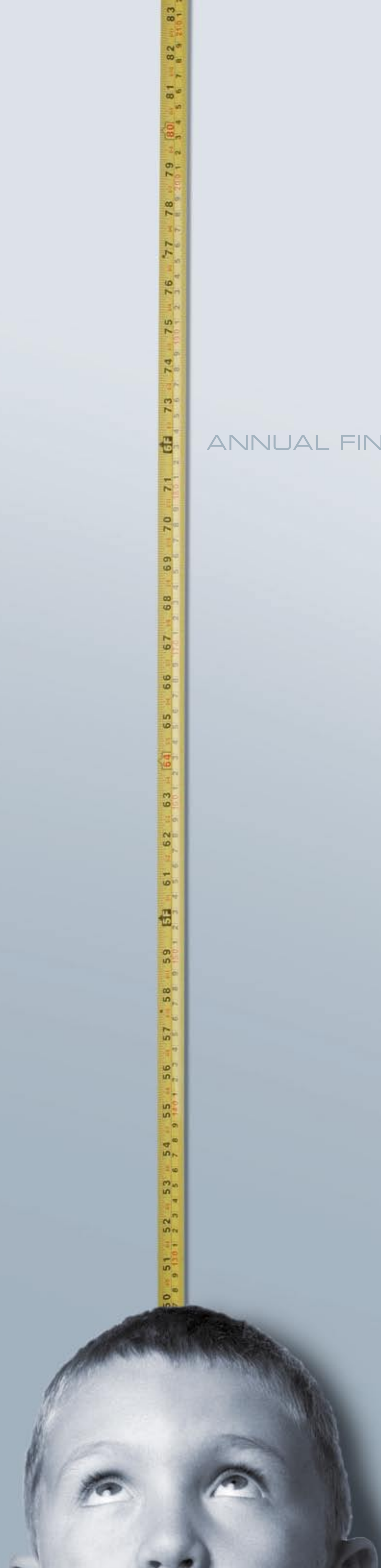
SCHOELLER
BLECKMANN
OILFIELD
EQUIPMENT

ANNUAL FINANCIAL REPORT 2007



MANAGEMENT REPORT

MARKET ENVIRONMENT

The major parameters for the development of the oilfield service industry are the demand for oil and gas, on the one hand, and the development of production rates of existing oil and gas fields, on the other hand.

The dynamic economic growth in the emerging markets and the US in the years from 2003 to 2006 triggered a stronger-than-expected demand for energy. Oil consumption in those three years alone grew by 5.8 million barrels per day[2], which is the accumulated production volume of the North Sea and Mexico. At the same time, production rates of existing oil fields are on the decline and, with them, the global oil production spare capacities. Attempting to compensate for this decline and covering future growth in oil consumption, the international oil companies invest heavily in developing new oil reservoirs and improving recovery rates of existing fields. This spending is the driving force for the oilfield service industry.

The upward cycle that has persisted for four years now did not lose any momentum in fiscal 2007. The growing demand for energy in the emerging markets of China and India and the positive economic situation in North America in the first half of 2007, the robust economic development in Europe and the Middle East were fuelling demand for oil and gas in 2007 again. According to initial estimates of the IEA (International Energy Agency) global demand for oil in 2007 grew 1.1 million barrels per day (bpd) to an average 86.0 million bpd, up approx. 1.4 % from the previous year. For 2008, IEA expects an increase in demand of around 1.9 % or 1.7 million bpd. This increase is mainly driven by the economic development in the Pacific region. The IEA anticipates a spike in China's demand for oil-based energy sources in 2007 of around 4.5 % to 7.5 million bpd, which in 2008 will again rise to around 7.9 million bpd, up 5.8 %. For India, IEA also projects an increase in demand for oil products by 5.7 % to approx. 2.8 million bpd, but it will go down to 4.1 % in 2008.[3]

Sustained strong business cycle of the oilfield service industry

Owing to this vivid demand, the constantly low spare capacities to balance supply and demand for oil, but mainly also speculative effects, the crude oil price rose from its 2007 annual low of USD 50.48 a barrel to USD 98.88[4] a barrel. At the turn of 2007 to 2008 oil crossed the USD 100 threshold for the first time.

This environment had a continued stimulating effect on the E&P spending policy of the major oil companies in 2007. The average global rig count in 2007 went from 3,043 to 3,116 units[5]. While the number of rigs in Canada fell sharply other regions of the world reported significant increases.

[2] Schlumberger, Oil & Money Conference, October 2007

[3] Monthly Oil Market Report, IEA, February 2008
[4] Western Texas Intermediate Crude Oil Prices, 2007 Bloomberg
[5] Worldwide Rig Count, Baker Hughes, January 2008

Virtually all globally available capacities of the oil exploration industry are fully booked and new facilities such as high-tech drilling platforms and drill ships for deep-sea projects are under construction. The large spending volume and growing complexity of exploration and production wells have sent costs in the oilfield service industry skyrocketing.

According to market analyses, growth in capital expenditures for exploration and production - an indication of the actual growth of the oilfield service industry - will amount to approximately 15 % to 20 % in 2008[6].

All these factors considered, the market environment developed very well for the oilfield service industry in 2007. Schoeller Bleckmann benefits both from the surging demand and the growing complexity within the E&P industry, causing above-average demand for high-tech components for directional drilling technology, the core business of Schoeller-Bleckmann Oilfield Equipment AG.

BUSINESS DEVELOPMENT

New order backlog peak

Business development of Schoeller-Bleckmann Oilfield Equipment AG in 2007 was characterized by the profound extension of business volumes and dynamic organic growth. The positive market environment was utilized to the full extent, as reflected in new absolute record results in all company fundamentals.

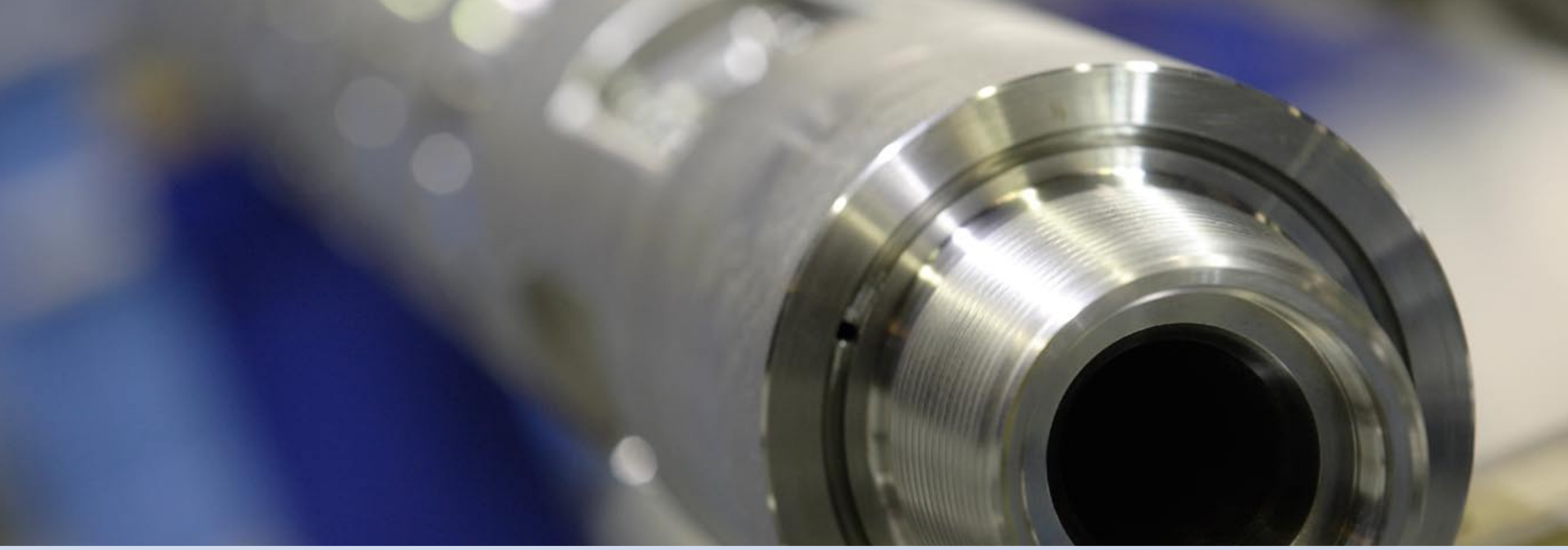
Amounting to MEUR 341 in fiscal 2007, bookings remained at almost the same level as in 2006, when they had reached MEUR 349. They concerned all segments and regions alike. At the reporting date, the order backlog stood at MEUR 249, following MEUR 241 year-on-year. In spite of the latest massive expansion of SBO's production capacities, the order backlog partly reaches well into 2009.

Capacity expansion and productivity increases

Schoeller-Bleckmann managed the large number of bookings received in 2007 by ensuring efficient utilisation of production facilities and deployment of human resources.

These efforts included further productivity increases, extension of working hours with additional shifts and overtime and recruitment of additional staff. Most of the sales increase was due to the growth-oriented strategic investment programme launched in 2005, which included substantial additions to production capacities at all sites.

[6] Lehman Brothers Oil Services & Drilling Industry Overview, UBS Investment Research US Oil Service Bits, Credit Suisse 2008 Outlook for Drilling & Completion Spending, December 2007



On the cost side – a consequence of the industry cycle - it was mainly the increase in wages in North America that had to be absorbed. However, these additional costs as well as the rising price of stainless steel could be accommodated in prices. Physical supplies of feedstock were secured by long-term delivery cooperation contracts with steel mills and dealers. Additionally, in North America production was secured by stockpiling strategic specialty products.

Service & Supply Shops fully booked

The excellent industry development strongly supported business of the globally operating Service & Supply Shops of Schoeller-Bleckmann Oilfield Equipment AG, benefiting in particular our sites in Scotland and Russia, whereas operations of the Service & Supply Shop in Venezuela had to be discontinued because of political and economic instability. The contribution of Venezuela last accounted under one percent of the group's total sales volume.

Drilling motor business

The Schoeller-Bleckmann group is a leading supplier of drilling motors in North America. Business is operated mainly on a leasing basis, under which SBO provides customers with the required drilling motor fleet.

In fiscal 2007, Schoeller-Bleckmann subsidiary BICO Drilling Tools Inc., where SBO's drilling motor business is concentrated, posted new record figures for sales and profit. This performance is a result of the excellent technological properties of BICO high-performance motor Spiro Star, which has met with great market acceptance since it was launched two years ago.

Considerable expansion of business volume due to organic growth

In the course of the year, the gas boom in Canada and, with it, local demand for drilling motors flattened out. By exporting drilling motors and expanding business with non-magnetic drill collars, BICO more than compensated for that development.

Capex programme to drive further growth

The dynamic growth of SBO in 2007 was of an exclusively organic nature and was based on the strategic investment programme approved in 2005.

The major milestone of the programme was the successful commissioning of the new rotary forging machine at the Ternitz location in the first half of 2007. The new facility was built at a total cost of around MEUR 10 and increases production outputs substantially. Although the machine is a prototype, its start-up performance was problem-free. After only a few weeks, the full nominal capacity was achieved and the previous bottleneck in material availability for large-volume, non-magnetic MWD/LWD components was eliminated, which is pivotal for SBO's further growth.

At the Ternitz site, construction works for the new production facility proceeded as planned. In order to utilize those additional capacities, SBO had signed multi-year contracts in early 2007, a novelty for the short-term oriented oilfield service industry. The new production plant is scheduled to go onstream in the first quarter of 2008.

SBO acquired an additional industrial area of 16,000 m^2 for further growth projects in Ternitz.

At our locations in North America and Mexico capacities were expanded by substantially increasing production facilities. In order to secure future growth in Houston, Texas, adjacent land covering in total approx. 13.5 acres (55,000 m^2) was acquired.

In fiscal 2007, aggregate asset additions amounted to MEUR 66.0. Broken down regionally, the total investment volume for the Ternitz site was MEUR 34.3, for North America (including Mexico) MEUR 26.4, and the remainder was spent for the other sites.

Research and development

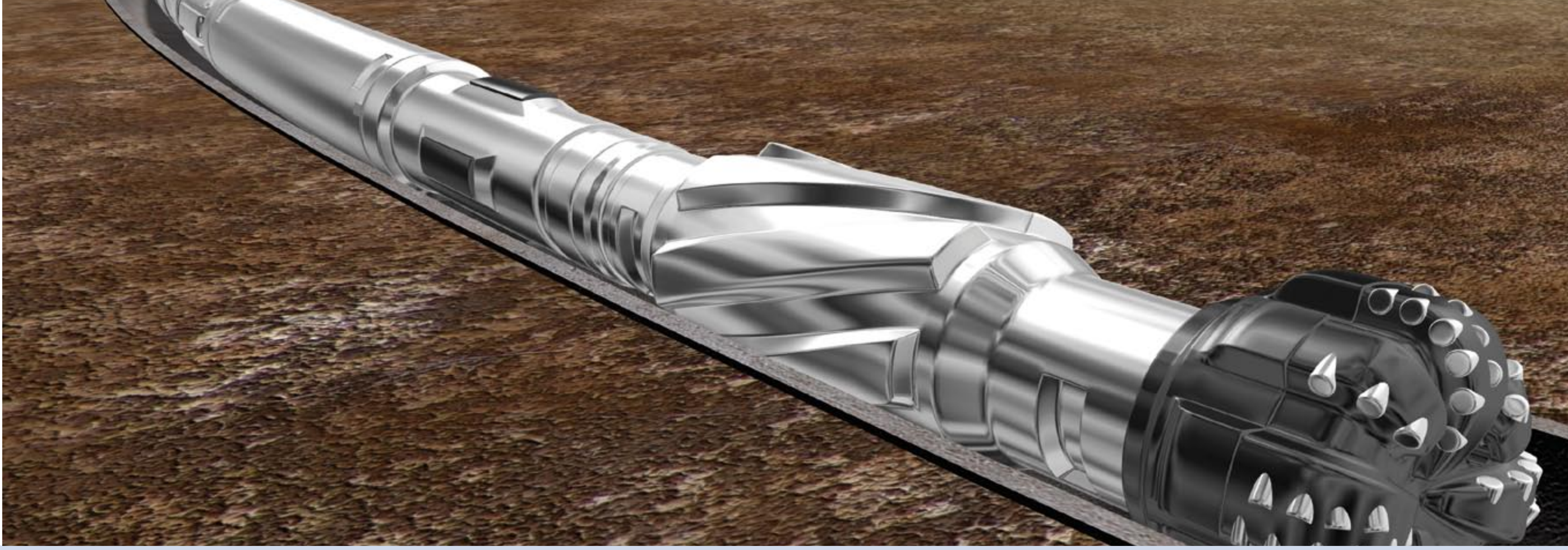
Schoeller-Bleckmann Oilfield Equipment AG has integrated its research and development largely in its operations, providing for optimal use of funds and, above all, research efforts that are performance-driven, customized and market-oriented.

In co-operation with key customers, several prototypes were developed and manufactured in 2007 and will go into production in the next years. At BICO Drilling Tools Inc. development works for a new generation of steerable drilling motors were continued and the first promising functional tests were conducted.

Environment

Schoeller-Bleckmann Oilfield Equipment (SBO) is the global market leader in high-precision non-magnetic steel components for the oilfield service industry.

The manufacture of our products generates no appreciable emissions into air or water. Therefore, no official licensing requirements in the field of environmental protection beyond the customary scope are in place.
As a result, the company's environmental management focuses on waste disposal, energy saving and noise abatement measures.
At the Ternitz site, shipment of raw materials was shifted from road to rail, saving around 1,000 deliveries by truck per year.



Risk management report

For the risk management report please see Note 33 on page 79.

OUTLOOK

Market environment

Based on the business situation described above, we expect to see continuation of the current cycle in the oilfield service industry, provided that the global economy remains strong and the dynamic development in Asia persists.

One result of the high oil price level is that development of new reserves under difficult production conditions requiring the use of high technology has become more economically attractive. Another consequence is growing profitability of capital spent to increase the recovery rate of existing oil fields.

