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### Investor Relations

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### Masterflex AG

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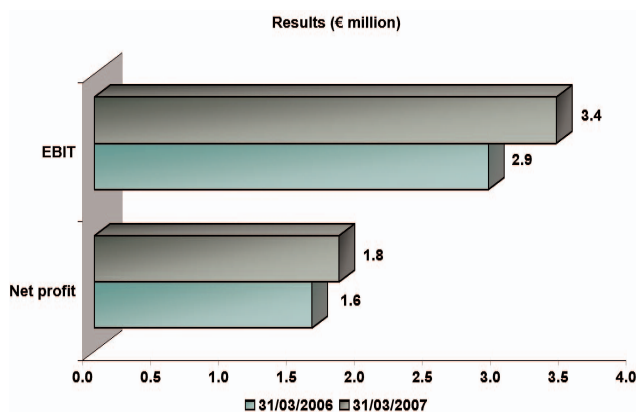
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	31/03/2007	31/03/2006	+/-
Revenue (€ thou.)	32,436	27,935	16.1%
EBITDA (€ thou.)	4,126	3,631	13.6%
EBIT (€ thou.)	3,366	2,919	15.3%
EBT (€ thou.)	2,876	2,467	16.6%
IAS-Net profit (€ thou.)	1,845	1,626	13.5%
Earnings per share (€)	0.41	0.36	13.9%
Number of employees	781	656	19.1%

	31/03/2007	31/03/2006	+/-
Equity (€ thou.)	33,223	31,520	5.4%
Total assets (€ thou.)	115,981	112,719	2.9%
Equity ratio	28.6%	28.0%	2.1%

## Results



## Dear shareholders,

Masterflex AG is off to an excellent start in fiscal year 2007. In-coming orders were up sharply, particularly in the High-tech Hose Systems and Mobile Office Systems, and our other business units also performed in line with expectations. These results are indicative of our outstanding positioning in the market with a range of innovative products.

Consolidated revenues increased by 16.1 percent to EUR 32.4 million (Q1 2006: EUR 27.9 million). Earnings before interest, taxes and depreciation/amortisation (EBITDA) were up by a superb 13.6 percent to EUR 4.1 million (Q1 2007: EUR 3.6 million).

In comparing against last year's figures it must be considered that amortisation of goodwill in the Medical Technology business unit in the amount of EUR 4.1 million shown on the 31 December 2006 statements (not affecting liquidity) are not being distributed across the individual quarters of the year 2006. Comparability is thus given on the level of operating profits. Earnings before interest and taxes (EBIT) were up 15.3 percent to EUR 3.4 million (Q1 2006: EUR 2.9 million), putting us above our estimated range of +6 to +12 percent for the full year (without goodwill write down). We are optimistic about the further course of business for the year on the basis of the first quarter.

Net profits increased by 13.5 percent to EUR 1.8 million (Q1 2006: EUR 1.6 million), corresponding to earnings per share of EUR 0.41 (+ 13.9 percent).

The drivers behind our growth are our innovative product portfolio and our vigorous efforts to internationalise our business operations. Our participating in the CeBit, World of Industry (Turkey) and Hannover Messe (Germany) trade shows at the start of the year was highly productive, the high attendance levels at which were clearly indicative of a thriving economy.

## Management Report

### Group structure and business activities

Masterflex AG, Gelsenkirchen, specialises in the development and processing of high-tech plastics, including in particular polyurethane (PUR). Since 1987 our core business has been the production of high-tech hose systems for complex industrial applications.

Over the course of time we have expanded, adding on the business units Medical Technology, Advanced Material Design and Mobile Office Systems.

### High-tech hose systems - a solid core business

The core High-tech Hose Systems business unit continued to progress well in the first quarter of 2007. Demand for our highly specialised hoses remains strong, as our polyurethane is a high-performance material clearly superior to regular PVC, rubber and steel in many ways, including abrasion resistance and weight. Revenue was up 11.8 percent to EUR 11.3 million (Q1 2006: EUR 10.1 million), EBIT before reconciliation items increased 12.7 percent to EUR 2.2 million (Q1 2006: EUR 1.9 million).



A promising new product is the „Herkules“ hose, the patented inline lining of which allows unprecedented long life. These products reveal us to be the technological leader in the marketplace.

