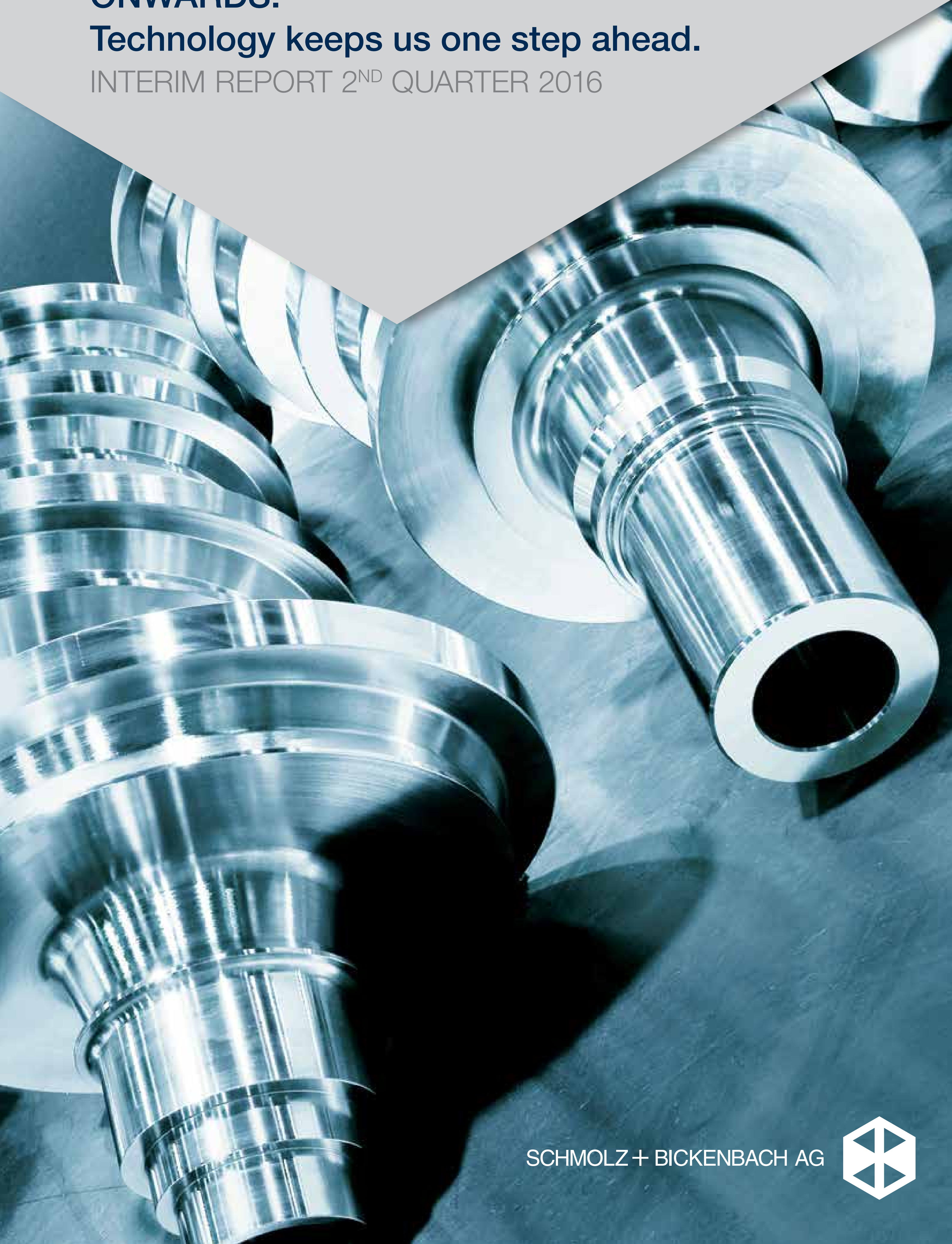
ONWARDS.
Technology keeps us one step ahead.

INTERIM REPORT 2ND QUARTER 2016



SCHMOLZ + BICKENBACH AG

Our key figures

	Unit	1.1.–30.6.2016	1.1.–30.6.2015	Change on prior year %	Q2 2016	Q2 2015	Change on prior year %
SCHMOLZ + BICKENBACH GROUP							
Sales volume	kilotonnes	932	952	–2.1	471	469	0.4
Revenue	million EUR	1 222.3	1 488.9	–17.9	618.7	723.2	–14.4
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	million EUR	77.5	117.5	–34.0	52.5	61.1	–14.1
Operating profit before depreciation and amortisation (EBITDA)	million EUR	71.5	112.5	–36.4	49.6	58.0	–14.5
Adjusted EBITDA margin	%	6.3	7.9	–1.6	8.5	8.4	0.1
EBITDA margin	%	5.8	7.6	–1.8	8.0	8.0	0.0
Operating profit (EBIT)	million EUR	11.1	49.1	–77.4	19.4	27.6	–29.7
Earnings before taxes (EBT)	million EUR	–11.7	26.4	nm	7.9	17.4	–54.6
Net income (loss) (EAT)	million EUR	–22.0	–117.6	–81.3	2.4	4.8	–50.0
Investments	million EUR	33.7	77.5	–56.5	16.3	58.3	–72.0
Free cash flow from continuing operations	million EUR	25.6	–7.9	nm	38.9	–10.2	nm
Net debt [1]	million EUR	454.0	471.1	–3.6	–	–	–
Gearing [1]	%	67.1	62.8	4.3	–	–	–
Employees as at balance sheet date [1]	positions	8 946	8 910	0.4	–	–	–
Total assets [1]	million EUR	2 085.4	2 109.0	–1.1	–	–	–
Shareholders' equity [1]	million EUR	676.9	750.6	–9.8	–	–	–
Equity ratio [1]	%	32.5	35.6	–3.1	–	–	–
SCHMOLZ + BICKENBACH SHARE							
Earnings per share [2]	EUR/CHF	–0.02/–0.02	–0.13/–0.14	–	0.00/0.00	0.00/0.00	–
Earnings per share from continuing operations [2]	EUR/CHF	–0.02/–0.02	0.01/0.01	–	0.01/0.01	0.01/0.01	–
Shareholders' equity per share	EUR/CHF	0.70/0.76	0.85/0.89	–	–	–	–
Highest/lowest share price	CHF	0.71/0.45	1.08/0.78	–	–	–	–

[1] As at 30 June 2016 and 31 December 2015, respectively.

[2] The earnings per share are based on the net income (loss) of the Group after deduction of the portions allocable to the non-controlling interests.

Five-quarter overview

	Unit	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Key operational figures						
Sales volume	kilotonnes	469	410	401	461	471
Order backlog	kilotonnes	476	395	395	444	454
Income statement						
Revenue	million EUR	723.2	619.7	571.3	603.6	618.7
Gross profit	million EUR	276.6	204.9	205.9	230.2	245.1
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	million EUR	61.1	11.5	40.6	25.0	52.5
Operating profit before depreciation and amortisation (EBITDA)	million EUR	58.0	10.3	36.2	21.9	49.6
Operating profit (loss) (EBIT)	million EUR	27.6	−19.6	5.4	−8.3	19.4
Earnings before taxes (EBT)	million EUR	17.4	−32.4	−5.0	−19.6	7.9
Earnings after taxes from continuing operations	million EUR	10.3	−32.7	−14.9	−24.0	5.9
Net income (loss) (EAT)	million EUR	4.8	−34.1	−15.1	−24.4	2.4
Cash flow/investments/depreciation/amortisation						
Cash flow before changes in net working capital	million EUR	59.1	−1.3	−8.6	22.7	34.3
Cash flow from operating activities of continuing operations	million EUR	47.5	86.4	133.2	3.2	54.7
Cash flow from investing activities of continuing operations	million EUR	−57.7	24.3	−57.0	−16.5	−15.8
Free cash flow from continuing operations	million EUR	−10.2	110.7	76.2	−13.3	38.9
Investments	million EUR	58.3	24.1	60.3	17.4	16.3
Depreciation	million EUR	30.4	29.9	30.8	30.2	30.2
Net assets and financial structure						
Non-current assets	million EUR	990.8	970.8	1 010.0	994.7	995.4
Current assets	million EUR	1 485.5	1 222.7	1 099.0	1 115.8	1 090.0
Net working capital	million EUR	928.9	843.8	690.8	704.4	688.6
Total assets	million EUR	2 476.3	2 193.5	2 109.0	2 110.5	2 085.4
Shareholders' equity	million EUR	814.5	765.7	750.6	687.7	676.9
Non-current liabilities	million EUR	857.9	775.7	715.2	762.9	749.9
Current liabilities	million EUR	803.9	652.1	643.2	659.9	658.6
Net debt	million EUR	637.9	543.7	471.1	488.5	454.0
Employees						
Employees as at closing date	positions	8 900	8 927	8 910	8 928	8 946
Value management						
Capital employed	million EUR	1 841.2	1 739.0	1 622.1	1 612.2	1 589.2
Key figures on profit/net assets and financial structure						
Gross margin/revenue	%	38.2	33.1	36.0	38.1	39.6
Adjusted EBITDA margin	%	8.4	1.9	7.1	4.1	8.5
EBITDA margin	%	8.0	1.7	6.3	3.6	8.0
EBIT margin	%	3.8	−3.2	0.9	−1.4	3.1
EBT margin	%	2.4	−5.2	−0.9	−3.2	1.3
Equity ratio	%	32.9	34.9	35.6	32.6	32.5
Gearing	%	78.3	71.0	62.8	71.0	67.1

OUR PROFILE

SCHMOLZ + BICKENBACH is one of the leading producers of premium special steel long products, operating with a global sales and service network.

We focus on meeting our customers' specific needs and delivering high-quality products.

We are the benchmark for special steel solutions.

CONTENTS

Dear shareholders,

We recorded solid earnings in the second quarter of 2016 and significantly improved our performance compared to the first three months of the year. The focus on implementing internal measures to increase profitability has already taken effect. Our cost base has been reduced considerably. Implementation of projects to this effect continues and is on schedule. We will see these through to completion, further enhancing our competitive position in the process.

The successful implementation of measures was accompanied by a brighter mood on the market. Fears concerning the condition of the Chinese economy dominated headlines at the beginning of the year. The difficult geopolitical situation and its impact on global economic growth was also a source of hesitation. Concerns of this kind dissipated over the course of the quarter in light of a more optimistic assessment of the general business situation. The steel industry, including our companies, benefited from this slightly better mood.

Improved earnings in the second quarter confirmed our opinion that the situation bottomed out in the first three months of the year. The price rise for our products seen in June is further cause for cautious optimism. If the positive mood on the markets continues despite the UK leaving the EU and other events such as the upcoming presidential elections in the USA, we can enter the second half of the year with cautious confidence. Notwithstanding this, the economic environment remains fragile. As a result, it remains to be seen whether the slightly positive trend will continue in the coming months.

Quarterly figures improved compared to the first quarter of 2016

The slightly improved trend in the market environment can be seen in the improved key figures compared to the first quarter of 2016. Sales volume rose from 461 kilotonnes to 471 kilotonnes, revenue from EUR 603.6 million to EUR 618.7 million and adjusted EBITDA from EUR 25.0 million to EUR 52.5 million. Compared to the strong second quarter of 2015, sales volume rose by 0.4% in the second quarter of 2016 from 469 kilotonnes to 471 kilotonnes. On account of lower sales prices, revenue fell 14.4% to EUR 618.7 million compared to EUR 723.2 million in the prior year. Adjusted EBITDA fell by 14.1%. Nevertheless, the corresponding margin was raised to 8.5% from 8.4% in the prior-year period.

