



QUARTERLY FINANCIAL REPORT  
Q3 2008



one step ahead

## Masterflex at a Glance

- Crisis-resistant core business meets expectations
- Inconsistent development of non-core activities
- July 2008: Write-offs for three projects
- Executive Board revises forecast for year as a whole:  
Operating EBIT of ca. €12.0– €13.0 million

IFRS	September 30, 2008 (incl. adjustments)	September 30, 2008 (excl. adjustments)
Revenue (€ thou.)	103,355	103,355
EBITDA (€ thou.)	11,654	12,036
EBIT (€ thou.)	7,316	9,645
EBT (€ thou.)	-1,184	7,210
<b>Consolidated net profit after minority interests (€ thou.)</b>	-1,160	4,716
Earnings per share (€)	-0.27	1.08
EBIT margin	7.1 %	9.3 %
Net profit margin	-1.1 %	4.6 %
Number of employees	752	752
	September 30, 2008 (incl. adjustments)	September 30, 2008 (excl. adjustments)
Equity (€ thou.)	30,364	36,240
Total assets (€ thou.)	131,438	137,115
Equity ratio (%)	23.1 %	26.4 %

## The Executive Board of Masterflex AG

Dr. Andreas Bastin, Chief Executive Officer  
Ulrich Wantia, Chief Financial Officer

## The Supervisory Board of Masterflex AG

Friedrich-Wilhelm Bischooping, Chairman of the Supervisory Board  
Prof. Dr. Detlef Stolten, Deputy Chairman of the Supervisory Board  
Detlef Herzog, Member of the Supervisory Board

<b>September 30, 2007</b>	<b>Change in % (incl. adjustments)</b>	<b>Change in % (excl. adjustments)</b>
100,801	2.5 %	2.5 %
11,902	-2.1 %	1.1 %
9,692	-24.5 %	-0.5 %
7,901	-115.0 %	-8.7 %
4,974	-123.3 %	-5.2 %
1.14	-123.7 %	-5.3 %
9.6 %	-26.0 %	-3.1 %
4.9 %	-122.4 %	-6.1 %
789	-4.7 %	-4.7 %
<b>December 31, 2007</b>	<b>Change in % (incl. adjustments)</b>	<b>Change in % (excl. adjustments)</b>
34,772	-12.7 %	4,2 %
130,087	1.0 %	5,4 %
26.7 %	-13.5 %	-1,1 %





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## Dear Shareholders,

The first nine months of the 2008 financial year were dominated by the reorientation of Masterflex AG's business activities. We started the process of refocusing our operations on our successful core High-Tech Hose Systems business unit and the generation of systematic earnings growth.

The positive development of our core business continued, with revenue from High-Tech Hose Systems increasing by 7.8%. Good progress was made in the Company's global expansion, in the USA in particular.

All in all, consolidated revenue increased by 2.5% to €103.4 million. The only segment with negative growth was Surface Technology (Advanced Material Design), which primarily supplies the luxury goods industry, an area that is suffering particularly strongly from the effects of the financial crisis.

The Group's earnings performance was impacted by a number of different factors. As discussed in the half-yearly report, the strategic reorientation saw the recognition of write-offs on three projects in early July 2008.

Operating earnings performance in the first nine months of the 2008 financial year (i.e. adjusted for write-offs) remained positive in the High-Tech Hose Systems, Medical Technology and Mobile Office Systems segments. In terms of earnings, our core business unit again proved to be the most important segment in the third quarter, showing robust development despite the economic downturn arising from the intensification of the financial crisis. This was offset by negative effects in the Advanced Material Design and Fuel Cell Technology segments, with the result that the Group's operating earnings before interest and taxes (EBIT) as of September 30, 2008 remained essentially unchanged year-on-year at €9.6 million.





These developments serve to reinforce our commitment to the further expansion of our broad-based core business unit in order to also ensure that we return to being less susceptible to external developments and economic fluctuations in future.

November 2008

Dr. Andreas Bastin

Chief Executive Officer

## Interim Management Report

### Group structure and business activities

Masterflex AG, Gelsenkirchen, is a specialist for the development and production of high-quality connector and hose systems using innovative high-tech plastics.

Over the years, the Company has expanded its business activities into the areas of Medical Technology, Surface Technology, Mobile Office Systems and Fuel Cell Technology.

In future, Masterflex AG intends to concentrate on its superior materials and technological expertise to a greater extent, with a particular focus on the successful core High-Tech Hose Systems business unit.

### Market and competition

#### High-Tech Hose Systems

The first nine months of 2008 have again underlined the stability and earnings strength of our core High-Tech Hose Systems business unit.