Approximately 70 % of these "brown fields" have been producing oil for more than 30 years. Further potential growth for the oilfield service industry may come from the fact that the average size of newly discovered oil fields has declined regardless of the considerably higher expenses for exploration. A challenge for the industry in the years ahead will be the need to hire qualified labour. It will take some time until the newly recruited team members are trained accordingly.

Changes in the market environment will be triggered by the fact that growing nationalism has increasingly limited the access of international investment capital to utilization of resources. In many countries with high oil reserves it is now the national oil companies (NOCs) that are implementing investments. However, NOCs also depend on the services provided by the oilfield service industry.

Outlook for Schoeller-Bleckmann

Against the background of this promising industry cycle, SBO started into the new fiscal year with a record order backlog of MEUR 249 at the end of 2007. 2008 will see further sales increases for SBO, as the new plant will be commissioned at the Ternitz site and our intensive investment policy will benefit the other locations, triggering positive effects for the cash-flow. The course of growth will be continued.

Continued growth in 2008 due to intensive capital investment policy and strong order situation

Apart from corporate growth and market development, the EUR/USD exchange rate will have a major impact on bottom-line results. One of the key challenges for SBO in fiscal 2008 will be optimal human resources management to sustain the course of growth.

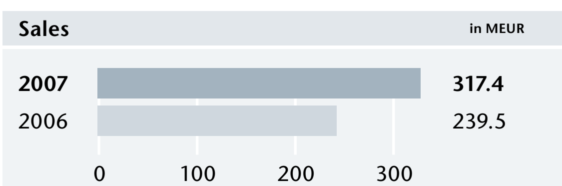
On the whole, Schoeller-Bleckmann expects to see continuation of the excellent development of the company and the dynamic course of growth in 2008.

ANALYSIS AND RESULTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS). In the year under review, the scope of consolidated Companies remained unchanged and no changes were made in the business of the Group.

Sales

Due to the sustained positive market environment another increase in sales of 32.5 % (after 38.6 % in 2006) from MEUR 239.5 to MEUR 317.4 was achieved.



Because of the massive expansion of activities in Austria, the significance of the US dollar as the major currency has decreased. Nonetheless, the US dollar continues to be the most important currency by far for the SBO group. In 2007, about 75 % (after 80 % in 2006) of total sales and revenues were generated in US dollars, and around 50 % (after 60 % in 2006) of the costs were incurred in US dollars.

Exchange rate				(EUR/USD)
	High	Low	Average	Closing
Year 2007	1.4874	1.2893	1.3706	1.4730
Year 2006	1.3331	1.1826	1.2557	1.3160

The average rates for the years ended 31 December 2006 and 31 December 2007 were used by the Company in the preparation of the Consolidated Profit and Loss Statements, whereas the closing rates for the years 2006 and 2007 were used in the preparation of the Consolidated Balance Sheets. The weakening of the US dollar in 2007 had an effect of approximately MEUR 22.0 on the sales figure reported.

Sales by regions

The table below shows sales by regions of origin. The increase in Europe results mainly from the expansion of the production facility in Ternitz/Austria.

Regarding sales markets, North America continues to be the most important market for the Company, as the major oilfield service companies are located in the US. However, the products of the SBO group are used all over the world, both in onshore and offshore drilling.

Sales by Regions		in MEUR
	2007	2006
North America	**256.4**	199.8
Europe	**174.0**	100.2
Other	**15.9**	13.6
- Intercompany Sales	**-128.9**	-74.1
Total Sales	**317.4**	**239.5**

Sales by products

Both business segments, high-precision components and oilfield supplies and service, reported significant sales increases in fiscal 2007. The business segment of high-precision components achieved an increase by 27 %; it comprises primarily MWD/LWD collars, MWD/LWD internals and high-precision parts.

In the segment of oilfield supplies and service, sales grew by approximately 44 %. It comprises non-magnetic drill collars, non-magnetic material, drilling motors and other components for the oilfield as well as service and repair activities.

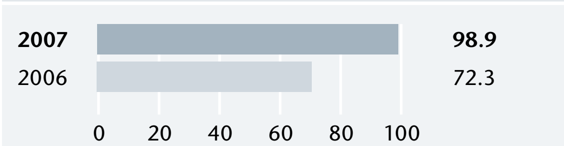
Sales by Product in MEUR

	2007	2006
High-Precision Components	**196.5**	154.9
Oilfield Supplies and Service	**119.3**	83.0
Other	**1.6**	1.6
Total Sales	**317.4**	**239.5**

Gross profit

Gross profit amounted to MEUR 98.9 after MEUR 72.3 in the year before, which is an increase of 37 %.

Gross Profit in MEUR

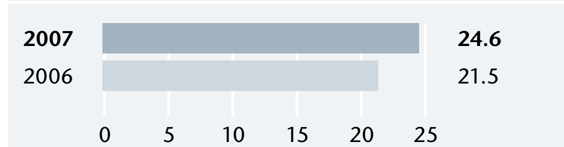


The gross margin was again improved from 30.2 % in the year before to 31.2 %.This development results both from price increases and economy of scale from the full utilization of the capacities.

Selling, general and administrative expenses

Selling, general and administrative (SGA) expenses amounted to MEUR 24.6, compared with MEUR 21.5 in 2006. Therefore, SGA expenses increased only disproportionately and, expressed as a percentage of sales, were reduced from 8.9 % in 2006 to 7.8 % in 2007. This development is, on the one hand, the result of the favourable sales growth, and reflects, on the other hand, the continuing strict cost management of the Group. SGA expenses mainly consist of salary and salary-related expenses, professional fees, travel and entertainment, communication and insurance costs.

Selling general and administrative Expenses in MEUR



Other operating income and expenses

- Other operating expenses MEUR 7.3 (2006: MEUR 5.3) This item contains mainly R&D expenses and exchange losses.
- Other operating income MEUR 7.3 (2006: MEUR 4.3) The major item covered here are exchange gains.

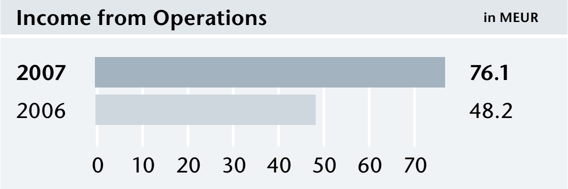
Further operating income consists of rental income, service charges as well as scrap sales and gains from the sale of fixed assets.

Income from non-recurring restructuring measures

This position shows an income of MEUR 1.8 in 2007. It mainly refers to the partial reversal of provisions made for restructuring in previous years. Due to the positive business development the planned restructuring was not required.

Income from operations

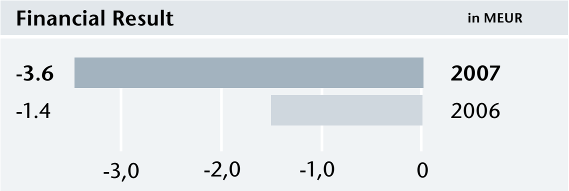
Income from operations after non-recurring items increased by 58 % to MEUR 76.1, compared to MEUR 48.2 in the year before. This is a margin of 24.0 % (2006: 20.1 %) of sales. This favourable development is mainly due to the increased business volume and economy of scale from capacity expansion and strict cost management.



Financial result

The financial result stood at MEUR – 3.6 after MEUR – 1.4 in the year before. It is mainly characterized by minority interests amounting to MEUR 1.7 (2006: MEUR 0.2).

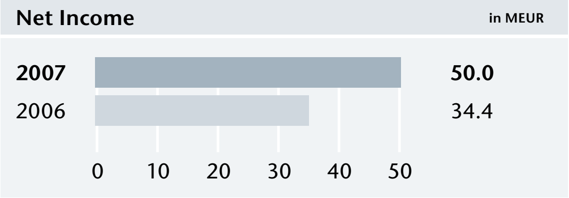
Net interest expenses were MEUR 2.0 after MEUR 1.2 in the year before.



Net income/dividend

The net income for the year 2007 amounted to MEUR 50.0, i.e. EUR 3.13 per share, compared with MEUR 34.4 and/or EUR 2.15 per share for the year 2006.

The Executive Board proposes to the Shareholders that a dividend of EUR 0.50 (2006: EUR 0.50) and a bonus of EUR 0.60 (2006: EUR 0.30), in total EUR 1.10 per share (following EUR 0.80 in 2006), should be paid. Therefore, total distribution amounts to MEUR 17.6 compared with MEUR 12.8 in the year before.



Capital resources and liquidity

Corresponding to profit development, the cash-flow from profit was also substantially improved from MEUR 47.1 in

2006 to MEUR 67.9 in the period under review. The main elements contributing to this figure were income after taxation amounting to MEUR 50.0 and depreciation and amortization of MEUR 16.8.

Cash-flow from operating activities arrived at MEUR 34.5 (2006: MEUR 24.8). The increased business volume led to further inventory growth. Additionally, the sales increase was combined with higher receivables. As a result, the net working capital went up by MEUR 23.5, from MEUR 75.9 to MEUR 99.4.

Cash-outflow from investing activities amounted to MEUR 60.9, following MEUR 25.4 in 2006. Expenditures for property, plant and equipment were MEUR 66.0 in 2007 (2006: MEUR 28.8), proceeds from the sale of fixed assets amounted to MEUR 5.2 (2006: MEUR 3.8).

These intensive investments in fixed assets are in line with the corporate strategy aimed at expanding the existing production capacities for organic growth.

Expenditures for property, plant and equipment for the business segment of high-precision components amounted to MEUR 37.8 (2006: MEUR 13.4) and concerned spendings made for the acquisition of real estate for Godwin-SBO L.P. and Knust-SBO Ltd. in Houston/USA, a production hall for Schoeller-Bleckmann Oilfield Technology GmbH & Co KG in Ternitz/Austria, and precision manufacturing equipment at all sites.

Expenditures for the business segment of oilfield supplies and services amounted to MEUR 25.9 (2006: MEUR 15.2). They were spent mainly for the acquisition of a rotary forging machine and deep-hole drilling machines for Schoeller-Bleckmann Oilfield Technology GmbH & Co KG in Ternitz/Austria and additions to the rental fleet of drilling motors of the companies BICO Drilling Tools Inc. in Houston/USA and BICO Faster Drilling Tools Inc. in Nisku/Canada.

Net debt as at 31 December 2007 was MEUR 51.6 following MEUR 15.7 as at 31 December 2006. The increase in net debt is a result of the above-mentioned capital expenditures and the rising net working capital.

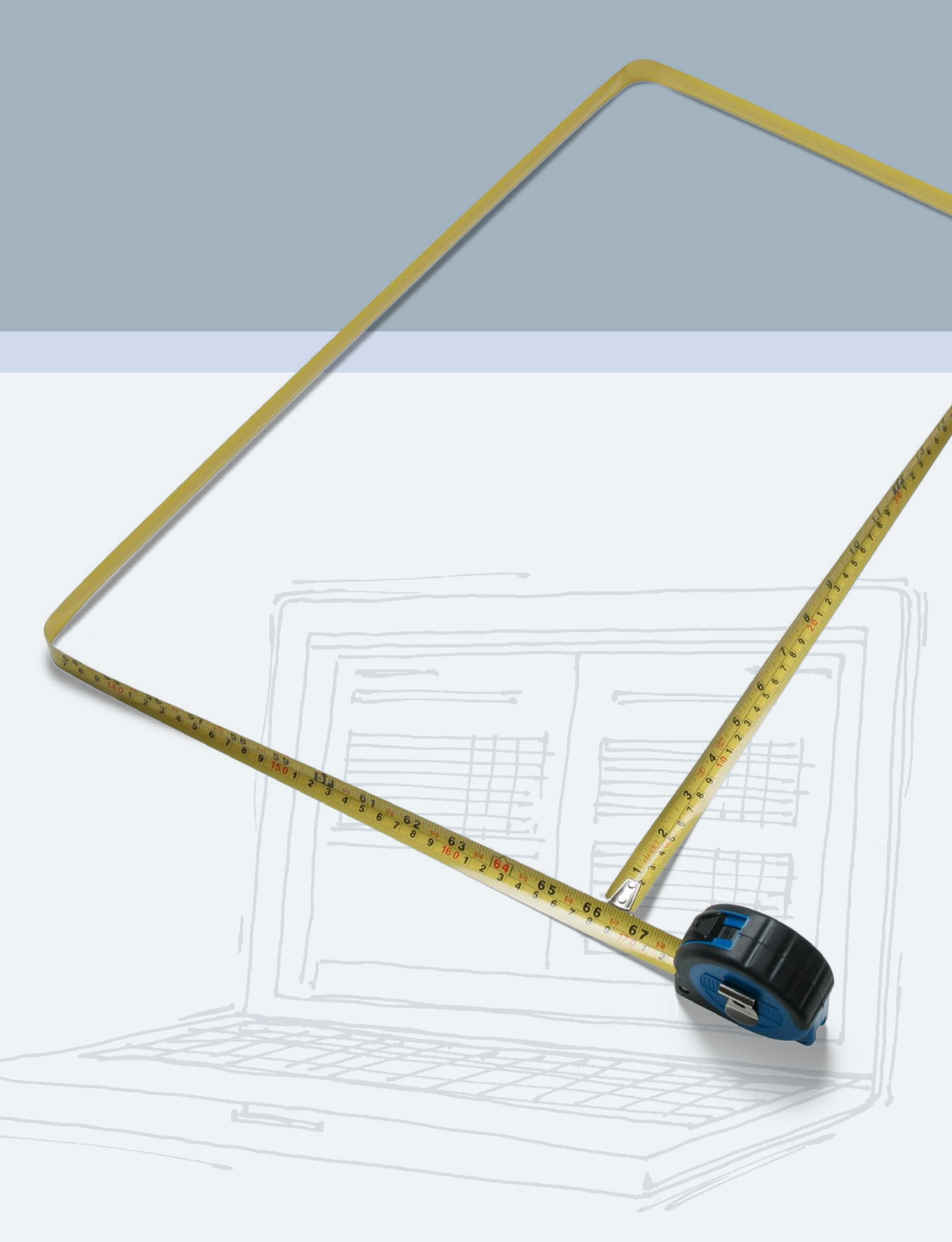
The gearing ratio, defined as net debt divided by shareholders' equity, was 26.6 % as at 31 December 2007 after 9.2 % in the year before.

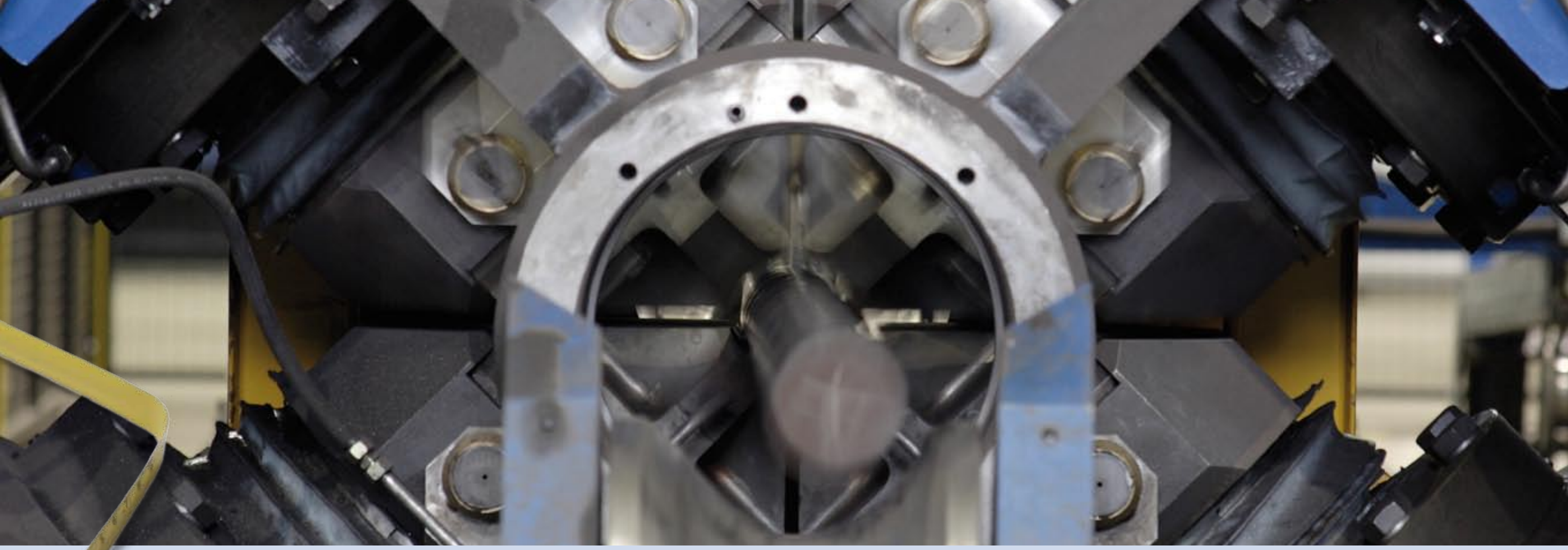
EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 38, Financial Information, page 85.