Thanks to our shareholders, employees and customers

On behalf of the Board of Directors and Executive Board, I would like to thank our shareholders for the confidence they have shown in our Company. I would also like to thank our employees, who work for the future success of SCHMOLZ + BICKENBACH each and every day. Last but not least, allow me to thank our customers and business partners for the good and long-standing working relationship and the trust they have placed in us.

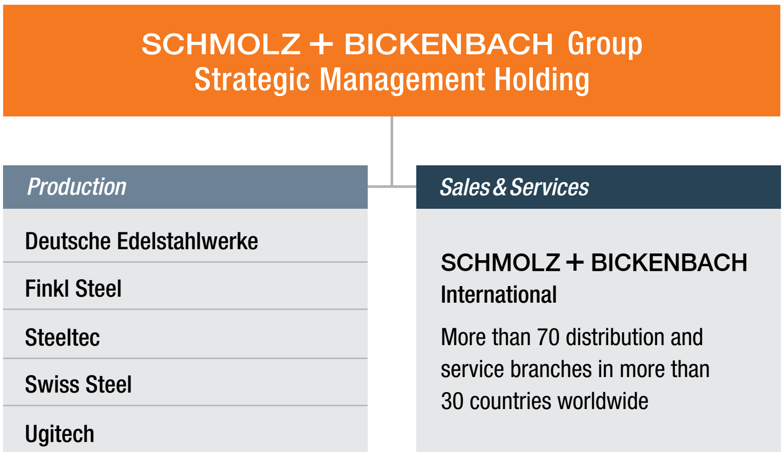
Clemens Iller
CEO

Management report

BUSINESS ENVIRONMENT AND STRATEGY

SCHMOLZ + BICKENBACH is an independent and fully integrated steel Group with operations around the world. One of the leading global producers of special long steel, we have an integrated business model built around the *Production* and *Sales & Services* divisions, which allows SCHMOLZ + BICKENBACH to leverage strategic and operational synergies. With a premium product portfolio and a focus on research and development, we tap into strategic growth markets, build on our leading position and expand our presence.

Business model



Our divisions

***Production* – specialised steelmaking, forging and rolling plants in Europe and North America; drawing mills, bright steel production and heat treatment in northern and western Europe and Turkey**

The *Production* division encompasses the business units Deutsche Edelstahlwerke, Finkl Steel, Steeltec, Swiss Steel and Ugitech. SCHMOLZ + BICKENBACH operates a total of nine steelmaking plants in Canada, France, Germany, Switzerland and the USA. Of these, six have their own melting furnaces, while three operate without on-site melting facilities. The steel plants complement each other in terms of formats and qualities, covering the entire spectrum for special long steel. Besides the three main product groups – engineering steel, stainless steel and tool steel – the range includes special steel products.

SCHMOLZ + BICKENBACH is represented in Denmark, Germany, Sweden, Switzerland and Turkey, where it operates its own processing plants. These include bar- and wire-drawing mills, bright steel production plants, and heat-treatment facilities, where high-grade steel is processed to produce bespoke long steel products to the customer's exact specifications. Characteristics such as close dimensional tolerance, strength and surface quality are precisely matched to the customer's brief.
The operations in the *Production* division sell their products via the *Sales & Services* division or directly to external customers.

Sales & Services – a reliable global partner in steel consulting, processing and supply
We combine our sales activities within our *Sales & Services* division, and guarantee the consistent and reliable supply of special steel and end-to-end customer solutions worldwide with around 70 distribution and service branches in more than 30 countries. These include technical consulting and downstream processes such as sawing, milling and hardening, heat treatment as well as supply chain management. The product range is dominated by special long steel from our own *Production* division, supplemented by a selection of products from third-party providers. We pursue the goal of offering our customers global access to our products and services – with excellent quality standards and first-class service. To this end, we consciously and continuously extend our distribution network and focus on attractive growth regions that will continue to ensure the sustainable growth of the SCHMOLZ + BICKENBACH Group in the future.

Strategy and corporate management

Our long-term goal is to create a robust, profitable, innovative and global group for special long steel. Our strategy, geared towards sustainable earnings growth, dictates the tactical moves in our corporate development, including realising the market and structural synergy potential of an integrated group. The SCHMOLZ + BICKENBACH Group has developed into an internationally leading supplier of special long steel as a result of a successful buy and build investment strategy launched in 2003. Our core competency – and the focus of our corporate strategy – is ensuring our production companies are ideally placed. We align our entire internal supply chain to support our *Production* division and focus on the processing and sale of mill-own products.

Strategic growth potential
We strive to extend our leading position in our core business and have identified key potential to do so as follows:

> Enhance and optimise the product portfolio continuously (with a focus on technical products) and expand sales activities by strengthening our international sales network
> Continue to deepen know-how in application industries and expand operations in new application areas as a way to strengthen customer loyalty and safeguard our position as technology leader
> Strengthen our innovative capacity through internal measures and targeted collaboration with customers and other external partners such as universities and trade associations
> Position and strengthen SCHMOLZ + BICKENBACH as an attractive brand in the sales, capital and employment markets
> Exploit synergies and complementary strengths within the Group to the fullest extent
> Take M&A opportunities as they arise with a focus on growth regions and consolidation opportunities

For further information on the environment and strategy, see the 2015 annual report, pages 26 – 35.

CAPITAL MARKET

SCHMOLZ + BICKENBACH share price development

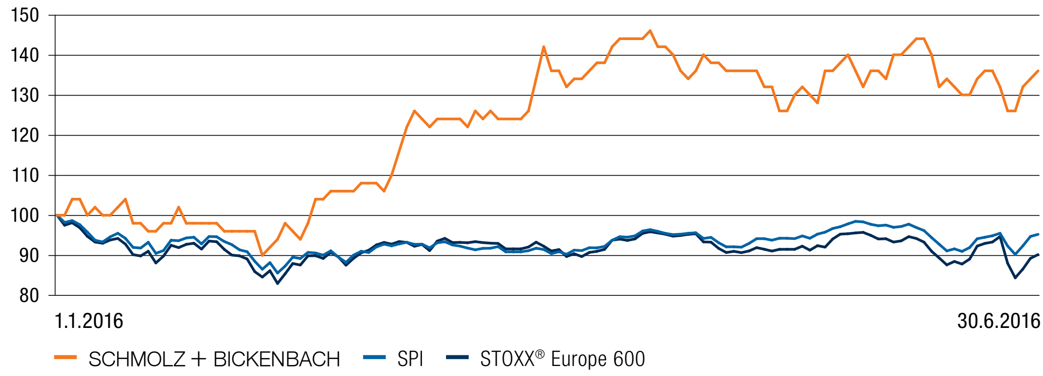
As was the case in the first three months, the second quarter was again characterised by considerable fluctuations on global stock markets. Substantial corrections were triggered by the weak figures seen on the US employment market, unease surrounding the Brexit referendum and ultimately the surprising outcome of the referendum at the end of June. These setbacks were, however, followed by repeated strong rallies of share prices, driven by the expected deferral of further interest rate increases in the USA and more optimistic noises regarding economic growth in China. In spite of the high volatility, the most important share indices saw a general sideward movement.

The economy in the eurozone proved robust in the second quarter. The picture in the USA is similar, although on the other side of the Atlantic the consumer mood continued to improve and contributed to solid economic growth. Following a difficult first quarter, China began to recover in the reporting period and recently reported a return to growth in line with market expectations. A similar trend was seen in India, which set itself apart from other large emerging markets such as Brazil or Russia that continue to struggle with a period of weakness.

The Swiss franc saw moderate fluctuations in a band between 1.08 – 1.11 to the euro (EUR/CHF) and between 0.95 – 1.00 to the US dollar (USD/CHF) in the second quarter. The impact of the marked weakness of the pound sterling, which collapsed by more than 15% against the Swiss franc following the Brexit vote, on group figures is considered negligible due to the minor significance of this currency for SCHMOLZ + BICKENBACH.

Following a price gain of 42% in the first quarter, the SCHMOLZ + BICKENBACH share saw sideward movement in the second quarter. The brightened mood in the financial market compared to the metal and mining industries, rising scrap and commodity prices, further rumours concerning consolidation measures within the steel industry and temporarily lower imports from Asia to Europe failed to boost the share price further. The share closed the quarter on 30 June at CHF 0.68 unchanged compared to the beginning of the quarter. The SPI, which includes the SCHMOLZ + BICKENBACH share, rose by 5.3% in the same period, while the STOXX® Europe 600 was down 1.0%.

Development of share price from 1.1.2016 to 30.6.2016 | SCHMOLZ + BICKENBACH share compared to Swiss Performance Index (indexed) and to STOXX® Europe 600 (indexed)



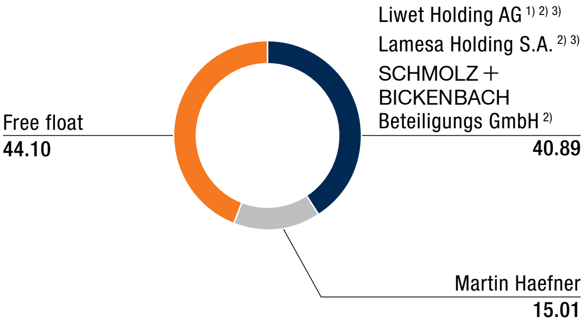
Facts and figures on the share

ISIN	CH0005795668
Securities number	579566
Ticker symbol	STLN
Bloomberg	STLN SE
Reuters	STLN.S
Type of security	Registered share
Trading currency	CHF
Listed on	SIX Swiss Exchange
Indices	SPI, SPI Extra, SPI ex SLI, Swiss All Share Index
Number of shares outstanding	945 000 000
Nominal value in CHF	0.50

The average daily trading volume was 0.43 million SCHMOLZ + BICKENBACH shares in the second quarter of 2016, compared to around 1.97 million shares in 2015 as a whole.

Overview shareholder structure as at 30.6.2016

in %



[1)] Acquisition of assets and liabilities of Venetos Holding AG, in Zurich (CHE-114.533.183), pursuant to the merger agreement dated 18.2.2015 and statement of financial position as at 29.12.2014.
[2)] The Group also holds 11 168 772 purchase options, corresponding to an underlying holding of 1.18%.
[3)] As at 31.12.2014, Venetos Holding AG, Switzerland, and Renova Industries Ltd., Bahamas, were direct shareholders. The beneficial owners did not change.

Share capital as at 30 June 2016 comprised 945 000 000 fully paid-up registered shares with a nominal value of CHF 0.50 each. There were no major changes to the shareholder structure in the reporting period.
Mr Viktor Vekselberg holds 40.89% of the shares in the Company and 1.18% of purchase rights indirectly via Liwet Holding AG and Lamesa Holding S.A., together with SCHMOLZ + BICKENBACH Beteiligungs GmbH. Liwet Holding AG, Lamesa Holding S.A. and SCHMOLZ + BICKENBACH GmbH & Co. KG, which bundles the interests of the former founding families, are parties to a shareholder agreement and are therefore treated as a group by SIX Swiss Exchange.

Financing

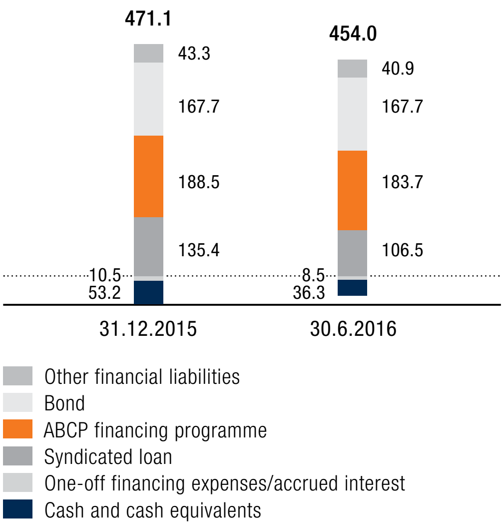
SCHMOLZ + BICKENBACH's financing structure is built on three main pillars: a syndicated loan, an ABCP financing programme and a corporate bond.