At the start of the year we presented our product range at

a number of domestic and international trade shows including the World of Industry (Turkey) and the Hannover Messe Industrie (Germany).

In fiscal year 2007, we will continue to drive forward our internationalisation efforts. In the US we will be further expanding our marketing and distribution in order to more rapidly achieve market penetration. In Eastern Europe plans are to establish two joint ventures for the marketing of hose systems.

Fuel cell technology has been subsumed under the High-tech Hose Systems business unit since last year. In the first quarter of 2007 we implemented the final steps in the production of our Cargobikes, introduced in April at the „Energy“ exhibition as part of the Hannover Messe. Production is slated to get underway in the second half of the year; the first Cargobikes to be delivered to such customers as the EU HyCHAIN Minitrans project. This multinational project is designed to identify innovative and sustainable alternatives for the highly oil-dependent freight forwarding business and usages in select transport applications. The pilot regions are the Ruhr Valley area (Germany), metropolitan Grenoble (France), Modena (Italy) and Castilla y Leon (Spain). Masterflex AG intends to deploy no less than 40 Cargobikes in these four regions.



Cargobike production volume is anticipated to rise in fiscal year 2008.

Our strategy centres on the further expansion of our well-performing High-tech Hose Systems business unit. Our capacity for technological innovation is key for dynamic growth and ensuring our reputation as technology leader.

### Medical Technology - enhancing profitability

Medical Technology revenues increased slightly in the first quarter of 2007. We are particularly satisfied with the performance of the Medical Devices unit. Medical Devices revenue rose year-on-year by 3.8 percent to EUR 4.8 million (Q1 2006: EUR 4.7 million).



Our goal for this and the following fiscal year is to achieve a sustained increase in profitability in Medical Technology. In particular, the Angiography and Operation Sets business needs to grow its earnings. In the first quarter of 2007 EBIT was EUR 141 thousand, up only minimally versus the same quarter last year.

Measures were adopted in the first quarter of 2007 for the long-term optimisation of our business operations. We still see potential in this division, in view of relentless demand for the safe and cost-effective medical products we offer.

As an expert in extrusion technology we are able to offer our customers highly specialised products in this field, such as a UV radiation-filtering PUR infusion hose to protect light-sensitive drugs. Another project underway is the integration of the silver into our hose systems, an important material in the field of medical technology.

### Advanced Material Design

Activities in the Advanced Material Design business unit include surface technology, the specialisation of the SURPRO Group, acquired in August 2005. Year-to-year comparison was possible for the first time starting with Q1 2007.

The name SURPRO derives from the words „surface pro-

tection“. This highly specialised niche company is involved in the production and finishing of highly refined surfaces. Cutting-edge, computer-driven equipment is employed to produce revolving parts with extreme accuracy and precision. SURPRO's competencies include the production and refinement of symmetrical rotating parts made of stainless steel, brass, silver, gold, aluminium and plastic using deep drawing methods and the manufacture of tubes and pipes via CNC turning. Buyers of these products include the healthcare, aeronautics/space and premium writing implement industries, for example.



The SURPRO Group's performance is set to come out better in the second half of the year. In the first quarter of 2007 the company saw revenues lower by 5.2 percent year-on-year to EUR 4.3 million (previous year: EUR 4.6 million) in connection with orders scheduled to ship in the second half of the year, creating advanced expenses in the first quarter of 2007. Accordingly, EBIT fell by 15.5 percent to EUR 0.3 million (previous year: EUR 0.4 million).

Throughout the rest of this fiscal year we will be initiating additional projects to identify product development possibilities involving the combining of plastics and metals.

### Mobile Office Systems

The Mobile Office Systems business unit, not viewed as a core activity, is comprised of the operations of our subsidiary DICOTA GmbH, one of the world's leading providers of the full range of system cases and bags for the transport of notebooks and office systems.

In first quarter of 2007, DICOTA made progress towards its growth objectives, revenues increasing 39.1 percent to EUR

BUSINESS UNITS

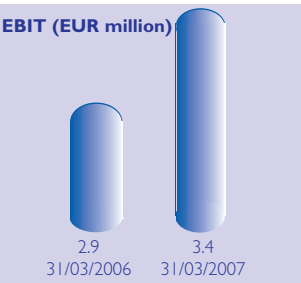
12.0 million (Q1 2006: EUR 8.6 million). EBIT was further more up a handsome 28.2 percent to EUR 0.9 million versus the prior year (Q1 2006: EUR 0.7 million).



