

Quarterly financial report 1/2013



MASTERFLEX GROUP
Connecting Values

Masterflex at a glance

Highlights in the first three months

Strategic development
Promising launch of the multifunction hose
New global brand identity
Good global order volume

	31 Mar. 2013	
Consolidated revenue (k€)	14,339	
EBITDA (k€)	2,377	
EBIT (k€)	1,752	
EBT (k€)	1,470	
Consolidated earnings from continued business units (k€)*	967	
Consolidated earnings from discontinued business units (k€)	3	
Consolidated net income/loss (k€)	945	
Earnings per share (€)		
from continued business units	0.11	
from discontinued business units	0.00	
from continued and discontinued business units	0.11	
EBIT margin	12.2%	
Employees	506	
	31 Mar. 2013	
Consolidated equity (k€)	21,797	
Consolidated total assets (k€)	53,453	
Consolidated equity ratio	40.8%	

* without minority interests

Only the german version is legally binding.

Operating trends

Stable demand for high-tech connector systems

Results of operations temporarily slightly reduced due to costs of internationalisation

Equity ratio now over 40%

31 Mar. 2012	Change
14,511	-1.2%
2,761	-13.9%
2,124	-17.5%
1,734	-15.2%
1,137	-15.0%
-6	
1,063	-11.1%
0.12	-8.3%
0.00	
0.12	-8.3%
14.6%	
472	7.2%
31 Dec. 2012	Change
20,524	6.2%
52,435	1.9%
39.1%	

Masterflex at a glance.....	2
Highlights in the first three months.....	2
Foreword by the CEO	5
Interim Management Report	7
Group structure and business activities.....	7
Market and competition	7
Business development in the first quarter of 2013.....	8
Internationalisation.....	8
Innovation.....	9
Results of operations, net assets and financial position .	10
Results of operations.....	10
Net assets	11
Financial position.....	11
Staff report	12
Research and development.....	12
Report on post balance sheet date events.....	12
Opportunities and risk report.....	12
Outlook.....	12
The Masterflex Share	14
Financial calendar.....	15
Interim financial statements	16
Consolidated balance sheet	16
Consolidated income statement.....	18
Consolidated statement of comprehensive income	19
Consolidated cash flow statement	20
Consolidated statement of changes in equity.....	22
Notes to the Quarterly report 1/2013.....	24

Dear Shareholders,

Our start in the year 2013 was only restrained at first glance. Even though, with fewer business days in the first quarter of 2013, we have recorded a marginal decline in revenue of 1.2% to € 14.3 million (first quarter of 2012: € 14.5 million) accompanied by an operating result of € 1.8 million (previous year: € 2.1 million), we are delighted with the first substantial successes of our new locations in Singapore and China. Good incoming orders and initial revenue – fully in line with our planning – in Asia attest to the validity of our long-term growth strategy. Business in the USA is also going in the right direction.

Although it took more time than planned to begin with, we are gradually picking up the pace where we see the lion's share of our growth in the long term. Therefore, despite the restrained start to the year, we are utterly convinced that we will achieve our forecast for 2013 with above-average revenue growth and a double-digit EBIT margin. You will not see any “quarterly thinking” from us: temporary fluctuations will not distract us from consistently advancing our long-term growth strategy.

General conditions have hardly changed. In Europe, the economy is stagnating due to ongoing economic and fiscal policy discussions. No rapid end is in sight. Even the comparatively stable economy in Germany can hardly compensate for the difficult situation in most other EU countries.



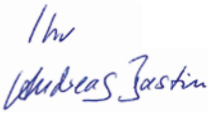
Dr. Andreas Bastin,
Chief Executive Officer

For us, this means staying on course with our internationalisation and innovations in our high-tech hoses and connector systems-business. One such milestone was the recent launch of our new multifunction hose from the Master-PUR hose series, which additionally combines both 'antistatic' and 'microbe resistant' properties - as frequently requested by customers - in a single hose as standard.

As an SME, our focus on internationalisation requires us to become streamlined and agile. Therefore, we have been optimising our internal structures and processes for some time. One outcome, for example, is the consistent implementation of our unified brand identity. Not everything will be as visible to you as the new brands, but it all serves the same purpose: that we leverage our enormous market potential and continue our long-term, profitable growth strategy.