SCHMOLZ + BICKENBACH successfully refinanced the syndicated loan and ABCP financing programme in June 2014. The new revolving loan facility – once again a syndicated loan – and the ABCP financing programme replace or extend the previous financing which was due to mature in April 2015.

SCHMOLZ + BICKENBACH was able to extend the maturity dates considerably by a term of five years ending April 2019. The Company also secured better structural conditions for both financing lines.

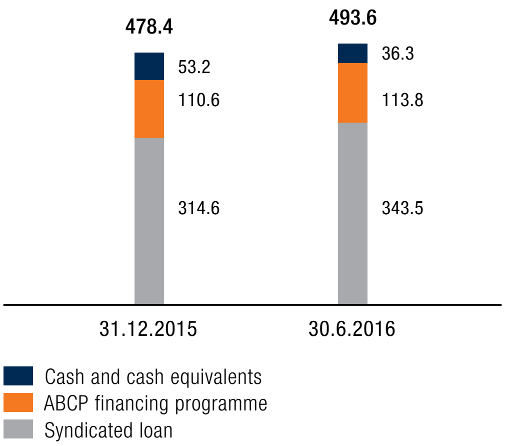
Net debt as at 30.6.2016

in million EUR



Financial headroom as at 30.6.2016

in million EUR



Unused financing lines and freely disposable funds come to around EUR 494 million as at 30 June 2016, ensuring the Company has sufficient financial resources.

Corporate bond 2012–2019 of SCHMOLZ + BICKENBACH Luxembourg S.A. (LU)

On 16 May 2012, SCHMOLZ + BICKENBACH issued a corporate bond with a final maturity date of 15 May 2019. The senior secured notes were issued by our indirect subsidiary SCHMOLZ + BICKENBACH Luxembourg S.A. (LU) at 96.957% of the nominal value and with a coupon of 9.875% p.a. Interest is payable semi-annually on 15 May and 15 November. The senior secured notes are listed on the Luxembourg Stock Exchange and traded on the Euro MTF market.

As at 30 June 2016, the bond was priced at 101.31%, giving an effective yield of 9.33%.

Key details of the corporate bond	
Issuer	SCHMOLZ + BICKENBACH Luxembourg S.A. (Luxembourg)
Listed on	Luxembourg Stock Exchange
ISIN	DE000A1G4PS9/DE000A1G4PT7
Type of security	Fixed-interest notes
Trading currency	EUR
Nominal volume	EUR 258.0 million
Outstanding volume	EUR 167.7 million
Pool factor	0.65253
Issue price	96.957%
Issue	16 May 2012
Coupon	9.875%
Interest payable	15 May and 15 November
Maturity	15 May 2019
Denomination	1 000
Minimum trading volume	100 000

Rating agency	Rating	Outlook	Latest rating
Moody's	B2	stable	24 May 2016
Standard & Poor's	B+	stable	19 October 2015

Financial calendar	
15 November 2016	Q3 Report 2016, Telephone Conference for the Media, Analysts and Investors
9 March 2017	Full Year Results 2016, Full Year Results Media Conference, Analyst and Investor Conference

Contact

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Fax: +41 (0)41 581 4280
Email: u.steiner@schmolz-bickenbach.com | www.schmolz-bickenbach.com

BUSINESS DEVELOPMENT OF THE GROUP

Key figures on results	1.1.–30.6.2016	1.1.–30.6.2015	Change on prior year %	Q2 2016	Q2 2015	Change on prior year %
in million EUR						
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Revenue	1 222.3	1 488.9	–17.9	618.7	723.2	–14.4
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Adjusted EBITDA margin (%)	6.3	7.9	–1.6	8.5	8.4	0.1
EBITDA margin (%)	5.8	7.6	–1.8	8.0	8.0	0.0
Operating profit (EBIT)	11.1	49.1	–77.4	19.4	27.6	–29.7
Earnings before taxes (EBT)	–11.7	26.4	nm	7.9	17.4	–54.6
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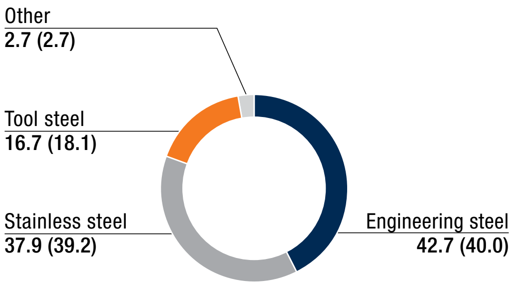
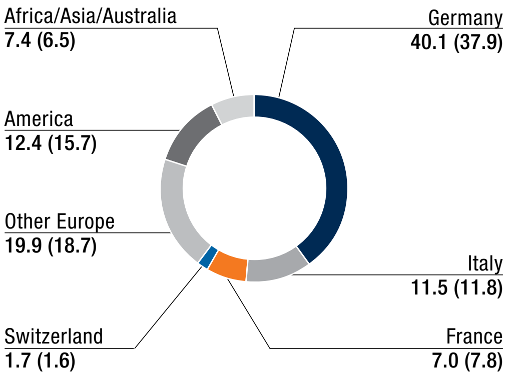
Net income (loss) (EAT)	–22.0	–117.6	–81.3	2.4	4.8	–50.0

Comparison of revenue by product group
Q2 2016 (Q2 2015) [1)]
in %



Comparison of revenue by region
Q2 2016 (Q2 2015) [1)]
in %



1) Following reclassification of the discontinued operations as at 31.3.2015 and deconsolidation of the respective entities as at 22.7.2015, the figures for the prior year now refer only to the continuing operations remaining in the Group.

Challenging market environment continues until mid-year

Following a challenging start in the first three months of the fiscal year, we also faced a difficult market in the second quarter. However, we are confident that the situation already bottomed out in the first quarter.

Order situation lags behind prior year, although steady increase observed

There was a decrease in order intake compared to 2015. The order backlog as at 30 June 2016 of 454 kilotonnes (2015: 476 kilotonnes) reflects the persistently challenging market environment. Nevertheless, this represents a slight increase compared to the first three months of 2016 and a further increase on the prior-year quarter. Although the volume of crude steel produced in the second quarter of the fiscal year of 495 kilotonnes was still down on the prior-year figure (2015: 515 kilotonnes), the 4% decrease compared to the prior-year figure is not as pronounced as it had been as at 31 March. This order volume and the corresponding production volume therefore confirms our cautious optimism.

Revenue below prior-year level as expected, sales volume stabilises

At 471 kilotonnes, volume in the second quarter was slightly higher compared to the prior year (2015: 469 kilotonnes). However, continued low prices for scrap and alloying elements sustained the pressure on base prices as well as on the alloy and scrap surcharges. The commodity prices that rose briefly at the beginning of the quarter have not recovered permanently, but rather have stabilised at a low level, and have not yet had a positive effect on our books. Compared to the prior year, revenue decreased accordingly by 14.4% to EUR 618.7 million (2015: EUR 723.2 million). Sales and revenue in all regions fell correspondingly short of the prior-year figures. Revenue in Europe decreased by 11.7%, primarily on account of prices, and revenue in North America decreased by as much as 32.7% due to the continued restrained situation on the oil and gas market.
Driven primarily by the robust automotive industry, the sales volume in the stainless steel and engineering steel product groups saw slight increases with stainless steel rising by 3.8% and engineering steel by 1.7% compared to the second quarter of 2015. By contrast, the sales volume for tool steel fell by 14.7% on account of the weakness in the oil and gas business as well as the pressure on imports in Europe. The continued high pressure on prices resulted in revenue decreases across all product groups of between 8.6% for engineering steel and 21.0% for tool steel.

Gross margin up on prior year

Cost of materials – adjusted for the change in semi-finished and finished products – fell compared to the prior-year quarter by 16.3% to EUR 373.6 million (2015: EUR 446.6 million). This development is in line with the decrease on the revenue side. As a result of this, the gross profit for the second quarter of the first half of the year came to EUR 245.1 million, 11.4% lower than in the comparative period (2015: EUR 276.6 million). In spite of the lower gross margin, we were able to increase the gross profit margin on the prior year from 37.7% to 38.9%.

Other expenses and earnings

The measures to increase profitability by reducing costs took effect in the second quarter. This led to a reduction of personnel expenses of nearly EUR 12 million, helped by one-off effects of roughly EUR 6 million. Personnel expenses decreased to EUR 134.9 million following EUR 146.4 million in the second quarter of 2015. The Group headcount rose slightly on account of new hires in growth regions. Thanks to cost consciousness and a more efficient and effective allocation of resources regarding other operating expenses totalling EUR 69.3 million, we were able to record additional savings of nearly EUR 10 million (2015: EUR 78.8 million). These savings primarily stemmed from reduced commission expenses and reduced maintenance and repair expenses. At EUR 8.7 million, other operating income in the second quarter of 2016 was slightly above the prior-year level of EUR 6.6 million, which had no significant effect on other operating profit.

Adjusted EBITDA and EBIT down on the prior year

As expected due to the sustained market situation which has stabilised at a low level, adjusted EBITDA came to EUR 52.5 million in the second quarter of 2016, lower than the prior-year figure of EUR 61.1 million. The adjusted EBITDA margin rose slightly by 0.1 percentage points to 8.5% in the second quarter of 2016.

Depreciation, amortisation and impairments stood at EUR 30.2 million, remaining virtually unchanged to the prior year (2015: EUR 30.4 million). Overall, this resulted in EBIT of EUR 19.4 million in the second quarter of 2016, compared to EBIT of EUR 27.6 million in the prior-year quarter. This results in accumulated EBIT for the first six months of EUR 11.1 million (2015: EUR 49.1 million).

Interest expense and financial liabilities up slightly

At EUR 11.6 million, expenses on financial liabilities were slightly higher than in the prior-year period (2015: EUR 10.4 million). This is chiefly attributable to interest expenses of EUR 10.3 million (2015: EUR 9.2 million) and costs in connection with the provision of loans.

Profit/loss from continuing operations positive

As a consequence of the matters presented above and thanks to the stabilisation at a low level and positive results in the tool steel segment, earnings after taxes (EAT) from continuing operations were positive in the second quarter of 2016. After accounting for income taxes of EUR 2.0 million (2015: EUR 7.1 million), EAT came to EUR 5.9 million (2015: EUR 10.3 million).

As at 30 June 2016, this results in EAT from continuing operations of EUR –18.1 million (2015: EUR 12.2 million), driven by a difficult beginning to the year.

Profit/loss from discontinued operations and earnings after taxes

In the second quarter, the sale of the discontinued operations resulted in expenses of EUR 3.5 million, following the loss of EUR 5.5 million still reported in the second quarter of the prior year. Thanks to the positive operating result, earnings after taxes came to EUR 2.4 million (2015: EUR 4.8 million), of which EUR 5.2 million (2015: EUR 9.6 million) was generated by continuing operations. On aggregate, this results in a loss from continuing operations as at 30 June 2016 of EUR 19.4 million (2015: EUR 11.0 million).