ADDITIONAL INFORMATION ACCORDING TO SECTION 243A, AUSTRIAN COMMERCIAL CODE

Please refer to Note 20, Financial Information, page 68.





FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEET

ASSETS in TEUR		31.12.2007	31.12.2006
Current assets			
Cash and cash equivalents		23,916	40,850
Trade accounts receivable	Note 5	44,954	33,977
Other accounts receivable and prepaid expenses	Note 6	6,033	3,906
Inventories	Note 7	119,339	83,312
Total current assets		**194,242**	**162,045**
Non-current assets			
Property, plant & equipment	Note 8	116,709	76,666
Goodwill	Note 9	33,934	36,914
Other intangible assets	Note 9	277	412
Long-term investments	Note 10	0	1,507
Long-term receivables	Note 11	4,740	2,419
Deferred tax assets	Note 12	8,003	5,337
Total non-current assets		**163,663**	**123,255**
TOTAL ASSETS		**357,905**	**285,300**

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY in TEUR		31.12.2007	31.12.2006
Current liabilities			
Bank loans and overdrafts	Note 13	41,871	27,129
Current portion of long-term bank loans		3,516	3,847
Finance lease obligations	Note 8	0	328
Accounts payable trade		39,863	22,404
Subsidies received	Note 14	254	144
Income taxes payable		6,846	1,419
Other payables	Note 15	15,818	13,481
Other provisions	Note 16	8,397	7,935
Total current liabilities		**116,565**	**76,687**
Non-current liabilities			
Long-term bank loans	Note 17	30,079	26,802
Subsidies received	Note 14	1,175	687
Retirement benefit obligations	Note 18	3,382	3,497
Accounts payable trade		172	0
Other payables	Note 19	5,960	1,448
Deferred tax payables	Note 12	6,467	4,481
Total non-current liabilities		**47,235**	**36,915**
Shareholders´ equity			
Share capital	Note 20	16,000	16,000
Contributed capital		65,799	65,799
Legal reserve - non-distributable	Note 21	785	785
Other reserves	Note 22	50	58
Translation component		-32,177	-17,608
Revaluation reserve		0	248
Retained earnings		143,648	106,416
Total shareholders´ equity		**194,105**	**171,698**
TOTAL LIABILITIES AND SHAREHOLDERS´ EQUITY		**357,905**	**285,300**

CONSOLIDATED PROFIT AND LOSS STATEMENT

in TEUR		2007	2006
Sales	Note 23	**317,372**	**239,501**
Cost of goods sold	Note 24	-218,424	-167,195
Gross profit		**98,948**	**72,306**
Selling expenses	Note 24	-10,083	-9,385
General and administrative expenses	Note 24	-14,547	-12,086
Other operating expenses	Note 25	-7,290	-5,301
Other operating income		7,292	4,257
Income from operations before non-recurring items		**74,320**	**49,791**
Result from non-recurring restructuring measures	Note 26	1,790	-1,547
Income from operations after non-recurring items		**76,110**	**48,244**
Interest income		1,218	1,064
Interest expenses		-3,248	-2,282
Other financial income	Note 32	432	0
Other financial expenses	Note 32	-1,987	-219
Financial result		**-3,585**	**-1,437**
Income before taxation		**72,525**	**46,807**
Income taxes	Note 27	-22,501	-12,418
Income after taxation		**50,024**	**34,389**
Average number of shares outstanding		16,000,000	16,000,000
Earnings per share in EUR (basic=diluted)		**3.13**	**2.15**

CONSOLIDATED CASH-FLOW STATEMENT

in TEUR		2007	2006
Income after taxation		50,024	34,389
Depreciation and amortization		16,785	12,824
Change in retirement benefit obligations		-115	392
Gain (loss) from sale of property, plant and equipment		-307	-38
Gain (loss) from sale of investments and securities		290	10
Income from release of subsidies		-259	-172
Other non-cash expenses and revenues		2,059	1,130
Change in deferred taxes		-565	-1,429
Cash-flow from the profit		**67,912**	**47,106**
Change in accounts receivable trade		-14,682	-7,872
Change in other accounts receivable and prepaid expenses		-1,587	1,038
Change in inventories		-45,847	-30,347
Change in accounts payable trade		18,740	6,700
Change in other payables and accrued expenses		9,956	8,126
Cash-flow from operating activities	Note 36	**34,492**	**24,751**
Expenditures for property, plant & equipment		-65,975	-28,779
Expenditures for intangible assets		-97	-126
Expenditures for investments		0	-300
Proceeds from sale of fixed assets		3,585	3,656
Proceeds from sale of investments and securities		1,636	179
Cash-flow from investing activities	Note 36	**-60,851**	**-25,370**
Dividend payments		-12,800	-8,000
Subsidies received		906	342
Change in finance lease		-321	-226
Change in bank loans and overdrafts		16,284	3,627
Borrowings of long-term loans		8,917	14,281
Repayment of long-term loans		-4,236	-4,327
Cash-flow from financing activities	Note 36	**8,553**	**5,697**
Translation adjustment		2,851	963
Change in cash and cash equivalents		**-14,758**	**6,041**
Cash and cash equivalents at the beginning of the year		40,850	35,598
Effects of exchange rate changes on cash and cash equivalents		-1,845	-1,120
Revaluation effects on cash and cash equivalents		-331	331
Cash and cash equivalents at the end of the year	Note 36	**23,916**	**40,850**

Supplementary information on operating cash-flow		
Interest received	1,228	1,140
Interest paid	-3,191	-2,239
Income tax paid	-17,056	-11,409

STATEMENT OF SHAREHOLDERS' EQUITY

2007 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Revaluation reserve	Translation component	Retained earnings	Total
Note	20		21	22	32			
1 January 2007	**16,000**	**65,799**	**785**	**58**	**248**	**-17,608**	**106,416**	**171,698**
Currency translation shareholders´equity						-10,688		**-10,688**
Hedging of a net investment						557		**557**
Revaluation marketable securities					-331			**-331**
Currency translation other items[1]						-4,255		**-4,255**
Tax effect					83	-183		**-100**
Total income and expense for the year recognized directly in equity	0	0	0	0	-248	-14,569	0	**-14,817**
Income after taxation							50,024	**50,024**
Total income and expense for the year	0	0	0	0	-248	-14,569	50,024	**35,207**
Dividends[2]							-12,800	**-12,800**
Change in reserves				-8			8	**0**
31 December 2007	**16,000**	**65,799**	**785**	**50**	**0**	**-32,177**	**143,648**	**194,105**

[1] Mainly result from translation differences from net investments in foreign entities such as long-term receivables.
[2] The dividend payment in the year 2007 of TEUR 12,800 was distributed to a share capital of TEUR 16,000. Accordingly, the dividend per share amounted to EUR 0.80.

2006 in TEUR	Share capital	Contributed capital	Legal reserve	Other reserves	Revaluation reserve	Translation component	Retained earnings	Total
1 January 2006	**16,000**	**65,799**	**785**	**59**	**0**	**-7,939**	**80,026**	**154,730**
Currency translation shareholders´equity						-6,764		**-6,764**
Hedging of a net investment						779		**779**
Revaluation marketable securities					331			**331**
Currency translation other items[1]						-4,564		**-4,564**
Tax effect					-83	880		**797**
Total income and expense for the year recognized directly in equity	0	0	0	0	248	-9,669	0	**-9,421**
Income after taxation							34,389	**34,389**
Total income and expense for the year	0	0	0	0	248	-9,669	34,389	**24,968**
Dividends[2]							-8,000	**-8,000**
Change in reserves				-1			1	**0**
31 December 2006	**16,000**	**65,799**	**785**	**58**	**248**	**-17,608**	**106,416**	**171,698**

[1] Mainly result from translation differences from net investments in foreign entities such as long-term receivables.
[2] The dividend payment in the year 2006 of TEUR 8,000 was distributed to a share capital of TEUR 16,000. Accordingly, the dividend per share amounted to EUR 0.50.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
Information about the Company

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

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

The Company's shares had been listed on the NASDAQ Europe in Brussels from 20 June 1997 to 30 June 2003. 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 2007 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, formerly International Accounting Standards (IAS), as adopted by the International Accounting Standards Board (IASB), as well as with the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), formerly the Standard Interpretation Committee (SIC).

NOTE 3
Scope of consolidation

The consolidated financial statements as of 31 December 2007 comprise the accounts of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft and its subsidiaries as follows:

Company	Location	Interest held in %
Schoeller-Bleckmann Drilling and Production Equipment GmbH	Ternitz, Austria	100
Schoeller-Bleckmann Oilfield Technology GmbH & Co KG	Ternitz, Austria	100
Schoeller-Bleckmann Oilfield Technology GmbH	Ternitz, Austria	100
Schoeller-Bleckmann Oilfield Investment GmbH	Ternitz, Austria	100
Schoeller-Bleckmann America Inc.	Wilmington, USA	100
B.K.G.P. Inc.	Wilmington, USA	100
B.K.L.P. Inc.	Wilmington, USA	100
Accudrill L.P.	Houston, USA	100
Bafco Investment Co.	Warminster, USA	100
Godwin-SBO L.P.	Houston, USA	100
Knust-SBO Ltd.	Houston, USA	100
Schoeller-Bleckmann Energy Services L.L.C.*	Lafayette, USA	100
Schoeller-Bleckmann Sales Co. L.P.	Houston, USA	100
BICO Drilling Tools Inc.*	Houston, USA	100
BICO Faster Drilling Tools Inc.	Nisku, Canada	100
Schoeller-Bleckmann de Mexico S.A. de C.V.	Monterrey, Mexico	100
Schoeller-Bleckmann de Venezuela C.A.	Anaco, Venezuela	100
SB Darron Pte. Ltd.	Singapore	100
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, U.A.E.	100
Darron Holdings Limited	Rotherham, UK	100
Darron Oil Tools Limited	Rotherham, UK	100
Darron Tool & Engineering Limited*	Rotherham, UK	100
Schoeller-Bleckmann Darron Limited*	Aberdeen, UK	100

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

In 2007, no changes in the scope of consolidated entities took place.

NOTE 4
Significant accounting policies

The accounting and valuation methods used by the Company remain unchanged from 31 December 2006:

- **Changes in accounting policies**

The following changes came into force on 1 January 2007, and were taken into account for the Financial Statements as of 31 December 2007 for the first time:

IFRS 7 Financial instruments – information: In compliance with the provisions of IRFS 7, which went into effect on 1 January 2007, additional information regarding financial instruments is provided for business years 2006 and 2007, however no change in the accounting policies is required.

IAS 1 – amendment: Additional capital disclosures.

The following changes came into force in 2007, but they were not relevant for the Company and had no influence on the consolidated financial statements, respectively:

- IFRIC 7: Financial Reporting in Hyperinflationary Economies
- IFRIC 8: Scope of IFRS2 – Share based payment
- IFRIC 9: Reassessment of embedded derivatives
- IFRIC 10: Interim financial reporting and impairment

For the year 2007 and as of 31 December 2007, no standards or interpretations were voluntarily adopted in advance by the Company:

IFRS 8 (Operating Segments) will presumably not change the segment reporting structure of SBO.

The amendment of IAS 23 (Borrowing Costs) has to be adopted for annual periods beginning on or after 1 January 2009. The Company will apply this standard accordingly. Borrowing costs will be capitalized for qualified assets from 1 January 2009 on. No changes will be made to borrowing costs, which were expensed in prior periods.

IAS 1 (Presentation of Financial Statements – Revised) will change only the presentation of the changes in equity but will not have any influence on the income after taxation or the equity of the Company.

IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions), IFRIC 12 (Service Concession Arrangements), IFRIC 13 (Customer Loyalty Programs) and IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) will not have any influence on the financial statements of the Company

Materiality

The recognition, measurement and disclosure as well as the combination of individual items of the balance sheet, the profit and loss statement, the cash flow statement and the non-owner movements in equity as well as the scope of the notes provided are guided by the principle of materiality.

Balance sheet date

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

Consolidation principles

Upon capital consolidation, the investments in the subsidiaries were offset against the equity of the respective entity in applying the purchase method of consolidation accounting in line with International Financial Reporting Standards.
All inter-company 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.
Inter-company 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

Foreign currency transactions were translated at the exchange rate in effect at the transaction date. Monetary items denominated in foreign currencies were converted at the rate in effect at the balance sheet date. Currency differences were booked in profit or loss in the period they occurred. The profit and loss accounting between 1 January 2007 and 31 December 2007 reflects exchange rate differences in the amount of TEUR - 1,231 (2006: TEUR - 319).

For all subsidiaries with financial statements denominated in foreign currency, the local currency was used as the functional currency for the translation into Euros.

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

The development of the currency rates was as follows:

1 EUR =	Balance sheet date		Average annual rate	
	31.12.2007	31.12.2006	2007	2006
USD	1.4730	1.3160	1.3706	1.2557
GBP	0.7365	0.6704	0.6845	0.6818
CAD	1.4460	1.5305	1.4689	1.4242
AED	5.4100	4.8550	5.0687	4.6357
MXN	16.0735	14.2279	15.0726	13.7861

Exchange differences resulting from translating the financial statements of the subsidiaries are classified as translation components in the equity section of the consolidated financial statements.

Split in current and long-term 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 long-term. Residual time to maturity is determined on the basis of the balance sheet date.

Financial instruments

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

A financial asset is derecognized when:

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

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

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

Liquid funds

All cash and capital assets with a residual term of up to 90 days from the date of receipt which are booked under line item Cash and cash equivalents are classified as liquid funds. They are measured at current value at the balance sheet date.

Marketable financial instruments

Marketable financial instruments are non-derivative financial assets which are not held for trading purposes. On the one hand, they include short-term investments which are summarized under liquid funds and therefore stated under Cash and cash equivalents. On the other hand they also include investment fund certificates which are classified under long-term financial assets. These investment fund certificates are quoted on liquid markets and are therefore sellable anytime.
After initial recognition, marketable financial instruments are measured at their present values while resulting profits and losses are booked into equity. The present value is the fair market value of the respective assets at the balance sheet date. Upon disposal or impairment of marketable financial assets recognized in equity to that point, gains or losses are accounted for in the annual profit and loss statement.
Interest and dividends earned on financial investments are stated in the annual result.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or definable payments, which are not listed at an active market. They particularly include Cash and cash equivalents, 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 loans 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, Payables under finance leasing and Derivative financial liabilities.

Liabilities are initially recognized at the respective present value less related lending fees; later they are measured at amortized costs, using the effective interest method. Income and expenses resulting from the use of the effective interest method are booked into profit and loss.

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 present value at the contract dates and are measured at the respective present values in the following periods. Derivative financial instruments are recognized as assets if their present values are positive and as liabilities if present values are negative.

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

The Company uses the following instruments:

Hedging of net investment
A hedging relationship for securing a net investment in a foreign operation, including the safeguarding of monetary items that are entered in the balance sheet as part of the net investment, is accounted for as follows: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized directly in equity, whereas the ineffective portion shall be recognized in profit or loss. Upon disposal of the foreign operation, the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss.

Other derivatives
In order to cover the foreign currency risk relating to monetary assets and liabilities in the balance sheet, the Company applies safeguarding measures, which, although not in compliance with the strict requirements set out in IAS 39, contribute effectively to hedge the financial risk from the risk management perspective.
Income or expenses resulting from changes in the present value of financial instruments which do not fulfil the accounting criteria regarding hedging relationships under IAS 39, are immediately accounted for with effect to the profit and loss statement.

