



**Group Interim Report**  
as at 30 June 2015

## Schaltbau Group Key Financial Figures for the period ended 30 June

Group key financial figures		1st half of 2015	1st half of 2014	2nd quarter 2015	2nd quarter 2014
<b>Order situation</b>					
Order-intake	€ m.	259.4	227.7	132.1	115.5
Order-book	€ m.	319.1	283.1	319.1	283.1
<b>Income statement</b>					
Sales	€ m.	235.6	196.7	128.1	104.7
Total output	€ m.	244.7	201.9	131.5	106.9
EBITDA	€ m.	25.0	16.8	13.9	8.4
Profit from operating activities (EBIT)	€ m.	19.6	12.3	11.2	6.1
EBIT margin	%	8.3	6.3	8.7	5.8
Group net profit for the period	€ m.	13.9	20.3	10.1	14.9
Profit attr. to shareholders of the AG	€ m.	10.9	18.0	8.5	13.7
Return on capital employed	%	12.8	9.6	14.6	9.5
<b>Balance sheet</b>					
Fixed Assets	€ m.	142.1	120.4	142.1	120.4
Working capital	€ m.	163.1	135.6	163.1	135.6
Capital employed	€ m.	305.2	256.0	305.2	256.0
Group equity	€ m.	121.2	104.2	121.2	104.2
Net financial liabilities	€ m.	115.2	86.9	115.2	86.9
Balance sheet total	€ m.	406.8	340.3	406.8	340.3
<b>Personnel</b>					
Employees at end of reporting period	Number	2,772	2,569	2,772	2,569
Personnel expense	€ m.	75.8	65.3	39.0	33.9
Personnel expense <sup>1</sup> per employee <sup>2</sup>	€ 000	60.3	62.0	62.1	64.3
Total output <sup>1</sup> per employee <sup>2</sup>	€ 000	194.6	191.7	209.2	203.0
<b>Earnings per share</b>					
Earnings per share (undiluted)	€	1.80	2.93	1.41	2.23
Earnings per share (diluted)	€	1.80	2.93	1.41	2.23

<sup>1</sup> Based on figures to date extrapolated to twelve months

<sup>2</sup> Weighted average for period including trainees, executive directors and members of Management Board

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## Dear Shareholders

At the halfway stage of fiscal year 2015, I am pleased to report that the Schaltbau Group is making good progress. Order intake is around 14 per cent higher and sales are almost 20 per cent up on last year's figure. Increased demand in the fields of door systems for railway vehicles as well as for brake systems in particular have provided the main impetus for growth and, at 8.3 per cent, the EBIT margin has returned to the accustomed level seen in earlier fiscal years. In a nutshell, we are firmly on track towards achieving the goals we have set ourselves for the current fiscal year.

Our improved financing structure is also helping complete the positive overall picture. The thoroughly successful placing of a promissory note with a volume of € 70 million has provided the Schaltbau Group with additional scope to finance its future growth on a long-term basis and we made good use of this extra leeway right at the beginning of the third quarter to acquire a 65 per cent shareholding in SPII S.p.A., which is based in Saronno, Italy. SPII has been a trusted partner of the Schaltbau Group in Italy for over four decades. We are especially interested in its range of in-house developed driver desks for railway vehicles. In the field of electrics for rolling stock, our Components segment is developing into a provider of complete subsystems and has meanwhile become world market leader for master controllers.

However, we were not just thinking of that particular segment when we made the acquisition. Similar to RAWAG and ALTE, the acquisition of SPII effectively broadens the entire range of products and services the Schaltbau Group can now offer to manufacturers of rolling stock, increasing our importance as a systems partner. The transaction also helps us to better penetrate regional markets, as it enables the Schaltbau Group to strengthen its position in Italy. At the same time, SPII's predominantly nationally focused business can now be rolled out internationally via the various Schaltbau locations.

The acquisition of a majority shareholding in SPII, however, is only one step that will have to be followed by others, as the more quickly our competitive environment consolidates, the earlier customers will begin to focus on a handful of suppliers offering convincing complete packages of subsystems, components and services. A further example is the recently initiated takeover of Faiveley Transport by Wabtec. In the long run, if the Schaltbau Group wishes to remain independent in this ever-shrinking group of relevant suppliers, it will need to continue strengthening its position, forge ahead with the digital transformation and also invest in increasingly efficient processes.

In cooperation with the systems suppliers, our overarching objective must be to make the transportation of people and goods by rail as pleasant and safe, but also as cost-efficient as possible. By constantly improving our product portfolio we intend to contribute towards safeguarding the competitiveness of environmentally friendly rail travel, despite low-budget competition from road and air travel providers.

We still have a long way to go, but the journey will prove worthwhile – particularly for our shareholders, to whom we wish to offer the best possible combination of underlying strength and good growth prospects. Despite facing some headwind in the rail infrastructure sector, the encouraging growth in earnings we have achieved in the first half of 2015 already points to the potential benefits of a more broadly positioned Schaltbau Group.

Kind regards

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by several fluid, connected strokes.

Dr Jürgen Cammann

Spokesman of the Executive Board

# **Group Interim Management Statement as at 30 June 2015**

## **Report on economic position**

### **Major events during the second quarter**

On 15 May 2015, the Group's shareholding in Rail Door Solutions Ltd. (RDS), Milton Keynes, United Kingdom, held indirectly via Gebr. Bode GmbH & Co. KG, was increased from 50 per cent to 65 per cent. RDS is a recognised service partner in the manufacturing, modernisation, repair and maintenance of door systems for railway vehicles, primarily serving customers in the UK and Ireland. The new Group subsidiary, which was previously accounted for using the equity method, has therefore been fully consolidated with effect from 1 May 2015 as part of the Mobile Transportation Technology segment.

At the end of June, Schaltbau Holding AG successfully placed a promissory note on the capital market with a volume of € 70 million, based on maturities of 7 and 10 years.

Our business with maritime aids, which most recently generated sales of € 1.1 million and was part of the Stationary Transportation Technology segment, was sold with effect from 1 April 2015. The sale will not have a significant impact on the business and earnings position of either the Schaltbau Group or the segment.

In July the Schaltbau Group acquired 65 per cent of the Italian company SPII S.p.A. with the aim of reinforcing the Components segment (see "Events after the end of the reporting period").

### **Management and control**

The Supervisory Board of Schaltbau Holding AG resolved to appoint Mr Ralf Klädtke as a member of the Executive Board with effect from 1 August 2015. Ralf Klädtke is responsible for the Mobile Transportation Technology segment. Dirk Löchner, who had been responsible for Corporate Development, resigned from his Executive Board post with effect from 18 May 2015.

### **General economic environment**

Although the developed economies continued to benefit from low oil prices during the second quarter, so far the economic recovery has not been quite as dynamic as expected. In July, the International Monetary Fund (IMF) adjusted its forecast for world economic growth downwards

by 0.2 per cent to 3.3 per cent (2014: 3.4 per cent). The more moderate growth rate in China compared with the previous year is also holding growth down, while both the Russian and Brazilian economies remain in recession.

Despite the crisis in Greece, the eurozone continued to recover during the first half of the year, boosted by domestic consumption and export growth on the back of the weak euro. The German economy continued its upswing at a measured pace, sustained by positive consumer sentiment and improved job market figures. Capital expenditure on property, plant and equipment also rose considerably.

In the USA, however, economic growth has not yet fulfilled expectations and remained somewhat sluggish compared with the previous year. China also profited from lower energy prices, achieving economic growth of 7 per cent in the second quarter, according to official sources. However, the level of risk in China is increasing, due to overheating on the country's capital, property and stock markets, the latter of which suffered a price slump of over 30 per cent during the second quarter. The IMF expects growth in China to be well below last year's level.

Uncertainty stemming from the crisis in Greece and the expansive monetary policy practiced by the European Central Bank kept euro exchange rates low against the foreign currencies relevant for the Schaltbau Group. The average exchange rates of the euro to the US dollar, Chinese renminbi and British pound were down by 17.8 per cent, 16 per cent and 10.2 per cent respectively compared with the first half of 2014. The resulting exchange rate movements have had an overall positive impact on the Schaltbau Group's net assets and earnings.

## Sector-specific and regulatory environment

Demand for railway vehicles remained high, providing ample momentum in particular for the Mobile Transportation Technology segment, which offers a broad range of products for rolling stock, including boarding systems, windows and interior fittings as well as sanitary systems. German Railways have not yet initiated any significant infrastructure projects, keeping demand for railway crossing systems low. The market for signal technology, however, which is of a more international nature, remained at a similar level to the previous year.

Bus manufacturers and industrial customers also continued to place a steady stream of orders. The market for industrial trucks grew moderately, but there is still no sign of recovery in the photovoltaics and wind energy sectors.

Euro prices on **procurement markets** fell slightly during the first six months of the year.

Nevertheless, prices for copper (+5.7%, DEL), aluminium (+23.5%, LME), silver (+1.5%) and gold

(+14.8%) were above the averages recorded one year earlier. Rolled steel and flame-cut steel parts also became somewhat cheaper year-on-year. The price of Brent crude oil in euros remained low, which is reflected in the price of plastics.