BUSINESS DEVELOPMENT OF THE DIVISIONS

Key figures of the divisions	1.1.–30.6.2016	1.1.–30.6.2015	Change on prior year %	Q2 2016	Q2 2015	Change on prior year %
in million EUR						
Production						
Revenue	1 112.6	1 382.4	–19.5	564.0	666.5	–15.4
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	63.3	111.6	–43.3	42.7	59.6	–28.4
Operating profit before depreciation and amortisation (EBITDA)	62.5	111.3	–43.8	41.9	59.9	–30.1
Adjusted EBITDA margin (%)	5.7	8.1	–2.4	7.6	8.9	–1.3
EBITDA margin (%)	5.6	8.1	–2.5	7.4	9.0	–1.6
Investments	31.9	35.6	–10.4	15.2	16.9	–10.1
Segment operating free cash flow	29.1	18.6	56.5	38.6	42.4	–9.0
Employees as at closing date [1]	7 588	7 546	0.6	–	–	–
Sales & Services						
Revenue	236.1	293.0	–19.4	116.8	145.7	–19.8
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	9.3	11.1	–16.2	5.3	5.7	–7.0
Operating profit before depreciation and amortisation (EBITDA)	9.1	11.1	–18.0	5.1	5.7	–10.5
Adjusted EBITDA margin (%)	3.9	3.8	0.1	4.5	3.9	0.6
EBITDA margin (%)	3.9	3.8	0.1	4.4	3.9	0.5
Investments	1.2	1.7	–29.4	0.6	1.2	–50.0
Segment operating free cash flow	16.7	–14.2	nm	9.9	1.8	nm
Employees as at closing date [1]	1 245	1 252	–0.6	–	–	–

[1] As at 30 June 2016 and 31 December 2015, respectively.

Segment reporting was limited to the continuing operations. The presentation of the prior period for the relevant segment, *Sales & Services*, was restated accordingly.

Revenue and EBITDA in the *Production* division below prior-year level

In the *Production* division, revenue was down in the second quarter compared to the prior year by EUR 102.5 million or 15.4% to EUR 564.0 million (2015: EUR 666.5 million) on account of the stable yet difficult market situation as well as the challenges in the oil and gas sector, although volumes remained at a similar level to the prior year. At EUR 42.7 million, adjusted EBITDA was therefore down 28.4% on the figure for the prior-year period (2015: EUR 59.6 million), meaning that the adjusted EBITDA margin also decreased further to 7.6% (2015: 8.9%). Thanks to ongoing efforts to monitor and optimise net working capital, the segment operating free cash flow was positive at EUR 38.6 million despite the difficult market environment, only slightly below the prior-year figure (2015: EUR 42.4 million).

Revenue and EBITDA down in the *Sales & Services* division

The difficult market environment was also felt in the *Sales & Services* division, where a 19.8% fall in revenue to EUR 116.8 million was seen (2015: EUR 145.7 million). Due to cost consciousness and a better product mix, at EUR 5.3 million, adjusted EBITDA was nevertheless on a level similar to the prior year (2015: EUR 5.7 million). The adjusted EBITDA margin rose as a result from 3.9% to 4.5%. The segment operating free cash flow in this division was also significantly improved thanks to the optimisation of net working capital, and amounted to EUR 9.9 million in the second quarter (2015: EUR 1.8 million).

FINANCIAL POSITION AND NET ASSETS

Key figures on the financial position and net assets	Unit	30.6.2016	31.12.2015	Change on prior year %
Shareholders' equity	million EUR	676.9	750.6	−9.8
Equity ratio	%	32.5	35.6	−3.1
Net debt	million EUR	454.0	471.1	−3.6
Gearing	%	67.1	62.8	4.3
Net working capital	million EUR	688.6	690.8	−0.3
Total assets	million EUR	2 085.4	2 109.0	−1.1

	Unit	1.1.–30.6.2016	1.1.–30.6.2015	Change on prior year %	Q2 2016	Q2 2015	Change on prior year %
Cash flow before changes in net working capital from continuing operations	million EUR	57.0	123.6	−53.9	34.3	59.1	−42.0
Cash flow from continuing operations	million EUR	57.9	68.6	−15.6	54.7	47.5	15.2
Cash flow from investing activities of continuing operations	million EUR	−32.3	−76.5	−57.8	−15.8	−57.7	−72.6
Free cash flow from continuing operations	million EUR	25.6	−7.9	nm	38.9	−10.2	nm
Depreciation and amortisation	million EUR	−60.4	−61.2	−1.3	−30.2	−30.4	−0.7
Investments	million EUR	33.7	77.5	−56.5	16.3	58.3	−72.0

Financial situation

Shareholders' equity and equity ratio down since year-end 2015

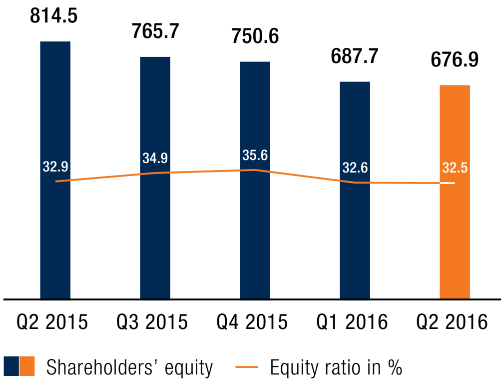
Since 31 December 2015, shareholders' equity decreased by EUR 73.7 million to EUR 676.9 million (31.12.2015: EUR 750.6 million). This decrease was in part due to the negative result for the first half of the year of EUR −22.0 million, which was fuelled by the difficult market environment, but mainly due to the actuarial losses on pension plans of EUR −50.6 million (net) reflected in the statement of comprehensive income. The equity ratio fell by 3.1 percentage points to 32.5% (31.12.2015: 35.6%).

Net debt reduced

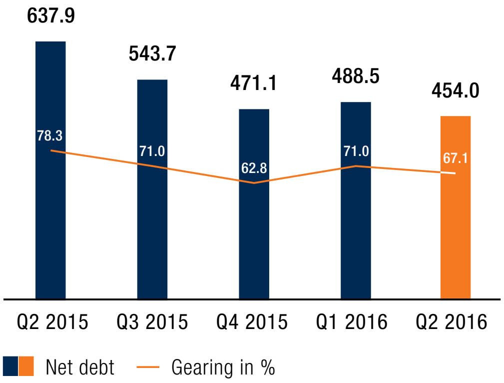
As a result of the positive free cash flow and the ongoing efforts concerning financial liabilities, net debt, comprising current and non-current financial liabilities less cash and cash equivalents, came to EUR 454.0 million, a decrease of 3.6% on the figure as at 31 December 2015 (31.12.2015: EUR 471.1 million).

The gearing, which expresses the relationship between the net debt to shareholders' equity, increased as a result of a stronger decrease in equity from 62.8% as at 31 December 2015 to 67.1%. As already presented in the first quarter, net debt has been steadily reduced quarter-on-quarter since Q1 2015.

Shareholders' equity and equity ratio
Q2 2015 – Q2 2016
in million EUR | in %



Net debt and gearing
Q2 2015 – Q2 2016
in million EUR | in %



Free cash flow up due to lower investments and thanks to reduced net working capital

The cash flow before changes in net working capital from continuing operations decreased by around EUR 67 million on the prior year, mainly due to the negative earnings before taxes of EUR –11.7 million (2015: EUR 26.4 million) and as a result of the decrease in other assets and liabilities of EUR 10.0 million (2015: EUR 17.1 million).
Thanks to the continuous reduction of net working capital, this resulted in a cash flow from operating activities of continuing operations of EUR 57.9 million (2015: EUR 68.6 million), just EUR 10.7 million lower than in the prior year. This was especially thanks to the successful reduction of inventories in the first half of the year, which compensated for the increase in trade accounts receivable stemming from the cautious recovery seen on markets.

At EUR –32.3 million, the cash flow from continuing operations was significantly lower than the prior-year level of EUR –76.5 million. However, the high prior-year figure was primarily attributable to the slag disposal site acquired in Siegen in the first half of 2015 as well as the acquisition of additional property in Düsseldorf.
Free cash flow from continuing operations for the first six months of the fiscal year was therefore EUR 33.5 million higher in total at EUR 25.6 million (2015: EUR –7.9 million).

Ongoing efforts to further lower net debt have significantly reduced financial liabilities as at 30 June 2016. As a result, however, outflows of EUR 32.8 million have been recorded with an effect on cash, following cash inflows of EUR 10.0 million in the comparative period of the prior year. At EUR 8.7 million (2015: EUR 17.2 million), interest paid was significantly below the prior-year period and reflects the reduced financial liabilities compared to the first six months of the prior year, but could only partially reduce the cash flow from financing activities, which totalled EUR –42.2 million in the first half of 2016 (2015: EUR –8.0 million).

Net assets

Total assets down slightly

Following the completion of the deconsolidation of the selected distribution entities in 2015, with a corresponding reduction in assets and liabilities, total assets decreased significantly as at year-end. Since year-end, total assets have remained stable and, at EUR 2 085.4 million as at 30 June 2016, only slightly changed compared to the figure as at year-end 2015 (31.12.2015: EUR 2 109.0 million). This is mainly due to the negative earnings after taxes of EUR –22.0 million for the first half of 2016.

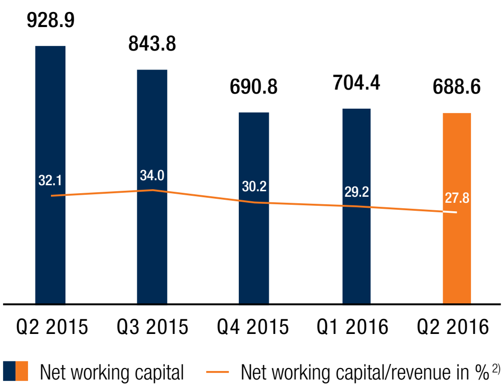
Share of non-current assets down on prior-year level due to depreciation

Compared to the comparative date, non-current assets decreased only slightly by EUR 14.6 million to EUR 995.4 million (31.12.2015: EUR 1 010.0 million). The decrease was mainly driven by depreciation of plants of EUR 60.4 million, which was partially compensated for by investments in new plants of around EUR 34.0 million as well as a EUR 16.4 million increase in deferred tax assets stemming from higher tax income on actuarial losses recognised on pension plans. The share of non-current assets in total assets remained relatively stable at 47.7% (31.12.2015: 47.9%).

Net working capital further reduced

In sum, non-current assets were reduced slightly by EUR 9.0 million to EUR 1 090.0 million. This was a result of higher receivables (EUR 59.2 million higher than as at 31.12.2015), partly compensated for by the successful reduction of inventories of EUR 52.0 million compared to the last reporting date. Although at EUR 688.6 million net working capital was only slightly below the level seen at year-end 2015 of EUR 690.8 million, the high net working capital recorded at the end of the first quarter was successfully reduced once again. Net working capital was again reduced in proportion to revenue to 27.8%. Thanks to the efficient management of net working capital, this figure has been steadily reduced since 30 September 2015 (34.0%).

Net working capital and net working capital/revenue [1)]
Q2 2015–Q2 2016
in million EUR | in %



[1)] Following reclassification of the discontinued operations as at 31.3.2015 and deconsolidation of the respective entities as at 22.7.2015, the figures for the prior year now refer only to the continuing operations remaining in the Group.
[2)] Net working capital as at the reporting date as a percentage of annualised quarterly revenue.

Discount rates for pension provisions main driver of increased liabilities

Non-current liabilities totalled EUR 749.9 million as at the reporting date (31.12.2015: EUR 715.2 million), up EUR 34.7 million or 4.9% on the figure as at 31 December 2015. This increase is primarily attributable to the higher provisions for pension plans, which were recalculated using updated discount rates at mid-year 2016. Pension provisions rose as a result by EUR 67.7 million. This was partially compensated for by the retained earnings, which were down on account of the negative earnings after taxes of EUR –23.3 million before non-controlling interests as at 30 June 2016. The share of non-current liabilities in the stable total assets increased compared to 31 December 2015 from 33.9% to 35.9%.