In the third quarter of 2008, we further expanded our marketing and sales activities, including the development of milestone programs and continued process optimisation. We were represented at key trade fairs in Germany and abroad, including Powtec (with a particular focus on the transportation of bulk goods) and FAKUMA (plastics industry). These trade fairs again demonstrated the need for high-performance solutions. Masterflex AG offers a broad range of applications in this area. For example, our technological expertise is highlighted by the new Master PUR Inline hose, which has generated considerable customer interest due to its extremely high abrasion resistance combined with a high degree of flexibility and a relatively low weight.

Our activities in the USA continued to develop extremely positively in the third quarter of 2008. In the light of the difficult economic situation in the USA, this further underlines the superiority of our product range.





We exceeded our revenue and EBIT forecasts for the year as a whole by the end of June. Adverse exchange rate effects are largely negligible, as orders in the USA are invoiced in U.S. dollars. In the next financial year, we will further strengthen our market presence and expand our product range.

We intend to adapt this successful policy of expansion in the USA and apply it in Eastern Europe. Accordingly, we stepped up our search for suitable partners who can allow us to rapidly develop this market.

In the first nine months of the 2008 financial year, the dynamic development of our core business resulted in revenue growth of 7.8% to €34.7 million (previous year: €32.2 million). As reported, a write-off of €0.8 million was recognised for the inner-coated hose development project. Operating segment EBIT before reconciliation increased by 8.2% to €7.0 million (including the write-off: €6.2 million). This allowed us to again generate an excellent operating EBIT margin of 20.1%.

To date, the exposure of our core business unit to the effects of the financial crisis has been minimal. As such, we expect it to continue to develop positively in the fourth quarter of 2008. In the 2009 financial year, we will focus all of our efforts on the further expansion of these activities, returning to our core competencies while reinforcing Masterflex AG's position as a profitable technology company with a promising future.

### **Fuel Cell Technology/Climate-Neutral Mobility business unit**

The Fuel Cell Technology/Climate-Neutral Mobility business unit, which was spun off at the end of the first half of 2008, comprises our fuel cell technology, Cargobike and electric bicycle operations.

Revenue in this new segment developed extremely encouragingly year-on-year, improving from €1.0 million to €2.4 million. However, segment EBIT before reconciliation remained negative at September 30, 2008 due to increased start-up costs for planned projects. This means that we will not achieve our segment earnings target for the 2008 financial year.

In accordance with our strategy, we are currently developing our activities with a view to making a decision over the next years how the Climate-Neutral Mobility business unit should be continued and respectively should be a spin-off. We believe that the area of new energies and our technological expertise in the field of fuel cell technology offer a range of opportunities for future economic success.

### Medical Technology

Medical Technology continued its dynamic development in the third quarter of 2008. The restructuring measures we initiated last year have been an unqualified success, allowing the business unit to record a significant improvement in operating earnings that we had not expected in such a short period of time.



At September 30, 2008, segment revenue increased by 5.9% to €14.6 million (previous year: €13.8 million). As previously reported, the long-standing LaryVent respirator mask project was written off, meaning that our activities are now focused on successful operations within the Medical Technology business unit. Including this write-off, segment EBIT amounted to €-68 thousand, while operating EBIT improved significantly from €151 thousand to €1.1 million. With an operating EBIT margin of 7.2%, we remain slightly ahead of our forecast range of 5–7%.

We expect development for the 2008 financial year as a whole to remain positive. A key strategic factor in the coming financial year will be the expansion of our successful medical hose activities.

### Advanced Material Design

The Advanced Material Design business unit comprises the operations of the SURPRO Group. SURPRO is a highly specialised niche provider for the production and finishing of precision surfaces.



Our hope of reaching our year-end revenue and EBIT targets failed to materialise in the third quarter of 2008. SURPRO is primarily active in the luxury goods segment and has been affected to a significant extent by the reluctant consumer behaviour resulting from the financial crisis. Accordingly, the business unit is no longer expected to enjoy a strong second half of the year.



At September 30, 2008, segment revenue declined by €2.2 million to €15.9 million (previous year: €18.2 million). As reported, a non-cash write-off was recognised for an investment in a start-up company that failed to meet expectations with respect to the market launch of a new high-tech surface coating procedure. Provisions impacting EBIT were also recognised. Operating segment EBIT before reconciliation amounted to €346 thousand, compared with €1.2 million in the same period of the previous year. Including the write-off, EBIT amounted to €-37 thousand.