## Business and earnings position

### Overall assessment of financial condition

After its mainly non-organic sales growth during the first three-month period, the Schaltbau Group generated an encouraging level of organic growth in the second quarter, primarily due to three factors: Firstly, the strong growth in sales achieved by RAWAG, which has been part of the Group reporting entity since April 2014 and already contributed around a quarter of the sales volume registered by the Mobile Transportation Technology segment. Secondly, the significantly greater demand for brake systems in international container terminal projects compared with the same period one year earlier. And thirdly, higher business volumes in the Components segment, particularly in China, although largely driven by currency exchange rate factors. All of the Group's segments contributed towards the overall organic growth recorded in the first half of the year.

The EBIT margin for the six-month period improved sharply to 8.3 per cent on the back of strong sales growth in the second quarter and favourable currency effects. As expected, however, Group net profit for the period was lower than one year earlier, when revaluation gains had played a greater role. Taking all of the above factors into consideration, the Schaltbau Group remains firmly on the right track to achieve its ambitious growth and earnings targets for the full year 2015.

The placing of a promissory note for a volume of € 70 million provides medium- and long-term financial security for the entire Schaltbau Group, at excellent conditions. The increased financial headroom created by this placement was partially instrumental in enabling Schaltbau to implement an acquisition in Italy in July (see "Events after the end of the reporting period").

## Business and earnings position of the Schaltbau Group

Key performance figures for the Schaltbau Group						
in € million	1st half-year 2015	1st half-year 2014	Δ	2nd quarter 2015	2nd quarter 2014	Δ
Order intake	259.4	227.7	13.9%	132.1	115.5	14.4%
Sales	235.6	196.7	19.8%	128.1	104.7	22.3%
EBIT	19.6	12.3	59.3%	11.2	6.1	83.6%

### *Order intake and order book*

At € 259.4 million, order intake for the Schaltbau Group surpassed the previous year's level by 13.9 per cent. Whereas the majority of growth in the first quarter was generated by the first-time consolidation of the entities acquired in April 2014, the increase in order volume in the second quarter was principally due to the good business performance of our subsidiary RAWAG, alongside good contributions from the Brake Systems business field and the Components segment. The full consolidation of the UK-based company RDS with effect from 1 May 2015 did not yet have a significant impact.

The considerable 13.2 per cent growth in order-book volume to € 319.1 million (31 December 2014: € 281.9 million) is largely attributable to the Stationary Transportation Technology segment. The good order situation at RAWAG and the first-time consolidation of RDS also had a positive impact.

### *Sales*

Sales grew by 19.8 per cent to € 235.6 million, partly driven by the Group's expansion in the field of rolling stock, but also helped by increased foreign demand for both components and brake systems. Overall, 42.9 per cent of sales were generated on European markets outside Germany and a further 24.5 per cent outside Europe.

### *Group earnings performance*

At € 19.6 million, the Schaltbau Group's profit before financial result and taxes (EBIT) was well up on the previous year's six-month figure of € 12.3 million. The EBIT margin rose accordingly from 6.3 to 8.3 per cent. In the second quarter it again achieved a highly satisfactory level of 8.7 per cent. The six-month rise in EBIT of approximately 60 per cent compared with the previous year is, however, slightly exaggerated, as RAWAG had not yet been fully consolidated during the first quarter of 2014 (when it was still included in the result from investments).

Total output includes changes in inventories amounting to € 7.5 million (2014: € 3.5 million). The increase is mainly due to the greater volume of business. At 49.9 per cent, the cost of materials ratio was practically identical to the previous year's level of 50.0 per cent. In absolute terms, the cost of materials went up from € 101.0 million to € 122.0 million.

Personnel expense rose from € 65.3 million to € 75.8 million. The significant increase was mainly due to the higher number of employees resulting from the integration of ALTE and RAWAG and, to a minor degree, of RDS. Staff recruitment, tariff-based pay rises and exchange rate factors also had an impact. As a proportion of total output, however, personnel expense was equivalent to 31.0 per cent, slightly lower than the 32.3 per cent recorded for the same period of 2014.

Other operating expenses increased to € 25.1 million (30 June 2014: € 20.6 million), primarily attributable to higher selling expenses, partly in connection with the expansion of the Group's

range of products and services in the rail sector, the inclusion of RAWAG and ALTE in the Group reporting entity and higher allowances on trade accounts receivable during the period.

At € 13.9 million, Group net profit for the six-month period was well below the high figure of € 20.3 million reported one year earlier, which had been positively impacted by a revaluation gain of € 11.8 million arising on the acquisition of a majority shareholding in RAWAG. In the first half of 2015, the revaluation of the previously owned 50 per cent shareholding in RDS resulted in a gain of € 2.5 million. The negative result from the investment in the Group entity Albatros continued to work in the opposite direction, mainly reflecting a higher income tax expense and a slightly increased interest expense.

Profit attributable to shareholders of Schaltbau Holding AG amounted to € 10.9 million (30 June 2014: € 18.0 million). On this basis, earnings per share amounted to € 1.80 for the first half of 2015, compared with € 2.93 one year earlier.

## Business and earnings performance of the segments

### *The Mobile Transportation Technology segment*

Key performance figures for the Mobile Transportation Technology segment						
in € million	1st half-year 2015	1st half-year 2014	Δ	2nd quarter 2015	2nd quarter 2014	Δ
Order intake	112.6	91.4	23.2%	58.6	52.8	11.0%
Sales	109.1	84.8	28.7%	56.9	47.1	20.8%
EBIT	11.7	6.2	88.7%	5.5	3.1	77.4%

Order intake for the Mobile Transportation Technology segment (Bode Group and ALTE) went up by 23.0 per cent to € 112.6 million. Particularly the Poland-based Bode subsidiary RAWAG recorded growth during the first half of the year, largely thanks to a major order gained within Poland, which put the total order volume for railway vehicle doors significantly above the previous year's figure. Demand for door systems for buses, however, was slightly lower. Incoming orders for the Automotive product group were at a similar level to the previous year.

The 28.7 per cent increase in segment sales to € 109.1 million is also largely attributable to the excellent order situation at RAWAG and that entity's full-year consolidation (first-time consolidation with effect from 1 April 2014). Other entities in the segment also reported higher sales for the six-month period. Having only become part of the Group reporting entity on 1 May, RDS did not make a notable impact on the six-month sales figure.

Despite ALTE's renewed negative contribution to earnings, the segment EBIT of € 11.7 million was well above the figure reported at the halfway stage of 2014. The increase was mainly attributable to the improved contribution made by RAWAG. The six-month EBIT margin improved accordingly from 7.3 per cent to 10.7 per cent.

*The Stationary Transportation Technology segment*

<b>Key performance figures for the Stationary Transportation Technology segment</b>						
in € million	1st half-year 2015	1st half-year 2014	Δ	2nd quarter 2015	2nd quarter 2014	Δ
Order intake	81.5	78.8	3.4%	39.1	36.5	7.1%
Sales	61.4	57.6	6.6%	36.3	30.4	19.4%
EBIT	-1.5	-1.8		1.2	-1.0	

Order intake for the Stationary Transportation Technology segment totalled € 81.5 million, slightly up on the previous year's six-month figure.

Whereas order volume in the Brake Systems business field increased in both quarters, order intake in the Rail Infrastructure business field remained below the level recorded one year earlier, mainly due to the first order for platform screen doors (PSD) recorded in the first quarter 2014 (now subject to customer-related delays). As in the previous year, German Railways did not place any sizeable orders for level crossing systems, resulting in a further year-on-year reduction in order intake for this line of business. By contrast, the warning systems product group reported growth, partly on the back of a major order from the German state of North Rhine-Westphalia. Demand for axle counters and other railway signal technology products failed to achieve the level recorded one year earlier, when a major order had boosted figures. Demand for point heating systems is currently on the increase in Germany, although growth is being held down by lower exports, particularly to Russia.

The good order situation in the Brake Systems business field caused segment sales to rise by 6.6 per cent to € 61.4 million. The Rail Infrastructure business field recorded moderate growth with railway crossing systems and signal technology. Sales of point heating systems and warning systems, however, were down on the previous year, as a result of which overall sales recorded by the Rail Infrastructure business field fell, despite the slight increase achieved in the second quarter. The disposal of the Maritime Aids product group did not have a major impact on order intake and sales.

The segment EBIT for the first half of 2015 was a negative amount of € 1.5 million, compared to the negative amount of € 1.8 million reported one year earlier. The EBIT margin came in at negative 2.5 per cent (January to June 2014: negative 3.1 per cent).