DICOTA's results from exhibiting at the CeBIT IT trade show in March 2007 were quite good, where many solid contacts were made and new business was lined up. The company continues to pursue its internationalisation plans, involving in particular expansion into Asia, which is proceeding on track. Further growth is projected for the notebook market, thus our expectation for continued strong performance for Mobile Office Systems.

Analysis of financial position, net assets and results of operations

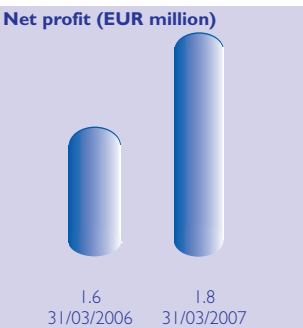
The 31 March 2007 income statement reveals the success of our business model in concentrating upon selling innovative, premium-priced products with high margins in parallel with international expansion.



Revenues continue to rise, up 16.1 percent to EUR 32.4 million (Q1 2006: EUR 27.9 million). Cost of materials increased as a percentage of revenues versus the previous year to 53.8 percent (Q1 2006: 47.3 percent). Staff costs on the other hand declined slightly to 23.5 percent of revenues (Q1 2006: 23.8 percent).

EARNINGS SITUATION

Depreciation/amortisation of property, plant & equipment was marginally greater in comparison to last year by EUR 48 thousand to a total EUR 760 thousand (previous year: EUR 712 thousand).



Other operating expenses rose on an absolute basis by 25.3 percent to EUR 6.5 million in consequence of increasing sales (previous year: EUR 5.2 million). This was primarily the result of the successful expansion of the DICOTA Group.

Earnings before taxes (EBT) were up 16.6 percent to EUR 2.9 million as of 31 March 2007 (previous year: EUR 2.5 million). The taxation rate was 33.0 percent. Consolidated net profit increased 13.5 percent to EUR 1.8 million (Q1 2006: EUR 1.6 million).

Masterflex AG's net assets were higher on 31 March 2007 than December 2006 at EUR 116.0 million (+2.9 percent). There were no material changes to the balance sheet as at the end of fiscal 2006. The equity ratio was 28.6 percent, representing a slight 2.1 percent increase. The company still holds 134,126 treasury shares, the cost of which reduces equity. Net indebtedness increased by EUR 2.5 million to EUR 44.2 million as working capital rose at DICOTA GmbH and the SURPRO Group.

The statement of cash flows shows negative cash flow from operating activities. This was chiefly due to high upfront expenditures for the SURPRO Group and DICOTA GmbH in connection with orders billable in the second half of the year.

### Employees

At 781 as at March 31, 2007, the number of employees was 19.1 percent higher than the figure for the same period last year (656 employees).

### Research and development, investment

There were no material changes in this area in relation to the information provided in the 2006 Annual Report.

### Risk report

A detailed discussion of risk management policies/procedures and potential risks facing the organisation are provided in the 2006 Annual Report. There were no material changes in this area in relation to the information provided in the 2006 Annual Report.

### Supplementary report

There were no events of significance after the end of the quarter affecting the Group's net assets, financial position or earnings.

### Forecast report

Masterflex AG has identified a number of promising business opportunities, which were discussed in specific in the 2006 Annual Report. There have been no material changes in relation to that discussion.

### Outlook

The past fiscal year illustrated yet again the success of the Masterflex AG business model. Consolidated revenue incre-

ased for the 19th year in a row, with operating profits (excluding impairments) rising as well.

Our positive start into fiscal year 2007 likewise shows that we are active in promising markets for the future. The growth of our High-tech Hose Systems business is proof of Masterflex AG's technological sophistication and excellent positioning we enjoy with our assortment of pioneering products. Results of the Mobile Office Systems unit have also been quite satisfactory, and integration of the SURPRO Group went well. The Advanced Material Design unit offers the potential of making our products even more competitive. Over the course of fiscal year 2007 we anticipate surface technology to take off, as the order books are already filled.

In addition to growing our business in these segments, another key objective is to uncover and capitalise on all available opportunities in Medical Technology to generate substantially greater earnings, which thus far have been unsatisfactory. Uncertainty as to the final structuring of healthcare reforms has hampered decision-making, but in Q1 2007 we believe measures implemented will yield better results for Medical Technology over the medium term.