We do not expect to meet our segment revenue and earnings forecasts for the 2008 financial year. Our primary target is to develop effective measures for the sustainable improvement of the segment's cost and earnings structures, as has already been achieved in the Medical Technology business unit.

### **Mobile Office Equipment**

Masterflex AG has been active in the area of mobile computing equipment via DICOTA GmbH since 2001. DICOTA's activities focus in particular on high-quality, exclusive notebook bags and individual case solutions for the mobile workplace.



After an extremely strong end to 2007 and a modest start to the 2008 financial year, DICOTA GmbH generated revenue of €35.7 million and segment EBIT of €2.9 million as of September 30, 2008, thereby remaining at the level recorded in the previous year. At present, it is difficult to forecast the extent to which the financial crisis will impact on DICOTA GmbH's business development.

As previously reported, the sale of these operations is currently being examined, as there are no synergy effects with our core business unit.

## Net Assets, Financial Position and Results of Operations

### Results of operations

Masterflex AG's results of operations for the current financial year have been impacted in particular by the write-offs resolved in early July 2008. Non-cash write-offs (in accordance with IFRS) were recognised in the amount of €8.1 million, while provisions totalling €0.3 million were also recognised.

Consolidated revenue increased only marginally in the first nine months of the 2008 financial year. As reported, revenue increased across all continuing operations with the exception of the Advanced Material Design business unit.

Optimisation measures were implemented in order to reduce the volume of work in progress at the SURPRO Group. As a result of this important development, the cost of materials expressed as a percentage of revenue improved to 50.4 % (previous year: 51.3 %).

Other operating expenses include expenses relating to exchange rate hedges in the amount of €3.8 million. The corresponding income item totalled €3.4 million and is reported in other operating income.

The depreciation and amortisation of noncurrent assets increased to €2.0 million as a result of the write-offs for the LaryVent and inner-coated hose projects.



Net finance costs increased by €6.1 million to €-8.5 million, largely as a result of the write-off.

The tax ratio improved year-on-year to 28.5 % (2007: 34.0 %). Due to the effects detailed above, Masterflex recorded a consolidated net loss after minority interests of €-1.2 million. This corresponds to earnings per share of €-0.27.

### **Net assets**

Masterflex AG's overall asset position improved between December 31, 2007 and September 30, 2008, with total assets amounting to €131.4 million (+1.0 %). Noncurrent assets declined by €5.5 million, while equity decreased from €34.8 million to €30.4 million. As a result, the equity ratio fell to 23.1 %. The number of treasury shares held by the Company remained unchanged at 134,126, the cost of which is deducted from equity. Net indebtedness increased by €2.4 million to €65.0 million.

The acquisition of land and the erection of production and administrative buildings in the period under review were financed by publicly subsidised funds.

### **Financial position**

The consolidated cash flow statement continues to underline Masterflex AG's successful operating performance, particularly in its core operations. Cash flow from operating activities again increased between June 30, 2008 and September 30, 2008, totalling €6.3 million at the balance sheet date. In the same period of the previous year, the Company reported net cash used in operating activities of €-640 thousand. The increase in liabilities is attributable to the higher volume of sales.

Net cash used in investing activities relates in particular to the funds provided to the start-up company and investments in the construction of the new production building at Novoplast Schlauchtechnik GmbH.

Net cash used in investing activities includes the dividend paid to the Company's shareholders, which totalled €3.7 million.

## **Employees**

The Group had a total of 752 employees at September 30, 2008, down 4.7% on the same period of the previous year (789 employees). This was primarily due to the significant progress made in terms of the automation and productivity enhancement measures implemented in the Advanced Material Design business unit in the past financial year.

## **Research and Development, Investment**

There were no significant changes compared with the disclosures provided in the 2007 Annual Report.

## **Report on Post-Balance Sheet Date Events**

### **Significant events after the end of the reporting period**

There were no significant events after the end of the reporting period on September 30, 2008.

## **Risks and Opportunities**

A detailed presentation of the general risk and opportunity situation and the risk management system can be found in the 2007 Annual Report.

As mentioned elsewhere in this report, write-offs have been recognised for the start-up company, LaryVent respirator mask and inner-coated hose projects discussed in the Risk Report.



## Outlook

To date, our core High-Tech Hose Systems business unit has shown robust development despite the increasingly difficult economic environment. This is exemplified by our success in the USA, which serves to highlight the fact that we are well positioned for further expansion. In the Medical Technology segment, too, the turnaround has been more than successful.