## The Components segment

Key performance figures for the Components segment						
in € million	1st half-year 2015	1st half-year 2014	Δ	2nd quarter 2015	2nd quarter 2014	Δ
Order intake	65.3	57.4	13.8%	34.4	26.2	31.3%
Sales	65.1	54.3	19.9%	34.8	27.1	28.4%
EBIT	12.9	11.1	16.2%	6.1	5.7	7.0%

Order intake in the Components segment increased by 13.8 per cent to € 65.3 million. Growth in the second quarter was mainly recorded in China, where project delays had arisen during the first three months of the year. Markets in the USA and the UK also recorded moderate growth year-on-year. In addition, the segment benefited from favourable currency exchange factors, particularly in China and the USA. In France, order volumes were slightly down, in line with domestic economic conditions.

Segment sales rose by 19.9 per cent to € 65.1 million on the back of successful foreign business and favourable currency exchange rate factors. On the downside, however, project delays in Russia had a negative impact on sales and are not likely to be made good in the further course of the year.

Volumes in the snap-action switches and connectors product groups were up on the previous year's figures. Both sales and order-intake volumes for contactors, however, were slightly down, reflecting sluggish demand in the field of photovoltaics and the current order situation in Russia.

At the six-month stage, EBIT totalled € 12.9 million, well up on the previous year's € 11.1 million. The EBIT margin came in at 19.8 per cent (2014: 20.5 per cent), remaining at its customary high level.

## Financial and net assets position

The consolidated balance sheet has grown by € 45.6 million during the six-month period since the end of 2014, primarily reflecting increases in inventories and receivables on the one hand and higher non-current financial liabilities on the other.

Towards the end of June, Schaltbau Holding AG successfully placed a € 70 million promissory note (Schuldscheindarlehen) on the capital market, based on terms of 7 and 10 years. In view of the fact that the offer was oversubscribed more than six-fold, the order book was closed early just one day after the issue was announced and the original volume of € 50 million was increased by a further € 20 million. The Schaltbau Group's financial headroom has improved considerably as a result of the promissory note.

### *Analysis of capital structure*

The structure of long-term liabilities has changed following the placement of the promissory note. Other financial liabilities now amount to € 70.7 million (31 December 2014: € 1.1 million), whereas non-current liabilities to banks fell to € 49.4 million (31 December 2014: € 91.9 million). Overall, non-current financial liabilities increased to € 120.2 million at the end of the reporting period (31 December 2014: € 93.0 million). Pension provisions decreased by € 2.5 million, primarily as a result of the interest rate applied. The total amount of non-current liabilities stood at € 170.7 million at the end of the six-month period (31 December 2014: € 145.5 million) and therefore increased only moderately during the second quarter.

Current liabilities rose to € 114.9 million (31 December 2014: € 103.2 million), reflecting higher trade accounts payable on the one hand (due to the rise in business volumes) and higher other liabilities on the other (due to payroll and value-added taxes payable).

Net financial liabilities (current and non-current bank liabilities plus other financial liabilities less cash and cash equivalents) amounted to € 115.1 million at 30 June 2015 (31 December 2014: € 79.8 million). The debt ratio (based on annualised EBITDA) was 2.3 compared to 2.1 at 31 December 2014. By comparison to the situation at 31 March 2015, the change in the debt ratio was minimal.

Alongside the promissory note, the Group had access to credit lines totalling € 149.0 million at the end of the reporting period (31 December 2014: € 149.2 million), of which € 56.7 million (31 December 2014: € 62.1 million) have been drawn down as loans. Current account credit lines available at the end of the reporting period amounted to € 92.3 million (31 December 2014: € 87.1 million), of which € 75.0 million is available until December 2017. An amount of € 15.7 million (31 December 2014: € 50.6 million) of the current account credit lines (including guarantee lines) was being utilised at 30 June 2015.

Equity rose from € 112.5 million to € 121.2 million over the six-month period, primarily as a result of the net profit for the period. The equity ratio of 29.8 per cent (31 December 2014: 31.2 per cent) remained within the target range.

#### *Liquidity analysis*

The negative cash flow from operating activities amounted to € 11.7 million (January to June 2014; negative amount of € 2.6 million). The net cash outflow was primarily attributable to the increase in working capital, particularly during the first quarter. Working capital levels remained generally stable during the second quarter despite the growth in business volumes, with the increase in receivables more or less matching the increase in trade accounts payable.

The net cash outflow for investing activities totalling € 8.9 million (January to June 2014; net cash outflow of € 20.3 million) includes the payment for the additional investment in RDS. The higher figure in the previous year includes the payment of the purchase price for ALTE Technologies' operations, the investment in Albatros and the increase in the investment in RAWAG. Capital expenditure on property, plant and equipment was also higher in the previous year due to capacity expansion measures.

The net cash inflow from financing activities of € 12.5 million (January to June 2014; € 28.8 million) includes proceeds of € 70 million from the issue of the promissory note, which was used in part to reduce the syndicated credit. The higher overall volume of liabilities mainly reflects financing for higher working capital requirements. Cash and cash equivalents were reduced by the dividend payment of approximately € 6.0 million resolved at the Annual General Meeting and by the acquisition of treasury shares. A further 23,422 treasury shares were acquired during the second quarter, as a result of which the total number held at 30 June 2015 increased to 163,728 shares.

Overall, cash and cash equivalents decreased by € 7.1 million to € 19.1 million over the six-month period.

#### *Net assets*

Non-current assets edged up to € 155.9 million (31 December 2014: € 149.1 million), mainly reflecting the increase in intangible assets recognised in conjunction with the acquisition of RDS.

Current assets increased to € 250.9 million (31 December 2014: € 212.1 million), largely due to the increases in inventories and receivables described above.

Working capital rose by 33.0 per cent to € 163.1 million (31 December 2014: € 122.6 million).

## Non-financial performance indicators

### Employees

At 30 June 2015 the Schaltbau Group employed a workforce of 2,772 people (31 December 2014: 2,651).

The number of employees working in the **Mobile Transportation Technology** segment increased from 1,168 to 1,259. More staff members were recruited to increase capabilities in production and development. The segment employed an additional 39 people through the majority acquisition of RDS. In the **Stationary Transportation Technology** segment the number of employees rose from 753 to 763, mainly due to the expansion of production facilities. Within the segment, around 50 employees switched from Pintsch Bamag's drive technology department to Pintsch Bubenzer. The **Components** segment recruited new staff, particularly in development and sales. The number of employees in the segment rose from 706 to 726.

### Events after the end of the reporting period

On 15 July 2015, Schaltbau GmbH acquired 65 per cent of SPII S.p.A., which is based in Saronno, Italy, and specialises in railway and automation components. The remaining 35 per cent are owned by the founding family Foiadelli, who will continue to be represented at management level. SPII develops, manufactures and sells innovative systems and components in the field of transportation technology, such as master controllers and driver's cab equipment as well as disconnectors and earthing switches. Furthermore, SPII offers service and maintenance for rolling stock as well as components for logistics and materials handling.

The company has been distributor and sales partner of Schaltbau GmbH in Italy for over 40 years. With this acquisition, the Schaltbau Group is bolstering its activities in the fields of components and rolling stock and supplementing its master controllers product group to include important systems and components that will help significantly improve its market position. In 2015, SPII expects to generate sales of approximately € 27 million with 110 employees.

## Report on outlook, opportunities and risks

Generally, macroeconomic conditions have developed in line with predictions made in the Outlook Report, which is part of the Group Management Report 2014 (see Annual Report pages 51 to 53).

In light of the acquisition of a majority share in SPII, the Schaltbau Group aims to generate sales in the region of € 485 million for the full year. Furthermore, the increase compared with the previous year's sales figure of € 429.6 million is the result of growing revenue contributions from the entities ALTE Technologies and RAWAG, which have been consolidated for the full year the first time, and organic sales growth in the Components segment.

Due to integration costs and other expenditure, the acquisition of SPII is unlikely to have a major effect on Group profit in 2015. Profit before financial result and taxes (EBIT) is therefore still forecast at € 37.0 million, with Group net profit expected to reach € 22.3 million, equivalent to earnings per share of € 2.91.

The Schaltbau Group's risk and opportunity situation has not changed significantly compared to that described in the Annual Report 2014. The risk and opportunity report is presented on pages 44 to 51 of the Annual Report. From today's perspective, no risks have been identified that pose a threat to the going-concern status of the Group.