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 materials, 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 historical cost less depreciation/ amortization. Depreciation is principally computed by means of the straight-line method, over the expected useful life of the asset. The estimated useful lives are as follows:

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

Repairs and refurbishments are charged to the profit and loss statement at the time the expenditure has been incurred. Interest expenses are also expensed as incurred.

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 present value of the minimum lease payments. The corresponding leasing liabilities are shown in the balance sheet as finance lease obligations.

Goodwill

Goodwill is recognized at acquisition cost and verified on a yearly basis as of 31 December. For this purpose, the goodwill is assigned to regional business units. The valuation of the business units is performed using the utility value on the basis of expected future cash flows.

Deferred taxes

The Company uses the "balance sheet liability method" under which deferred taxes are determined, based on the temporary difference between the amounts attributed to assets or liabilities in the individual group companies for tax purposes (tax base) and the carrying amounts of those assets or liabilities in the balance sheet. Deferred tax income or expenses arise from any movement in deferred tax assets or liabilities. They are measured by the tax rates which become effective when the differences reverse (IAS 12).
Deferred tax assets are to be formed for tax loss carry forwards, provided these tax loss carry forwards can be consumed with future tax profits.

Subsidies received

Subsidies are recognized as a liability upon fulfillment of all requirements for the receipt of such grants. They are released over the useful life of the respective assets (other operating income).

Provisions

In accordance with IAS 37, provisions are stated in the amount that is necessary as of the balance sheet date, according to reasonable commercial standards, to cover future payment obligations, identifiable risks and contingent liabilities of the Company. The amount stated is the amount most likely to result from a careful consideration of the facts involved.

Retirement benefits

Austrian pension obligations
In Austria the Company operates a contribution-based pension scheme for its workforce, with the related obligations having been transferred into the external APK (Allgemeine Pensionskasse) pension fund. Under this pension scheme, the Company pays the following contributions for its employees on an annual basis: for employees who do not themselves contribute to the pension scheme, the Company contributes 0.5 % of their annual salary (up to a maximum monthly salary of EUR 3,840 (2006: EUR 3,750)). For employees contributing 1 % of their annual salaries to the pension fund, the Company also contributes 1 %.

Other retirement plans
The Company has established the "SBOE U.S. Retirement Savings Plan" for its U.S.-based subsidiaries. Eligible participants in this plan are the employees of Godwin-SBO L.P., Schoeller-Bleckmann Sales Co. L.P., Schoeller-Bleckmann Energy Services L.L.C. and BICO Drilling Tools Inc.

Employees are eligible for participation in the plan upon reaching 21 years of age and completion of one year of service, as defined. Employees may elect to defer a percentage of their qualifying wages, up to the maximum dollar amount set by law. Employer contributions are discretionary. The Company decided to contribute 33.3 % towards the first 6 % of employee contributions, calculated on a monthly basis.

Knust-SBO Ltd. sponsors a 401(K) profit sharing and income deferral plan which covers substantially all employees. Under this plan, employees may contribute from 2 % to 20 % of their salaries. The partnership may then make matching contributions equal to a discretionary percentage of the participants' salary deductions. For the years ended on 31 December 2007 and 2006, the partnership elected to make no matching contributions.

Severance payment

Austrian law requires payment of a lump sum upon normal retirement or termination of an employment agreement, if the employee has been with the company for at least three years, and provided that the employment commenced before 1 January 2003. Severance payment ranges from two to twelve months of salary based on the length of service. Payments are made on normal retirement or any other termination, with the exception of voluntary terminations. The provisions were calculated by applying the Projected Unit Credit Method using the mortality table AVÖ 1999-P by Pagler & Pagler and an interest rate of 5.0 % (2006: 4.0 %), an annual increase in salaries of 4.0 % (2006: 3.0 %) and an appropriate fluctuation rate. The statutory pension age was taken into account as well.

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

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. The amounts accrued for this were also calculated by applying the Projected Unit Credit Method.

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

- **Revenue recognition**

Sales revenue is recognized when title passes, generally upon delivery to the customer or on performance of the related service.
Revenue on operating leases is recognized on a pro-rated basis over the period.
Income on interest is recognized on a pro-rated basis over the period, by taking the effective interest into account.

Research and development

Pursuant to IAS 38, research costs are expensed as incurred. Development costs are also expensed as incurred, but are not capitalized due to the uncertainties of the future economic benefits attributable to them. The requirements of IAS 38 for a capitalization of development expenses are not fully met.

Earnings per share

Earnings per share are calculated in line with IAS 33 by dividing the net income for the period by the average number of ordinary shares outstanding during the period.

Estimates

The preparation of annual financial statements in conformity with generally recognized International Financial Reporting Standards (IFRS) requires estimates and assumptions 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.

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

For the consideration of deferred taxes, it is necessary to make estimates of the future taxable income which will be available for the exploitation of tax losses and other timing differences (see Note 12).

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

NOTE 5
Trade accounts receivable

An analysis of past-due, not impaired 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
2007	44,954	28,223	9,583	3,939	1,327	1,122	759
2006	33,977	22,592	8,227	1,748	1,075	294	41

The allowance account reflects the following:

in TEUR	2007	2006
As of 1 January	361	519
Exchange differences	-47	-34
Usage	-12	-213
Reversal	-9	-67
Expensed additions	174	156
As of 31 December	**467**	**361**

The receivables listed are not secured.

NOTE 6
Other accounts receivable and prepaid expenses

An analysis of past-due, not impaired other receivables as of 31 December shows the following situation:

in TEUR	Carrying value		Not past-due and not impaired
	Other accounts receivable and prepaid expenses	Thereof receivables	
2007	6,033	5,496	5,496
2006	3,906	3,307	3,307

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

NOTE 7
Inventories

Inventories are detailed by major classification as follows:

in TEUR	31 December 2007	31 December 2006
Raw materials	14,503	17,033
Work in progress	60,418	43,413
Finished goods	44,348	22,866
Prepayments	70	0
Total	**119,339**	**83,312**

Allowance expenses booked for 2007 were TEUR 3,388 (2006: TEUR 307).

NOTE 8

Property, plant & equipment

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

Year 2007 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2007	22,083	117,065	6,246	8,537	153,931
Exchange differences	-1,996	-8,353	-455	-161	-10,965
Additions	14,863	30,790	1,720	18,602	65,975
Transfers	1,114	12,588	93	-13,795	0
Disposals	-215	-8,904	-386	0	-9,505
31 December 2007	35,849	143,186	7,218	13,183	199,436
Accumulated depreciation					
1 January 2007	8,084	64,799	4,382	0	77,265
Exchange differences	-547	-4,005	-327	0	-4,879
Additions	1,016	14,737	815	0	16,568
Transfers	0	0	0	0	0
Disposals	-176	-5,680	-371	0	-6,227
31 December 2007	8,377	69,851	4,499	0	82,727
Carrying value					
31 December 2007	27,472	73,335	2,719	13,183	116,709
31 December 2006	13,999	52,266	1,864	8,537	76,666

Year 2006 in TEUR	Land & buildings	Plant & machinery	Fixtures, furniture & equipment	Prepayments & assets under construction	Total
At cost					
1 January 2006	23,433	106,991	5,914	7,415	143,753
Exchange differences	-1,123	-6,205	-213	-77	-7,618
Additions	452	20,652	929	6,746	28,779
Transfers	14	5,428	97	-5,539	0
Disposals	-693	-9,801	-481	-8	-10,983
31 December 2006	22,083	117,065	6,246	8,537	153,931
Accumulated depreciation					
1 January 2006	7,659	63,696	4,198	0	75,553
Exchange differences	-356	-3,063	-131	0	-3,550
Additions	917	10,945	736	0	12,598
Transfers	0	0	0	0	0
Disposals	-136	-6,779	-421	0	-7,336
31 December 2006	8,084	64,799	4,382	0	77,265
Carrying value					
31 December 2006	13,999	52,266	1,864	8,537	76,666
31 December 2005	15,774	43,295	1,716	7,415	68,200

The Company has manufacturing facilities in the following countries: USA, Austria, the UK and Mexico.
Service and maintenance, as well as marketing outlets, are maintained in the USA, Canada, Venezuela, the UK, Singapore, the UAE and Russia.

In 2007, non-recurring write-offs were made in the amount of TEUR 87 (2006: TEUR 68).
In 2007 and 2006 there were no write-ups.
As of 31 December 2007, commitments for capital expenditure amounted to TEUR 22,820 (2006: TEUR 13,968).

Finance Lease

The Company leases various properties under finance lease which, based upon the underlying contracts, are attributable to the group. The assets and liabilities under finance lease are recorded at the lower of the present value of the minimum lease payments or at the fair value of the asset. Depreciation of assets under finance lease was included in the depreciation expenses.

Interest expenditures on capitalized lease objects are based on an interest rate of 5.5 %. 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.

Plant and machinery held under finance lease are as follows:

in TEUR	31 December 2007	31 December 2006
Acquisition cost	0	1,343
Accumulated depreciation	0	-575
Carrying value	**0**	**768**

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

in TEUR	31 December 2007	31 December 2006
For the following year	0	328
Between one and five years	0	0
Total minimum lease commitments	0	328
Less discount	0	0
Present value	**0**	**328**

Operating lease

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

in TEUR	31 December 2007	31 December 2006
For the following year	921	746
Between one and five years	1,444	1,363
After five years	218	68

Payments for operating leases which were expensed in the current year, amounted to TEUR 904 in 2007 (2006: TEUR 687).

NOTE 9
Intangible assets

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

Year 2007 in TEUR	Goodwill	Other intangibles	Total
At cost			
1 January 2007	57,996	3,627	61,623
Exchange differences	-4,567	-328	-4,895
Additions	0	97	97
Disposals	0	-1	-1
31 December 2007	53,429	3,395	56,824
Accumulated amortization			
1 January 2007	21,082	3,215	24,297
Exchange differences	-1,587	-313	-1,900
Additions	0	217	217
Disposals	0	-1	-1
31 December 2007	19,495	3,118	22,613
Carrying value			
31 December 2007	33,934	277	34,211
31 December 2006	36,914	412	37,326

Year 2006 in TEUR	Goodwill	Other intangibles	Total
At cost			
1 January 2006	62,810	5,420	68,230
Exchange differences	-4,814	-341	-5,155
Additions	0	126	126
Disposals	0	-1,578	-1,578
31 December 2006	57,996	3,627	61,623
Accumulated amortization			
1 January 2006	22,791	4,872	27,663
Exchange differences	-1,709	-305	-2,014
Additions	0	226	226
Disposals	0	-1,578	-1,578
31 December 2006	21,082	3,215	24,297
Carrying value			
31 December 2006	36,914	412	37,326
31 December 2005	40,019	548	40,567

In the years 2007 and 2006, no non-recurring write-offs were made.

No write-ups were made in the years 2007 and 2006.

As of 31 December 2007, commitments for acquisitions of intangible assets amounted to TEUR 0 (31 December 2006: TEUR 0).

1. Goodwill

The valuation of the business units was computed by using their utility value, which is based on the estimated future cash flows and a risk free interest rate of 6 %. A detailed planning period of 3 years is used; for the following period of 12 – 15 years, a flat cash flow without further growth is assumed. The risk component is taken into account in the cash flows, which in turn are derived from the budgets of the management.

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

The impairment test carried out as of 31 December 2007 demonstrated that no write-down of goodwill was necessary. The goodwill set out in the balance sheet is mainly attributable to the following business units:

in TEUR	31 December 2007	31 December 2006
Knust-SBO Ltd.	13,921	15,582
Godwin-SBO L.P.	11,636	12,957
Schoeller-Bleckmann Oilfield Technology GmbH & Co KG	4,655	4,655
Darron Holdings Limited	3,675	3,675

2. Other intangible assets:

Other intangible assets are IT software as well as rights in non-compete agreements. Non-compete agreements were entered into with certain employees of Godwin Machine Works in 1998. The capitalized rights are being amortized over the life of the respective agreements, ranging from four to ten years.

NOTE 10
Long-term investments

Long-term investments comprise the following items:

in TEUR	31 December 2007	31 December 2006
Investment fund certificates	0	1,473
Pension funds and others	0	34
Total	**0**	**1,507**

Respective gains and losses are detailed in Note 32.

NOTE 11
Long-term receivables

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

Other long-term receivables are those payable by customers.

in TEUR	31 December 2007	31 December 2006
Loans	4,421	1,873
Other receivables	319	546
Total	**4,740**	**2,419**

As there were no past-due receivables, no write-downs had to be made either as of 31.12.2007 or 31.12.2006. The other receivables are not secured.

NOTE 12
Deferred taxes

As of 31 December 2007, the Company had a net deferred tax asset of TEUR 1,536 (as of 31 December 2006: TEUR 856).
The components of the Company's deferred tax assets and deferred tax liabilities as of the balance sheet dates were as follows:

in TEUR	31 December 2007	31 December 2006
Fixed assets	-2,330	-4,181
Inventory	1,664	1,738
Other items	-75	-269
Not deductible accruals	2,608	2,795
Accruals (unrealized exchange losses)	-718	-481
Tax loss carry forward	387	1,254
Subtotal	1,536	856
Valuation allowances	0	0
Total	**1,536**	**856**

Not recognized are deferred tax assets in the amount of TEUR 2,126 (2006: TEUR 2,336) related to tax losses carried forward, because the exploitation of these losses could not be expected in the foreseeable future.
From the exploitation of tax losses the effective taxes in 2007 were reduced by TEUR 329.

NOTE 13

Bank loans and overdrafts

As of 31 December 2007, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	13,610	5.58 - 5.66 % variable
GBP loans	6,527	6.55 - 6.80 % variable
EUR loans	5,500	4.69 - 5.01 % variable
Subtotal	25,637	
Export promotion loans (EUR)	16,234	4.58 - 5.10 % variable
Total	**41,871**	

As of 31 December 2006, the short-term loan arrangements were as follows:

Currency	Amount in TEUR	Interest rate in %
USD loans	13,620	5.77 - 5.99 % variable
GBP loans	4,475	5.27 % variable
Subtotal	18,095	
Export promotion loans (EUR)	9,034	3.12 - 3.55 % variable
Total	**27,129**	

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 18,754 (2006: TEUR 10,114) to securitize these loans.

The USD borrowings due to banks in the amount of TEUR 13,610 (2006: TEUR 13,620) are collateralized by specific current assets of the Company ("floating charge").

NOTE 14
Subsidies received

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.

NOTE 15
Other payables

Other payables were as follows:

in TEUR	31 December 2007	31 December 2006
Vacation not yet used	1,247	1,148
Other personnel expenses	4,774	4,114
Invoices not yet received	2,530	2,820
Legal and other counseling fees	680	739
Taxes	2,316	2,243
Social expenses	875	705
Other payables	3,396	1,712
Total payables	**15,818**	**13,481**

NOTE 16

Other provisions

The following development was recorded for business year 2007:

in TEUR	31 Dec. 2006	Exchange Transl.	Usage	Reversal	Provision	31 Dec. 2007
Warranty/product liability	1,268	0	0	0	989	2,257
Restructuring	4,181	0	-452	-1,790	0	1,939
Other	2,486	-94	-965	0	2,774	4,201
Total	**7,935**	**-94**	**-1,417**	**-1,790**	**3,763**	**8,397**

Regarding the provision for restructuring, see Note 26.

NOTE 17

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

As of 31 December 2007, long-term bank loans consisted of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	706	5.69 % variable	2006 - 2015	semi-annually
EUR	2,825	3.99 % fixed	2006 - 2015	semi-annually
EUR	7,500	1.50 % fixed	2006 - 2012	semi-annually from 2009
EUR	3,500	3.54 % fixed	2006 - 2011	semi-annually
EUR	389	5.69 % variable	2006 - 2011	semi-annually
EUR	2,000	5.85% variable	2003 - 2010	2010
EUR	2,154	4.75 % fixed	2002 - 2009	semi-annually
EUR	923	4.80 % fixed	2002 - 2009	semi-annually
USD	1,046	6.35 % fixed	2003 - 2016	monthly
USD	4,073	5.92 % variable	2007 - 2013	quarterly
USD	2,037	5.61 % variable	2007 - 2013	quarterly
USD	6,442	4.12 % fixed	2003 - 2010	2010
	33,595			

The following borrowings were collateralized:

EUR-loans:
- TEUR 7,500 – Machinery pledged with a carrying-value of TEUR 12,622.