Current liabilities rose by EUR 15.4 million to EUR 658.6 million as at year-end 2015. This is chiefly attributable to the slightly higher trade accounts payable, higher VAT liabilities as well as higher accrued holiday and overtime since the beginning of the year, which was partially compensated for by a slight reduction of current financial liabilities. The share of current liabilities in total shareholders' equity and liabilities rose from 30.5% as at 31 December 2015 to 31.6% as at 30 June 2016.

OPPORTUNITIES AND RISKS

Risk management

SCHMOLZ + BICKENBACH's central risk management system is intended to systematically minimise or completely eliminate risks (commodity prices, currencies, changes in the sales markets, etc.) through appropriate measures. As all business activities are associated with an element of risk, and in order to best exploit the opportunities that arise from these, we enter into risks as necessary in a controlled manner.

The Group's risk management objective is to detect opportunities and risks at an early stage and respond in a way that is conducive to achieving corporate goals and continuously increasing the value of the Company. As part of the evaluation process, the Group consciously enters into appropriate, transparent and manageable risks. If certain risks become too significant, the Group explores options for transferring them to third parties. The Group does not permit speculation or other high-risk transactions. Our conduct towards suppliers, customers, other business partners, employees and Group companies is fair and responsible.

Risk categories

The risks to which the SCHMOLZ + BICKENBACH Group is exposed can be categorised as follows:

> Political and regulatory risks
> Risks relating to the future economic development
> Environmental and health risks
> Risks from IT/security and internal processes
> Personnel risks
> Financial risks
> Commodity price risk
> Credit risk
> Liquidity risk

Opportunity management

From its starting point as a collection of complementary companies, the Group became increasingly cohesive between 2003 and 2015. The Group's market success is attributable in no small way to its consistent and systematic strategy process which is managed and supported by the Board of Directors, Executive Board and Group Business Development. We collect and analyse information about the market, production as well as research and development both at division level and centrally from a Group perspective as the basis for strategic decision-making. This allows well-informed strategic decisions to be taken at Group level and then implemented in cooperation with the Business Unit Heads. Our approach allows us to derive opportunities for our Company from the risks inherent in all business activities.

For further information on opportunities and risks, see the 2015 annual report, pages 63 – 68.

OUTLOOK

The unexpected British vote to leave the EU, terrorist attacks in Europe and the attempted coup in Turkey have put a damper on budding hopes on the market for an acceleration of global economic growth in the second quarter. Growth forecasts for the most important industrialised and emerging economies have recently been adjusted downwards once more. Overall, the momentum that would help the economy to grow further is lacking. Accordingly, SCHMOLZ + BICKENBACH expects little tailwind, if any, from the economy over the course of the second half of the year.

The robust state of some customers' industries, temporarily increasing scrap and commodity prices and an improved mood in the industry have led to a stabilisation of our business in the second quarter. Selling prices rose slightly in this environment toward the end of the quarter, enabling us to look forward to the second half of the year with cautious optimism. This view, however, cannot disguise the fact that the topics that led to the crisis in the industry in 2015 continue to linger. Global overcapacities and corresponding pressure on base prices from imports to Europe, the sustained low and volatile commodity and oil prices despite recent increases and the low volume of activity in the oil and gas industry will continue to significantly shape business development in the second half of 2016 as well.

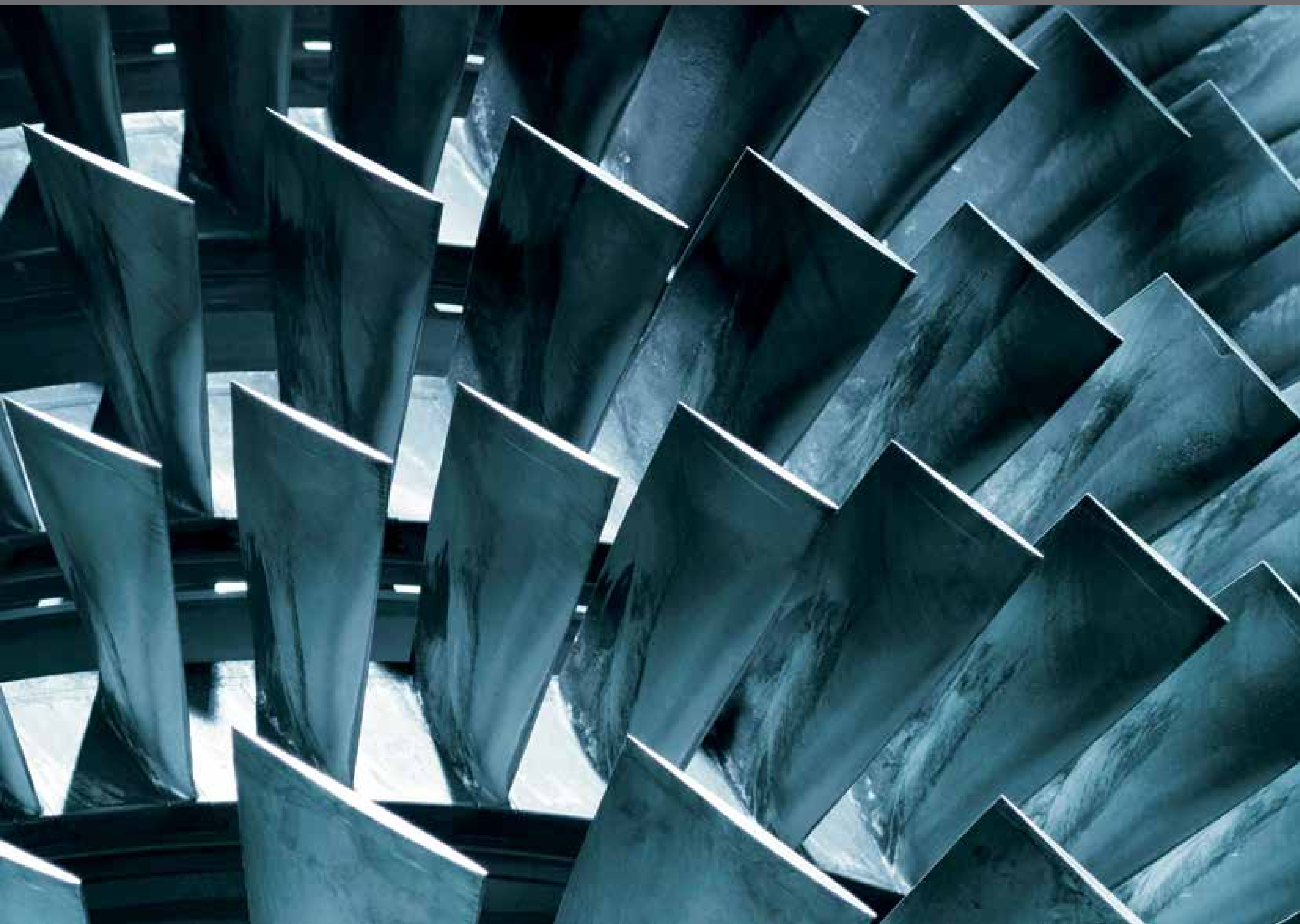
Forecasts relating to economic development, the steel industry, the scrap prices which have gone down in the meantime, commodity prices and the development of exchange rates are subject to great uncertainty in light of the many and varied influencing factors. SCHMOLZ + BICKENBACH expects the economic environment to remain challenging and highly volatile, which will continue to put the Company to the test. Our expectations for the fiscal year 2016 therefore remain cautious.

Irrespective of the influence of external factors, we will continue to vigorously pursue our present course. In 2016, we will focus on the rigorous implementation of our measures aimed at improving earnings. Determined implementation of our corporate strategy will help us leverage the full potential of the SCHMOLZ + BICKENBACH Group. The core elements of this strategy are:
> Restructuring Deutsche Edelstahlwerke
> Strengthening the statement of financial position by reducing current assets
> Tighter integration of business units, optimisation of commodities procurement and logistics
> Driving innovation forward
> Strengthening the global sales and service network

We anticipate that sales volumes will remain stable in 2016. Price changes for alloying elements, such as nickel and scrap, are largely passed on to our customers via a surcharge system. This means that revenue fluctuates – sometimes significantly – due to external factors. Consequently, we continue to refrain from making revenue forecasts for the Group. In total, we anticipate adjusted EBITDA of between EUR 150 and 190 million for 2016. Compared to 2015, the weaker first half of the year is expected to be followed by a stronger second half. These expectations reflect the positive effects from our restructuring measures, which had already become apparent in the first half of the year, as well as successes from our investments in innovation and technology. The planned investment volume is projected to be around EUR 100 million for 2016.

In the medium term, we aim to develop SCHMOLZ + BICKENBACH as an innovative, sustainably profitable company with a high share of special long steel products, which is widely diversified across all relevant geographic areas and end markets and offers its customers high-quality standard products as well as made-to-measure solutions. Our medium-term financial goals include an adjusted EBITDA margin of > 8% on average over an economic cycle as well as adjusted EBITDA leverage of < 2.5.