Developments in the 2008 financial year confirm the legitimacy of our strategy of focusing on our core High-Tech Hose Systems business unit. Our non-core activities are considerably more susceptible to periods of economic weakness, while our newest business unit – Fuel Cell Technology – is not yet sufficiently developed to make a positive contribution to the Group's business performance. With the expansion of its profitable core business, Masterflex AG will return to a situation where it is affected by external factors to a lesser extent.

We expect to meet our forecasts for the year as a whole in the High-Tech Hose Systems and Medical Technology business units. However, the financial crisis is likely to have an adverse effect on the other business units. As a result, we are revising our previous estimate, which forecast positive operating EBIT growth of 6 – 12 %, to reflect this unfavourable environment: the Executive Board of Masterflex AG now expects operating EBIT for the 2008 financial year as a whole to decline to about between €12.0 million and €13.0 million.



We have established a clear vision that provides a roadmap for the future, with a focus on our successful and superior core competencies. Although the challenges we face have intensified as a result of the difficult environment, we intend to systematically press ahead with the restructuring of Masterflex AG, even if this means overcoming more obstacles than we originally anticipated.

November 2008



Dr. Andreas Bastin  
Chief Executive Officer



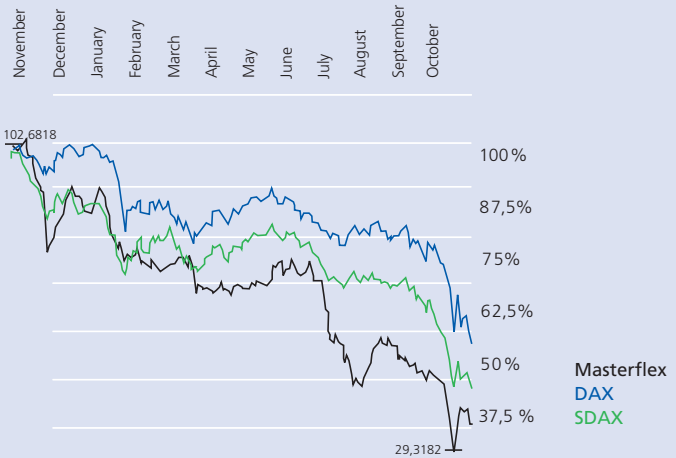
Ulrich Wantia  
Chief Financial Officer





## The Masterflex Share

### Share price development, October 30, 2007 to October 20, 2008



In the third quarter of 2008, Masterflex AG's share price declined from the quarterly high of €13.74 (Xetra) recorded on July 2, 2008 as a result of the publication of the ad hoc disclosure on the write-off on July 4, 2008 and the continuing negative mood on the capital markets. On July 29, 2008, the shares reached a new all-time low of €9.85 (Xetra) (previously €9.95). They then recovered to record an interim high of €12.49 (Xetra) on August 13, 2008.

In September, Masterflex's shares outperformed the SDAX. However, the financial crisis intensified from mid-September, with the result that the Company's shares closed the quarter at €10.16 (previous year: €20.75). This corresponds to quarterly performance of -25.0% and a year-on-year change of -51.0%.

In October, a new wave of bad news on the capital markets triggered a downward spiral that affected stock exchanges around the world, and Masterflex AG was unable to escape the effects of this development. On October 10, 2008, which became known as "Black Friday", Masterflex's share price fell to a new all-time low of €6.45. The next Mon-

day, the Company's shares rebounded by 28.3%, closing the day at €8.28 (floor trading). Although a bank rescue package has been agreed at a political level, fears of a forthcoming recession mean that the stock exchanges are still plagued by a high degree of uncertainty.

The market environment for small and mid-caps has been difficult since last year. With this in mind, the primary objective of our investor relations activities is to present our strategy in a transparent manner in order to build confidence in our growth and earnings potential. Opportunities are provided by our materials expertise, our innovative ability and the further internationalisation of our activities. This is confirmed by analysts, the majority of which have issued Buy or Hold recommendations for the Company's shares.

Following the publication of this interim report, Masterflex AG will hold an analyst presentation on November 10, 2008 at the German Equity Forum in Frankfurt, as well as conducting a number of one-on-one meetings with investors and analysis.



# Notes to the Consolidated Financial Statements for the First Nine Months of the 2008 Financial Year

## 1. Accounting principles

The interim report of Masterflex AG for the first nine months of the 2008 financial year was prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS) 34 (“Interim Financial Reporting”) promulgated by the International Accounting Standards Board (IASB), and conforms to the Company’s accounting principles as outlined below. The interim report was prepared using the same accounting policies as the consolidated financial statements for the year ended December 31, 2007 and the interim reports for the first three months and the first six months of 2008.