I will be happy to discuss these prospects with you at our Annual General Meeting on 11 June 2013, to which I cordially invite you.

Gelsenkirchen, 29 April 2013

A handwritten signature in blue ink, reading "Dr. Andreas Bastin". The signature is written in a cursive style with a large initial "D".

Dr. Andreas Bastin
Chief Executive Officer

Interim Management Report

Group structure and business activities

The Masterflex Group, with its parent company Masterflex SE, Gelsenkirchen, (hereinafter referred to as Masterflex Group or Masterflex) is a supplier of high-tech hoses and connector systems. The internationally active group with its roots in Germany is a specialist in the development and manufacture of high-quality connector systems made from high-tech plastics and fabrics.

The main production sites of the international Masterflex Group with 13 operating subsidiaries are Gelsenkirchen, Halberstadt, Norderstedt and Houston (USA). In addition, Masterflex has different locations in Europe, America and Asia through our subsidiary branches or sales partners.

Masterflex shares have been traded on the Frankfurt Stock Exchange since 2000.

Market and competition

The global market for high-tech hoses and connector systems comprises many rather regionally oriented specialist markets, which are mostly served by SMEs. Customers primarily come from manufacturing including industrial applications (B2B market). Due to the hard-to-come-by expertise in materials, processing and usages of the demanding polymers and their diverse possible applications, it is an attractive market. It is characterised by small batch sizes in both production and sales as well as the intensity of consulting and development expertise for customer-specific solutions.

After the economic slump at the end of last year, even in Germany, economic development is slowly picking up speed again. However, the fundamentally divergent development between the more or less stagnating Europe and the dynamic rest of the world, where Masterflex is active, has hardly changed. Since Masterflex still generates a major portion of its revenue in Europe, it is important for us to keep driving forward our international expansion in a systematic manner.

8 Interim Management Report

Our very broad customer structure is also helping us overcome the economic problems in Europe. Our customers come from mechanical engineering, the aviation and automotive industry, the energy industry, the food and pharmaceutical industry and to an increasing extent from the medical industry.

Business development in the first quarter of 2013

The start of 2013 was characterised by moderate stability. In the first three months of 2013, revenue fell slightly by 1.2% from € 14.5 million (Q1/2012) to € 14.3 million now. This means that the high revenue volume of the previous year has proven stable despite the lower number of business days in the first quarter of 2013. With this revenue, we are on our path of long-term, value-orientated growth, which rests on the two pillars of internationalisation and innovation.

At the end of the first quarter of 2013, we launched our new unified brand identity. In future, the Group will present itself with the Masterflex, Matzen & Timm, Novoplast Schlauchtechnik, Fleima-Plastic and Masterduct brands under the Masterflex Group umbrella brand. All Masterflex Group products will be sold under these five brands. The new slogan **Connecting Values** expresses our performance promise in brief and succinct form: our hoses connect; and this connection means real added value for our customers.

To coincide with the new brand identity, our online presence has also been comprehensively redesigned. In future, the Masterflex Group and all its products and locations will be found at www.MasterflexGroup.com. There are also websites for direct access to our five operational brands and the corresponding product range.

Internationalisation


Our newly established location in Kunshan near Shanghai in China began manufacturing selected spiral hoses at the end of 2012. Sales began in the final weeks of 2012. Since the start of 2013, we have registered substantial and sustainable business: increasing demand for high-tech hoses “made in Germany” is coming both from international customers and local businesses there. The same applies to our location in Singapore, which has been pushing ahead with the management and expansion of our Asian dealer network since summer last year. Our intensified sales measures in the United States of America are also


showing success. Our goal is to increase our market penetration in this large and therefore industrially diverse region.

Innovation

Since the beginning of March, we have offered an innovation under the Masterflex brand name from our established Master-PUR range of hoses: the multifunction hose, which unites microbe-resistant and antistatic properties – also suitable for use according to Technical Regulation for Operational Safety (Technische Regel für Betriebssicherheit, TRBS) 2153 – in a single hose. Due to improved material composition, we are able to unite these properties in a single product as standard without compromising its other characteristics. The number of items is therefore reduced, which improves ordering and warehousing for our customers and Masterflex itself. We can therefore offer the multifunction hose for the same price as its simpler predecessors.