Financial reporting



CONSOLIDATED INCOME STATEMENT

in million EUR	Note	1.1.–30.6.2016	1.1.–30.6.2015	Q2 2016	Q2 2015
Revenue		1 222.3	1 488.9	618.7	723.2
Change in semi-finished and finished goods		–38.1	–9.5	–17.6	6.6
Cost of materials		–708.9	–918.4	–356.0	–453.2
Gross profit		**475.3**	**561.0**	**245.1**	**276.6**
Other operating income	6	16.8	16.7	8.7	6.6
Personnel costs		–277.6	–298.9	–134.9	–146.4
Other operating expenses	6	–143.0	–166.3	–69.3	–78.8
Operating profit before depreciation and amortisation		**71.5**	**112.5**	**49.6**	**58.0**
Depreciation/amortisation and impairment	9	–60.4	–63.4	–30.2	–30.4
Operating profit		**11.1**	**49.1**	**19.4**	**27.6**
Financial income	7	0.4	0.4	0.1	0.2
Financial expense	7	–23.2	–23.1	–11.6	–10.4
Financial result		**–22.8**	**–22.7**	**–11.5**	**–10.2**
Earnings before taxes		**–11.7**	**26.4**	**7.9**	**17.4**
Income taxes	8	–6.4	–14.2	–2.0	–7.1
Earnings after taxes from continuing operations		**–18.1**	**12.2**	**5.9**	**10.3**
Earnings after taxes from discontinued operations	5	–3.9	–129.8	–3.5	–5.5
Net income (loss)		**–22.0**	**–117.6**	**2.4**	**4.8**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		–23.3	–118.8	1.7	4.1
of which from continuing operations		–19.4	11.0	5.2	9.6
of which from discontinued operations		–3.9	–129.8	–3.5	–5.5
– non-controlling interests		1.3	1.2	0.7	0.7
Earnings per share in EUR (basic/diluted)		**–0.02**	**–0.13**	**0.00**	**0.01**
Earnings per share in EUR (basic/diluted) from continuing operations		**–0.02**	**0.01**	**0.01**	**0.01**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in million EUR	Note	1.1.–30.6.2016	1.1.–30.6.2015	Q2 2016	Q2 2015
Net income (loss)		**–22.0**	**–117.6**	**2.4**	**4.8**
Gains/losses from currency translation		–1.4	24.5	4.8	–8.1
Change in unrealised gains/losses from cash flow hedges		0.7	–0.6	0.7	0.4
Tax effect from cash flow hedges		–0.2	0.3	–0.2	–0.1
Items that may be reclassified subsequently to profit or loss		**–0.9**	**24.2**	**5.3**	**–7.8**
Actuarial gains/losses from pension-related and similar obligations	11	–67.7	14.0	–25.3	51.2
Tax effect from pensions and similar obligations		17.1	–6.8	6.5	–15.5
Items that will not be reclassified subsequently to profit or loss		**–50.6**	**7.2**	**–18.8**	**35.7**
Other comprehensive income (loss)		**–51.5**	**31.4**	**–13.5**	**27.9**
Total comprehensive income (loss)		**–73.5**	**–86.2**	**–11.1**	**32.7**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		–74.8	–87.4	–11.8	32.0
of which from continuing operations		–70.9	42.4	–8.3	37.5
of which from discontinued operations		–3.9	–129.8	–3.5	–5.5
– non-controlling interests		1.3	1.2	0.7	0.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.6.2016		31.12.2015	
	Note	in million EUR	%	in million EUR	%
Assets					
Intangible assets	9	27.5		28.0	
Property, plant and equipment	9	876.1		906.4	
Other non-current assets		3.1		2.1	
Non-current income tax assets		8.4		9.6	
Deferred tax assets		80.3		63.9	
Total non-current assets		**995.4**	**47.7**	**1 010.0**	**47.9**
Inventories	10	612.0		664.0	
Trade accounts receivable		390.7		331.5	
Current financial assets		0.3		0.2	
Current income tax assets		7.2		7.2	
Other current assets		43.5		42.9	
Cash and cash equivalents		36.3		53.2	
Total current assets		**1 090.0**	**52.3**	**1 099.0**	**52.1**
Total assets		**2 085.4**	**100.0**	**2 109.0**	**100.0**
Shareholders' equity and liabilities					
Share capital		378.6		378.6	
Capital reserves		952.8		952.8	
Retained earnings (accumulated losses)		–549.8		–526.5	
Accumulated income and expense recognised in other comprehensive income (loss)		–118.7		–67.2	
Treasury shares		–0.1		–0.1	
Attributable to shareholders of SCHMOLZ + BICKENBACH AG		**662.8**		**737.6**	
Non-controlling interests		14.1		13.0	
Total shareholders' equity		**676.9**	**32.5**	**750.6**	**35.6**
Provisions for pensions and similar obligations	11	384.6		318.6	
Other non-current provisions		29.2		28.5	
Deferred tax liabilities		42.4		44.2	
Non-current financial liabilities	12	293.4		323.3	
Other non-current liabilities		0.3		0.6	
Total non-current liabilities		**749.9**	**35.9**	**715.2**	**33.9**
Current provisions		27.1		28.6	
Trade accounts payable		314.1		304.7	
Current financial liabilities	12	196.9		201.0	
Current income tax liabilities		6.6		6.1	
Other current liabilities		113.9		102.8	
Total current liabilities		**658.6**	**31.6**	**643.2**	**30.5**
Total liabilities		**1 408.5**	**67.5**	**1 358.4**	**64.4**
Total shareholders' equity and liabilities		**2 085.4**	**100.0**	**2 109.0**	**100.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

in million EUR	Note	1.1.–30.6.2016	1.1.–30.6.2015
Earnings before taxes		–11.7	26.4
Depreciation, amortisation and impairment		60.4	63.4
Gain/loss on disposal of intangible assets, property, plant and equipment and financial assets		–0.1	–0.1
Increase/decrease in other assets and liabilities		–10.0	17.1
Financial income		–0.4	–0.4
Financial expense		23.2	23.1
Income taxes paid		–4.4	–5.9
Cash flow before changes in net working capital from continuing operations		**57.0**	**123.6**
Change in inventories		51.2	1.8
Change in trade accounts receivable		–59.7	–46.9
Change in trade accounts payable		9.4	–9.9
Cash flow from operating activities of continuing operations		**57.9**	**68.6**
Cash flow from operating activities of discontinued operations		0.0	–1.1
Cash flow from operating activities – total		**57.9**	**67.5**
Investments in property, plant and equipment		–31.2	–76.8
Proceeds from disposal of property, plant and equipment		0.5	0.6
Investments in intangible assets		–1.9	–0.5
Interest received		0.3	0.2
Cash flow from investing activities of continuing operations		**–32.3**	**–76.5**
Cash flow from investing activities of discontinued operations		0.0	–1.4
Cash flow from investing activities – total		**–32.3**	**–77.9**
Increase/decrease of financial liabilities		–32.8	10.0
Investment in treasury shares		–0.5	–0.8
Dividends to non-controlling interests		–0.2	0.0
Interest paid		–8.7	–17.2
Cash flow from financing activities of continuing operations		**–42.2**	**–8.0**
Cash flow from financing activities of discontinued operations		0.0	1.3
Cash flow from financing activities – total		**–42.2**	**–6.7**
Change in cash and cash equivalents due to cash flow – total		**–16.6**	**–17.1**
Effect of foreign currency translation – total		–0.3	1.8
Change in cash and cash equivalents – total		**–16.9**	**–15.3**
Cash and cash equivalents as at 1.1. – total		53.2	72.1
Cash and cash equivalents as at 30.6. – total		36.3	56.8
Change in cash and cash equivalents – total		**–16.9**	**–15.3**
Free cash flow from continuing operations		**25.6**	**–7.9**
Free cash flow from discontinued operations		0.0	–2.5
Free cash flow – total		**25.6**	**–10.4**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in million EUR	Share capital	Capital reserves	Retained earnings (accumulated losses)	Accumulated income and expense recognised in other comprehensive income	Treasury shares	Attributable to shareholders of SCHMOLZ + BICKENBACH AG	Non-controlling interests	Total shareholders' equity
As at 1.1.2015	**378.6**	**952.8**	**−358.3**	**−83.3**	**0.0**	**889.8**	**11.1**	**900.9**
Purchase of treasury shares	0.0	0.0	0.0	0.0	−0.8	**−0.8**	0.0	**−0.8**
Expenses from share-based payments	0.0	0.0	0.6	0.0	0.0	**0.6**	0.0	**0.6**
Definitive allocation of share-based payments for the prior year	0.0	0.0	−0.7	0.0	0.7	**0.0**	0.0	**0.0**
Capital transactions with shareholders	**0.0**	**0.0**	**−0.1**	**0.0**	**−0.1**	**−0.2**	**0.0**	**−0.2**
Net income (loss)	0.0	0.0	−118.8	0.0	0.0	**−118.8**	1.2	**−117.6**
Other comprehensive income (loss)	0.0	0.0	0.0	31.4	0.0	**31.4**	0.0	**31.4**
Total comprehensive income (loss)	**0.0**	**0.0**	**−118.8**	**31.4**	**0.0**	**−87.4**	**1.2**	**−86.2**
As at 30.6.2015	**378.6**	**952.8**	**−477.2**	**−51.9**	**−0.1**	**802.2**	**12.3**	**814.5**
As at 1.1.2016	**378.6**	**952.8**	**−526.5**	**−67.2**	**−0.1**	**737.6**	**13.0**	**750.6**
Purchase of treasury shares	0.0	0.0	0.0	0.0	−0.5	**−0.5**	0.0	**−0.5**
Definitive allocation of share-based payments for the prior year	0.0	0.0	0.0	0.0	0.5	**0.5**	0.0	**0.5**
Dividends	0.0	0.0	0.0	0.0	0.0	**0.0**	−0.2	**−0.2**
Capital transactions with shareholders	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**−0.2**	**−0.2**
Net income (loss)	0.0	0.0	−23.3	0.0	0.0	**−23.3**	1.3	**−22.0**
Other comprehensive income (loss)	0.0	0.0	0.0	−51.5	0.0	**−51.5**	0.0	**−51.5**
Total comprehensive income (loss)	**0.0**	**0.0**	**−23.3**	**−51.5**	**0.0**	**−74.8**	**1.3**	**−73.5**
As at 30.6.2016	**378.6**	**952.8**	**−549.8**	**−118.7**	**−0.1**	**662.8**	**14.1**	**676.9**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

About the Company

SCHMOLZ + BICKENBACH AG (SCHMOLZ + BICKENBACH) is a Swiss company limited by shares which is listed on the SIX Swiss Exchange (SIX) and has its registered office at Landenbergstrasse 11 in Lucerne. SCHMOLZ + BICKENBACH is a global steel company operating in the special and long steel business. Its activities are divided into two divisions: *Production* and *Sales & Services*.
These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 10 August 2016.

1__ Accounting policies

The Group prepared these interim condensed consolidated financial statements of SCHMOLZ + BICKENBACH AG for the first half of 2016 in accordance with IAS 34 "Interim Financial Reporting". They contain all the information required of interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs). More detailed disclosures on accounting policies can be found in the consolidated financial statements as at 31 December 2015. This quarterly report is presented in euro. Unless otherwise stated, monetary amounts are denominated in millions of euro.

2__ Significant accounting judgements, estimates and assumptions

In preparing these interim condensed consolidated financial statements in accordance with IAS 34, assumptions and estimates have been made which affect the carrying amounts and disclosure of the recognised assets and liabilities, income and expenses, and contingent liabilities. Actual amounts may differ from the estimates.

3__ Standards and interpretations applied

The relevant accounting policies applied in the interim condensed consolidated financial statements are consistent with those used for the most recent consolidated financial statements prepared as at the end of the fiscal year 2015. The new or revised standards that are mandatory for fiscal years as at 1 January 2016 have no effects on these interim financial statements.

4__ Seasonal effects

There are slight seasonal effects on sales and revenue in both segments of the Group. These effects are attributable to the number of working days in the second half of the year, which is regularly lower due to our customers' vacation periods in July and August as well as the second half of December. These periods are associated with plant downtime in some cases. The effects are particularly pronounced in the third quarter, which is affected by the summer vacation period. Fixed costs are distributed fairly equally over all four quarters, however. Furthermore, the majority of general overhaul work on production and processing plants is carried out over the summer during plant downtime. As a result, expenses for servicing and maintenance as well as capital expenditures are usually at their highest in the third quarter. Inventories of semi-finished and finished goods are usually increased over the summer months. This safeguards the supply of customers after the end of the vacation period and has the effect that net working capital usually peaks around this time. In contrast, trade accounts receivable and payable, and with them net working capital, tend to reach their lowest level at year-end due to the reduction in inventories typically seen at the end of the year. Furthermore, the amount of net working capital is significantly affected by commodity prices.
The cyclical economic development has a much more pronounced impact than seasonal effects on the development of the Group's sales, revenue and earnings, however.

5__ Scope of consolidation and business combinations

During the first half of 2016, the entities Chongqing SCHMOLZ + BICKENBACH Co. Ltd. (CN) and SCHMOLZ + BICKENBACH (Thailand) Ltd. were established and allocated to the *Sales & Services* segment.
The final contractual negotiations concerning the sale of discontinued operations continued to be driven forward in the second quarter of the current fiscal year and the agreement regarding outstanding purchase price payment with JACQUET METAL SERVICE is expected for the third quarter of 2016.

In order to further simplify the structure of the Group, the two Group entities Ardenacier S.A.R.L. (FR) and Steeltec FIC S.A.R.L. (FR) were merged into SCHMOLZ + BICKENBACH France S.A.S. (FR) in the first half of 2015. Moreover, efforts to sell the distribution entities in Germany, Belgium, the Netherlands and Austria were realised in the first half of 2015. These have been presented separately since 31 March 2015.

6__ Other operating income and expenses

Other operating income of EUR 16.8 million (2015: EUR 16.7 million) comprises a number of items which are immaterial both individually and when aggregated that have no significant influence on the consolidated financial statements and are therefore not presented separately.