## 2. Basis of consolidation

The basis of consolidation was unchanged as against December 31, 2007 and the first two quarters of 2008.

## 3. Dividend

The Annual General Meeting of Masterflex AG on June 4, 2008 resolved the payment of a dividend of €0.80 per share. Accordingly, a total of €3,492,699.20 was distributed on June 5, 2008.

## 4. Segment reporting

The following segment reporting is based on IFRS 8 “Operating Segments”, which defines the requirements for the reporting of segment results. Masterflex AG has five business units: High-Tech Hose Systems, Fuel Cell Technology, Medical Technology, Mobile Office Systems and Advanced Material Design.

Segment reporting (incl. adjustments)	HTS High-Tech Hose Systems	FCT Fuel Cell Technology/ Climate-Neutral Mobility
September 30, 2008	€ thou.	€ thou.
Revenue	34,724	2,387
Earnings (EBIT)	6,165	-522
<b>Earnings (EBIT) (excl. adjustments)</b>	6,993	-522
Investments in property, plant and equipment and intangible assets	2,159	333
Assets	36,478	7,646
Depreciation and amortisation	2,327	45
Liabilities	8,311	2,033

Segment reporting	HTS High-Tech Hose Systems	FCT Fuel Cell Technology/ Climate-Neutral Mobility
September 30, 2007	€ thou.	€ thou.
Revenue	32,210	978
Earnings (EBIT)	6,460	-142
Investments in property, plant and equipment and intangible assets	3,356	322
Assets	46,591	2,930
Depreciation and amortisation	1,166	135
Liabilities	8,685	1,425

## 5. Earnings per share

In accordance with IAS 33, basic earnings per share is calculated by dividing the consolidated net profit for the period by the weighted average number of shares outstanding during the period under review. At September 30, 2008, basic earnings per share amounted to €-0.27 based on a weighted average of 4,365,874 shares outstanding.

## 6. Treasury shares

As of September 30, 2008, Masterflex AG held a total of 134,126 treasury shares.



MT Medical Techno- logy	AMD Advanced Material Design	MOS Mobile Office Systems	Segment totals	Reconcilia- tion	Group
€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
14,580	15,941	35,722	103,335	0	103,355
-68	-37	2,964	8,503	-1,187	7,316
1,052	346	2,964	10,833	-1,187	9,645
271	423	218	3,405	0	3,405
16,972	21,827	29,395	112,318	19,121	131,438
1,416	432	118	4,338	0	4,338
1,710	6,245	11,697	29,996	74,312	104,309
MT Medical Techno- logy	AMD Advanced Material Design	MOS Mobile Office Systems	Segment totals	Reconcilia- tion	Group
€ thou.	€ thou.	€ thou.	€ thou.	€ thou.	€ thou.
13,773	18,170	35,670	100,801	0	100,801
151	1,184	2,949	10,602	-911	9,691
914	311	188	4,942	0	4,942
17,979	19,521	29,258	116,279	12,888	129,167
367	434	107	2,210	0	2,210
2,176	5,620	9,194	27,100	69,601	96,702

## 7. Employees

The Group had a total of 752 employees at September 30, 2008, down 4.7 % on the same period of the previous year (789 employees).

## 8. Income tax expense

Income tax expense in the interim report is determined on the basis of the estimated effective tax rate for Masterflex AG for the 2008 financial year as a whole, which is applied to the pre-tax profit for the quarter. The effective tax rate is based on current earnings and tax forecasts.

## 9. Related party disclosures

Masterflex AG and the companies included in the consolidated financial statements conducted transactions with the following individuals or companies constituting related parties within the meaning of IAS 24:

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

Detailed information on this related party can be found in the 2007 Annual Report under note 38 (p. 119f.) of the notes to the consolidated financial statements. There were no changes to this information during the period under review.

## 10. Review report

The report on the first nine months of the 2008 financial year has not been audited in accordance with section 317 of the German Commercial Code or reviewed by an auditor.