More innovative connector products are currently being developed.



The new multifunction hose under the  MASTERFLEX brand name is 'antistatic' as well as 'microbe-resistant'

© MASTERFLEX SE

Results of operations, net assets and financial position

Results of operations

Compared with the same quarter of the previous year, consolidated revenue fell slightly by 1.2% from € 14.5 million to € 14.3 million in the first quarter of 2013. Declining business in Europe was largely compensated for by our international locations, especially in North and South America, Asia and Russia.

At € 14.6 million, gross revenue was 3.3% below that of the previous year at € 15.1 million. The greater decline in comparison with the change in revenue was due in particular to the no longer so pronounced increase of our stock.

Consolidated net profit before interest, taxes, depreciation and amortisation (EBITDA) in the first quarter fell from € 2.8 million in the first quarter of the previous year to € 2.4 million (-13.9%). This is because of the start-up costs for the internationalisation process, which are reflected specifically in an increasing staff cost ratio (ratio of staff costs to revenue plus the change in inventories) of 37.8% (previous year 32.6%). The lower cost of materials of € 4.3 million (-10.6%), which equates to a cost of materials ratio of 29.8% (ratio of the cost of materials to revenue plus the change in inventories), and the decline in other expenses (-5.1%) to € 2.5 million did not fully offset the increase in staff costs.

Depreciation and amortisation for the first quarter of 2013 were close to stable at € 0.6 million.

The operating result (EBIT) of the first three months amounts to € 1.8 million. This is a decline of € 0.3 million or -17.5% against the same period of the previous year (€ 2.1 million). It results in an EBIT margin of 12.2%. The decline of the margin is a temporary occurrence due to the start-up costs for the internationalisation of our profitable business model.

Due to continuously falling financial debt since 2010 and the syndicated loan agreement running until 2015, in which decreasing credit risk premiums have been agreed for when Masterflex's credit rating improves, the financial result at € -0.3 million again improved on the first quarter of 2012 (€ -0.4 million).

Consolidated net profit is € 1.0 million (previous year period: € 1.1 million). This equates to earnings per share of € 0.11 compared with € 0.12 per share in the first quarter of 2012.

Net assets

On 31 March 2013, total assets amounted to € 53.5 million, 1.9% higher than on 31 December 2012 (€ 52.4 million).

Non-current assets, with a carrying amount of € 31.6 million, decreased slightly from the end of 2012 (€ 31.8 million). This is primarily attributable to deferred tax assets of € 5.7 million, which fell by 3.5% due to the positive business results.

By contrast, current assets jumped 6.2% from € 20.6 million to € 21.9 million. This is due in particular to the 7.2% increase in raw materials and consumables to € 7.0 million and to trade receivables, which increased to € 6.5 million (18%). Because of single payments traditionally due in the first quarter for various bonus payments and insurance premiums, cash in hand and bank balances fell by 9.0% from € 2.8 million to € 2.6 million.

Financial position

On the basis of the first positive interim result in 2013, equity increased by a further 6.2%. It is now at € 21.8 million (€ 20.5 million). The equity ratio is therefore a very satisfactory 40.8%.

Long-term borrowings fell slightly by 1.6% from € 19.6 million to € 19.4 million. This is mainly due to a slight decline in the corresponding financial liabilities to € 16.6 million (€ 17.0 million).

Current liabilities climbed 2.3% from € 11.8 million to € 12.1 million. This is based in particular on the increase in current financial liabilities (10.0% to € 6.6 million). By contrast, provisions decreased by 28.6% to € 1.9 million.

Staff report

As part of its growth strategy, the Masterflex Group has created a range of new jobs. In the first quarter of 2013, the number of employees in the Group increased from 472 in the same period of the previous year to 506. In addition to the production-related increase in staff, around two thirds of the new employees are working predominantly in the departments operating in the medical business.