For fiscal year 2007 the Masterflex AG Management Board expects the Group's business to remain on track, building upon the solid results achieved starting out the year. We also see growth accelerating in our core market, Germany, on continued economic strength.

We therefore reiterate our estimates for consolidated revenue to rise 10 to 20 percent and consolidated EBIT 50 to 60 percent, for a 6 to 12 percent increase on an operating level (before goodwill amortisation).

May 2007



**Detlef Herzog**  
CEO



**Ulrich Wantia**  
CFO



**Dr. Ing. Andreas Bastin**  
CFO



## Notes to the quarterly report

### 1. Accounting principles

This quarterly report was prepared in accordance with International Financial Reporting Standards (IFRS) as promulgated by the International Accounting Standards Board (IASB) and is in line with the Company's key accounting principles presented here. The same accounting and measurement principles were applied for the past fiscal year as for the 31 December 2005 consolidated financial statements.

### 2. Consolidation group

There were no changes in the first quarter of 2007 to the group of consolidated companies in relation to the status as of 31 December 2006.

### 3. Dividend

The Masterflex AG Management Board will be proposing shareholders approve distribution of a EUR 0.80 dividend at the Annual General Meeting on 5 June 2007.

### 4. Segment reporting

IAS 14 states that primary segment reporting must be prepared on the basis of product-related business units. Masterflex AG has four business units: High-tech Hose systems, Medical Technology, Advanced Material Design and Mobile Office Systems.

HTS = High-Tech-Hose Systems  
MT = Medical Technology  
AMD = Advanced Material Design  
MOS = Mobile Office Systems

March 31, 2007	HTS	MT	AMD	MOS	Seg- ment- aggregate	Reconci- liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	11,309	4,834	4,322	11,971	32,436	0	32,436
Earnings (EBIT)	2,185	141	338	903	3,567	-202	3,365
Investments in property, plant and equipment and intangible assets	673	368	128	20	1,189	0	1,189
Assets	44,613	18,508	17,990	26,715	107,826	8,155	115,981
Depreciation and amortization	441	132	154	33	760	0	760
Liabilities	10,720	2,658	4,811	8,131	26,320	56,438	82,758

March 31, 2006	HTS	MT	AMD	MOS	Seg- ment- aggregate	Reconci- liation	Group
	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
Revenue	10,112	4,657	4,560	8,606	27,935	0	27,935
Earnings (EBIT)	1,939	29	400	702	3,070	-151	2,919
Investments in property, plant and equipment and intangible assets	808	136	91	14	1,049	0	1,049
Assets	33,820	22,462	17,966	21,345	95,593	6,155	101,748
Depreciation and amortization	399	130	163	20	712	0	712
Liabilities	5,797	3,001	8,053	4,434	21,285	47,936	69,221

### 5. Earnings per share

Basic earnings per share are calculated by dividing consolidated net profit by the average weighted number of shares outstanding during the period under review in accordance with IAS 33. Basic earnings per share as of 31 March 2007

was EUR 0,42 on a weighted average of 4,365,874 outstanding shares.

Diluted earnings per share data is not provided as no stock option plan is in place.

## **6. Treasury shares**

As at March 31, 2007 Masterflex AG held 134,126 treasury shares.

## **7. Employees**

At 781 as at March 31, 2007 the number of employees was 19.1 percent higher than the figure for the same period last year (656 employees).

## **8. Related party disclosures**

The following individuals and companies with whom Masterflex AG and/or its consolidated subsidiaries have conducted transactions constitute material related parties pursuant to IAS 24:

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

Details on this relationship are provided in the 2006 Annual Report in the Group Notes under item 32 (p. 108f.). There were no changes during the period under review in relation to information provided therein.

## **Investor relations and share performance**

At year-end 2006 Masterflex shares closed at EUR 23.00 in XETRA trading. The shares began moving upward on 12 January 2007 from a low of EUR 22.90, reaching a high for the year of EUR 26.80 on 7 February. Since early May the shares have traded in a corridor of roughly EUR 23.00 to EUR 26.00.