## Financial calendar of the Masterflex AG 2008

<b>March 31</b>	Financials Press Conference, Presentation of 2007 Annual Report
<b>March 31</b>	DVFA Analyst Conference, DVFA Multimedia Centre, Frankfurt
<b>April</b>	International Roadshow
<b>May 15</b>	Quarterly Report for Q1 2008
<b>Late May/early June</b>	Annual General Meeting, Gelsenkirchen
<b>August 15</b>	Quarterly Report for Q2 2008
<b>November 7</b>	Quarterly Report for Q3 2008
<b>November 10–12</b>	German Equity Forum



## Interim Financial Statements

### Consolidated Balance Sheet

Assets	30.09.2008 * € thou.	31.12.2007 € thou.
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>	<b>28,074</b>	<b>29,589</b>
Concessions, industrial and similar rights	1,593	2,252
Development costs	3,969	4,834
Goodwill	22,500	22,474
Advance payments	12	29
<b>Property, plant and equipment</b>	<b>29,727</b>	<b>29,147</b>
Land, land rights and buildings	13,744	11,687
Technical equipment and machinery	9,563	9,854
Other equipment, operating and office equipment	5,258	5,286
Advance payments and assets under development	1,162	2,320
<b>Non-current financial assets</b>	<b>4,986</b>	<b>9,544</b>
Non-current financial instruments	440	752
Other loans	4,546	8,792
<b>Other assets</b>	<b>347</b>	<b>453</b>
<b>Deferred taxes</b>	<b>4,394</b>	<b>1,768</b>
	<b>67,528</b>	<b>70,501</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>	<b>31,662</b>	<b>28,219</b>
Raw materials and consumables used	10,762	8,379
Work in progress	6,690	6,248
Finished products and goods purchased and held for sale	14,056	13,470
Advance payments	154	122
<b>Prepaid expenses</b>	<b>793</b>	<b>760</b>
<b>Receivables and other assets</b>	<b>23,284</b>	<b>21,563</b>
Trade receivables	18,371	17,882
Other assets	4,913	3,681
<b>Income tax assets</b>	<b>2,367</b>	<b>3,149</b>
<b>Cash in hand and bank balances</b>	<b>5,804</b>	<b>5,895</b>
	<b>63,910</b>	<b>59,586</b>
<b>Total Assets</b>	<b>131,438</b>	<b>130,087</b>

\* Unaudited





<b>Equity and liabilities</b>	<b>30.09.2008 *</b>	<b>31.12.2007</b>
	<b>€ thou.</b>	<b>€ thou.</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Consolidated equity</b>	<b>29,596</b>	<b>33,975</b>
Subscribed capital	4,366	4,366
Capital reserve	17,521	17,521
Retained earnings	10,107	14,756
Revaluation reserve	-447	-176
Exchange differences	-1,951	-2,492
<b>Minority interest</b>	<b>768</b>	<b>797</b>
<b>Total equity</b>	<b>30,364</b>	<b>34,772</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>Provisions</b>	<b>1,716</b>	<b>1,308</b>
Pensions	1,716	1,157
Other liabilities	0	151
<b>Non-current financial liabilities</b>	<b>38,487</b>	<b>39,316</b>
<b>Prepaid expenses</b>	<b>3,128</b>	<b>3,198</b>
<b>Deferred taxes</b>	<b>1,824</b>	<b>1,749</b>
	<b>45,155</b>	<b>45,571</b>
<b>CURRENT LIABILITIES</b>		
<b>Provisions</b>	<b>4,394</b>	<b>5,189</b>
<b>Current financial liabilities</b>	<b>32,340</b>	<b>29,183</b>
<b>Prepaid expenses</b>	<b>203</b>	<b>297</b>
<b>Income tax liabilities</b>	<b>3,241</b>	<b>2,717</b>
<b>Other current liabilities</b>	<b>15,741</b>	<b>12,358</b>
Trade payables	11,615	8,384
Other current liabilities	4,126	3,974
	<b>55,919</b>	<b>49,744</b>
<b>Total Equity and liabilities</b>	<b>131,438</b>	<b>130,087</b>

\* Unaudited

## Consolidated Income Statement

Income Statement as of	01.01.– 30.09.08 * € thou.	01.01.– 30.09.07 * € thou.
Revenue	103,355	100,801
Changes in inventories of finished goods and work in progress	950	1,684
Work performed by the enterprise and capitalised	220	267
Other operating income	5,993	3,156
<b>Gross profit</b>	<b>110,518</b>	<b>105,908</b>
Costs of materials	-52,525	-52,547
Staff costs	-24,956	-23,349
Depreciation and amortization expense	-4,338	-2,210
thereof valuation allowances	-1,952	0
Other operating expenses	-21,383	-18,110
Income from investments	0	498
Other interest and similar income	489	193
Write-downs of noncurrent financial assets	-6,088	0
Interest and similar expenses	-2,901	-2,482
<b>Net profit from ordinary activities</b>	<b>-1,184</b>	<b>7,901</b>
Income tax expense	-2,101	-2,994
Deferred taxes	2,438	305
Other taxes	-164	-172
<b>Group net income</b>	<b>-1,011</b>	<b>5,040</b>
thereof minority interests	149	66
<b>thereof attributable to shareholders of Masterflex AG</b>	<b>-1,160</b>	<b>4,974</b>
Earnings per share (diluted and non-diluted)	-0.27	1.14