Research and development

With the launch of the multifunction hose in the traditional Master-PUR series under the Masterflex brand, we can now offer our customer a hose that includes “antistatic” and “microbe resistant” properties as standard.

Other R&D projects are being developed. As of 31 March 2013, there were no material changes compared with the statements included in the 2012 consolidated management report.

Report on post balance sheet date events

No events of particular significance relating to the results of operations, net assets and financial position took place after the balance sheet date.

Opportunities and risk report

There have been no changes to the opportunities and risk situation as presented in the 2012 consolidated report.

Outlook

Economic development remains ambivalent. The economy in Germany is still more stable than in most Euro zone countries. In the other regions of the world in which Masterflex is increasingly active, the signals tend to indicate additional and more significant economic growth. This applies in particular to Asia as well as North and South America.

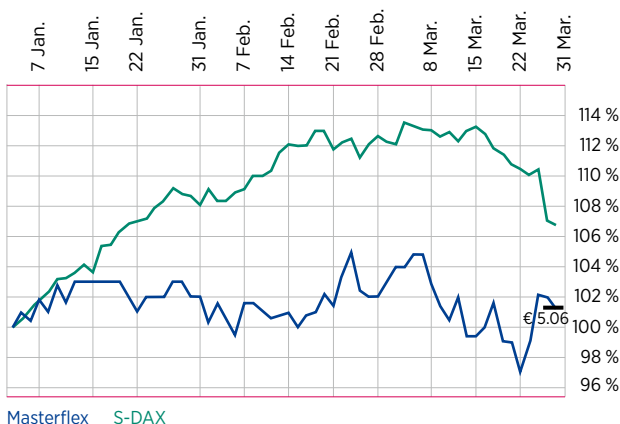


The Masterflex Group continues to implement its long-term growth strategy in a consistent manner, which is based on continued internationalisation of the business and on innovation. In addition, we are going to train the Masterflex Group for its future growth further on. This includes consistently implementing our unified brand identity and systematically optimising and unifying various internal processes and structures.

For 2013 we expect a significant increase in revenue, above that of 2012, depending on the progress made in the implementation of our internationalisation measures. Our operating result will follow the revenue growth at a more moderate pace: given the start-up costs for the further internationalisation, which were largely recorded immediately in the financial statements, we expect a clear two-digit EBIT margin.

At the Annual General Meeting on 11 June 2013, we will propose a profit transfer agreement with our subsidiary FLEIMA-PLASTIC GmbH, Wald-Michelbach, in order to optimise tax loss carryforwards at Masterflex SE.

The Masterflex Share



Based on daily closing prices, the Masterflex share price moved sideways in the course of the first three months of 2013 with only a slight upward trend (+1.2%). From mid-February, the share temporarily bucked this trend with lively trading and increasing prices of up to € 5.24. This was repeated following the announcement of preliminary annual figures on 6 March: with high turnover, the share climbed to prices of more than € 5.20, which were then used for profit-taking. After the publication of the 2012 financial statements on 26 March 2013, the share recovered again and closed the quarter at a price of € 5.06.

In the first quarter of 2013, the share fluctuated between a low of € 4.85 (22 March 2013) and a high of € 5.24 (25 February, 6 and 7 March 2013).

The liquidity of the share remained limited in the first three months of 2013. More than 454,000 shares were traded on Xetra and on the floor. This averages around 7,327 shares per trading day. In the same period in 2012, 10,720 shares were traded every trading day. At the beginning of April, the WGZ Bank therefore assumed the function of designated sponsor alongside the previous sponsor, Close Brothers Seydler Bank AG. We hope to see improved trading of shares on the stock exchange.