The highest priority for our Investor Relations efforts in the first quarter of 2007 is creating confidence in ownership of our shares. Through the report publication date, numerous meetings with domestic and international investors have taken place at our registered office in Gelsenkirchen, in addition to teleconferences and international roadshows.

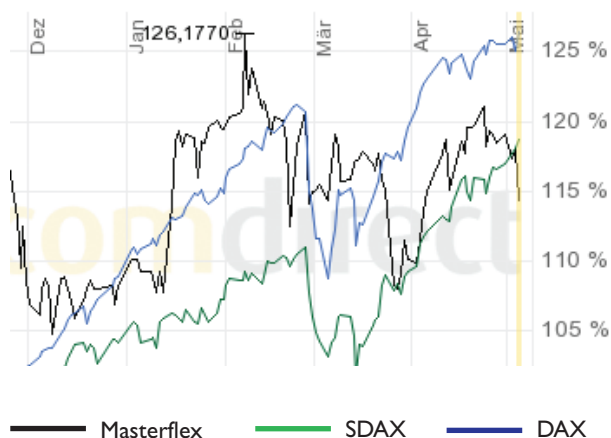
The business results for fiscal year 2006 were presented at the financial press conference in Düsseldorf on 2 April 2007 and the DVFA analysts' conference in Frankfurt. This was followed by an international road show.

Analyst opinions were positive after the release of these figures. Of the six analysts covering our shares, two have issued „Buy“ and three „Hold“ recommendations, with one „Sell“ rating.

Another road show will be conducted accompanying the release of this quarterly report. Investor relations during the second quarter of 2007 will focus on preparations for the Annual General Meeting to be held 5 June 2007 at Schloss Horst in Gelsenkirchen. For the sixth year in a row now we will be distributing profits to our shareholders in the form of a dividend. The Management and Supervisory Boards will be proposing that shareholders approve paying a EUR 0.80 dividend, as last year, at the Annual General Meeting.



## INVESTOR RELATIONS



## FINANCIAL CALENDAR

### 2007

February 24	WIN Istanbul (exhibitor: Masterflex AG)
March 15	CeBIT 2007, Hanover (exhibitor: DICOTA GmbH)
March 27	Powtech, Nuremberg (exhibitor: Masterflex AG)
April 2	Annual earnings press conference, presentation of the Annual Report 2006, 9.30 a.m., Industrieclub Düsseldorf
April 2	DVFA-analysts conference, 15.00 p.m. DVFA Center, Frankfurt
April 16	Hanover Fair Industry (exhibitor: Masterflex AG, Novoplast Schlauchtechnik GmbH, Masterflex Brennstoffzellentechnik GmbH)
April	International road show
May 15	Quarterly report 1/2007
June 5	Annual General Meeting, 11.00 a.m. Gelsenkirchen
August 15	Quarterly report 2/2007
November 14	Quarterly report 3/2007
November/ December	International road show

## BALANCE SHEET - IFRS

ASSETS	March 31, 2007* € thou.	Dec. 31, 2006 € thou.
<b>NONCURRENT ASSETS</b>		
Intangible assets	28,535	28,343
Property, plant and equipment	25,957	25,746
Long-term investments	645	1,215
Deferred tax assets	2,012	1,799
	<b>57,149</b>	<b>57,103</b>
<b>CURRENT ASSETS</b>		
Inventories	27,740	23,771
Prepaid expenses	776	760
Trade accounts and notes receivable	24,700	24,467
Income tax refund claims	1,078	1,199
Cash and bank balances	4,538	5,419
	<b>58,832</b>	<b>55,616</b>
<b>Total assets</b>	<b>115,981</b>	<b>112,719</b>

\* Unaudited

## BALANCE SHEET - IFRS

EQUITY AND LIABILITIES	March 31, 2007* € thou.	Dec. 31, 2006 € thou.
<b>SHAREHOLDERS' EQUITY</b>		
Consolidated equity	32,665	30,875
Minority interest	558	645
<b>Total equity</b>	<b>33,223</b>	<b>31,520</b>
<b>NONCURRENT LIABILITIES</b>		
Provisions	1,333	1,320
Financial liabilities	27,429	28,191
Deferred income	2,763	2,814
Other noncurrent liabilities	2,845	2,925
Deferred tax liabilities	2,293	2,283
	<b>36,663</b>	<b>37,533</b>
<b>CURRENT LIABILITIES</b>		
Provisions	3,527	3,833
Financial liabilities	21,289	18,901
Deferred income	217	221
Income tax liabilities	1,894	1,511
Other current liabilities	19,168	19,200
	<b>46,095</b>	<b>43,666</b>
<b>Total equity and liabilities</b>	<b>115,981</b>	<b>112,719</b>