USD-loans:
- TEUR 1,046 – Mortgage on land and building with a carrying-value of TEUR 1,521;
- TEUR 6,110 – Pledge on particular assets ("floating charge").

As of 31 December 2006, long-term bank loans consisted of the following:

Currency	Amount in TEUR	Interest rate in %	Term	Repayment
EUR	2,225	3.99 % fixed	2006 - 2015	semi-annually from 2008
EUR	556	4.54 % variable	2006 - 2015	semi-annually from 2008
EUR	7,500	1.00 % fixed	2006 - 2012	semi-annually from 2008
EUR	2,800	3.54 % fixed	2006 - 2011	semi-annually
EUR	1,200	4.54 % variable	2006 - 2011	semi-annually
EUR	2,000	4.70 % variable	2003 - 2010	2010
EUR	3,231	4.75 % fixed	2002 - 2009	semi-annually
EUR	1,385	4.80 % fixed	2002 - 2009	semi-annually
EUR	487	2.95 % fixed	2002 - 2008	semi-annually
EUR	1,000	3.65 % fixed	2003 - 2007	annually
USD	1,266	6.35 % fixed	2003 - 2016	monthly
USD	6,999	4.12 % fixed	2003 - 2010	2010
	30,649			

Adjustments of the variable interest rates are made quarterly.

With respect to the present value of the loans see Note 32, regarding interest rate risk and hedging see Note 33.

NOTE 18

Retirement benefit obligations

in TEUR	31 December 2007	31 December 2006
Severance payments	2,700	2,699
Jubilee payments for long service	679	787
Pension provision	3	11
Total	**3,382**	**3,497**

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

	2007	2006
Interest rate	5.0 %	4.0 %
Salary increases	4.0 %	3.0 %
Fluctuation rate (mark-down)	0.0 - 15.0 %	0.0 - 15.0 %

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

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

Provisions for severance payments

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

in TEUR	2007	2006	2005	2004	2003
Present value of severance payments as of 1 January	2,699	2,443	2,008	1,956	1,836
Current service cost	169	151	118	121	126
Interest cost	107	109	107	104	97
Current severance payments	-513	-146	-161	-147	-91
Actuarial gain/loss during the year	238	142	371	-26	-12
Present value of the termination benefits as of 31 Dec.	**2,700**	**2,699**	**2,443**	**2,008**	**1,956**

The change in the actuarial assumptions resulted in no additional expenses for the year 2007.

Pension plans (defined contributions)

Payments made under the defined contribution plans (pensions and other providence funds) were expensed and amounted to TEUR 639 in 2007 (2006: TEUR 435).

NOTE 19
Other payables

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

Company	31 December 2007	31 December 2006
Schoeller-Bleckmann Energy Services L.L.C.	15.00 %	15.00 %
Schoeller-Bleckmann Darron Limited	8.35 %	8.35 %
Darron Tool & Engineering Limited	6.97 %	4.17 %
BICO Drilling Tools Inc.	15.00 %	0.00 %

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

The management is obliged by contract to sell the shares under specific circumstances, and the Company is obliged to buy these shares. The selling price is based on the value of the respective equity portion at the date of the transaction.

Pursuant to IAS 32.23, such contracts constitute a financial liability, valued at the present value of the redemption price. For the current valuation, the respective portion of the equity at the balance sheet date is used since no exact measurement of the future value is available.

NOTE 20
Share capital

The share capital of the Company on 31 December 2007 as well as on 31 December 2006 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 March 2006 authorized the Management Board to raise the share capital by an amount not exceeding EUR 5 million by issuing new shares. This authorization will be in force until 8 April 2011.

The Ordinary Shareholders' Meeting on 19 April 2007 authorized the Management Board for a period of 18 months to buy back own shares of the Company up to a maximum of 10 % of the share capital, the redemption price has to be EUR 1.00 at least and EUR 100.00 at the most.

As of 31 December 2007, approximately 31 % of the share capital is held by Berndorf Industrieholding AG, Berndorf.

NOTE 21
Legal reserve - non-distributable

Austrian law requires the establishment of a legal reserve in the amount of one tenth of the nominal value of the Company's share capital. As long as the legal reserve and other restricted capital reserves have not reached such an amount, the Company is required to allocate five percent of its annual net profit (net of amounts allocated to make up losses carried forward from prior years, after changes in untaxed reserves have been taken into consideration) to such reserves.
For the formation of such reserves, only the annual financial statements of the parent company are relevant.

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
Additional breakdown of revenues

Net sales consist of:

in TEUR	2007	2006
Sales of goods	290,102	217,489
Operating lease revenue	27,270	22,012
Total net sales	**317,372**	**239,501**

NOTE 24
Additional breakdown of expenses

As the Company classifies its expenses by function, the following additional information is given as required by IAS 1 (revised 2005):

in TEUR	2007	2006
Material expenses	187,341	122,953
Personnel expenses	67,629	57,840
Depreciation tangible assets	16,568	12,598
Amortization other intangibles	217	226

NOTE 25
Research and development expenses

In the consolidated profit-and-loss statement, research and development expenses are included in line item “other operating expenses”, with an amount of TEUR 1,154 in 2007 and TEUR 1,178 in 2006.

NOTE 26
Result from non-recurring restructuring measures

In 2007, the following provisions posted in the previous years were reversed or used respectively:

Schoeller-Bleckmann de Venezuela C.A.:
An amount of TEUR 452 was used for expenses, which were incurred in the course of the termination of the business activities in 2007.

Schoeller-Bleckmann Darron Limited:
A notable improvement of the market in 2007 and the newly commenced long-term trading operations made the planned restructuring measures redundant, thereby effecting the reversal of provisions in the amount of TEUR 1,790.

In 2006, an amount of TEUR 1,547 was provided for the reorganization of the subsidiary Schoeller-Bleckmann de Venezuela C.A., planned to be executed in 2007. In addition, an amount of TEUR 133 was used for restructuring the management of Schoeller-Bleckmann Energy Services L.L.C. in 2006.

NOTE 27
Taxes on income

The components of income tax were as follows:

in TEUR	2007	2006
Current taxes		
Austria	-5,923	-4,519
U.S.	-14,072	-8,629
Other	-3,071	-699
Deferred taxes		
Austria	1,348	703
U.S.	455	167
Other	-1,238	559
Total	**-22,501**	**-12,418**

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

in TEUR	2007	2006
Income tax expense at a calculated tax rate of 25 %	-18,131	-11,702
Foreign tax rate differentials	-4,050	-1,307
Valuation of shareholdings	-674	202
Tax losses carried forward	329	703
Other differences	25	-314
Consolidated income tax expense	-22,501	**-12,418**
Consolidated tax rate	**310 %**	**26.5 %**

NOTE 28
Segment reporting

The Company operates worldwide mainly in one industry segment, the designing and manufacturing of drilling equipment for the oil and gas industry. For this reason, the primary segment reporting is displayed by geographical regions.

As the figures stated represent a summary of the single balance sheets and income statements of the consolidated companies, consolidation adjustments have to be allowed for in order to arrive at the consolidated figures shown.
Inter-segment sales are carried out in accordance with the “at arm’s length“ principle.

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

Primary segment information by region:

Year 2007 in TEUR	Europe	North America	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	68,181	234,875	14,316	0	317,372
Inter-company sales	105,843	21,538	1,555	-128,936	0
Total sales	174,024	256,413	15,871	-128,936	317,372
Operating income	30,655	46,620	2,973	-4,138	76,110
Attributable assets	149,478	200,355	12,354	-4,282	357,905
Attributable liabilities	88,004	108,714	4,430	-37,348	163,800
Capital expenditure	37,102	26,364	198	2,408	66,072
Depreciation & amortization	7,728	8,377	255	425	16,785
Thereof non-recurring write-offs	0	87	0	0	87
Head count (average)	504	588	58	18	1,168

Year 2006 in TEUR	Europe	North Amercia	Other regions	SBO-Holding & consolidation adjustments	SBO Group
Sales by origin					
External sales	40,783	186,280	12,438	0	239,501
Inter-company sales	59,415	13,524	1,197	-74,136	0
Total sales	100,198	199,805	13,635	-74,136	239,501
Operating income	18,540	31,554	2,569	-4,419	48,244
Attributable assets	91,758	161,646	10,311	21,585	285,300
Attributable liabilities	64,389	99,087	3,340	-53,214	113,602
Capital expenditure	13,877	14,456	340	232	28,905
Depreciation & amortization	4,462	7,680	442	240	12,824
Thereof non-recurring write-offs	68	0	0	0	68
Head count (average)	404	522	61	15	1,002

The secondary segment reporting by product is classified by the intended purpose of the goods and services. The following categories are used:

1. High-precision components

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

2. Oilfield supplies and services

This group comprises the following products:

- Non-Magnetic Drill Collars (NMDC), steel bars which are used to prevent magnetic interference during MWD operations.
- Drilling motors, which drive the bit for directional drilling operations. They are also used for other applications, such as underground river and road crossings for utility services, telephone cables and pipelines.
- Various other tools for the oilfield such as stabilizers, reamers, hole openers, drilling jars and shock tools.

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

3. Other Sales

The Company is, to a limited extent, active in other areas as well.

Secondary segment reporting by product:

Year 2007 in TEUR	High-precision components	Oilfield supplies & services	Other sales	SBO-Holding & consolidation adjustments	SBO Group
External sales	196,508	119,276	1,588	0	317,372
Attributable assets	201,235	160,951	1	-4,282	357,905
Capital expenditure	37,785	25,879	0	2,408	66,072

Year 2006 in TEUR	High-precision components	Oilfield supplies & services	Other sales	SBO-Holding & consolidation adjustments	SBO Group
External sales	154,872	83,029	1,600	0	239,501
Attributable assets	160,645	103,069	1	21,585	285,300
Capital expenditure	13,447	15,226	0	232	28,905

NOTE 29
Remuneration for the management

The remuneration including bonuses for 2006 paid in 2007 for the Executive Board and the General Managers of the subsidiaries (total 13 persons) amounted to TEUR 3,304 (2006: TEUR 2,583). These amounts include the provisions for severance and jubilee payments amounting to TEUR 99 in 2007 and TEUR 51 in 2006.
The remuneration for the Supervisory Board amounted to TEUR 69 in the business year, which is a combination of a flat rate and a variable rate depending on the group´s results (2006: TEUR 25 flat rate only).
No loans were granted to the members of the Executive Board or to the Supervisory Board, respectively. The contracts with the members of the Executive Board are valid for one term and will expire on 31 December 2008.

NOTE 30
Transactions with related parties

The following transactions with related but non-consolidated companies were carried out in 2007:

Schleinzer & Partner, attorneys-at-law
This law firm 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 2007 amounted to TEUR 54 (2006: TEUR 36), thereof outstanding as of 31 December 2007 is TEUR 27 (31 December 2006 TEUR 0).

NOTE 31
Lease transactions

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.
Revenues from short-term operating leases were TEUR 27,270 for 2007 and TEUR 22,012 for 2006.

NOTE 32
Financial instruments

IFRS distinguish between primary and derivative financial instruments.

Primary Financial Instruments

Primary financial instruments held by the Company are shown in the balance sheet. The amounts stated represent the maximum credit risk and risk of loss.
With regard to long-term financial investments, please see Notes 4 and 10.

Derivative Financial Instruments

1. Foreign currency receivables

The Austrian company hedges its net receivables and order backlog denominated in US 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 2007	Hedged receivables in TEUR	Receivables at effective date rates in TEUR	Present value in TEUR
USD	41,335	39,715	1,620

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

2. SWAP Transaction

The Company has entered into a foreign currency swap for the hedging of a long-term loan with a maturity in 2010, taken out to finance a net investment into a foreign business. For this purpose, an amount of TEUR 8,000 was swapped with an amount of TUSD 9,176, at a fixed interest rate of 4.12 %.

The market value of this swap as of 31 December 2007 was TEUR 1,558. The change in value for the year was TEUR 557 (2006: TEUR 779), which was completely booked into equity (translation adjustment), without any impact on the net income as there was no ineffective portion in this hedge.

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

FINANCIAL INSTRUMENTS 31.12.2007 in TEUR		Category acc. to IAS 39					Classification acc.to IFRS 7: Valuation method							
							Fair value		Amortized costs					
		Loans and receivables	Assets available for sale	Other financial liabilities	Derivative Instruments	Hedging Instruments	Securities	Derivates	Liquid funds	Accounts receivable trade	Loans	Bank & Lease obligations	Accounts payable trade	Other items
Current assets														
Cash and cash equivalents														
of which banks & cash	23,916	23,916							23,916					
of which short term investments	0													
Trade accounts receivable	44,954	44,954								44,954				
Other accounts receivable and prepaid expenses	6,033	3,877			1,620			1,620						3,877
Inventories	119,339													
Total current assets	**194,242**													
Non-current assets														
Property, plant & equipment	116,709													
Goodwill	33,934													
Other intangible assets	277													
Long-term investments	0													
Long-term receivables	4,740	4,740								257	4,421			62
Deferred tax assets	8,003													
Total non-current assets	**163,663**													
TOTAL ASSETS	**357,905**	**77,487**	**0**	**0**	**1,620**	**0**	**0**	**1,620**	**23,916**	**45,211**	**4,421**	**0**	**0**	**3,939**
Current liabilities														
Bank loans and overdrafts	41,871			41,871								41,871		
Current portion of long-term bank loans	3,516			3,516								3,516		
Finance lease obligations	0													
Accounts payable trade	39,863			39,863									39,863	
Subsidies received	254			254										254
Income taxes payable	6,846													
Other payables	15,818			15,818										3,396
Other provisions	8,397													
Total current liabilities	**116,565**													
Non-current liabilities														
Long-term bank loans														
of which primary liabilities	23,637			23,637								23,637		
of which hedging	6,442					6,442		6,442						
Finance lease obligations	0													
Subsidies received	1,175			1,175										1,175
Retirement benefit obligations	3,382													
Accounts payable trade	172			172									172	
Other payables	5,960			5,960										5,960
Deferred tax payables	6,467													
Total non-current liabilities	**47,235**													
Shareholders' equity														
Share capital	16,000													
Contributed capital	65,799													
Legal reserve - non-distributable	785													
Other reserves	50													
Translation component	-32,177													
Revaluation reserve	0													
Retained earnings	143,648													
Total shareholders' equity	**194,105**													
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**357,905**	**0**	**0**	**132,266**	**0**	**6,442**	**0**	**6,442**	**0**	**0**	**0**	**69,024**	**40,035**	**10,785**

FINANCIAL INSTRUMENTS

31.12.2006
in TEUR

		Category acc. to IAS 39					Classification acc. to IFRS 7: Valuation method							
							Fair value		Amortized costs					
		Loans and receivables	Assets available for sale	Other financial liabilities	Derivative Instruments	Hedging Instruments	Securities	Derivates	Liquid funds	Accounts receivable trade	Loans	Bank & Lease obligations	Accounts payable trade	Other items
Current assets														
Cash and cash equivalents														
of which banks & cash	25,749	25,749							25,749					
of which short term investments	15,101		15,101				15,101							
Trade accounts receivable	33,977	33,977								33,977				
Other accounts receivable and prepaid expenses	3,906	2,965			343			343						2,965
Inventories	83,312													
Total current assets	**162,045**													
Non-current assets														
Property, plant & equipment	76,666													
Goodwill	36,914													
Other intangible assets	412													
Long-term investments	1,507		1,507				1,507							21
Long-term receivables	2,419	2,419								525	1,873			
Deferred tax assets	5,337													
Total non-current assets	**123,255**													
TOTAL ASSETS	**285,300**	**65,110**	**16,608**	**0**	**343**	**0**	**16,608**	**343**	**25,749**	**34,502**	**1,873**	**0**	**0**	**2,986**
Current liabilities														
Bank loans and overdrafts	27,129			27,129								27,129		
Current portion of long-term bank loans	3,847			3,847								3,847		
Finance lease obligations	328			328								328		
Accounts payable trade	22,404			22,404									22,404	
Subsidies received	144			144										144
Income taxes payable	1,419													
Other payables	13,481			13,481										1,712
Other provisions	7,935													
Total current liabilities	**76,687**													
Non-current liabilities														
Long-term bank loans														
of which primary liabilities	19,803			19,803								19,803		
of which hedging	6,999					6,999		6,999						
Finance lease obligations	0													
Subsidies received	687			687										687
Retirement benefit obligations	3,497													
Accounts payable trade	0													
Other payables	1,448			1,448										1,448
Deferred tax payables	4,481													
Total non-current liabilities	**36,915**													
Shareholders' equity														
Share capital	16,000													
Contributed capital	65,799													
Legal reserve - non-distributable	785													
Other reserves	58													
Translation component	-17,608													
Revaluation reserve	248													
Retained earnings	106,416													
Total shareholders' equity	**171,698**													
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**285,300**	**0**	**0**	**89,271**	**0**	**6,999**	**0**	**6,999**	**0**	**0**	**0**	**51,107**	**22,404**	**3,991**

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

in TEUR	2007 Carrying value	2007 Present value	2006 Carrying value	2006 Present value
Assets				
Trade receivables	45,211	45,211	34,502	34,502
Lendings	4,421	4,421	1,873	1,873
Other line items	3,939	3,939	2,986	2,986
Liabilities				
Borrowings from banks and finance lease obligations	-69,024	-68,529	-51,107	-50,513
Trade payables	-40,035	-40,035	-22,404	-22,404
Other line items	-10,785	-10,785	-3,991	-3,991

The respective market values have been used to determine the present values of the marketable securities (i.e., securities available for selling) and the derivative financing instruments. For assessing the present value of borrowings and leasing obligations, the expected cash-flows have been discounted using market interest rates.