Financial calendar

Dates for 2013	
26 March	Financial press conference, presentation of Annual Report 2012, Frankfurt/Main
26 March	DVFA analysts' conference, Frankfurt/Main
7 May	Quarterly report 1/2013
11 June	Annual General Meeting, 11:00 a.m. Gelsenkirchen
12 August	Half year report 2013
11 November	Quarterly report 3/2013
11-13 November	German Equity Forum, Frankfurt/Main

Hollow needle collector box under
the brand  FLEIMA-PLASTIC

© MASTERFLEX SE



Interim financial statements

Consolidated balance sheet

Assets	31 Mar. 2013* k€	31 Dez. 2012 k€
NON-CURRENT ASSETS		
Intangible assets	4,178	4,187
Concessions, industrial and similar rights	669	678
Development costs	93	93
Goodwill	3,258	3,258
Advance payments	158	158
Property, plant and equipment	21,204	21,232
Land, land rights and buildings	11,273	11,674
Technical equipment and machinery	7,024	7,259
Other equipment, operating and office equipment	1,962	1,963
Advance payments and assets under development	945	336
Non-current financial assets	426	445
Non-current financial instruments	51	59
Other loans	375	386
Other assets	24	26
Other financial assets	0	0
Deferred taxes	5,726	5,932
	31,558	31,822
CURRENT ASSETS		
Inventories	11,818	11,119
Raw materials and consumables used	6,979	6,507
Work in progress	462	244
Finished products and goods purchased and held for sale	4,374	4,365
Advance payments	3	3
Receivables and other assets	7,406	6,291
Trade receivables	6,447	5,464
Other assets	957	825
Other financial assets	2	2
Income tax assets	83	364
Cash in hand and bank balances	2,570	2,823
	21,877	20,597
Assets held for sale	18	16
	21,895	20,613
Total Assets	53,453	52,435

* unaudited

Equity and liabilities	31 Mar. 2013* k€	31 Dez. 2012 k€
SHAREHOLDERS' EQUITY		
Consolidated equity	21,235	19,988
Subscribed capital	8,732	8,732
Capital reserve	26,252	26,252
Retained earnings	-12,698	-13,642
Revaluation reserve	-741	-733
Exchange differences	-310	-621
Minority interest	562	536
Total equity	21,797	20,524
NON-CURRENT LIABILITIES		
Provisions	191	191
Financial liabilities	16,609	16,987
Other financial liabilities	132	139
Other liabilities	1,565	1,489
Deferred taxes	842	838
	19,339	19,644
CURRENT LIABILITIES		
Provisions	1,857	2,600
Financial liabilities	6,611	6,012
Other financial liabilities	45	44
Income tax liabilities	620	409
Other liabilities	2,964	2,755
Trade payables	1,848	1,717
Other liabilities	1,116	1,038
	12,097	11,820
Liabilities directly connected with assets held for sale	220	447
	12,317	12,267
Total Equity and liabilities	53,453	52,435

* unaudited

Consolidated income statement

	Continued business units	01 Jan.– 31 Mar. 2013* k€	01 Jan.– 31 Mar. 2012* k€
1.	Revenue	14,339	14,511
2.	Changes in inventories of finished goods and work in progress	101	513
3.	Work performed by the enterprise and capitalised	0	0
4.	Other operating income	191	112
	Gross revenue	14,631	15,136
5.	Cost of materials	-4,297	-4,807
6.	Staff costs	-5,462	-4,940
7.	Depreciations	-625	-637
8.	Other expenses	-2,495	-2,628
9.	Financial result		
	Financial expenses	-288	-404
	Other financial result	6	14
10.	Earnings before taxes	1,470	1,734
11.	Income tax expense	-503	-597
12.	Earnings after taxes from continued business units	967	1,137
	Discontinued business units		
13.	Earnings after taxes from discontinued business units	3	-6
14.	Consolidated net income/loss	970	1,131
	thereof minority interests	25	68
	thereof attributable to shareholders of Masterflex SE	945	1,063
	Earnings per share (diluted and non-diluted)		
	from continued business units	0.11	0.12
	from discontinued business units	0.00	0.00
	from continued and discontinued business units	0.11	0.12

* unaudited

Consolidated statement of comprehensive income

		01 Jan. – 31 Mar. 2013* k€	01 Jan. – 31 Mar. 2012* k€
	Consolidated net income/loss	970	1,131
	Other result		
1.	Currency translation differences from the translation of foreign operations	311	43
2.	Net result from “available-for-sale” financial assets	-8	7
3.	Other result for the period under review, after taxes	303	50
4.	Overall result	1,273	1,181
	Overall result:	1,273	1,181
	thereof minority interests	68	68
	thereof attributable to shareholders of Masterflex SE	1,205	1,113