# Condensed Interim Consolidated Financial Statements as at 30.06.2015

## Consolidated Income Statement for the period from 1 January to 30 June 2015

€000	1.1.-30.06.2015	1.1.-30.06.2014
1. Sales	235,579	196,710
2. Change in inventories of finished and work in progress	7,527	3,495
3. Own work capitalised	1,624	1,743
<b>4. Total output</b>	<b>244,730</b>	<b>201,948</b>
5. Other operating income	3,209	1,755
6. Cost of materials	122,014	100,976
7. Personnel expense	75,830	65,323
8. Amortisation and depreciation	5,435	4,502
9. Other operating expenses	25,101	20,606
<b>10. Profit from operating activities (EBIT)</b>	<b>19,559</b>	<b>12,296</b>
a) Result from at-equity accounted investments	-1,333	1,816
b) Other results from investments	2,465	10,960
11. Results from investments	1,132	12,776
a) Interest income	111	52
b) Interest expense	2,189	1,935
12. Finance result	-2,078	-1,883
<b>13. Profit before tax</b>	<b>18,613</b>	<b>23,189</b>
14. Income taxes	4,700	2,937
<b>15. Group net profit for the period</b>	<b>13,913</b>	<b>20,252</b>
<b>Analysis of group net profit</b>		
attributable to minority shareholders	3,039	2,290
attributable to the shareholders of Schaltbau Holding AG	10,874	17,962
Group net profit for the period	<b>13,913</b>	<b>20,252</b>
<b>Earnings per share – undiluted:</b>	<b>1.80 €</b>	<b>2.93 €</b>
<b>Earnings per share – diluted:</b>	<b>1.80 €</b>	<b>2.93 €</b>

## Statement of Income and Expenses recognised in equity for the period from 1 Jan. to 30 June 2015

€000	1.1.-30.06.2015			1.1.-30.06.2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
<b>Group net profit for the period</b>			<b>13,913</b>			<b>20,252</b>
Actuarial gains/losses relating to pensions	2,195	-659	1,536	-3,599	1,080	-2,519
<b>Items which may subsequently be reclassified to profit or loss</b>						
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			3,674			-93
- from at-equity accounted companies			-152			35
Derivative financial instruments						
- Change in unrealised gains / losses	-264	79	-185	-417	125	-292
- Realised gains / losses	466	-140	326	107	-32	75
	202	-61	3,663	-310	93	-275
<b>Other comprehensive income</b>			<b>5,199</b>			<b>-2,794</b>
<b>Group comprehensive income</b>			<b>19,112</b>			<b>17,458</b>
of which attributable to minority shareholders			4,163			2,155
of which attributable to the shareholders of Schaltbau			14,949			15,303

## Consolidated Income Statement for the second quarter 2015

€000	1.4.-30.06.2015	1.4.-30.06.2014
1. Sales	128,132	104,707
2. Change in inventories of finished and work in progress	2,537	1,300
3. Own work capitalised	866	908
<b>4. Total output</b>	<b>131,535</b>	<b>106,915</b>
5. Other operating income	1,181	661
6. Cost of materials	65,650	53,896
7. Personnel expense	39,029	33,860
8. Amortisation and depreciation	2,762	2,303
9. Other operating expenses	14,104	11,439
<b>10. Profit from operating activities (EBIT)</b>	<b>11,171</b>	<b>6,078</b>
a) Result from at-equity accounted investments	-217	452
b) Other results from investments	2,466	10,635
11. Results from investments	2,249	11,087
a) Interest income	37	34
b) Interest expense	1,132	1,025
12. Finance result	-1,095	-991
<b>13. Profit before tax</b>	<b>12,325</b>	<b>16,174</b>
14. Income taxes	2,225	1,225
<b>15. Group net profit for the period</b>	<b>10,100</b>	<b>14,949</b>
<b>Analysis of group net profit</b>		
attributable to minority shareholders	1,618	1,264
attributable to the shareholders of Schaltbau Holding AG	8,482	13,685
Group net profit for the period	<b>10,100</b>	<b>14,949</b>
<b>Earnings per share – undiluted:</b>	<b>1.40 €</b>	<b>2.23 €</b>
<b>Earnings per share – diluted:</b>	<b>1.40 €</b>	<b>2.23 €</b>

## Statement of Income and Expenses recognised in equity for the second quarter 2015

€000	1.4.-30.06.2015			1.4.-30.06.2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
<b>Group net profit for the period</b>			<b>10,100</b>			<b>14,949</b>
Actuarial gains/losses relating to pensions	4,989	-1,497	3,492	-1,800	540	-1,260
<b>Items which may subsequently be reclassified to profit or loss</b>						
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			-2,466			408
- from at-equity accounted companies			-181			98
Derivative financial instruments						
- Change in unrealised gains / losses	259	-78	181	-193	58	-135
- Realised gains / losses	223	-67	156	6	-2	4
	482	-145	-2,310	-187	56	375
<b>Other comprehensive income</b>			<b>1,182</b>			<b>-885</b>
<b>Group comprehensive income</b>			<b>11,282</b>			<b>14,064</b>
of which attributable to minority shareholders			960			1,384
of which attributable to the shareholders of Schaltbau			10,322			12,680

## Consolidated Cash Flow Statement for the period from 1 January to 30 June 2015

€ 000	1.1.-30.06.2015	1.1.-30.06.2014
<b>Profit before financial result and taxes (EBIT)</b>	<b>19,559</b>	<b>12,296</b>
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	5,428	4,501
Gains/losses on the disposal of intangible assets and property, plant and equipment	-6	-5
Change in current assets	-38,852	-19,489
Change in provisions	-1,513	-471
Change in current liabilities	8,034	3,106
Dividends received	0	704
Income tax paid	-3,925	-3,256
Other non-cash income / expenses	-439	-3
<b>Cash flow from operating activities</b>	<b>-11,714</b>	<b>-2,617</b>
<b>Payments for investments in:</b>		
- intangible assets and property, plant and equipment	-7,256	-8,415
- non-current financial assets	-1,000	-2,151
- Acquisitions of minority interests	-688	-9,779
<b>Proceeds from disposal of:</b>		
- property, plant and equipment	72	21
<b>Cash flow from investing activities</b>	<b>-8,872</b>	<b>-20,324</b>
Share buyback programme	-5,086	-
Dividend payment by Schaltbau Holding AG	-5,988	-5,892
Distribution to minority interests	-1,534	-1,545
Repayment of participation rights capital	-	-7,255
Promissory note issued	70,000	-
Loan repayments	-5,075	-2,770
Loans rised	-	8,500
Interest paid	-1,775	-2,331
Interest received	107	52
Change in current financial liabilities	-38,172	40,037
<b>Cash flow from financing activities</b>	<b>12,477</b>	<b>28,796</b>
Change in cash funds due to exchange rate fluctuations	973	-79
<b>Changes in cash funds</b>	<b>-7,136</b>	<b>5,776</b>
Cash funds at the end of the period	19,068	18,933
Cash funds at the beginning of the period	26,204	13,157
	<b>-7,136</b>	<b>5,776</b>

## Consolidated Balance Sheet as at 30 June 2015

<b>ASSETS</b>	<b>€ 000</b>	<b>€ 000</b>
	30.06.2015	31.12.2014
<b>A. NON-CURRENT ASSETS</b>		
I. Intangible assets	60,747	52,452
II. Property, plant and equipment	70,727	68,659
III. At-equity accounted investments	3,014	5,979
IV. Other investments	7,606	7,003
V. Deferred tax assets*	13,812	15,006
	<b>155,906</b>	<b>149,099</b>
<b>B. CURRENT ASSETS</b>		
I. Inventories	98,207	85,657
II. Trade accounts receivable	113,689	80,265
III. Income tax receivables	377	522
IV. Other receivables and assets	20,256	20,051
V. Cash and cash equivalents	18,367	25,654
	<b>250,896</b>	<b>212,149</b>
<b>Total assets</b>	<b>406,802</b>	<b>361,248</b>
<b>EQUITY AND LIABILITIES</b>		
	<b>€ 000</b>	<b>€ 000</b>
	30.06.2015	31.12.2014
<b>A. EQUITY</b>		
I. Subscribed capital	7,506	7,506
II. Capital reserves	15,872	15,872
III. Statutory reserves	231	231
IV. Revenues reserves*	56,084	40,688
V. Income/expense recognised directly in equity	3,606	1,208
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	10,874	24,780
VIII. Equity attributable to shareholders of Schaltbau Holding AG	97,214	93,326
IX. Minority interests	23,953	19,213
	<b>121,167</b>	<b>112,539</b>
<b>B. NON-CURRENT LIABILITIES</b>		
I. Pension provisions	36,527	39,072
II. Personnel-related accruals	4,037	3,924
III. Other provisions	595	535
IV. Financial liabilities	120,156	92,989
V. Other liabilities	99	160
VI. Deferred tax liabilities	9,315	8,823
	<b>170,729</b>	<b>145,503</b>
<b>C. CURRENT LIABILITIES</b>		
I. Personnel-related accruals	6,169	7,708
II. Other provisions	23,068	22,325
III. Income taxes payable	770	965
IV. Financial liabilities	13,305	12,366
V. Trade accounts payable	37,333	31,508
VI. Advance payments received	11,482	11,827
VII. Other liabilities	22,779	16,507
	<b>114,906</b>	<b>103,206</b>
<b>Total equity and liabilities</b>	<b>406,802</b>	<b>361,248</b>