Other operating expenses can be broken down as follows:

in million EUR	1.1.–30.6.2016	1.1.–30.6.2015
Freight, commission	40.8	49.0
Maintenance, repairs	27.9	35.8
Holding and administration expenses	20.2	18.7
Fees and charges	10.1	11.0
Rent and lease expenses	9.2	11.1
Consultancy and audit services	11.4	7.8
IT expenses	7.2	7.1
Net exchange gains/losses	-	7.6
Miscellaneous expense	16.2	18.2
Total	**143.0**	**166.3**

Miscellaneous expense of EUR 16.2 million (2015: EUR 18.2 million) comprises a number of individually immaterial items which cannot be allocated to another category.

All exchange gains and losses on receivables and liabilities or derivative currency contracts concluded to hedge these are presented as other operating expenses or income, depending on whether the net figure is negative or positive.

The net figures break down as follows:

in million EUR	1.1.–30.6.2016	1.1.–30.6.2015
Exchange gains	18.7	65.2
Exchange losses	18.7	72.8
Net exchange gains/losses	**0.0**	**–7.6**

7__ Financial result

in million EUR	1.1.–30.6.2016	1.1.–30.6.2015
Interest income	0.4	0.4
Financial income	**0.4**	**0.4**
Interest expense on financial liabilities	–20.6	–19.0
Other financial expense	–2.6	–4.1
Financial expense	**–23.2**	**–23.1**
Financial result	**–22.8**	**–22.7**

Other financial income/expense mainly contains gains and losses from marking embedded derivatives and interest rate derivatives to market.

8__ Income taxes

in million EUR	1.1.–30.6.2016	1.1.–30.6.2015
Current taxes	7.0	13.8
Deferred taxes	–0.6	0.4
Income tax expense	**6.4**	**14.2**

The local tax rates used to determine current and deferred taxes have not changed materially in comparison to the prior year. The effective Group tax rate for the first six months of fiscal year 2016 was –54.7% (2015: 53.8%). This rate derives from the tax rates of the individual countries in which the Group operates, weighted for earnings before taxes.

The following table presents the net change in deferred tax assets and liabilities.

in million EUR	1.1.–30.6.2016	1.1.–31.12.2015	1.1.–30.6.2015
Opening balance at the beginning of the period	19.7	45.0	45.0
Changes from continuing operations recognised in profit and loss	0.6	–8.4	–0.4
Changes from discontinued operations recognised in profit and loss	0.0	–1.4	–1.4
Changes recognised in other comprehensive income	16.9	–3.6	–6.5
Foreign currency effects	0.7	–3.3	–2.3
Reclassification of discontinued operations	0.0	–8.6	–8.7
Closing balance at the end of the period	**37.9**	**19.7**	**25.7**

9__ Intangible assets and property, plant and equipment

Intangible assets have not changed significantly in the first six months. The figures as at 30 June 2016 are presented below.

In the prior-year period a trademark allocated to Boxholm Stål AB (SE) – now “Steeltec Boxholm AB” – amounting to EUR 2.2 million was written off in full after all bright steel entities were legally pooled under the umbrella of Steeltec AG (CH).

in million EUR	Concessions, licences and similar rights	Purchased brands and customer lists	Prepayments on intangible assets	Goodwill	Total
Cost as at 1.1.2015	**85.6**	**26.1**	**0.6**	**5.7**	**118.0**
Reclassification to discontinued operations	−8.0	−2.5	0.0	0.0	−10.5
Additions	3.3	0.0	0.7	0.0	4.0
Disposals	−4.4	0.0	0.0	0.0	−4.4
Reclassifications	0.2	0.0	−0.2	0.0	0.0
Foreign currency effects	2.0	1.6	0.0	0.3	3.9
Cost as at 31.12.2015	**78.7**	**25.2**	**1.1**	**6.0**	**111.0**
Additions	1.2	0.0	0.7	0.0	1.9
Disposals	−0.5	0.0	0.0	0.0	−0.5
Foreign currency effects	−0.1	−0.4	0.0	−0.1	−0.6
Cost as at 30.6.2016	**79.3**	**24.8**	**1.8**	**5.9**	**111.8**
Accumulated amortisation and impairments as at 1.1.2015	**−75.6**	**−6.8**	**0.0**	**−2.7**	**−85.1**
Reclassification to discontinued operations	6.9	1.6	0.0	0.0	8.5
Amortisation	−4.1	−0.7	0.0	0.0	−4.8
Impairment	0.0	−2.2	0.0	0.0	−2.2
Disposals	3.1	0.0	0.0	0.0	3.1
Foreign currency effects	−1.9	−0.4	0.0	−0.2	−2.5
Accumulated amortisation and impairments as at 31.12.2015	**−71.6**	**−8.5**	**0.0**	**−2.9**	**−83.0**
Amortisation	−1.8	−0.3	0.0	0.0	−2.1
Disposals	0.5	0.0	0.0	0.0	0.5
Foreign currency effects	0.1	0.2	0.0	0.0	0.3
Accumulated amortisation and impairments as at 30.6.2016	**−72.8**	**−8.6**	**0.0**	**−2.9**	**−84.3**
Net carrying amount as at 31.12.2015	**7.1**	**16.7**	**1.1**	**3.1**	**28.0**
Net carrying amount as at 30.6.2016	**6.5**	**16.2**	**1.8**	**3.0**	**27.5**

The breakdown of property, plant and equipment into its subcategories can be seen below. A significant portion of the additions is attributable to the *Production* division.

in million EUR	Land and buildings	Plant and equipment	Prepayments/plant under construction	Total
Cost as at 1.1.2015	**695.9**	**2233.8**	**42.1**	**2971.8**
Reclassification to discontinued operations	–57.6	–72.8	–1.2	–131.6
Additions	51.6	53.5	54.6	159.7
Disposals	–5.0	–25.2	–0.1	–30.3
Reclassifications	3.6	22.3	–25.9	0.0
Foreign currency effects	28.7	63.6	0.7	93.0
Cost as at 31.12.2015	**717.2**	**2275.2**	**70.2**	**3062.6**
Additions	0.2	10.7	21.1	32.0
Disposals	–0.1	–5.8	–0.1	–6.0
Reclassifications	1.5	14.0	–15.5	0.0
Foreign currency effects	–0.9	0.3	0.0	–0.6
Cost as at 30.6.2016	**717.9**	**2294.4**	**75.7**	**3088.0**
Accumulated depreciation and impairments as at 1.1.2015	**–404.2**	**–1698.5**	**0.0**	**–2102.7**
Reclassification to discontinued operations	32.2	59.8	0.0	92.0
Depreciation	–16.9	–101.5	0.0	–118.4
Impairment	0.0	–0.1	0.0	–0.1
Reversal of impairment	0.5	0.7	0.0	1.2
Disposals	3.8	26.0	0.0	29.8
Foreign currency effects	–17.3	–40.7	0.0	–58.0
Accumulated depreciation and impairments as at 31.12.2015	**–401.9**	**–1754.3**	**0.0**	**–2156.2**
Depreciation	–8.4	–49.9	0.0	–58.3
Disposals	0.1	5.4	0.0	5.5
Foreign currency effects	–0.5	–2.4	0.0	–2.9
Accumulated depreciation and impairments as at 30.6.2016	**–410.7**	**–1801.2**	**0.0**	**–2211.9**
Net carrying amount as at 31.12.2015	**315.3**	**520.9**	**70.2**	**906.4**
Net carrying amount as at 30.6.2016	**307.2**	**493.2**	**75.7**	**876.1**

10__ Inventories

Inventories as at 30 June 2016 as well as at 31 December 2015 break down as follows:

in million EUR	30.6.2016	31.12.2015
Raw materials, consumables and supplies	81.0	93.8
Semi-finished goods and work in progress	251.6	251.4
Finished products and merchandise	279.4	318.8
Total	**612.0**	**664.0**

11__ Pensions

Some of the post-employment benefit plans in the Group are simple defined contribution plans where a company has an obligation to transfer a contractually defined amount to an external pension institution. Beyond the payment of these contributions, the Company does not enter into any obligations in relation to post-employment benefits. However, most of the Group's occupational pension schemes are defined benefit plans in which the employer undertakes to deliver the agreed pension benefits.

Since the beginning of the year, the following significant changes occurred:

	Defined benefit obligation		Fair value of plan assets		Net liability	
in million EUR	1.1.-30.6. 2016	1.1.-31.12. 2015	1.1.-30.6. 2016	1.1.-31.12. 2015	1.1.-30.6. 2016	1.1.-31.12. 2015
Present value of defined benefit obligations/ Fair value of plan assets at the beginning of the period	**611.1**	**609.7**	**294.1**	**276.8**	**317.0**	**332.9**
Current service cost	6.0	11.4	0.0	0.0	6.0	11.4
Administration expenses	0.0	0.0	−0.3	−0.5	0.3	0.5
Interest cost/income	4.7	10.1	1.7	4.3	3.0	5.8
Past service costs	−3.5	−5.5	0.0	0.0	−3.5	−5.5
Net pension expenses/income	**7.2**	**16.0**	**1.4**	**3.8**	**5.8**	**12.2**
Actuarial gains (losses) from change in demographic assumptions	0.0	0.7	0.0	0.0	0.0	0.7
Actuarial gains (losses) from change in financial assumptions	67.7	−8.7	0.0	−6.0	67.7	−2.7
Actuarial gains (losses) from experience adjustments	0.0	−0.3	0.0	0.0	0.0	−0.3
Remeasurement effects included in other comprehensive income	**67.7**	**−8.3**	**0.0**	**−6.0**	**67.7**	**−2.3**
Employer contributions	0.0	0.0	7.8	15.7	−7.8	−15.7
Employee contributions	2.3	4.4	2.3	4.4	0.0	0.0
Change in scope of consolidation	0.0	−25.2	0.0	−8.8	0.0	−16.4
Benefit payments	−13.3	−18.6	−13.3	−18.6	0.0	0.0
Foreign currency effects	1.1	33.1	0.5	26.8	0.6	6.3
Present value of defined benefit obligations/ Fair value of plan assets at the end of the period	**676.1**	**611.1**	**292.8**	**294.1**	**383.3**	**317.0**
Provisions from obligations similar to pensions	1.3	1.6	0.0	0.0	1.3	1.6
Total provisions for pensions and obligations similar to pensions	**677.4**	**612.7**	**292.8**	**294.1**	**384.6**	**318.6**

In the second quarter of 2016, a further reduction in the pension conversion rates was announced in Switzerland. As a result of the recalculation of the present value of the defined benefit obligations, this resulted in a non-recurring gain of EUR 3.0 million, which was immediately posted to other comprehensive income. Together with the gain of EUR 0.5 million recorded in the first quarter, this resulted in improved earnings through profit or loss totalling EUR 3.5 million.

The actuarial losses chiefly result from the lower discount rates in Switzerland and the eurozone as at 30 June 2016 compared to the prior year as at 31 December 2015. As at the reporting date, the main driver of the measurement of the pension obligations, the discount rates, were adjusted and the pension obligations recalculated. The following valuation assumptions were used.

	Switzerland		Eurozone		USA		Canada	
in %	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015
Discount rate	0.2	0.8	1.2	2.3	3.5	4.0	3.4	3.9
Salary trend	2.0	2.0	2.5–3.0	2.5–3.0	–	–	3.0	3.0

12__ Financial liabilities

The Group's financial liabilities break down as follows as at 30 June 2016:

in million EUR	30.6.2016	31.12.2015
Syndicated loan	102.5	130.4
Other bank loans	24.1	26.8
Bond	163.5	162.5
Liabilities from finance leases	3.3	3.6
Total non-current	**293.4**	**323.3**
Other bank loans	9.0	8.6
ABCP financing programme	183.4	188.1
Liabilities from finance leases	1.2	1.2
Other financial liabilities	3.3	3.1
Total current	**196.9**	**201.0**

Other current financial liabilities include accrued interest for the bond of EUR 2.1 million (31.12.2015: EUR 2.1 million).