* unaudited

Consolidated cash flow statement

As of	31 Mar. 2013* k€	31 Mar. 2012* k€
Result for the period before taxes, interest expenses and financial income	1,730	2,054
Income taxes paid	-271	-294
Depreciation expense for property, plant and equipment and intangible assets	625	637
Change in provisions	-746	-766
Other non-cash expenses/income and gains/losses from the disposal of property, plant and equipment and intangible assets	25	62
Changes in inventories	-700	-913
Changes in trade receivables and other assets that cannot be allocated to investment or financing activities	-626	-1,046
Changes in trade payables and other equity and liabilities that cannot be allocated to investment or financing activities	73	-740
Net cash from operating activities	110	-1,006
Proceeds from the disposal of non-current assets	0	5
Payments to acquire intangible assets	-577	-381
Changes in cash and cash equivalents due to the sale of consolidated subsidiaries	0	40
Net cash from/used in investing activities	-577	-336
Interest and dividend receipts	5	11
Interest expenditure	-316	-475
Proceeds from raising loans	1,000	500
Payments for the repayment of loans	-785	-360
Net cash from/used in financing activities	-96	-324
Net change in cash and cash equivalents	-563	-1,666
Changes in cash and cash equivalents due to exchange rates and other factors	311	43
Cash and cash equivalents at the start of period	2,835	4,561
Cash and cash equivalents at the end of period	2,583	2,938

* unaudited

High pressure flexible duct for HVAC applications from Masterduct

© MASTERFLEX SE

A stack of high-pressure flexible duct for HVAC applications, showing multiple layers of aluminum foil and metal reinforcement rings. The duct is coiled and stacked, with the top layer being the most prominent. The background is a clear blue sky. The text "© MASTERFLEX SE" is overlaid on the middle of the stack.

Consolidated statement of changes in equity

	Sub- scribed capital	Capital reserve	Retained earnings (retained profits brought forward)	
	k€	k€	k€	
Equity at 31 Dec. 2012	8,732	26,252	-13,642	
Consolidated net income/ Minority interests	0	0	945	
Changes in fair values of financial instruments	0	0	0	
Currency translation gains/ losses from translation of foreign financial statements	0	0	0	
Overall result for the financial year	0	0	945	
Dividend distributions	0	0	0	
Change due to equity increases/ decreases	0	0	0	
Other changes	0	0	-1	
Equity at 31 Mar. 2013	8,732	26,252	-12,698	
Equity at 31 Dec. 2011	8,732	26,252	-18,075	
Consolidated net income/ Minority interests	0	0	1,063	
Changes in fair values of financial instruments	0	0	0	
Currency translation gains/ losses from translation of foreign financial statements	0	0	0	
Overall result for the financial year	0	0	1,063	
Dividend distributions	0	0	0	
Change due to equity increases/ decreases	0	0	0	
Other changes	0	0	1	
Equity at 31 Mar. 2012	8,732	26,252	-17,011	

	Revaluation reserve	Exchange differences	Minority interest	Total
	k€	k€	k€	k€
	-733	-621	536	20,524
	0	0	25	970
	-8	0	0	-8
	0	311	0	311
	-8	311	25	1,273
	0	0	0	0
	0	0	0	0
	0	0	1	0
	-741	-310	562	21,797
	-747	-480	557	16,239
	0	0	68	1,131
	7	0	0	7
	0	43	0	43
	7	43	68	1,181
	0	0	0	0
	0	0	40	40
	0	0	-1	0
	-740	-437	664	17,460

Notes to the Quarterly report 1/2013

1. Reporting principles

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU, and International Accounting Standards (IAS) of the International Accounting Standard Board (IAS B) and is in keeping with the company's key accounting principles presented here. The same accounting principles were applied as in the consolidated financial statements for the financial year that ended on 31 December 2012.

2. Basis of consolidation

The basis of consolidation has not changed in comparison with 31 December 2012.

3. Dividend

The Executive Board and Supervisory Board of Masterflex SE will propose at the Annual General Meeting on 11 June 2013 to waive the payment of a dividend.