## Consolidated Statement of Changes in Equity as at 30 June 2015

	Equity attributable to shareholders of Schaltbau Holding AG					
	Subscribed capital	Capital reserves	Statutory reserves	Revenue Reserves Other	Reserves Derivate financial Instruments	Revaluation reserve
<b>Balance at 1.1.2014</b>	<b>7,506</b>	<b>15,805</b>	<b>231</b>	<b>32,944</b>	<b>-1,111</b>	<b>3,041</b>
Profit brought forward	0	0	0	21,371	0	0
Dividends	0	0	0	-5,892	0	0
Change in Group reporting entity	0	0	0	0	0	0
Other changes	0	0	0	-4	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-2,520	-216	0
Group comprehensive income	0	0	0	-2,520	-216	0
<b>Balance at 30.6.2014</b>	<b>7,506</b>	<b>15,805</b>	<b>231</b>	<b>45,899</b>	<b>-1,327</b>	<b>3,041</b>
<b>Balance at 1.7.2014</b>	<b>7,506</b>	<b>15,805</b>	<b>231</b>	<b>45,899</b>	<b>-1,327</b>	<b>3,041</b>
Dividends	0	0	0	0	0	0
Change in Group reporting entity	0	0	0	0	0	0
Other changes	0	67	0	-1,740	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-2,162	18	0
Group comprehensive income	0	0	0	-2,162	18	0
<b>Balance at 31.12.2014</b>	<b>7,506</b>	<b>15,872</b>	<b>231</b>	<b>41,997</b>	<b>-1,309</b>	<b>3,041</b>
<b>Balance at 1.1.2015</b>	<b>7,506</b>	<b>15,872</b>	<b>231</b>	<b>41,997</b>	<b>-1,309</b>	<b>3,041</b>
Profit brought forward	0	0	0	24,780	0	0
Dividends	0	0	0	-5,988	0	0
Other changes	0	0	0	-5,073	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	1,536	141	0
Group comprehensive income	0	0	0	1,536	141	0
<b>Balance at 30.06.2015</b>	<b>7,506</b>	<b>15,872</b>	<b>231</b>	<b>57,252</b>	<b>-1,168</b>	<b>3,041</b>

Note: rounding differences may arise due to the use of electronic rounding aids.

Income/expenses directly in equity	recognised		Net profit for the period	Total	Minority interests in equity			Group equity
	from fully consolidation	from at-equity consolidation			in capital and reserves	in net profit for the period	Total	
<b>-103</b>	<b>-583</b>	<b>21,371</b>	<b>79,101</b>	<b>6,940</b>	<b>3,377</b>	<b>10,317</b>	<b>89,418</b>	
0	0	-21,371	0	3,377	-3,377	0	0	
0	0	0	-5,892	-1,699	0	-1,699	-7,591	
0	0	0	0	4,879	0	4,879	4,879	
0	0	0	-4	0	0	0	-4	
0	0	17,962	17,962	0	2,290	2,290	20,252	
42	35	0	-2,659	-135		-135	-2,794	
42	35	17,962	15,303	-135	2,290	2,155	17,458	
<b>-61</b>	<b>-548</b>	<b>17,962</b>	<b>88,508</b>	<b>13,362</b>	<b>2,290</b>	<b>15,652</b>	<b>104,160</b>	
<b>-61</b>	<b>-548</b>	<b>17,962</b>	<b>88,508</b>	<b>13,362</b>	<b>2,290</b>	<b>15,652</b>	<b>104,160</b>	
0	0	0	0	1	0	1	1	
0	0	0	0	167	0	167	167	
0	0	0	-1,673	0	0	0	-1,673	
0	0	6,818	6,818	0	2,058	2,058	8,876	
1,783	34	0	-327	1,335	0	1,335	1,008	
1,783	34	6,818	6,491	1,335	2,058	3,393	9,884	
<b>1,722</b>	<b>-514</b>	<b>24,780</b>	<b>93,326</b>	<b>14,865</b>	<b>4,348</b>	<b>19,213</b>	<b>112,539</b>	
<b>1,722</b>	<b>-514</b>	<b>24,780</b>	<b>93,326</b>	<b>14,865</b>	<b>4,348</b>	<b>19,213</b>	<b>112,539</b>	
0	0	-24,780	0	4,348	-4,348	0	0	
0	0	0	-5,988	-2,169	0	-2,169	-8,157	
0	0	0	-5,073	2,746	0	2,746	-2,327	
0	0	10,874	10,874	0	3,039	3,039	13,913	
2,550	-152	0	4,075	1,124	0	1,124	5,199	
2,550	-152	10,874	14,949	1,124	3,039	4,163	19,112	
<b>4,272</b>	<b>-666</b>	<b>10,874</b>	<b>97,214</b>	<b>20,914</b>	<b>3,039</b>	<b>23,953</b>	<b>121,167</b>	

## **Explanatory Notes and segment information as at 30 June 2015**

### **DESCRIPTION OF BUSINESS**

The Schaltbau Group is one of the leading suppliers of components and equipment for transportation technology and industry. The enterprise supplies complete level crossing systems, shunting and signalling technology, door and boarding systems for buses, trains and commercial vehicles, toilet modules, air conditioning units, industrial braking systems for container cranes and wind power plants as well as high- and low-voltage components for railway vehicles and other applications. Its innovative and future-oriented products make Schaltbau a highly influential business partner in the area of traffic technology.

### **BASIS OF PREPARATION**

The Interim Financial Report of Schaltbau Holding AG, Munich, has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), and with those of German Accounting Standard No. 16 "Interim Reporting" issued by the Accounting Standards Committee of Germany (DRSC). The same accounting principles and policies have been applied as in the consolidated financial statements for the fiscal year ended 31 December 2014.

In addition to the figures reported in the financial statements, the interim report also includes explanatory notes to selected financial statement items.

### **BUSINESS COMBINATIONS / GROUP REPORTING ENTITY**

In accordance with contracts signed in 2011, Gebr. Bode & Co. Beteiligungs GmbH acquired a further 15.0 % of the shares of Rail Door Solutions Ltd. (RDS), Milton Keynes, United Kingdom, on 15 May 2015 for a purchase consideration of € 722,000, bringing Bode's investment up to 65.0 %. As a result of gaining control over RDS, this entity is now fully consolidated. For reasons of simplicity and taking materiality into consideration, RDS has been fully consolidated with effect from 1 May 2015. In accordance with IFRS accounting requirements, the previous carrying amount of the investment in RDS (accounted for at equity) was increased to the Group's share of the fair value of RDS's assets and liabilities, and the gain of € 2,466,000 recorded in other results from investments. The non-controlling interest of the minority shareholders (35.0 %) is valued at the proportionate fair value of the entity's net assets. RDS, which continues to operate as part of the Mobile Transportation Technology segment, is a recognised service partner in the field of construction, modernisation, repair and maintenance of door systems for railway vehicles, primarily for customers in the United Kingdom and Ireland. The shareholding increase undertaken by the Bode Group is part of the Schaltbau Group's continued expansion strategy. With the rail market operating on an increasingly global scale, the international orientation of suppliers continues to gain in significance, reflecting the fact that customers' requirements -- including rapid response to service requests -- can only be satisfactorily addressed by a local presence.

As a result of the changes in the group reporting entity, the figures reported in the consolidated financial statements are not fully comparable with the previous year. The principal effects on the consolidated balance sheet at 30 June 2015 attributable to the acquisition of the additional RDS shares are disclosed in the table below. In order to achieve better comparability, the amounts shown must be deducted from (or, in the case of amounts shown with a negative sign, added to) the corresponding line items in the consolidated balance sheet as at 30 June 2015. It should be noted that the determination of the fair value of the assets and liabilities acquired has not yet been completed and that the carrying amounts of the assets and liabilities of RDS are still based on the amounts reported in the separate financial statements, based on local accounting practises. The computations relating to the recognition and measurement of acquired assets and liabilities in accordance with IFRS are expected to be completed in the third quarter 2015.

Balance Sheet at 30 June 2015			
	€ 000		€ 000
Intangible assets and property, plant and equipment	7,225	Revenue reserves including translation differences	106
At-equity accounted investments	-1,531	Group net profit after minority interests	2,472
Deferred tax assets	37	Minority interests in equity	2,855
Inventories	295	Deferred tax liabilities	0
Trade accounts receivable	1,572	Provisions	93
Receivables from associated companies	-18	Liabilities to banks	1,146
Other assets	318	Trade accounts payable	528
Cash and cash equivalents	40	Sundry other liabilities	738
	7,938		7,938

The following summary shows the impact of the transaction on the income statement after elimination of intragroup items. In order to achieve better comparability, the amounts shown must be deducted from the corresponding line items in the consolidated income statement.