13__ Contingent liabilities and other financial obligations

Contingent liabilities from guarantees, warranties and purchase commitments totalled EUR 30.0 million as at 30 June 2016 (31.12.2015: EUR 31.1 million).
The reduction in financial liabilities is primarily attributable to lower purchase commitments as at 30 June 2016 in connection with investments by the *Production* division.

14__ Fair value measurement considerations

SCHMOLZ + BICKENBACH regularly reviews the procedure for measuring items at fair value. If the material input parameters change, the Group assesses whether an item needs to be transferred between the levels. There were no transfers between the individual levels during the reporting period.

As at 30 June 2016, the bond had a fair value of EUR 169.9 million (31.12.2015: EUR 140.9 million), while the carrying amount of the bond as at 30 June 2016 was EUR 163.5 million (31.12.2015: EUR 162.5 million).

15__ Segment reporting

The Group is presented in accordance with its internal reporting and organisational structure, comprising the two divisions (hereafter also referred to as operating segments): *Production* and *Sales & Services*.

The table below shows the segment reporting for the continuing operations as at 30 June 2016.

	Production		Sales & Services	
in million EUR	1.1.–30.6.2016	1.1.–30.6.2015	1.1.–30.6.2016	1.1.–30.6.2015
Third-party revenue	986.2	1 195.9	236.1	293.0
Intersegment revenue	126.4	186.5	0.0	0.0
Total revenue	**1 112.6**	**1 382.4**	**236.1**	**293.0**
Operating profit before depreciation and amortisation (EBITDA)	**62.5**	**111.3**	**9.1**	**11.1**
Depreciation and amortisation of intangible assets, property, plant and equipment	–56.3	–57.2	–2.3	–2.3
Impairment of intangible assets, property, plant and equipment and assets held for sale	0.0	–2.2	0.0	0.0
Operating profit (loss) (EBIT)	**6.2**	**51.9**	**6.8**	**8.8**
Financial income	2.5	0.6	1.5	2.1
Financial expense	–19.6	–19.6	–3.8	–5.0
Earnings before taxes (EBT) from continuing operations	**–10.9**	**32.9**	**4.5**	**5.9**
Segment investments [1]	31.9	35.6	1.2	1.7
Segment operating free cash flow [2]	29.1	18.6	16.7	–14.2
in million EUR	30.6.2016	31.12.2015	30.6.2016	31.12.2015
Segment assets [3]	1 706.1	1 718.9	238.9	251.9
Segment liabilities [4]	297.8	285.9	90.4	92.7
Segment assets less segment liabilities (capital employed)	**1 408.3**	**1 433.0**	**148.5**	**159.2**
Employees as at balance sheet date	7 588	7 546	1 245	1 252

[1] Segment investments: Additions to intangible assets (without goodwill) + additions to property, plant and equipment (without reclassification from assets held for sale).

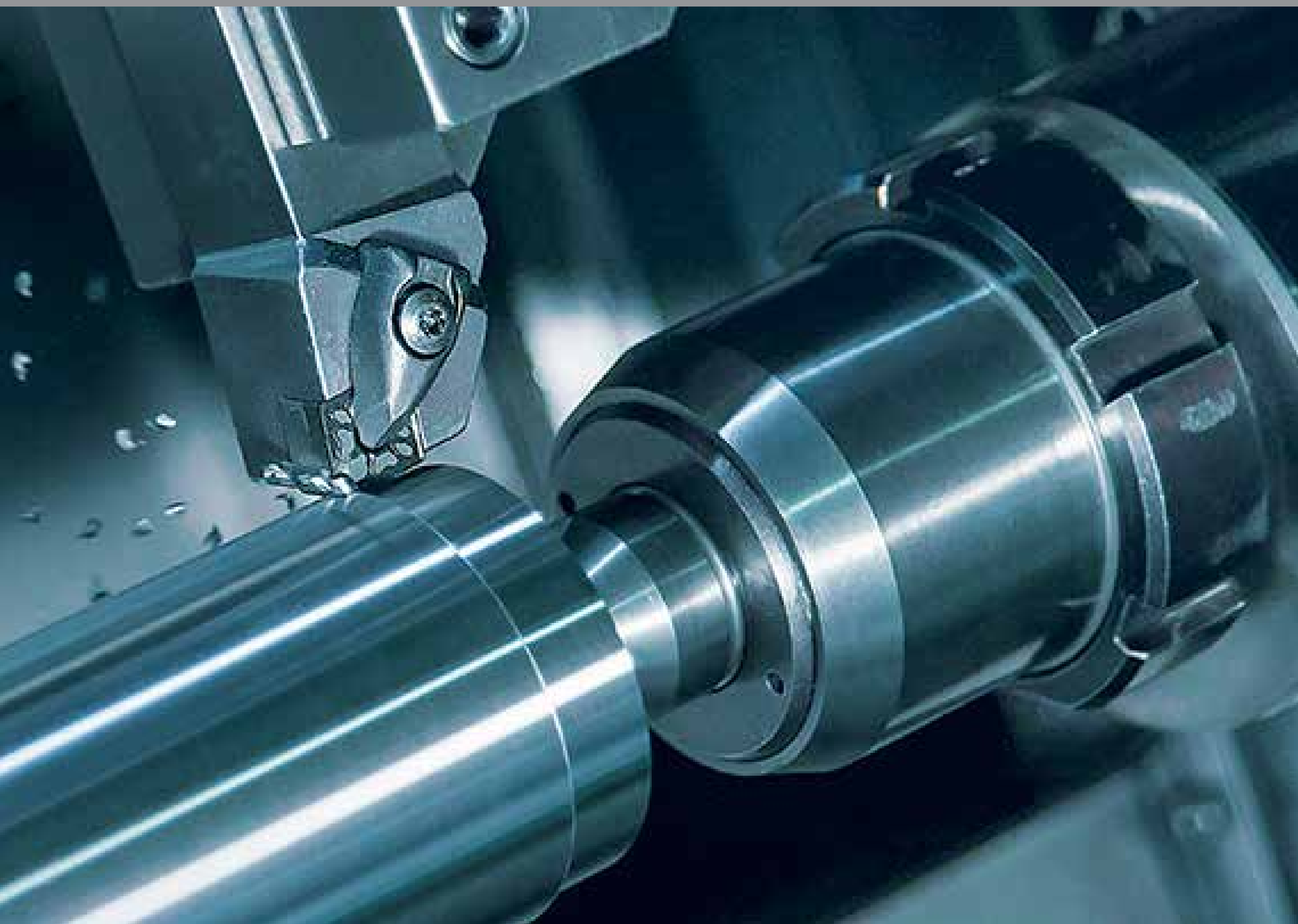
[2] Segment operating free cash flow: Adjusted EBITDA +/– change in net working capital (inventories, trade accounts receivable and payable valued at spot rate), less segment investments less capitalised borrowing costs.

[3] Segment assets: Intangible assets (without goodwill) + property, plant and equipment + inventories + trade accounts receivable (total matches total assets of the continuing operations in the statement of financial position).

[4] Segment liabilities: Trade accounts payable (total matches total liabilities in the statement of financial position).

		Reconciliation					
Total operating segments			Other	Eliminations/adjustments			Total
1.1.–30.6.2016	1.1.–30.6.2015	1.1.–30.6.2016	1.1.–30.6.2015	1.1.–30.6.2016	1.1.–30.6.2015	1.1.–30.6.2016	1.1.–30.6.2015
1 222.3	1 488.9	0.0	0.0	0.0	0.0	1 222.3	1 488.9
126.4	186.5	0.0	0.0	–126.4	–186.5	0.0	0.0
1 348.7	**1 675.4**	**0.0**	**0.0**	**–126.4**	**–186.5**	**1 222.3**	**1 488.9**
71.6	**122.4**	**–14.4**	**–7.4**	**14.3**	**–2.5**	**71.5**	**112.5**
–58.6	–59.5	–1.6	–1.7	–0.2	0.0	–60.4	–61.2
0.0	–2.2	0.0	0.0	0.0	0.0	0.0	–2.2
13.0	**60.7**	**–16.0**	**–9.1**	**14.1**	**–2.5**	**11.1**	**49.1**
4.0	2.7	19.4	21.4	–23.0	–23.7	0.4	0.4
–23.4	–24.6	–22.8	–22.2	23.0	23.7	–23.2	–23.1
–6.4	**38.8**	**–19.4**	**–9.9**	**14.1**	**–2.5**	**–11.7**	**26.4**
33.1	37.3	0.6	40.2	0.0	0.0	33.7	77.5
45.8	4.4	–10.4	–45.4	11.2	0.6	46.6	–40.4
30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015	30.6.2016	31.12.2015
1 945.0	1 970.8	32.9	46.7	107.5	91.5	2 085.4	2 109.0
388.2	378.6	2.7	2.9	1 017.6	976.9	1 408.5	1 358.4
1 556.8	**1 592.2**						
8 833	8 798	113	112	0	0	8 946	8 910

Additional information



MEMBERS OF THE BOARD OF DIRECTORS

The following overview provides details of the composition of the Board of Directors as at 30 June 2016.

SCHMOLZ + BICKENBACH Board of Directors

Edwin Eichler (DE) [1]

Year of birth 1958
Chairman
Chairman of the Compensation Committee
Member since 2013
Elected until 2017

Martin Haefner (CH) [2]

Year of birth 1954
Vice Chairman
Member of the Audit Committee
Member since 2016
Elected until 2017

Michael Büchter (DE) [2]

Year of birth 1949
Member of the Audit Committee
Member since 2013
Elected until 2017

Marco Musetti (CH) [1]

Year of birth 1969
Member of the Compensation Committee
Member since 2013
Elected until 2017

Vladimir Polienko (RU) [1]

Year of birth 1980
Member since 2016
Elected until 2017

Dr Heinz Schumacher (DE) [2]

Year of birth 1948
Member of the Compensation Committee
Member since 2013
Elected until 2017

Dr Oliver Thum (DE) [3]

Year of birth 1971
Member since 2013
Elected until 2017

Hans Ziegler (CH) [2]

Year of birth 1952
Chairman of the Audit Committee
Member since 2013
Elected until 2017

[1] Representative of Renova.
[2] Independent member.
[3] Representative of SCHMOLZ + BICKENBACH GmbH & Co. KG.

The Annual General Meeting was held in Lucerne on 3 May 2016. The following members of the Board of Directors were re-elected: Edwin Eichler (Chairman), Michael Büchter, Marco Musetti, Dr Heinz Schumacher, Dr Oliver Thum and Hans Ziegler. Johan Van de Steen did not seek re-election. Martin Haefner and Vladimir Polienko were elected as new members of the Board of Directors. In addition, Marco Musetti and Dr Heinz Schumacher were re-elected as members of the Compensation Committee and Edwin Eichler was elected as its new Chairman.

MEMBERS OF THE EXECUTIVE BOARD

The following overview provides details of the Executive Board as at 30 June 2016.

Name	Function	Period
Clemens Iller	CEO	Since 1.4.2014
Matthias Wellhausen	CFO	Since 1.4.2015

LEGAL NOTICE

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Every care has been taken to ensure that we do not exclude either gender in this report.

This quarterly report contains forward-looking statements, including presentations of developments, plans, intentions, assumptions, expectations, beliefs and potential impacts as well as descriptions of future events, income, results, situations or outlook. They are based on the Company's current expectations, beliefs and assumptions, which are subject to uncertainty and may differ materially from the current facts, situation, impact or developments.

This interim report is also available in German. The German version is binding.

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SCHMOLZ + BICKENBACH

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