Forging ahead decisively.

With clear goals and shared values.

INTERIM REPORT 3RD QUARTER 2017

SCHMOLZ + BICKENBACH

Group

KEY PERFORMANCE INDICATORS

	Unit	1.1.–30.9.2017	1.1.–30.9.2016	Change on prior year %	Q3 2017	Q3 2016	Change on prior year %
SCHMOLZ + BICKENBACH Group							
Sales volume	kilotons	1 364	1 323	3.1	405	391	3.6
Revenue	million EUR	2 018.4	1 756.4	14.9	611.0	534.1	14.4
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)	million EUR	174.2	109.3	59.4	38.0	31.8	19.5
Operating profit before depreciation and amortization (EBITDA)	million EUR	171.1	99.1	72.7	37.1	27.6	34.4
Adjusted EBITDA margin	%	8.6	6.2	2.4	6.2	6.0	0.2
EBITDA margin	%	8.5	5.6	2.9	6.1	5.2	0.9
Operating profit (EBIT)	million EUR	75.1	6.7	nm	4.5	−4.4	nm
Earnings before taxes (EBT)	million EUR	37.5	−26.0	nm	−3.8	−14.3	−73.4
Net income (loss) (EAT)	million EUR	19.5	−35.9	nm	−7.0	−13.9	−49.6
Investments	million EUR	53.3	58.8	−9.4	28.3	25.1	12.7
Free cash flow	million EUR	2.7	82.4	−96.7	27.0	56.8	−52.5

	Unit	30.9.2017	31.12.2016	Change on prior year %
Net debt	million EUR	454.6	420.0	8.2
Shareholders' equity	million EUR	671.8	667.5	0.6
Gearing	%	67.7	62.9	4.8
Total assets	million EUR	2 077.7	2 047.0	1.5
Equity ratio	%	32.3	32.6	−0.3
Employees as at closing date	positions	8 969	8 877	1.0

	Unit	1.1.–30.9.2017	1.1.–30.9.2016	Change on prior year %	Q3 2017	Q3 2016	Change on prior year %
SCHMOLZ + BICKENBACH share							
Earnings per share [1]	EUR/CHF	0.02/0.02	−0.04/−0.04	–	−0.01/−0.01	−0.02/−0.02	–
Earnings per share from continuing operations [1]	EUR/CHF	0.02/0.02	−0.04/−0.04	–	−0.01/−0.01	−0.02/−0.02	–
Shareholders' equity per share [2]	EUR/CHF	0.70/0.80	0.70/0.76	–	0.70/0.80	0.70/0.76	–
Highest/lowest share price	CHF	0.96/0.66	0.73/0.45	–	0.95/0.85	0.73/0.60	–

[1] Earnings per share are based on the net income (loss) of the Group after deduction of the portions attributable to non-controlling interests.
[2] As at September 30, 2017 and December 31, 2016, respectively.