Income statement 1 Jan. – 30 June 2015		Income statement 1 April – 30 June 2015	
	€ 000		€ 000
Sales	1,401	Sales	1,401
Change in inventories	19	Change in inventories	19
Own work capitalised	0	Own work capitalised	0
Other operating income	0	Other operating income	0
Cost of materials	417	Cost of materials	417
Personnel expense	723	Personnel expense	723
Amortisation and depreciation	5	Amortisation and depreciation	5
Other operating expenses	143	Other operating expenses	143
Result from investments	2,415	Result from investments	2,415
Net interest result	-13	Net interest result	-13
Income taxes	26	Income taxes	26
<b>Group net profit for the period</b>	<b>2,508</b>	<b>Group net profit for the period</b>	<b>2,508</b>
Attributable to minority interests	36	Attributable to minority interests	36
Attributable to Schaltbau Holding AG	2,472	Attributable to Schaltbau Holding AG	2,472
Group net profit for the period	2,508	Group net profit for the period	2,508

Based on the recognised fair value of assets and liabilities measured at the dates on which assets and liabilities were consolidated for the first time, the gaining of control over RDS through the acquisition of the remaining shares in that entity had the following impact:

<b>Disclosures in €000</b>	Carrying amounts at acquisition date	Fair value adjust- ments	Fair values at acquisition date
Intangible assets	8		8
Property, plant and equipment	133		133
Investments	0		0
Deferred tax assets	37		37
Inventories	310		310
Trade accounts receivable	1,307		1,307
Other assets	395		395
Cash and cash equivalents	37		37
<b>Total assets acquired</b>	<b>2,227</b>		<b>2,227</b>
Deferred tax liabilities	0		0
Provisions	84		84
Liabilities to banks	372		372
Other financial liabilities	0		0
Trade accounts payable	592		592
Sundry other liabilities	665		665
<b>Total liabilities acquired</b>	<b>1,713</b>		<b>1,713</b>
<b>Net assets acquired</b>			<b>514</b>
Acquisition cost	722		
Fair value of own shares of acquired entities	3,946		
Fair value attributable to minority interests	2,762		
			7,430
<b>Goodwill</b>			<b>6,916</b>

It is assumed that goodwill arising on first-time full consolidation will not be deductible for tax purposes.

If the business acquisition of RDS had taken place with effect from 1 January, Group sales would have been € 2,557,000 higher and Group net profit would have increased by € 237,000 (of which € 83,000 attributable to minority shareholders). The additional impact of eliminating intra-group receivables and payables and intragroup profit cannot be quantified.

Other disclosures required by IFRS 3 could not be determined before the interim consolidated financial statements were issued for authorisation. The collation of necessary data has not yet been completed. It is expected that this data will become available during the third quarter.

### **Discontinued operations**

Operations relating to Maritime Aids to Navigation (previously allocated to the Stationary Transportation Technology segment) were sold with effect from 1 April 2015. The disclosures required by IFRS have not been provided on the grounds of immateriality.

## USE OF ESTIMATES

For the purposes of drawing up the consolidated financial statements, it is necessary to make estimates and assumptions which affect the carrying amounts of assets, liabilities and contingent liabilities at the balance sheet and the amounts of income and expense recognised in the period under report. Actual results can differ from estimates as a result of changes in the economic situation and due to other circumstances.

## FOREIGN CURRENCY TRANSLATION

The financial statements of consolidated companies whose functional currency is not the Euro are drawn up in accordance with the modified closing rate method. Exchange rates relevant for foreign currency translation into Euro changed as follows:

	Closing rate		Average rate	
	30.06.2015	31.12.2014	1.1. bis 30.06.2015	1.1. bis 30.06.2014
Chinese renminbi yuan	6.9366	7.5358	6.8435	8.4208
US dollar	1.1189	1.2141	1.1172	1.3710
British pound	0.7114	0.7789	0.7333	0.8216
New Turkish lire	2.9953	2.8320	2.8610	2.9653
Polish Zloty	4.1911	4.2732	4.1407	4.1747

## ACCOUNTING PRINCIPLES AND POLICIES

### Provisions

Pension provisions are measured on the basis of values stated in the relevant actuarial reports for 2015, taking into account pensions paid during the period under report and the change in the interest rate level. The interest rate at the end of the quarter is calculated on the basis of the discount rate updated in accordance with the Mercer Pension Discount Yield Curve Approach (MPDYC). Adjustments resulting from the change in the interest rate level are recognised directly in equity, net of deferred tax. The provision for obligations for early retirement part-time working arrangements is based on management estimates, unlike in the financial statements for the year ended 31 December 2013 when the provision was based on actuarial reports.

### Contingent liabilities

Contingent liabilities correspond to contingent obligations existing at the balance sheet date.

### Consolidated cash flow statement

The cash flow statement shows changes in the Schaltbau Group's cash and cash equivalents. Cash and cash equivalents comprise checks, cash on hand, cash at bank and the net amount on cash management balances with non-consolidated companies (see also additional disclosures made for the Consolidated Statement of Cash Flows).

The cash flow statement has been prepared in accordance with IAS 7, with cash flows classified into cash flows from operating, investing and financing activities. The cash flow from operating activities is determined using the indirect method.

## ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

### PERSONNEL EXPENSE / EMPLOYEES

in € 000	1.1. – 30.06.	2015	2014
Wages and salaries		63,626	54,795
Social security, pension and welfare expenses		12,204	10,528
		<b>75,830</b>	<b>65,323</b>
<b>EMPLOYEES</b>			
		2015	2014
Employees		2,516	2,107

These employee figures show the weighted average for the period under report (including trainees, executives and board members).

### Results from investments

The **result from at-equity accounted investments** includes the Group's share of earnings for the current financial year of BoDo Bode-Dogrusan A.S., Albatros S.L. and Rail Door Solutions Ltd., the latter up to the date of first-time full consolidation (January - June 2014: BoDo Bode-Dogrusan A.S., Rail Door Solutions Ltd. and RAWAG Sp.z.o.o. the latter up to the date of first-time full consolidation).

Other results from investments include the gains arising on the fair value measurement of the shares held in Rail Door Solutions Ltd. (current year) and RAWAG Sp.z.o.o. (previous year) prior to first-time full consolidation. In the previous year, this line item also included an impairment loss recognised on the investment in Bode North America Inc.

### FINANCIAL RESULT

in € 000	1.1. – 30.06.	2015	2014
Other interest and similar income (of which from affiliated companies)		111 (23)	52 (-)
Interest and similar expenses (of which to affiliated companies)		-2,189 (0)	-1,935 (-8)
		<b>-2,078</b>	<b>-1,883</b>

Interest expenses include €406,000 (1.1. – 30.06.2015: € 590,000) relating to the interest component of the allocation to the pension provision.

### INCOME TAXES

in € 000	1.1. – 30.06.	2015	2014
Income tax expense		-3,672	-2,279
Deferred tax expense		-1,028	-658
		<b>-4,700</b>	<b>-2,937</b>

EUR 522,000 (January – June 2014: EUR 947,000) of deferred tax assets, recognised in previous accounting periods on tax losses available for carryforward in Germany, were derecognised.

## NOTES TO THE CONSOLIDATED BALANCE SHEET

### INTANGIBLE ASSETS, PLANT PROPERTY AND EQUIPMENT AND INVESTMENTS

The **revaluation method** has only been applied for land. The revaluation reserve did not change during the period under report.

Negative **at-equity values** are not recognised in the consolidated balance sheet. The only entity in the Schaltbau Group with a negative at-equity value (€ 262,000) is Albatros S.L., which has arisen for the first time during the period under report. This amount is not recognised in the result from investments. It is expected that the negative amount will reverse in the coming years.

### INVENTORIES

<b>in € 000</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
Raw materials, consumables and supplies	<b>41,764</b>	<b>38,104</b>
Work in progress	<b>41,786</b>	<b>33,870</b>
Finished products, goods for resale	<b>14,052</b>	<b>12,969</b>
Advance payments to suppliers	<b>605</b>	<b>714</b>
	<b>98,207</b>	<b>85,657</b>

Write-downs totalling € 941,000 (January – June 2014: € 346,000) and reversals of impairment losses totalling € 64,000 (January – June 2014: € 237,000) were recognised on inventories during the period under report. Write-downs on inventories at the end of the reporting period totalled € 16,934,000 (2014: € 16,582,000).

### RECEIVABLES AND OTHER ASSETS

<b>in € 000</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
Trade accounts receivable	<b>113,689</b>	<b>80,265</b>
Receivables from affiliated companies	<b>12,975</b>	<b>10,576</b>
Receivables from associated companies	<b>237</b>	<b>1,291</b>
Income tax receivables	<b>377</b>	<b>522</b>
Other assets	<b>7,044</b>	<b>8,184</b>
	<b>134,322</b>	<b>100,838</b>

Allowances on trade accounts receivable amount to € 5,259,000 (30 June 2014: € 3,874,000). Write-downs amounting to € 1,570,000 (January – June 2014: € 622,000) and reversals of write-downs amounting to € 126,000 (January – June 2014: € 24,000) were recorded against receivables and other assets.

## CASH AND CASH EQUIVALENTS

in € 000	30.06.2015	31.12.2014
Cheques and cash on hand	99	36
Cash at bank	18,268	25,618
	<b>18,367</b>	<b>25,654</b>

## CHANGES IN GROUP EQUITY

Details relating to the line items presented in the balance sheet are shown in the Statement of Changes in Group Equity.