\* Unaudited

## INCOME STATEMENT - IFRS

Financial statement as of	Jan.-March, 07* € thou.	Jan.-March, 06* € thou.
Revenue	32,436	27,935
Changes in inventories of finished goods and work in progress	2,076	1
Work performed by the enterprise and capitalized	56	64
Other operating income	1,146	690
Gross revenue	35,714	28,690
Cost of materials	-17,450	-13,209
Staff costs	-7,612	-6,643
Depreciation and amortization expense	-760	-712
Other operating expenses	-6,526	-5,207
Total operating expenses	-32,348	-25,771
Income from investments	496	8
Other interest and similar income	76	61
Write-downs of current financial instruments	0	0
Interest and similar expenses	-1,062	-521
Profit before taxes	2,876	2,467
Income tax expense	-1,152	-784
Deferred taxes	212	23
Other taxes	-65	-54
Income attributable to minority interests	-26	-26
<b>Net profit for the period</b>	<b>1,845</b>	<b>1,626</b>

\* Unaudited

## CASH-FLOW - IFRS

Financial statement as of	March 31, 2007* € thou.	March 31, 2006* € thou.
Net profit for the period before taxes, interest and financial income	3275	2839
Outflows for income taxes	-815	-712
Depreciation of property, plant and equipment	760	712
Change in provisions	90	203
Other non-cash expenses/income and gains/losses from the disposal of non-current assets	-55	-50
Change in inventories	-3969	-550
Increase/decrease in trade receivables and other assets not connected with investing or financing activities	-464	-4332
Increase/decrease in trade payables and other liabilities not connected with investing or financing activities	325	1212
Net cash used in / from operating activities	-853	-678
Proceeds from asset disposals	36	14
Payments to acquire noncurrent assets	-1116	-734
Cash flow from investing activities	-1080	-720
Proceeds from additions to equity (capital increases, treasury stock sales)	0	0
Outflows to shareholders and minority interests (dividends, stock buybacks)	-113	-100
Interest and dividend income	567	69
Interest expenses	-1059	-517
Proceeds from securities/time deposits	618	0
Proceeds from finance facilities raised	1819	1852
Repayment of borrowings	-675	-836
Net cash from / used in financing activities	1157	468
Net change in cash and cash equivalents	-776	-930
Changes in cash and cash equivalents due to exchange rates and other factors	-105	-155
Cash and cash equivalents at start of period	5419	4895
Cash and cash equivalents at end of period	4538	3810

\* Unaudited

## CHANGES IN EQUITY

## CHANGES IN EQUITY

### Consolidated statement of changes in equity

	Issued capital € thou.	Share premium € thou.	Retained earnings (retained profits brought forward) € thou.	Revaluation reserve of financial instruments € thou.	Exchange differences € thou.	Minority interest € thou.	Total € thou.
Equity at December 31, 2005	4,366	17,521	9,795	-504	-572	434	31,040
Net profit	0	0	1,626	0	0	26	1,652
Changes in fair values of financial instruments	0	0	0	88	0	0	88
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	-155	0	-155
Sale of treasury shares	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Dividend distributions	0	0	0	0	0	-100	-100
Change due to equity decreases	0	0	0	0	0	0	0
Other changes	0	0	2	0	0	0	2
Equity at March 31, 2006	4,366	17,521	11,423	-416	-727	360	32,527
Equity at December 31, 2006	4,366	17,521	10,780	-419	-1,373	645	31,520
Net profit	0	0	1,845	0	0	26	1,871
Changes in fair values of financial instruments	0	0	0	50	0	0	50
Currency translation gains/losses from translation of foreign financial statements	0	0	0	0	-105	0	-105
Sale of treasury shares	0	0	0	0	0	0	0
Purchase of own shares	0	0	0	0	0	0	0
Dividend distributions	0	0	0	0	0	-113	-113
Change due to equity decreases	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
Equity at March 31, 2007	4,366	17,521	12,625	-369	-1,478	558	33,223