Regarding bank loans with variable interest, the interest rates charged are current market rates, resulting in the fact that the carrying values equal the present values to a large extent.

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

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

Year 2007 in TEUR	Allowance	Revaluation P/L	Revaluation Equity	Deletion/Disposal P/L	Deletion/Disposal Equity	Net result
Loans and receivables	-165	-	-	-	-	-165
Assets available for sale	-	-	-	406	-331	75
Other financial obligations	-	-	-	-	-	-
Derivate instruments	-	1,277	-	-	-	1,277
Hedging transactions	-	-	557	-	-	557

Year 2006 in TEUR	Allowance	Revaluation		Deletion/Disposal		Net result
		P/L	Equity	P/L	Equity	
Loans and receivables	-89	-	-	-	-	-89
Assets available for sale	-	-	331	-	-	331
Other financial obligations	-	-	-	-	-	-
Derivate instruments	-	343	-	-	-	343
Hedging transactions	-	-	1,001	-	-	1,001

Following the sale of securities in 2007, TEUR 331 (2006: TEUR 0) previously stated in equity were recognized in the profit and loss statement.

NOTE 33

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.

The three dominant service companies in the market (Schlumberger, Halliburton, Baker Hughes) accounted for 63 % of all sales worldwide in 2006 and for 65 % in 2007.

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.

Due to the strong global demand for raw materials, SBO was faced with the risk of delivery problems due to the lack of certain semi-finished products during the reporting period. As a result of the new purchasing policy, the stockpiling of certain specialty alloys in the U.S. and intensified cooperation with a major supplier, those risks were identified and minimized early on.

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 payables due to banks and trade payables.

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

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

Foreign currency risks

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

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

From a long-term perspective, SBO invoices around 80 % of its sales volume in US dollars. This is due to its customer structure. All dominating service companies on the directional drilling market are located in the US, handling their worldwide activities in US dollars. Also from a long-term perspective, approximately 60 % 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 SBO 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 a potential change in the US dollar exchange rate may reasonably have on the group´s results. To derive at the result, the Company uses a model based on the long-term revenue and cost structures of the group. Regarding the equity, the model is based on the differences caused by the conversion rates used for the companies accounting in foreign currencies. The same method is applied for the hedge of a net investment. The models have remained unchanged for all years stated.

in TEUR Changes in EURO - US dollar rate	2007 +10 cents	 -10 cents	2006 +10 cents	 -10 cents
Change in profit before taxes	-8,548	9,893	-5,828	6,837
Change in equity	-7,170	7,949	-7,226	8,416

Interest rate risks

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

The majority of the long-term bank borrowings (approximately 75 %) have fixed interest rates; therefore they are without any interest rate risk. However, the fair value of these credit facilities is subject to fluctuations. For fixed and variable interest rates and the associated risk of interest changes, we refer to Note 17. With the exception of bank 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	**2007**		**2006**	
Change in basic points	**+10**	**+20**	**+10**	**+20**
Change in profit before taxes	-23	-46	-10	-20

Credit risks

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

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

With regard to loans granted to the management of subsidiaries, the default risk is eliminated as the loans are securitized by the acquired shares (see Note 11).

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

Liquidity risks

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

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

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

The table below shows all obligations for repayments and interest on financial obligations accounted for and agreed by contract as of 31 December. These obligations include derivative financial instruments for which the fair market value is stated. For the other obligations, the non-discounted cash-flows for the following business years are stated.

31 December 2007 in TEUR	Due at call	2008	2009	2010	2011 cont'd
Payables due to banks	44,096	4,688	7,259	7,426	11,311
Lease obligations	-	-	-	-	-
Trade payables	-	39,863	172	-	-
Other payables	-	15,818	-	-	-
Derivative instruments	-	265	265	6,575	-

31 December 2006 in TEUR	Due at call	2007	2008	2009	2010 cont'd
Payables due to banks	28,452	4,552	3,615	5,529	12,628
Lease obligations	-	328	-	-	-
Trade payables	-	22,404	-	-	-
Other payables	-	13,481	-	-	-
Derivative instruments	-	288	288	288	7,143

Other financial market risks

These risks primarily refer to share prices and stock indexes.
The marketable securities (i.e. securities available for sale) which were sold in 2007, refers to shares in investment funds, which in turn were primarily invested in money markets and bonds. Therefore share prices and stock indexes had only marginal impact on the value of these investments.

- **Capital management**

It is a paramount goal of our 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 payables due to banks and leasing rates, less cash and cash equivalents and long-term financial investments. In the long-term, the Company considers an average gearing ratio of 40 – 60 % as desirable, as well as an average dividend ratio of 30 – 60 % payable to the shareholders of the parent company.

NOTE 34
Contingencies

No contingencies existed as of the balance sheet dates 31 December 2007 and 31 December 2006.

NOTE 35
Other commitments

Apart from operating lease commitments and commitments for capital expenditure, no further commitments existed as of the balance sheet date (see Note 8).

NOTE 36
Cashflow statement

The cash flow statement of the Company and its subsidiaries displays the change of cash and cash equivalents in the reporting year as a result of inflows and outflows of resources.
The liquid fund only includes cash on hand and bank balances as well as short-term investments / marketable securities.

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

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

The cash flow from operating activities is determined using the indirect method, based on income after taxation and adjusting it for non-cash expenses and revenues. The result plus changes in net working capital (excluding liquid funds) as shown in the balance sheet is the cash flow from operating activities.
Inflows/outflows of resources from current operations include inflows and outflows from interest payments and income taxes. Dividend payments are shown under cash flow from financing activities.

NOTE 37
Personnel

The total average number of employees was as follows:

	2007	2006
Blue collar	933	802
White collar	235	200
	1,168	**1,002**

NOTE 38
Events after the balance sheet date

After the balance-sheet date no events of particular significance have occurred that would have changed the presentation of the net worth, financial position and earnings situation of the Company.

NOTE 39
Proposed dividend

The Executive Board proposes to the shareholders that a dividend of EUR 0.50 per share (2006: EUR 0.50) plus a bonus of EUR 0.60 per share (2006: EUR 0.30), in total EUR 1.10 per share should be paid.
Thus, the total distribution amounts to TEUR 17,600 compared to TEUR 12,800 in 2006.

MANAGEMENT INFORMATION

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

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: 2012

Dr. Peter Pichler (Deputy Chairman)
First nomination: 1995
End of current appointment: 2012

Mag. Dipl. Ing. Helmut Langanger
First nomination: 2003
End of current appointment: 2012

Karl Samstag
First nomination: 2005
End of current appointment: 2012

Dr. Karl Schleinzer
First nomination: 1995
End of current appointment: 2012

STATEMENT BY THE EXECUTIVE BOARD REGARDING COMPLIANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH IFRS RULES

The Executive Board hereby declares that the consolidated financial statements present fairly, in all material respects, the financial position of Schoeller-Bleckmann Oilfield Equipment Aktiengesellschaft and the results of its operations as of 31 December 2007, and that International Financial Reporting Standards (IFRSs) as adopted by the EU were complied with in full.

Ternitz, 20 February 2008

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

MEMBERS OF THE BOARDS

EXECUTIVE BOARD

Gerald Grohmann
President and CEO

Franz Gritsch
Executive Vice-president and CFO

SUPERVISORY BOARD

Norbert Zimmermann
Chairman

Peter Pichler
Deputy Chairman

Helmut Langanger
Karl Samstag
Karl Schleinzer

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

We have audited the accompanying consolidated financial statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, for the financial year from 1 January 2007 to 31 December 2007. These consolidated financial statements comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended 31 December 2007, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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 in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 basis for our audit opinion.

Opinion

Our audit did not give rise to any objections.
Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of 31 December 2007, and of its financial performance and its cash flows for the financial year from 1 January 2007 to 31 December 2007 in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, 20 February 2008

ERNST & YOUNG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH

Mag. Brigitte Frey & Mag. Karl Fuchs
(Auditors)

VORSTAND

SCHOELLER BLECKMANN OILFIELD EQUIPMENT

Declaration by the Executive Board Pursuant to § 82 Sect. 4 (3) of the Austrian Stock Exchange Act

The Executive Board of Schoeller-Bleckmann Oilfield Equipment AG certifies,

- that, to the best of its knowledge, the annual consolidated financial statements of the company, prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the EU, present a fair and accurate picture of the profit, asset and financial position of the company;
- that the Management Report presents the development and performance of the business in such a manner as to ensure a fair and accurate picture of the profit, asset and financial position, and that the principal risks and uncertainties have been described.

Ternitz, 20 February 2008

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

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG
A-2630 Ternitz/Austria ▪ Hauptstrasse 2 ▪ Tel.: +43 2630 315-110 ▪ Fax: +43 2630 315-101 ▪ E-Mail: sboe@sbo.co.at
Firmensitz/Reg. Office: 2630 Ternitz, Austria ▪ Firmenbuch/Comm. Reg. No.: FN 102999w Handelsgericht Wr. Neustadt ▪ DVR 0769509 ▪ Bank/BankAccount:
Bank Austria-Creditanstalt, BLZ 11000, Kto. Nr. 03240337000 ▪ IBAN: AT661100003240337000 ▪ BIC: BKAUATWW ▪ UID/VAT No.: ATU 14661105

Jahresabschluss zum 31. Dezember 2007

der

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlage I

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

Bilanz zum 31. Dezember 2007

AKTIVA

	31.12.2007 EUR		31.12.2006 TEUR
A. ANLAGEVERMÖGEN			
I. Immaterielle Vermögensgegenstände			
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	20.082,76		26
II. Sachanlagen			
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 1.287.486,12 (2006: TEUR 1.287)	12.231.870,34		3.539
2. andere Anlagen, Betriebs- und Geschäftsausstattung	273.784,41		150
3. geleistete Anzahlungen und Anlagen in Bau	557.000,00		30
	13.062.654,75		3.719
III. Finanzanlagen			
1. Anteile an verbundenen Unternehmen	69.213.784,72		66.916
2. Ausleihungen an verbundene Unternehmen	35.859.269,23		39.017
3. Wertpapiere des Anlagevermögens	0,00		837
	105.073.053,95		106.770
		118.155.791,46	110.515
B. UMLAUFVERMÖGEN			
I. Forderungen und sonstige Vermögensgegenstände			
1. Forderungen gegenüber verbundenen Unternehmen	39.557.730,29		10.022
2. sonstige Forderungen und Vermögensgegenstände	3.619.415,28		1.018
	43.177.145,57		11.040
II. Wertpapiere und Anteile andere Wertpapiere	0,00		14.754
III. Kassenbestand, Guthaben bei Kreditinstituten	1.432.289,14		8.192
		44.609.434,71	33.986
		162.765.226,17	144.501

PASSIVA

	31.12.2007 EUR		31.12.2006 TEUR
A. EIGENKAPITAL			
I. Grundkapital	16.000.000,00		16.000
II. Kapitalrücklagen			
1. gebundene Kapitalrücklage	69.976.047,03		69.976
III. Gewinnrücklagen			
1. gesetzliche Rücklage	785.314,64		785
2. andere (freie) Rücklagen	18.828.061,89		19.828
	19.613.376,53		20.613
IV. Bilanzgewinn	22.591.466,32		13.563
davon Gewinnvortrag EUR 762.935,77 (2006: TEUR 457)			
		128.180.889,88	120.152
B. UNVERSTEUERTE RÜCKLAGEN			
1. Bewertungsreserve auf Grund von Sonderabschreibungen		50.022,07	58
C. RÜCKSTELLUNGEN			
1. Rückstellungen für Abfertigungen	378.499,00		338
2. Steuerrückstellungen	3.715.400,00		678
3. sonstige Rückstellungen	1.346.765,00		728
		5.440.664,00	1.744
D. VERBINDLICHKEITEN			
1. Verbindlichkeiten gegenüber Kreditinstituten	28.624.742,25		22.397
2. Verbindlichkeiten aus Lieferungen und Leistungen	290.237,47		24
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	37.490,00		35
4. sonstige Verbindlichkeiten	141.180,50		91
davon aus Steuern EUR 3.537,88 (2006: TEUR 68)			
davon im Rahmen der sozialen Sicherheit EUR 25.801,50 (2006: TEUR 23)			
		29.093.650,22	22.547
		162.765.226,17	144.501

Der beiliegende Anlagenspiegel bildet einen integrierenden Bestandteil dieser Bilanz.

Haftungsverhältnisse 39.397.705,78 40.919

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AKTIENGESELLSCHAFT

GEWINN- UND VERLUSTRECHNUNG
für das Geschäftsjahr vom 1. Jänner 2007 bis 31. Dezember 2007

		2007 EUR	2006 TEUR
1. sonstige betriebliche Erträge			
a) Erträge aus der Auflösung von Rückstellungen	2.157,87		5
b) übrige	4.086.635,96		3.225
		4.088.793,83	3.230
2. Personalaufwand			
a) Löhne	-106.546,26		-91
b) Gehälter	-1.267.663,86		-1.085
c) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-125.367,96		-113
d) Aufwendungen für Altersversorgung	-106.801,13		-84
e) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-222.106,44		-187
f) sonstige Sozialaufwendungen	-395,70		-3
		-1.828.881,35	-1.563
3. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen planmäßige Abschreibungen		-425.235,57	-240
4. sonstige betriebliche Aufwendungen			
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	-20.098,18		-10
b) übrige	-3.021.653,12		-1.893
		-3.041.751,30	-1.903
5. Zwischensumme Z 1 bis Z 4 (Betriebserfolg)		**-1.207.074,39**	**-476**
6. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 22.149.509,68 (2006: TEUR 13.667)		22.149.509,68	13.667
7. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens davon aus verbundenen Unternehmen 3.410.468,80 (2006: TEUR 3.945)		3.453.294,62	3.972
8. sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 1.045.005,73 (2006: TEUR 796)		1.470.732,97	1.298
9. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens		6.406.868,24	53
10. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens a) davon Abschreibungen EUR 4.057.203,57 (2006: TEUR 23) b) davon Aufwendungen aus verbundenen Unternehmen EUR 4.057.203,57 (2006: TEUR 0) davon Abschreibungen EUR 4.057.203,57 (2006: TEUR 0)		-4.090.022,87	-27
11. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR 1.770,00 (2006: TEUR 2)		-1.461.732,56	-871
12. Zwischensumme Z 6 bis Z 11 (Finanzerfolg)		**27.928.650,08**	**18.092**
13. Ergebnis der gewöhnlichen Geschäftstätigkeit		**26.721.575,69**	**17.616**
14. Steuern vom Einkommen und vom Ertrag		-5.900.563,55	-4.511
15. Jahresüberschuss		**20.821.012,14**	**13.105**
16. Auflösung unversteuerter Rücklagen Bewertungsreserve auf Grund von Sonderabschreibungen		7.518,41	1
17. Auflösung von Gewinnrücklagen		1.000.000,00	0
18. Gewinnvortrag aus dem Vorjahr		762.935,77	457
19. Bilanzgewinn		**22.591.466,32**	**13.563**

ANHANG ZUM JAHRESABSCHLUSS 2007

I. Allgemeine Angaben

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

Die beim Jahresabschluss 2006 angewendeten Bewertungsmethoden wurden beibehalten.