## PROVISIONS

in € 000	30.06.2015	31.12.2014
<b>Non-current provisions</b>		
Pension provision*	<b>36,527</b>	<b>39,072</b>
Personnel-related accruals	4,037	3,924
Warranties	325	284
Other provisions	270	251
Other non-current provisions	<b>4,632</b>	<b>4,459</b>
	<b>41,159</b>	<b>43,531</b>
<b>Current provisions</b>		
Personnel-related accruals	<b>6,169</b>	<b>7,708</b>
Current tax	2,748	2,927
Warranties	8,547	8,423
Outstanding costs and material	8,908	7,387
Other provisions	2,865	3,588
Other current provisions	<b>23,068</b>	<b>22,325</b>
	<b>29,237</b>	<b>30,033</b>
Total provisions*	<b>70,396</b>	<b>73,564</b>

A discount rate of 2.2 % (2014: 1.8 %) was used to compute the pension provision. The resulting € 2,197,000 decrease in the pension provision was recognised directly in equity.

## LIABILITIES

in € 000	30.06.2015	31.12.2014
<b>Non-current liabilities</b>		
Liabilities to banks	49,409	91,853
Finance lease liabilities	52	51
Other financial liabilities	70,695	1,085
Financial liabilities	<b>120,156</b>	<b>92,989</b>
Other liabilities	<b>99</b>	<b>160</b>
	<b>120,255</b>	<b>93,149</b>
<b>Current liabilities</b>		
Current income tax liabilities	<b>770</b>	<b>965</b>
Liabilities to banks	13,260	12,285
Finance lease liabilities	18	35
Other financial liabilities	27	46
Financial liabilities	<b>13,305</b>	<b>12,366</b>
Trade accounts payable	<b>37,333</b>	<b>31,508</b>
Advance payments received	<b>11,482</b>	<b>11,827</b>
Payables to affiliated companies	205	388
Liabilities to other group entities	298	311
Negative fair values of derivatives	1,964	2,187
Sundry other liabilities	20,312	13,621
Other liabilities	<b>22,779</b>	<b>16,507</b>
	<b>85,669</b>	<b>73,173</b>
Total liabilities	<b>205,924</b>	<b>166,322</b>

Schaltbau Holding AG placed a € 70,000,000 promissory note (Schuldscheindarlehen) on the capital market on 30 June 2015. The promissory note comprises two tranches, one for € 28,500,000 (due 30 June 2022) and the other for € 41,500,000 (due 30 June 2025), with an average effective interest rate of 2.34 %. The promissory note is reported (net of transaction costs) within other financial liabilities, measured at amortised cost.

## SEGMENTS

The Group's segment designations are product-oriented. The Group's business units are allocated to the segment for which they generate most of their sales. A detailed description of the three segments, "Mobile Transportation Technology", "Stationary Transportation Technology" and "Components" is provided in the Combined Group and Company Management Report in the section "Business activities" and in the Group Interim Management Statement.

The column "Holding company, other consolidation items" comprises the activities of the holding company. This is influenced by the financing function of the holding company for the Group and by

the tax group arrangements in place in Germany. These expenses are not recharged to the subsidiaries concerned. By contrast, expenses incurred for providing centralised services (e.g. SAP system costs) are recharged. The financial reporting principles used for segment reporting correspond to those used in the consolidated financial statements.

### Reconciliations

€ 000	Sales		€ 000	EBIT	
1.1.-30.06.	2015	2014	1.1.-30.06.	2015	2014
Total sales of segments	236,340	197,601	Total EBIT of segments	23,017	15,501
Other sales	1,750	1,044	Other EBIT	-3,468	-3,206
Consolidation	-2,511	-1,935	Consolidation	10	1
Sales as per income statement	<b>235,579</b>	<b>196,710</b>	EBIT as per income statement	<b>19,559</b>	<b>12,296</b>

  

€ 000	Assets		€ 000	Liabilities	
30.06.	2015	2014	30.06.	2015	2014
Total segment assets	411,626	355,903	Total segment liabilities	250,454	224,273
Other assets excluding deferred tax asstes	81,407	69,723	Other liabilities excluding deferred tax liabilities	113,306	89,610
Deferred taxes	3,888	4,335	Deferred taxes	25	-80
Consolidation	-90,119	-89,626	Consolidation	-78,150	-77,628
Group assets as per balance sheet	<b>406,802</b>	<b>340,335</b>	Group liabilities as per balance sheet	<b>285,635</b>	<b>236,175</b>

"Other sales" comprise almost entirely sales recorded at the level of Schaltbau Holding AG for IT services provided to subsidiaries. These sales, together with inter-segment sales, are eliminated on consolidation.

"Other EBIT" comprises mainly expenses recorded at the level of Schaltbau Holding AG for personnel, non-rechargeable materials expenses, other operating expenses and other taxes.

"Other assets" relate primarily to receivables of Schaltbau Holding AG from affiliated companies in connection with financing activities. These receivables are eliminated on consolidation along with other inter-segment receivables.

"Other liabilities" comprise mainly financial liabilities, pension provisions and payables to affiliated companies recorded at the level of Schaltbau Holding AG. The latter are eliminated on consolidation along with other inter-segment payables.

## PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

### 1.1. – 30.06.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2015	2014	2015	2014
Order-intake (external)	112,556	91,397	81,525	78,844
Sales	109,382	84,994	61,474	57,957
- of which external	109,093	84,751	61,354	57,630
- of which with other segment	289	243	120	327
External order-book	160,304	133,724	95,838	97,214
EBITDA	13,573	7,313	181	-72
Result from operating activities (EBIT)	11,706	6,176	1,546	-1,795
Result from at-equity accounted investments	-1,333	1,816	0	0
Other results from investments	2,465	11,057	0	-422
Interest income	62	94	29	43
Interest expense	-588	-452	-1,114	-1,305
Income taxes	-2,033	-876	-723	-462
Segment result / Group result	10,279	17,815	-3,354	-3,941
Changes in group reporting entity	3,112	21,198	0	0
Capital expenditure on investments	0	1,703	0	-2
Impairment losses on investments	0	-720	0	-422
Capital expenditure <sup>1)</sup>	2,258	2,787	2,976	3,075
Amortisation and depreciation <sup>1)</sup>	-1,867	-1,137	-1,727	-1,723
Impairment losses	-137	0	-98	-172
Reversal of impairment losses	118	25	8	24
Other significant non-cash expenses	-3,537	-3,757	-3,524	-3,195
Segment assets <sup>2)</sup>	163,920	138,859	125,686	111,726
Investments accounted for at-equity	3,014	5,062	0	0
Capital employed <sup>3)</sup>	122,772	106,223	98,448	81,797
Segment liabilities <sup>4)</sup>	82,926	68,173	103,537	95,623
Employees (average as per HGB)	1,142	827	689	660
EBIT margin <sup>5)</sup>	10.7 %	7.3 %	-2.5 %	-3.1 %
Return on capital employed <sup>6)</sup>	19.1 %	11.6 %	-3.1 %	-4.4 %

<sup>1)</sup> = in / on intangible assets and property, plant and equipment

<sup>2)</sup> = Balance sheet total

<sup>3)</sup> = Working capital (inventories + trade accounts receivable – advance payments received – trade accounts payable) plus non-current assets excluding deferred tax assets

<sup>4)</sup> = Liabilities

<sup>5)</sup> = EBIT / external sales

<sup>6)</sup> = EBIT / capital employed (EBIT extrapolated to annual amount)

Components		Sub-total		Holding, Reconciling items		Schaltbau Group	
2015	2014	2015	2014	2015	2014	2015	2014
65,258	57,424	259,339	227,665	39	46	259,378	227,711
65,484	54,650	236,340	197,601	-761	-891		
65,094	54,284	235,541	196,665	38	45	235,579	196,710
390	366	799	936	-799	-936		
62,985	52,155	319,127	283,093			319,127	283,093
14,508	12,621	28,262	19,862	-3,268	-3,064	24,994	16,798
12,857	11,120	23,017	15,501	-3,458	-3,205	19,559	12,296
0	0	-1,333	1,816	0	0	-1,333	1,816
0	325	2,465	10,960	0	0	2,465	10,960
22	40	113	177	-2	-125	111	52
-704	-721	-2,406	-2,478	217	543	-2,189	-1,935
-1,675	-1,021	-4,431	-2,359	-269	-578	-4,700	-2,937
10,500	9,743	17,425	23,617	-3,512	-3,365	13,913	20,252
0	0	3,112	21,198	0	0	3,112	21,198
0	0	0	1,701	1,004	450	1,004	2,151
0	0	0	-1,142	0	0	0	-1,142
1,671	2,525	6,905	8,387	351	28	7,256	8,415
-1,644	-1,500	-5,238	-4,360	-190	-141	-5,428	-4,501
-2,276	-796	-2,511	-968	0	0	-2,511	-968
64	212	190	261	0	0	190	261
-4,396	-5,618	-11,457	-12,570	-1,234	-1,323	-12,691	-13,893
122,020	105,318	411,626	355,903	-4,824	-15,568	406,802	340,335
0	0	3,014	5,062	0	0	3,014	5,062
93,038	79,173	314,258	267,193	-9,082	-11,187	305,176	256,006
63,991	60,477	250,454	224,273	35,181	11,902	285,635	236,175
661	599	2,492	2,086	24	21	2,516	2,107
19.8 %	20.5 %					8.3 %	6.3 %
27.6 %	28.1 %					12.8 %	9.6 %

## PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

### 1.4. – 30.06.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2015	2014	2015	2014
Order-intake (external)	58,566	52,751	39,120	36,508
Sales	57,052	47,353	36,401	30,701
- of which external	56,894	47,144	36,285	30,436
- of which with other segment	158	209	116	265
External order-book	160,304	133,274	95,838	97,214
EBITDA	6,518	3,737	2,078	-139
Result from operating activities (EBIT)	5,533	3,096	1,223	-978
Result from at-equity accounted investments	-216	452	0	0
Other results from investments	2,465	11,057	0	-422
Interest income	29	47	-11	20
Interest expense	-306	-282	-560	-677
Income taxes	-959	-464	-417	-186
Segment result / Group result	6,546	13,906	235	-2,243
Changes in group reporting entity	3,112	21,198	0	0
Capital expenditure on investments	0	1,703	0	-2
Impairment losses on investments	0	-720	0	-422
Capital expenditure <sup>1)</sup>	1,333	2,035	1,656	1,415
Amortisation and depreciation <sup>1)</sup>	-985	-641	-855	-839
Impairment losses	-137	0	-68	0
Reversal of impairment losses	2	25	1	0
Other significant non-cash expenses	-879	-1,257	-1,078	-1,447
Segment assets <sup>2)</sup>	163,920	138,859	125,686	111,726
Investments accounted for at-equity	3,014	5,062	0	0
Capital employed <sup>3)</sup>	122,772	106,223	98,448	81,797
Segment liabilities <sup>4)</sup>	82,926	68,173	103,537	95,623
Employees (average as per HGB)	1,142	827	689	660
EBIT margin <sup>5)</sup>	9.7 %	6.6 %	3.4 %	3.2 %
Return on capital employed <sup>6)</sup>	18.0 %	11.7 %	5.0 %	4.8 %

<sup>1)</sup> = in / on intangible assets and property, plant and equipment

<sup>2)</sup> = Balance sheet total

<sup>3)</sup> = Working capital (inventories + trade accounts receivable – advance payments received – trade accounts payable) plus non-current assets excluding deferred tax assets

<sup>4)</sup> = Liabilities

<sup>5)</sup> = EBIT / external sales

<sup>6)</sup> = EBIT / capital employed (EBIT extrapolated to annual amount)

Components		Sub-total		Holding, Reconciling items		Schaltbau Group	
2015	2014	2015	2014	2015	2014	2015	2014
34,438	26,196	132,124	115,455	19	21	132,143	115,476
34,988	27,282	128,441	105,336	310	629		
34,790	27,106	127,969	104,686	162	21	128,131	104,707
198	176	472	650	-472	-650		
62,985	52,155	319,127	283,093			319,127	283,093
6,923	6,423	15,519	10,021	-1,587	-1,640	13,932	8,381
6,097	5,671	12,853	7,789	-1,683	-1,711	11,170	6,078
0	0	-216	452	0	0	-216	452
0	0	2,465	10,635	0	0	2,465	10,635
9	20	27	87	11	-53	38	34
-340	-371	-1,206	-1,330	74	304	-1,132	-1,026
-773	-388	-2,149	-1,038	-76	-187	-2,225	-1,225
4,993	4,932	11,774	16,595	-1,674	-1,647	10,100	14,948
0	0	3,112	21,198	0	-3	3,112	21,195
0	0	0	1,701	1,002	450	1,002	2,151
0	0	0	-1,142	0	0	0	-1,142
1,110	1,448	4,099	4,898	169	22	4,268	4,920
-820	-751	-2,660	-2,231	-96	-71	-2,756	-2,302
-1,362	-644	-1,567	-644	0	0	-1,567	-644
64	144	67	169	0	0	67	169
587	-1,277	-1,370	-3,981	-433	-642	-1,803	-4,623
122,020	105,318	411,626	355,903	-4,824	-15,568	406,802	340,335
	0	3,014	5,062	0	0	3,014	5,062
93,038	79,173	314,258	267,193	-9,082	-11,187	305,176	256,006
63,991	60,477	250,454	224,273	35,181	11,902	285,635	236,175
661	599	2,492	2,086	24	21	2,516	2,107
17.5 %	20.9 %					8.7 %	5.8 %
26.2 %	28.7 %					14.6 %	9.5 %

## CONSOLIDATED CASH FLOW STATEMENT

### Composition of cash funds

Cash funds comprise:

<b>€ 000</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
Cash and cash equivalents	<b>18,367</b>	<b>25,654</b>
Balance on cash management accounts	<b>701</b>	<b>550</b>
	<b>19,068</b>	<b>26,204</b>

<b>€ 000</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Cash and cash equivalents	<b>19,545</b>	<b>14,392</b>
Balance on cash management accounts	<b>-612</b>	<b>-1,235</b>
	<b>18,933</b>	<b>13,157</b>

In addition to cash and cash equivalents, the balance on cash management accounts with non-consolidated subsidiaries is included. This item is presented in the balance sheet in current other liabilities (payables to affiliated companies).

## OTHER DISCLOSURES

### Contingent liabilities and other financial commitments

in € 000	30.06.2015	31.12.2014
<b>Other financial obligations</b>		
Rental and lease expenses	10,151	9,445
Other commitments	3,895	4,895

**Contingent liabilities** amounted to € 3,862,000 at 30 June 2015 (31 December 2014: € 3,436,000). The risk of incurring costs in connection with these contingent liabilities is considered small. The rental and leasing expenses shown under **other financial obligations** have been calculated on the basis of the earliest possible cancellation dates.

Other financial obligations are all of a nature and amount customary for the business.

### Related party relationships

Transactions between fully consolidated companies on the one hand and associated and non-consolidated companies on the other are disclosed below from the perspective of the fully consolidated companies:

	Volume of services performed		Volume of services received	
	1.1.-30.6.2015	1.1.-30.6.2014	1.1.-30.6.2015	1.1.-30.6.2014
	€ 000	€ 000	€ 000	€ 000
Associated companies				
goods and services	77	1,243	701	2,188
other relationships		-	30	-
Non-consolidated companies				
goods and services	6,265	5,162	1,343	3,222
other relationships	237	25	1,120	715

The following receivables and payables existed at the balance sheet date from the perspective of the fully consolidated companies (mostly relating to the supply of goods).

	Receivables		Payables	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	€ 000	€ 000	€ 000	€ 000
Associated companies	237	1,291	298	311
Non-consolidated companies	12,975	10,576	205	388

## Events after the end of the reporting period

On 15 July 2015 Schaltbau GmbH, Munich, a wholly owned subsidiary of Schaltbau Holding AG, acquired 65 per cent of the shares of SPII S.p.A., Saronno, Italy, which specialises in railway and automation components, for an acquisition price of € 13,650,000. The remaining 35 per cent remain in the hands of the Foadelli family, which founded the company and continues to be represented in the company's management. SPII's operations have been allocated to the Component segment. The newly acquired entity designs, manufactures and sells innovative systems and components for the railway sector, including driver desks, control panels as well as power disconnecting and earthing equipment. Its range of products also includes engineering and maintenance services for trains as well as the sale of components used in logistics and material handling systems. For over 40 years, SPII has served as a reliable and prestigious distributor and selling partner for Schaltbau GmbH in Italy. The acquisition of SPII strengthens the position of the Schaltbau Group in the fields of Components and Rolling Stock. Close collaboration between SPII and Schaltbau GmbH entities will add a number of major systems and components to the existing Railway Control Devices product group, thus reinforcing the Group's market position substantially. SPII expects to generate sales of approximately € 27 million in the financial year 2015 with a workforce of 110 employees. As a result of integration and other expenses, the transaction is not expected to have a material impact on Schaltbau Holding AG's group earnings in the financial year 2015.

Other disclosures required by IFRS 3 could not be determined before the interim consolidated financial statements were issued for authorisation. The collation of necessary data has not yet been completed. It is expected that this data will become available before the end of the financial year 2015.

Munich, 31 July 2015  
Schaltbau Holding AG  
The Executive Board



Dr. Jürgen Cammann



Elisabeth Prigge

## Disclaimer

Some of the assertions made in this report may be similar in character to forecasts or may be interpreted as such. The assertions are made to the best of the knowledge and belief of management and apply, in accordance with the nature of such asserts, on the condition that there are no massive contraction of the markets relevant for the Schaltbau Group and in the specific market position of the individual group entities and that the forecasting assumptions turn out to be appropriate, both in terms of scale and timing. The Company does not assume any responsibility for updating forward-looking assertions.

## Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

Munich, 31 July 2015

Schaltbau Holding AG  
The Executive Board



Dr. Jürgen Cammann



Elisabeth Prigge

## Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 30 June 2015 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

**Schaltbau Holding AG**

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