FIVE-QUARTER OVERVIEW

	Unit	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Key operational figures						
Sales volume	kilotons	391	401	489	470	405
Order backlog	kilotons	420	462	620	600	547
Income statement						
Revenue	million EUR	534.1	558.3	707.6	699.8	611.0
Gross profit	million EUR	207.5	230.2	284.3	280.7	232.2
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)	million EUR	31.8	43.9	66.6	69.6	38.0
Operating profit before depreciation and amortization (EBITDA)	million EUR	27.6	8.9	66.3	67.7	37.1
Operating profit (loss) (EBIT)	million EUR	−4.4	−25.2	34.6	36.0	4.5
Earnings before taxes (EBT)	million EUR	−14.3	−33.6	27.4	13.9	−3.8
Earnings after taxes from continuing operations	million EUR	−13.9	−43.5	16.5	10.0	−7.0
Net income (loss) (EAT)	million EUR	−13.9	−44.1	16.5	10.0	−7.0
Cash flow/investments/depreciation/amortization						
Cash flow before changes in net working capital	million EUR	38.2	9.6	73.7	74.8	23.6
Cash flow from operating activities of continuing operations	million EUR	76.5	49.9	−20.8	17.6	57.7
Cash flow from investing activities of continuing operations	million EUR	−19.7	−40.3	−10.6	−10.5	−30.7
Free cash flow from continuing operations	million EUR	56.8	9.6	−31.4	7.1	27.0
Investments	million EUR	25.1	42.0	11.3	13.7	28.3
Depreciation, amortization and impairments	million EUR	32.0	32.3	31.7	−31.7	−32.6
Net assets and financial structure						
Non-current assets	million EUR	986.4	994.7	964.8	920.7	908.7
Current assets	million EUR	1 033.4	1 052.3	1 218.5	1 240.8	1 169.0
Net working capital	million EUR	646.6	615.4	709.3	753.2	715.8
Total assets	million EUR	2 019.8	2 047.0	2 183.3	2 161.5	2 077.7
Shareholders' equity	million EUR	659.3	667.5	685.4	687.7	671.8
Non-current liabilities	million EUR	749.7	696.9	726.2	710.7	733.7
Current liabilities	million EUR	610.8	682.6	771.7	763.1	672.2
Net debt	million EUR	421.4	420.0	469.8	472.4	454.6
Employees						
Employees as at closing date	positions	8 982	8 877	8 889	8 894	8 969
Value management						
Capital employed	million EUR	1 534.9	1 529.7	1 600.3	1 606.1	1 554.1
Key figures on profit/net assets and financial structure						
Gross profit margin	%	38.9	41.2	40.2	40.1	38.0
Adjusted EBITDA margin	%	6.0	7.9	9.4	9.9	6.2
EBITDA margin	%	5.2	1.6	9.4	9.7	6.1
EBIT margin	%	−0.8	−4.5	4.9	5.1	0.7
EBT margin	%	−2.7	−6.0	3.9	2.0	−0.6
Equity ratio	%	32.6	32.6	31.4	31.8	32.3
Gearing	%	63.9	62.9	68.5	68.7	67.7

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.

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DEAR SHAREHOLDERS,

In the third quarter of 2017, we were able to seamlessly continue the positive development seen in the first six months of 2017. Earnings are somewhat lower than in the first and second quarters, due however to seasonal effects relating exclusively to recurring annual maintenance work. Compared to the third quarter of the prior year, we could increase our earnings significantly.

Earnings were driven by the friendly sentiment that persists in most of our end markets. Demand from the European automotive industry remained strong, mechanical and plant engineering did not show any signs of weakness. Despite customers' industries being in good shape, an unchanged high order backlog and order intake, there were some clouds in the sky. The rapid increase in prices for electrodes for our melting furnaces was challenging for us, and will accompany us well into 2018. Some prices for the refractory material used in production also showed steep upward movement. Overall, based on the developments observed in the third quarter, we are confident going forward, but remain alert.

In the reporting period, we achieved further milestones in the restructuring of the Group. On the one hand, the closure of the Steeltec location in Boxholm (Sweden) was concluded; on the other hand, the new *Sales & Services* entity S+B Deutschland has been up and running since July 1. This will help us in streamlining the organization further and gaining customer proximity in the German market. In addition, the *Sales & Services* business unit has further driven the expansion of the worldwide sales network by opening a new location in Chile.

Based on the current order backlog as well as our assessment of the customers' industries, we are optimistic about the earnings development in the fourth quarter. We still expect to generate an adjusted EBITDA of EUR 200 – 220 million.

Solid earnings in the third quarter

Compared to the prior-year period, we achieved significantly better earnings in the third quarter of 2017. Sales volume increased by almost 4% to 405 kilotons compared to 391 kilotons in the prior-year quarter. The combination of higher sales volume and increased sales prices led to an increase in revenue of 14.4% from EUR 534.1 million to EUR 611.0 million. Adjusted EBITDA increased by 19.5% from EUR 31.8 million to EUR 38.0 million. Thus the related margin increased from 6.0% to 6.2% year on year. Although net debt increased compared to year-end 2016, it could be reduced by around EUR 18 million compared to the end of the first half of the year.

Thanks to our employees, shareholders, 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 our Company 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

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BUSINESS ENVIRONMENT AND STRATEGY

SCHMOLZ + BICKENBACH is one of the world's leading providers of customized solutions in the special long steel business. With around 8 900 employees at its own production and distribution companies in over 30 countries across five continents, we support and supply our customers around the globe. Besides, we offer our customers a unique product portfolio. Our customers benefit from the Company's technological expertise, excellent knowledge of end use requirements, consistent high quality and in-depth knowledge of local markets.

Production – specialized 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 (DEW), Finkl Steel, Steeltec, Swiss Steel and Ugitech.