Für erkennbare Risken 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 SBO erstellt einen Konzernabschluss gemäß § 245a UGB nach international anerkannten Rechnungslegungsgrundsätzen.

II. Bilanzierungs- und Bewertungsmethoden

Bei der Bewertung des Anlagevermögens wurde das Niederstwertprinzip eingehalten. Die vorgenommenen Abschreibungen tragen den verbrauchsbedingten und sonstigen Wertminderungen voll Rechnung. Die in der Vergangenheit angewendeten Abschreibungen wurden beibehalten.

Die Bewertung der Fremdwährungsbeträge erfolgte nach dem Prinzip der kaufmännischen Vorsicht. Für den Bilanzstichtagskurs wurden die von der Bank Austria Creditanstalt AG zum 31.12.2007 veröffentlichten Umrechnungskurse herangezogen.

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

Die Jubiläumsgeldrückstellungen wurden ebenfalls gemäß IAS 19 berechnet.

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

1. ERLÄUTERUNGEN ZUR BILANZ

ANLAGEVERMÖGEN

Die Entwicklung des Anlagevermögens ist im beiliegenden Anlagenspiegel dargestellt.

Das abnutzbare Anlagevermögen wird über folgende Nutzungsdauern planmäßig abgeschrieben:

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

Die immateriellen Vermögensgegenstände betreffen ausschließlich EDV-Software.

Die Zugänge bei den Sachanlagen betreffen im wesentlichen Gebäude für Produktion und Verwaltung.

Bei den Anteilen an verbundenen Unternehmen gab es folgende Bewegungen:

- *Schoeller-Bleckmann de Mexico S. A. de C. V.*		
Zugang durch Kapitalzuführung	TEUR	751,9
- *Darron Holdings Limited*		
Zuschreibung	TEUR	4.917,0
- *BICO Drilling Tools Inc.*		
Verkauf von 15 % der Anteile	TEUR	- 2.106,6
- *Schoeller-Bleckmann de Venezuela C. A.*		
Teilwertabschreibung	TEUR	- 1.264,2

Die Ausleihungen im Gesamtausmaß von TEUR 35.859,3 betrafen zum 31.12.2007 ausschließlich das verbundene Unternehmen B. K. L. P. Inc. Deren Fristigkeit stellt sich wie folgt dar:

in TEUR	<1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
B. K. L. P. Inc.	2.706,4	18.267,9	14.885,0	35.859,3

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

UMLAUFVERMÖGEN

Forderungen und sonstige Vermögensgegenstände

Die Forderungen und sonstigen Vermögensgegenstände betrugen insgesamt TEUR 43.177,1. Die Restlaufzeit für Forderungen stellt sich wie folgt dar:

in TEUR	RLZ < 1 Jahr	RLZ > 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen	36.557,7	3.000,0	39.557,7
sonstige Forderungen	179,6	3.439,8	3.619,4
Summe	**36.737,3**	**6.439,8**	**43.177,1**

Die größten Positionen in den sonstigen Forderungen waren Darlehen an Mitarbeiter von Konzerngesellschaften (TEUR 3.420,0). Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen für Darlehen (TEUR 15,2).

EIGENKAPITAL

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

In der Hauptversammlung am 23. März 2006 wurde der Vorstand ermächtigt, bis zum 8. April 2011 das Grundkapital um bis zu EUR 5 Millionen durch die Ausgabe von neuen Aktien zu erhöhen.

In der Hauptversammlung vom 19. April 2007 wurde der Vorstand für die Dauer von 18 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückerwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückerwerb zu leistende Gegenwert EUR 100,00 beträgt.

Die gebundene Kapitalrücklage in der Höhe von TEUR 69.976,0 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 18.828,1. Im Jahr 2007 erfolgte eine Auflösung in der Höhe von TEUR 1.000,0.

Gemäß dem Hauptversammlungsbeschluss vom 19. April 2007 wurden vom Bilanzgewinn 2006 TEUR 12.800,0 an die Aktionäre ausgeschüttet und die verbleibenden TEUR 762,9 auf neue Rechnung vorgetragen.

UNVERSTEUERTE RÜCKLAGEN

in TEUR	2006	Auflösung	2007
Bewertungsreserve gemäß § 8 EStG	57,5	7,5	50,0

Die Auflösung der unversteuerten Rücklagen in Höhe von TEUR 7,5 wurde über die Gewinn- und Verlustrechnung geführt.

RÜCKSTELLUNGEN

In den übrigen Rückstellungen sind enthalten:

in TEUR	Bilanzwert	davon > 1 Jahr
Jubiläumsgeldrückstellungen	35,5	35,5
Rückstellungen für nicht konsumierte Urlaube	151,4	0,0
sonstige Personalrückstellungen	338,5	0,0
Rechts-, Prüfungs- und Beratungskosten	66,0	0,0
Bilanzveröffentlichung	65,0	0,0
ausstehende Eingangsrechnungen	690,4	0,0
Summe	**1.346,8**	**35,5**

VERBINDLICHKEITEN

Die Verbindlichkeiten betrugen insgesamt TEUR 29.093,7 und weisen folgende Fristigkeiten auf:

in TEUR	< 1 Jahr	1-5 Jahre	> 5 Jahre	Bilanzwert
Verbindlichkeiten gegenüber Kreditinstituten	11.248,3	16.199,5	1.177,0	28.624,8
Verbindlichkeiten aus Lieferungen und Leistungen	118,2	172,0	0,0	290,2
Verbindlichkeiten gegenüber verbundenen Unternehmen	37,5	0,0	0,0	37,5
sonstige Verbindlichkeiten	141,2	0,0	0,0	141,2
Summe	**11.545,2**	**16.371,5**	**1.177,0**	**29.093,7**

In den sonstigen Verbindlichkeiten betrafen TEUR 140,5 Aufwendungen, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Zum 31. Dezember 2007 bestanden Haftungsverhältnisse in folgendem Ausmaß:

in TEUR	Gesamtbetrag	davon für verbundene Unternehmen
Haftungen für Kredite und Kurssicherungen	38.670,8	38.670,8
Patronatserklärungen	726,9	726,9

FINANZIELLE VERPFLICHTUNGEN

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

- fällig innerhalb 1 Jahr: TEUR 4,3
- fällig innerhalb der nächsten 5 Jahre: TEUR 8,0

Für Bestellungen zu Sachanlagen bestanden Verpflichtungen in der Höhe von TEUR 666,5.

2. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

in TEUR	
Verrechnete Holdingleistungen	2.304,2
Mieterträge	869,3
Verrechnete Konzernversicherung	670,6

PERSONALAUFWAND

Im Posten „Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen" sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 4,3 (2006: TEUR 2,4) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten sind:

in TEUR	
Kursverluste	956,5
Versicherungen	377,9
Rechts-, Prüfungs- und Beratungskosten	216,3

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

BETEILIGUNGSERGEBNIS

Die Erträge aus Beteiligungen betreffen überwiegend den Ergebnisanteil 2007 an der Schoeller-Bleckmann Oilfield Technology GmbH & Co. KG.

STEUERN VOM EINKOMMEN UND VOM ERTRAG

Die aktive Steuerlatenz beträgt TEUR 1.083,6. Sie wurde gemäß § 198 Abs. 10 UGB nicht in der Bilanz ausgewiesen.

Der Aufwand betrifft mit TEUR 5.124,6 das Jahr 2007 und verteilt sich auf die Einkünfte der Gesellschaft wie folgt:

in TEUR	
EGT	5.122,7
Bewegung unversteuerter Rücklagen	1,9
	5.124,6

BILANZGEWINN

Das Geschäftsjahr 2007 schließt mit einem Jahresüberschuss von EUR 20.821.012,14. Nach Berücksichtigung der Rücklagenbewegungen sowie zuzüglich des Gewinnvortrags aus 2006 ergibt sich ein Bilanzgewinn von EUR 22.591.466,32.

Der Vorstand schlägt vor, aus dem Bilanzgewinn 2007 eine Ausschüttung von 110 EUROCENT je Aktie, das sind EUR 17.600.000,00, zu tätigen, und EUR 4.991.466,32 auf neue Rechnung vorzutragen.

DERIVATIVE FINANZINSTRUMENTE

Die Gesellschaft hat einen Devisen- bzw. Zinsswap mit einer Laufzeit bis 2010 abgeschlossen, wobei ein Betrag von TEUR 8.000,0 zu einem Zinssatz von 3,55 % mit einem Betrag von TUSD 9.176,0 zu einem Zinssatz von 4,12 % getauscht wurde.

Der Marktwert per 31.12.2007 betrug TEUR 1.558,0.

IV. Angaben über Beteiligungen und Beziehungen zu verbundenen Unternehmen

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT AG war zum 31. Dezember 2007 an folgenden Unternehmen beteiligt:

	Anteil in Prozent	
	Direkt	Indirekt
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	100,00	
Schoeller-Bleckmann Oilfield Technology GmbH & Co. KG, Ternitz	99,82	0,18
Schoeller-Bleckmann Drilling- and Production Equipment GmbH, Ternitz	100,00	
Schoeller-Bleckmann Oilfield Investment GmbH, Ternitz		100,00
Schoeller-Bleckmann America Inc., Wilmington, USA	100,00	
B. K. G. P. Inc., Wilmington, USA		100,00
B. K. L. P. Inc., Wilmington, USA		100,00
ACCUDRILL L. P., Houston, USA		100,00
Bafco Investment Inc., Warminster, USA		100,00
GODWIN-SBO L. P., Houston, USA		100,00
KNUST-SBO Ltd., Houston, USA		100,00
Schoeller-Bleckmann Energy Services LLC, Lafayette, USA		85,00
Schoeller-Bleckmann Sales Co. L. P., Houston, USA		100,00
Darron Holdings Limited, Rotherham, GB	100,00	
Darron Tool & Engineering Limited, Rotherham, GB		93,03
Darron Oil Tools Limited, Rotherham, GB		100,00
Schoeller-Bleckmann Darron Ltd., Aberdeen, GB		91,65
BICO Drilling Tools Inc., Houston, USA	85,00	
BICO-FASTER Drilling Tools Inc., Nisku, CDN		85,00
Schoeller-Bleckmann de Venezuela C. A., Anaco, RV	100,00	
SB Darron Pte Ltd., Singapore	100,00	
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MEX	100,00	
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	100,00	

Seit dem Jahr 2005 besteht eine steuerliche Unternehmensgruppe mit Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, MEX.

Angaben zu den Jahresergebnissen und zum Eigenkapital der Tochtergesellschaften:

	Ergebnis	Eigenkapital
in TEUR	**Jahr 2007**	**31.12.2007**
Schoeller-Bleckmann Oilfield Technology GmbH, Ternitz	53,2	619,3
Schoeller-Bleckmann Oilfield Technology GmbH & Co. KG, Ternitz	19.351,3	20.087,1
Schoeller-Bleckmann Drilling- and Production Equipment GmbH, Ternitz	0,2	90,1
Schoeller-Bleckmann Oilfield Investment GmbH, Ternitz	12,6	70,5
Schoeller-Bleckmann America Inc., Wilmington, USA	- 2.064,5	4.339,4
B. K. G. P. Inc., Wilmington, USA	29,7	352,5
B. K. L. P. Inc., Wilmington, USA	1.510,7	18.703,3
ACCUDRILL L. P., Houston, USA	107,0	734,6
Bafco Investment Inc., Warminster, USA	- 0,2	0,3
GODWIN-SBO L. P., Houston, USA	11.161,3	44.045,8
KNUST-SBO Ltd., Houston, USA	19.332,8	40.433,5
Schoeller-Bleckmann Energy Services LLC, Lafayette, USA	2.226,8	5.169,5
Schoeller-Bleckmann Sales Co. L. P., Houston, USA	4.141,2	4.920,2
Darron Holdings Limited, Rotherham, GB	- 59,9	14.287,8
Darron Tool & Engineering Limited, Rotherham, GB	2.288,2	10.844,5
Darron Oil Tools Limited, Rotherham, GB	0,0	0,0
Schoeller-Bleckmann Darron Ltd., Aberdeen, GB	4.403,2	9.856,9
BICO Drilling Tools Inc., Houston, USA	4.088,9	18.879,6
BICO-FASTER Drilling Tools Inc., Nisku, CDN	2.070,2	7.284,0
Schoeller-Bleckmann de Venezuela C. A., Anaco, RV	- 179,8	604,3
SB Darron Pte Ltd., Singapore	1.282,9	4.237,9
Schoeller-Bleckmann de Mexico S. A. de C. V., Monterrey, Mexiko	84,5	3.877,5
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	1.937,2	3.282,6

V. Pflichtangaben über Organe und Arbeitnehmer

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2007	2006
Lohnempfänger	6	5
Gehaltsempfänger	12	11
Summe Mitarbeiter	**18**	**16**

Zum 31.12.2007 betrug der Personalstand 20 Mitarbeiter (13 GE und 7 LE).

Im Geschäftsjahr 2007 erhielten die Aufsichtsratmitglieder in Summe eine Vergütung von TEUR 69,0.

Zu den übrigen Angaben gem. § 239 Abs. 1, Z. 3 und 4 UGB wird von der Bestimmung gem. § 241 Abs. 4 UGB Gebrauch gemacht.