\* Unaudited



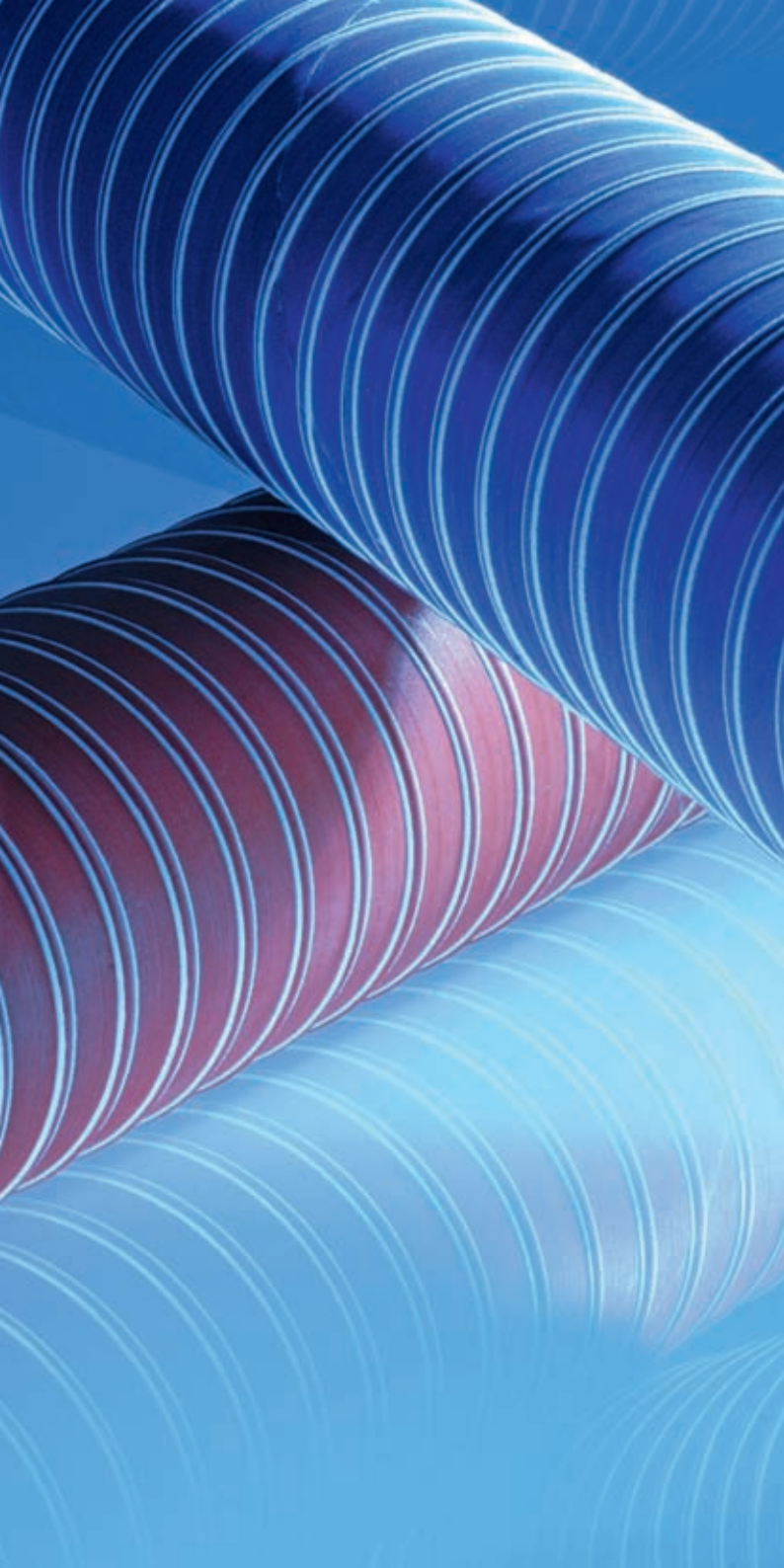
<b>Income Statement as of</b>	<b>01.07.– 30.09.08 *</b>	<b>01.07.– 30.09.07 *</b>
	<b>€ thou.</b>	<b>€ thou.</b>
Revenue	33,857	37,139
Changes in inventories of finished goods and work in progress	710	-668
Work performed by the enterprise and capitalised	61	70
Other operating income	1,066	1,359
<b>Gross profit</b>	<b>35,694</b>	<b>37,900</b>
Costs of materials	-17,423	-19,385
Staff costs	-8,265	-7,996
Depreciation and amortization expense	-808	-709
Other operating expenses	-6,339	-6,381
Income from investments	0	2
Other interest and similar income	134	50
Write-downs of noncurrent financial assets	-23	0
Interest and similar expenses	-1,002	-746
<b>Net profit from ordinary activities</b>	<b>1,968</b>	<b>2,735</b>
Income tax expense	-2,937	-778
Deferred taxes	2,334	-86
Other taxes	-45	-58
<b>Group net income</b>	<b>1,320</b>	<b>1,813</b>
thereof minority interests	138	9
<b>thereof attributable to shareholders of Masterflex AG</b>	<b>1,182</b>	<b>1,804</b>
Earnings per share (diluted and non-diluted)	0.27	0.41