4. Segment reporting

The Masterflex Group divides up its operating segments in accordance with the criteria of IFRS 8. Control is carried out on the basis of the information that the management, as chief operating decision maker, receives for measuring the performance of and allocating resources for the entire Masterflex Group (management approach).

The basis of segmentation has not changed in comparison with the consolidated financial statements of 31 December 2012. SURPRO Verwaltungsgesellschaft mbH, Masterflex Entwicklungs GmbH and Masterflex Vertriebs GmbH are presented on a uniform basis under "Discontinued business units". The Masterflex Group thus has one operating segment, the core High-Tech hose systems business unit (HTS).

Segment reporting	High-Tech Hose systems	Total Continued operations	Discontinued operations	Total segments
31 Mar. 2013	k€	k€	k€	k€
Revenue from non-Group third parties	14,339	14,339	0	14,339
Earnings (EBIT)	1,752	1,752	3	1,755
Investments in property, plant and equipment and intangible assets	577	577	0	577
Depreciations	625	625	0	625
Assets	53,435	53,435	18	53,453

Segment reporting	High-Tech Hose systems	Total Continued operations	Discontinued operations	Total segments
31 Mar. 2012	k€	k€	k€	k€
Revenue from non-Group third parties	14,511	14,511	0	14,511
Earnings (EBIT)	2,124	2,124	-3	2,121
Investments in property, plant and equipment and intangible assets	381	381	0	381
Depreciations	637	637	0	637
Assets	50,997	50,997	20	51,017

5. Earnings per share

Basic earnings per share is calculated in accordance with IAS 33 by dividing consolidated net income by the weighted average of the number of shares in circulation during reporting period. As at 31 March 2013, basic earnings per share from continued operations amounted to € 0.11 and earnings per share from continued and discontinued operations amounted also to € 0.11; both figures are based on a weighted average number of shares of 8,865,874.

Since there is no stock option plan, diluted earnings are not calculated.

6. Treasury shares

As at 31 March 2013 Masterflex SE held a total of 134,126 treasury shares.

7. Employees

In the reporting period, the number of employees was 506, up 7.2% on the previous year period (472 employees).

8. Income tax

In the calculation of income tax expense in the quarterly financial report, the estimated effective income tax rate for the current financial year is included in the intra-year calculation of tax expense. The effective tax rate is based on current earnings and tax planning.

9. Cash flow statement

The consolidated cash flow statement is prepared in accordance with IAS 7 (“Cash Flow Statements”). A distinction is made between cash flows from operating, investing and financing activities. The cash and cash equivalents reported in the cash flow statement correspond to the “cash in hand and bank balances” reported on the face of the balance sheet.

The cash and cash equivalents at the end of the period, as presented in the consolidated cash flow statement, can be reconciled to the associated items in the consolidated balance sheet as follows:

	31 Mar. 2013 k€	31 Mar. 2012 k€
Cash and cash equivalents at the end of period	2,583	2,938
Cash in hand and bank balances included in assets held for sale	13	16
Cash in hand and bank balances	2,570	2,922

10. Related party disclosures

Masterflex SE and the companies included in the consolidated financial statements conducted material transactions with the following related parties within the meaning of IAS 24:

MODICA Grundstücks-Vermietungsgesellschaft mbH & Co.,
Objekt Masterflex KG, Gelsenkirchen.

The relationships are explained in the Notes to the Consolidated Financial Statements under note 35 in the 2012 Annual report. There have been no changes to the comments made there in the reporting period.

11. Auditor's review of the quarterly financial report

The interim financial statements and the interim management report in the quarterly financial report were neither audited in accordance with section 317 of the German Commercial Code nor reviewed by an auditor.

 MASTERFLEX

 MATZEN & TIMM

 NOVOPLAST
SCHLAUCHTECHNIK

 FLEIMA-PLASTIC

 MASTERDUCT

Masterflex SE
Willy-Brandt-Allee 300
45891 Gelsenkirchen
Tel +49 209 97077 0
Fax +49 209 97077 33
Info@MasterflexGroup.com
www.MasterflexGroup.com

MASTERFLEX GROUP