Aufsichtsrat:

Mag. NORBERT ZIMMERMANN
Vorsitzender seit 10.04.1995

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

Mag. DI HELMUT LANGANGER
Mitglied seit 29.04.2003

KARL SAMSTAG
Mitglied seit 24.10.2005

Dr. KARL SCHLEINZER
Mitglied seit 24.05.1995

Vorstand:

Ing. GERALD GROHMANN
seit 03.10.2001

Mag. FRANZ GRITSCH
seit 01.12.1997

Ternitz, am 20. Februar 2008

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. GERALD GROHMANN

Mag. FRANZ GRITSCH

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagenspiegel zum 31.12.2007

	Entwicklung der Anschaffungs- und Herstellungskosten					Kumulierte	Buchwert	Buchwert	Abschreibungen des	Zuschreibungen des
	Stand 01.01.07	Zugänge	Umbuchung Umgliederung	Abgänge	Stand 31.12.07	Abschreibungen	31.12.2007	31.12.2006	Geschäftsjahres	Geschäftsjahres
I. Immaterielle Vermögensgegenstände										
1. Konzessionen, gewerbliche Schutzrechte und und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen	53.467,48	5.969,00	0,00	0,00	59.436,48	39.353,72	20.082,76	25.882,00	11.768,24	0,00
Summe Immaterielle Vermögensgegenstände	53.467,48	5.969,00	0,00	0,00	59.436,48	39.353,72	20.082,76	25.882,00	11.768,24	0,00
II. Sachanlagen										
1. Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 1.287.486,12 (2006: TEUR 1.287)	5.966.117,87	9.039.108,52	0,00	0,00	15.005.226,39	2.773.356,05	12.231.870,34	3.539.478,12	346.716,30	0,00
2. andere Anlagen, Betriebs- und Geschäftsausstattung	265.687,90	156.820,02	30.000,00	0,00	452.507,92	178.723,51	273.784,41	150.588,00	63.623,61	0,00
3. geringwertige Wirtschaftsgüter	0,00	3.127,42	0,00	-3.127,42	0,00	0,00	0,00	0,00	3.127,42	0,00
4. geleistete Anzahlungen und Anlagen in Bau	30.000,00	557.000,00	-30.000,00	0,00	557.000,00	0,00	557.000,00	30.000,00	0,00	0,00
Summe Sachanlagen	6.261.805,77	9.756.055,96	0,00	-3.127,42	16.014.734,31	2.952.079,56	13.062.654,75	3.720.066,12	413.467,33	0,00
III. Finanzanlagen										
1. Anteile an verbundenen Unternehmen	75.732.448,80	751.879,70	0,00	-2.106.605,55	74.377.722,95	5.163.938,23	69.213.784,72	66.915.688,82	1.264.197,47	4.917.019,22
2. Ausleihungen an verbundene Unternehmen	48.697.745,31	0,00	0,00	-434.391,50	48.263.353,81	12.404.084,58	35.859.269,23	39.016.919,45	2.793.006,10	0,00
3. Wertpapiere des Anlagevermögens	945.120,74	0,00	-19.839,68	-925.281,06	0,00	0,00	0,00	837.456,88	0,00	0,00
Summe Finanzanlagen	125.375.314,85	751.879,70	-19.839,68	-3.466.278,11	122.641.076,76	17.568.022,81	105.073.053,95	106.770.065,15	4.057.203,57	4.917.019,22
Summe Anlagevermögen	131.690.588,10	10.513.904,66	-19.839,68	-3.469.405,53	138.715.247,55	20.559.456,09	118.155.791,46	110.516.013,27	4.482.439,14	4.917.019,22

Lagebericht zum Geschäftsjahr 2007

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

Insofern erzielte SBO 2007 keine Umsatzerlöse. Die von SBO erbrachten Leistungen (Vermietung von Grund- und Gebäudeflächen in Ternitz, diverse Dienstleistungen) wurden in den sonstigen betrieblichen Erträgen erfasst.

Das Ergebnis der gewöhnlichen Geschäftstätigkeit (EGT) betrug 2007 MEUR 26,7 (2006: MEUR 17,6). Es war wesentlich gekennzeichnet durch Erträge aus Beteiligungen in Höhe von MEUR 22,1 (2006: MEUR 13,7). Es handelt sich hiebei vor allem um den Ergebnisanteil an der Schoeller-Bleckmann Oilfield Technology GmbH & Co KG, Ternitz.

Die Zugänge zu Sachanlagen und immateriellen Vermögensgegenständen betrugen 2007 MEUR 9,8 (2006: MEUR 0,2), im Wesentlichen Gebäude für Produktion und Verwaltung.
Die Zugänge zu Finanzanlagen betrugen MEUR 0,8 und betrafen nur Anteile an verbundenen Unternehmen (Kapitalerhöhung bei Schoeller-Bleckmann de Mexico SA de CV).
Die Abgänge bei Finanzanlagen betrugen insgesamt MEUR 3,4. Es waren dies planmäßige Tilgungen von Ausleihungen an verbundene Unternehmen (MEUR 0,4), sowie Verkäufe von Wertpapieren (MEUR 0,9) und Anteilen an verbundenen Unternehmen (MEUR 2,1).

Die Bilanzsumme erhöhte sich 2007 auf MEUR 162,8 (2006: MEUR 144,5).
Die Eigenkapitalquote betrug 78,8% (2006: 83,2%).
Das langfristig gebundene Vermögen (überwiegend Finanzanlagen) betrug 72,6% der Bilanzsumme (2006: 76,5%).

Der Personalstand der SBO zum 31.12.2007 betrug 20 Mitarbeiter (13 GE und 7 LE), verglichen mit einem Personalstand zum 31.12.2006 von 19 Mitarbeitern (13 GE und 6 LE).

Marktumfeld

Das dynamische Wirtschaftswachstum in den Emerging Markets und in den USA in den Jahren 2003 bis 2007 führte zu einer unerwartet starken Energienachfrage. Gleichzeitig sinken die Förderraten der bestehenden Ölfelder und damit die weltweiten Ölförder-Reservekapazitäten. Zum Ausgleich dieses Rückganges sowie zur Abdeckung eines künftig weiter steigenden Ölverbrauches investieren die internationalen Ölgesellschaften erhebliche Summen in die Entwicklung neuer Ölvorkommen sowie in die verbesserte Ausbeutung bestehender Ölfelder. Diese Investitionen sind der Antriebsfaktor für die Oilfield Service-Industrie.

Dieses Umfeld wirkte 2007 anhaltend stimulierend auf die E&P-Investitionspolitik der großen Ölgesellschaften. Der durchschnittliche weltweite Rig Count stieg 2007 von 3.043 Einheiten auf durchschnittlich 3.116 Einheiten an[1]. Dabei standen einem sehr starken Rückgang von Bohrungen in Kanada deutliche Zuwächse in allen anderen Weltregionen gegenüber.

[1] Worldwide Rig Count, Baker Hughes, Jänner 2008

So gut wie alle weltweit verfügbaren Kapazitäten der Öl-Explorationsindustrie sind ausgebucht, neue Bohreinrichtungen wie High-Tech Bohrinseln und Bohrschiffe für Tiefseebohrungen sind in Bau.

Somit hat sich das Marktumfeld für die Oilfield Service-Industrie 2007 insgesamt überaus positiv entwickelt. Der SBO-Konzern profitiert einerseits von der mengenmäßigen Nachfragesteigerung, andererseits auch von dem steigenden Komplexitätsgrad in der E&P-Industrie. Diese Faktoren führen zu einer überdurchschnittlich starken Nachfrage nach High-Tech Komponenten für die Richtbohr-Technologie, dem Kerngeschäft des SBO-Konzerns.

Geschäftsentwicklung

Die Geschäftsentwicklung der SBO-Gruppe war 2007 von einer starken Ausweitung des Geschäftsvolumens und dynamischem organischen Wachstum geprägt.

Der Auftragseingang bewegte sich mit MEUR 341 etwa auf Vorjahresniveau. Zum Bilanzstichtag betrug der Auftragsstand MEUR 249 nach MEUR 241 im Vorjahr. Trotz des zuletzt massiven Ausbaues der SBO-Produktionskapazitäten reicht der Auftragsstand teilweise bis in das Jahr 2009.

Schoeller-Bleckmann gelang es 2007 durch einen optimalen Einsatz des Maschinenparks sowie der personellen Ressourcen den starken Auftragseingang bestmöglich zu bewältigen. Dies erfolgte durch weitere Produktivitätssteigerungen, eine Ausweitung der Arbeitszeiten durch Zusatzschichten und Überstunden, sowie eine weitere Aufstockung des Personalstandes. Der Großteil der Umsatzausweitung wurde durch das im Jahr 2005 gestartete, wachstumsorientierte strategische Investitionsprogramm ermöglicht, das eine erhebliche Aufstockung der Produktionskapazitäten an allen Standorten umfasste.

Kostenseitig mussten – bedingt durch die Branchenkonjunktur – vor allem steigende Löhne in Nordamerika verkraftet werden. Diese Mehrkosten konnten aber ebenso wie weiter steigende Vormaterialkosten bei Edelstahl, in den Preisen untergebracht werden. Die physische Versorgung mit Vormaterialien wurde 2007 durch langfristige Lieferkooperationen mit Stahlwerken und Händlern sichergestellt. Zusätzlich erfolgte in Nordamerika zur Absicherung der Produktion von Spezialprodukten eine strategische Bervorratung.

Die sehr gute Branchenkonjunktur ermöglichte auch für die weltweit operierenden Service & Supply Shops der Schoeller-Bleckmann Oilfield Equipment AG einen ausgezeichneten Geschäftsgang. Dies betraf insbesondere die Standorte in Schottland und in Russland. Auf Grund der unsicheren wirtschaftspolitischen Rahmenbedingungen musste dagegen die operative Tätigkeit des Service & Supply Shops in Venezuela eingestellt werden. Zuletzt trug Venezuela mit unter einem Prozent zum Gesamtumsatz der Gruppe bei.

Die Schoeller-Bleckmann Gruppe ist in Nordamerika ein führender Anbieter von Bohrmotoren. Das Geschäft wird schwerpunktmäßig auf Leasingbasis betrieben, wobei SBO seinen Kunden entsprechende Bohrmotorenflotten zur Verfügung stellt. Im Geschäftsjahr 2007 konnte die Schoeller-Bleckmann Tochtergesellschaft BICO Drilling Tools Inc., bei der das SBO-Motorengeschäft gebündelt ist, ein neues Umsatz- und Ergebnisrekordjahr erzielen. Dieser Erfolg basiert auf den herausragenden technologischen Eigenschaften des BICO-Hochleistungsmotors Spiro Star, der am Markt seit zwei Jahren hohe Akzeptanz gefunden hat.

Im Laufe des Geschäftsjahres flachte der Gasboom in Kanada und damit die lokale Nachfrage nach Bohrmotoren ab. BICO konnte diese Entwicklung durch Bohrmotorenexporte sowie durch den Ausbau des Geschäftes mit amagnetischen Drill Collars mehr als ausgleichen.

Das dynamische Wachstum der SBO-Gruppe war im Geschäftsjahr 2007 ausschließlich organisch und basierte auf dem 2005 beschlossenen strategischen Investitionsprogramm.

Die erfolgreiche Inbetriebnahme der neuen Langschmiedeanlage am Standort Ternitz im ersten Halbjahr 2007 war wichtigster Meilenstein dieses Programms. Die neue Anlage wurde mit einem Kostenaufwand von insgesamt rund MEUR 10 errichtet und ermöglicht eine substantielle Steigerung des Produktionsausstoßes. Obwohl diese Anlage ein Prototyp ist, verlief die Anfahrkurve problemlos. Bereits nach wenigen Wochen stand die volle Nennkapazität zur Verfügung. Das frühere Bottleneck der Materialverfügbarkeit für großvolumige, amagnetische MWD/LWD Komponenten konnte somit beseitigt werden, was für das weitere Wachstum der SBO-Gruppe entscheidend ist.

Am Standort Ternitz gingen die Arbeiten an der Errichtung einer neuen Produktionsstätte planmäßig voran. Für die Auslastung dieser zusätzlichen Kapazitäten hatte SBO Anfang 2007 mehrjährige Verträge abgeschlossen, was für die kurzfristig orientierte Oilfield Service-Industrie ein Novum darstellte. Die Inbetriebnahme der neuen Produktionsanlage wird im ersten Quartal 2008 erfolgen.
Für weitere Wachstumsprojekte erwarb SBO am Standort Ternitz zusätzlich 16.000 m^2 Industriebaugrund.

An den Standorten in Nordamerika und in Mexiko erfolgten 2007 Kapazitätserweiterungen durch eine erhebliche Vergrößerung des Maschinenparks. Um in Houston das künftige Wachstum abzusichern wurden Erweiterungsgrundstücke im Umfang von insgesamt rund 13,5 acres (55.000 m^2) angekauft.

Risikomanagement

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

Die kurzfristigen Forderungen bestehen im Wesentlichen ebenfalls gegenüber verbundenen Unternehmen, welche verzinst werden und teilweise einem Fremdwährungsrisiko unterliegen (MEUR 5,5 in USD, MEUR 3,2 in GBP).
Langfristige verzinsliche Fremdwährungsdarlehen wurden an Mitarbeiter bei Tochtergesellschaften gegeben und sind daher einem Kursrisiko ausgesetzt (MEUR 2,8 in USD, MEUR 0,6 in GBP).

Die liquiden Mittel bestehen aus Guthaben bei Banken mit erstklassiger Bonität.

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

Ausblick

Aufgrund der dargestellten fundamentalen Gegebenheiten ist mit einer Fortsetzung des aktuellen Zyklus in der Oilfield Service-Industrie zu rechnen. Voraussetzung dafür ist, dass es zu keiner substantiellen Abschwächung der Weltkonjunktur kommt und sich die dynamische Wirtschaftsentwicklung in Asien weiter fortsetzt.

Vor dieser insgesamt erfreulichen Branchenkonjunktur startet die SBO-Gruppe mit einem Rekord-Auftragsstand von MEUR 249 zu Jahresende 2007 in das neue Geschäftsjahr. 2008 wird für SBO durch die Inbetriebnahme des neuen Werkes am Standort Ternitz und durch die intensive Investitionspolitik an den anderen Standorten einen entsprechenden Umsatzzuwachs bei positiven Auswirkungen auf den Cash Flow bringen. Der bisherige Wachstumskurs wird fortgesetzt.

Für die Ergebnisentwicklung wird neben dem Unternehmenswachstum und der Entwicklung des Marktumfeldes der Euro-Dollar Wechselkurs bestimmend sein. Eine der zentralen Herausforderungen im Geschäftsjahr 2008 wird für den SBO-Konzern weiters ein optimales Personalmanagement zur Absicherung des Wachstumskurses darstellen.

Insgesamt erwartet Schoeller-Bleckmann für 2008 eine Fortsetzung der sehr guten Unternehmensentwicklung und des dynamischen Wachstumskurses, sodass auch in der SBO AG als Muttergesellschaft des Konzerns ein deutlich positives Ergebnis zu erwarten ist.

Berichterstattung gem. § 243a UGB

Das Grundkapital der Gesellschaft beträgt MEUR 16 und ist zerlegt in 16 Mio. Stück Nennbetragsaktien zum Nennbetrag von je EUR 1,-. In der Hauptversammlung am 23. März 2006 wurde der Vorstand ermächtigt, das Grundkapital um bis zu MEUR 5 durch die Ausgabe von neuen Aktien zu erhöhen. Diese Ermächtigung läuft bis zum 8. April 2011.

In der Hauptversammlung vom 19. April 2007 wurde der Vorstand für die Dauer von 18 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben, wobei der niedrigste beim Rückerwerb zu leistende Gegenwert EUR 1,00 und der höchste beim Rückerwerb zu leistende Gegenwert EUR 100,00 beträgt.

Im Jahr 2007 wurde von diesen Ermächtigungen kein Gebrauch gemacht.

Zum 31.12.2007 hält die Berndorf Industrieholding AG, Berndorf, rund 31% vom Grundkapital.

Ternitz, 20. Februar 2008

SCHOELLER BLECKMANN
OILFIELD EQUIPMENT AG

Der Vorstand

Ing. Gerald Grohmann

Mag. Franz Gritsch

Bestätigungsvermerk

Wir haben den Jahresabschluss der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz,** für das Geschäftsjahr vom 1. Jänner 2007 bis 31. Dezember 2007 unter Einbeziehung der Buchführung geprüft. Die Buchführung, die Aufstellung und der Inhalt dieses Jahresabschlusses sowie des Lageberichtes in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den ergänzenden Bestimmungen in der Satzung liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung und einer Aussage, ob der Lagebericht in Einklang mit dem Jahresabschluss steht.

Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, die Prüfung so zu planen und durchzuführen, dass ein hinreichend sicheres Urteil darüber abgegeben werden kann, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist, und eine Aussage getroffen werden kann, ob der Lagebericht mit dem Jahresabschluss in Einklang steht. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld des Unternehmens sowie die Erwartungen über mögliche Fehler berücksichtigt.

Im Rahmen der Prüfung werden die Nachweise für Beträge und sonstige Angaben in der Buchführung und im Jahresabschluss überwiegend auf Basis von Stichproben beurteilt. Die Prüfung umfasst ferner die Beurteilung der angewandten Rechnungslegungsgrundsätze und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften sowie den ergänzenden Bestimmungen in der Satzung und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft** zum 31. Dezember 2007 sowie der Ertragslage des Unternehmens für das Geschäftsjahr 1. Jänner 2007 bis 31. Dezember 2007 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung. Der Lagebericht steht in Einklang mit dem Jahresabschluss.

Wien, 20. Februar 2008

SST Schwarz & Schmid
Wirtschaftsprüfungsges.m.b.H.
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

ppa. Dr. Christoph Waldeck
(Wirtschaftsprüfer und Steuerberater)

Dr. Andreas Hlavenka
(Wirtschaftsprüfer und Steuerberater)