\* Unaudited

## Consolidated Cash Flow Statement

Cash Flow	September 30, 2008 * € thou.	September 30, 2007 * € thou.
Result for the accounting period before taxes, interest income and financial income	-267	9,454
Income taxes paid	-2,901	-2,784
Depreciation of non-current assets	4,338	2,210
Change in provisions	-387	2,353
Other non-cash expenses/income and gains/losses from the disposal of non-current assets	-67	-265
Changes in inventories	-3,443	-5,236
Changes in trade receivables and other assets that can not be allocated to investment or financing activities	5,228	-5,687
Changes in trade payables and other equity and liabilities that can not be allocated to investment or financing activities	3,822	-685
<b>Net cash from operating activities</b>	<b>6,323</b>	<b>-640</b>
Proceeds from the disposal of non-current assets	46	81
Payments to acquire non-current assets	-4,895	-4,361
<b>Net cash used in investing activities</b>	<b>-4,849</b>	<b>-4,280</b>
Payments to shareholders including dividends, acquisition of treasury shares	-3,671	-3,613
Interest and dividend receipts	127	685
Interest expenditure	-3,103	-2,396
Proceeds from the sale of term deposits/securities	63	668
Payments to acquire term deposits/securities	0	-1,499
Proceeds from raising loans	5,885	15,590
Payments for the repayment of loans	-1,407	-1,758
<b>Net cash from/used in financing activities</b>	<b>-2,106</b>	<b>7,677</b>
<b>Net change cash and cash equivalents</b>	<b>-632</b>	<b>2,757</b>
Changes in cash and cash equivalents due to exchange rates and other factors	541	-702
<b>Cash and cash equivalents at start of period</b>	<b>5,895</b>	<b>5,419</b>
<b>Cash and cash equivalents at the end of period</b>	<b>5,804</b>	<b>7,474</b>

\* Unaudited



## Consolidated Statement of Changes in Equity

	Subscribed capital	Capital reserve	Retained earnings (retained profits brought forward)
	€ thou.	€ thou.	€ thou.
<b>Equity at December 31, 2007</b>	<b>4,366</b>	<b>17,521</b>	<b>14,756</b>
Group net income	0	0	-1,160
Changes in fair values of financial instruments	0	0	0
Currency translation gains/losses from translation of foreign financial statements	0	0	0
Dividend distributions	0	0	-3,493
Other changes	0	0	4
<b>Equity at September 30, 2008</b>	<b>4,366</b>	<b>17,521</b>	<b>10,107</b>
<b>Equity at December 31, 2006</b>	<b>4,366</b>	<b>17,521</b>	<b>10,780</b>
Group net income	0	0	4,974
Changes in fair values of financial instruments	0	0	0
Currency translation gains/losses from translation of foreign financial statements	0	0	0
Dividend distributions	0	0	-3,493
Other changes	0	0	-2
<b>Equity at September 30, 2007</b>	<b>4,366</b>	<b>17,521</b>	<b>12,259</b>



Revaluation reserve	Exchange differences	Minority interest	Total
€ thou.	€ thou.	€ thou.	€ thou.
-176	-2,492	797	34,772
0	0	149	-1,011
-271	0	0	-271
0	541	0	541
0	0	-178	-3,671
0	0	0	4
<b>-447</b>	<b>-1,951</b>	<b>768</b>	<b>30,364</b>
<b>-419</b>	<b>-1,373</b>	<b>645</b>	<b>31,520</b>
0	0	66	5,040
223	0	0	223
0	-702	0	-702
0	0	-120	-3,613
0	0	0	-2
<b>-196</b>	<b>-2,075</b>	<b>591</b>	<b>32,466</b>

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