	31,420	31,420
	-----	-----
	195,199	198,407
	-----	-----
<b>B. CURRENT ASSETS</b>		
203 f. -----	<b>I. RECEIVABLES AND OTHER ASSETS</b>	
	1. Accounts receivable	
	12	0
	2. Due from affiliated companies	
	124,375	112,324
	3. Other assets	
	8,815	3,621
	-----	-----
	133,202	115,945
	-----	-----
	<b>II. CASH ON HAND, DUE FROM BANKS, CHECKS</b>	
	3	46
	-----	-----
205 -----	<b>C. DEFERRED ITEMS</b>	
	97	172
	-----	-----
	-----	-----
	329,901	316,399
	=====	=====

**EQUITY AND LIABILITIES (IN € 000S; AS PER HGB)**

2006/07

2005/06

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**A. SHAREHOLDERS EQUITY**

I. SUBSCRIBED CAPITAL	18,613	18,613	205 ff.
II. CAPITAL RESERVES	50,046	50,046	208
III. EARNINGS RESERVES			
Other earnings reserves	58,817	50,316	208
IV. RETAINED EARNINGS	32,197	29,831	208
	159,673	148,806	

**B. PROVISIONS**

1. Provisions for pension and similar liabilities	1,693	1,521	208
2. Provisions for taxes	285	8,283	209
3. Other provisions	1,982	1,131	209
	3,960	10,935	

**C. LIABILITIES**

1. Due to banks	55,893	38,317	210 f.
2. Accounts payable	191	169	
3. Due to affiliated companies	109,462	107,545	
4. Other liabilities	722	10,627	
of which for taxes: T€ 407	166,268	156,658	
(previous year: T€ 346)			

329,901

316,399

## DEVELOPMENTS OF FIXED ASSETS AND VALUE ADJUSTMENTS

for the period October 1, 2006 to September 30, 2007

(IN € 000S; AS PER HGB)	ACQUISITION AND MANUFACTURING COSTS			
	Oct. 1, 2006	Additions	Disposals	Sept. 30, 2007
<b>I. INTANGIBLE ASSETS</b>				
1. Concessions, industrial proprietary rights and similar rights and assets, including licenses of such rights and assets	1,776	2	0	1,778
2. Goodwill	9,904	0	0	9,904
	11,680	2	0	11,682
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>				
1. Other plant, machinery and business equipment	412	187	142	457
2. Assets of immaterial value	0	2	2	0
	412	189	144	457
<b>III. FINANCIAL ASSETS</b>				
1. Shares in affiliated companies	166,987	16,592	0	183,579
2. Loans to affiliated companies	31,420	0	0	31,420
	198,407	16,592	0	214,999
	210,499	16,783	144	227,138

VALUE ADJUSTMENTS

REMAINING BOOK VALUE

Oct. 1, 2006	Allocations	Dissolutions	Sept. 30, 2007	Sept. 30, 2007	Sept. 30, 2006
252	346	0	598	1,180	1,524
9,738	166	0	9,904	0	166
9,990	512	0	10,502	1,180	1,690
273	86	122	237	220	139
0	2	2	0	0	0
273	88	124	237	220	139
0	19,800	0	19,800	163,779	166,987
0	0	0	0	31,420	31,420
0	19,800	0	19,800	195,199	198,407
10,263	20,400	124	30,539	196,599	200,236