SCHMOLZ + BICKENBACH operates nine steelmaking plants in Germany, France, Canada, 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 – quality and engineering steel, stainless steel and tool steel – the range includes special steel products. SCHMOLZ + BICKENBACH is represented in Germany, 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 customers' requirements.

The Business Units in the *Production* division sell their products either via the *Sales & Services* division, or directly to their customers.

Sales & Services – a reliable global partner in steel consulting, processing and supply

We combine our sales activities within the *Sales & Services* division, and guarantee the consistent and reliable supply of special long steel and end-to-end customer solutions worldwide with over 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 the *Production* division, supplemented by a selection of products from third-party providers. We pursue the goal of offering our products and services globally – with excellent quality standards and first-class service. We consciously and continuously extend our distribution network to achieve this goal. We focus on attractive growth regions that will continue to ensure sustainable growth for the SCHMOLZ + BICKENBACH Group. In 2016, our activities as part of this expansion strategy included opening new distribution and storage locations in China. In 2017, one new location in Santiago de Chile (Chile) has been added so far. Furthermore, we plan to continue with our regional expansion strategy in the coming years.

BUSINESS MODEL

SCHMOLZ + BICKENBACH Group
Strategic Management Holding

PRODUCTION

- **Deutsche Edelstahlwerke**
- **Finkl Steel**
- **Steeltec**
- **Swiss Steel**
- **Ugitech**

SALES & SERVICES

- **SCHMOLZ + BICKENBACH International**
  More than 70 distribution and service branches in more than 30 countries worldwide

STRATEGY AND CORPORATE MANAGEMENT

Our long-term goal is to create a robust, profitable, innovative and global group for special long steel.

The core of our corporate strategy is ensuring our production companies are ideally placed. This includes realising the market and structural synergy potential of the integrated group. We align the entire supply chain of the SCHMOLZ + BICKENBACH Group to support our *Production* division and focus on the processing and sale of mill-own products.

SCHMOLZ + BICKENBACH is clearly positioned in the market for high-grade special long steel – a sustainable advantage in terms of competition and differentiation:

> A fully integrated and leading global supplier for the entire special long steel products range
> Outstanding expertise in products and applications, to offer our customers the best solutions
> Strong customer loyalty through technical consulting, high quality of service as well as operating and functional reliability
> Global distribution network with the ability of customer-specific, global supply chain solutions
> Low substitution pressure, since often only special long steel can have all of the required properties
> Technological expertise and many years of management experience

These qualities secure our leading position in the three main product segments: quality and engineering steel, stainless steel and tool steel.

For further information on the business environment and strategy, see the annual report 2016 on pages 28–35.

CAPITAL MARKET

The SCHMOLZ + BICKENBACH share is listed on the SIX Swiss Exchange in accordance with the International Reporting Standard. Prompt and open communication with the financial community is very important to us. To this end, we regularly inform investors and financial analysts about the operative and strategic development of the Company.

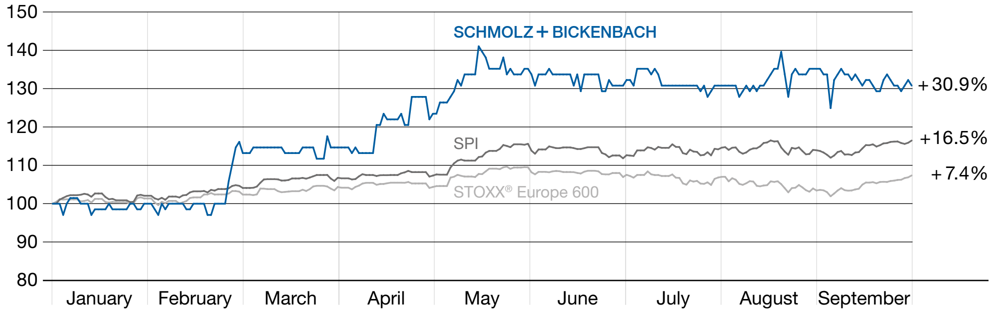
The global stock markets developed very positively in the first nine months of 2017. After a moderate start in January, share prices showed a steady increase until May, driven by economic optimism and political events such as the elections in France. After an extended sideward movement, events like hurricane Harvey and political tension between the US and North Korea led to temporary uncertainties, which were, however, of short duration. Accordingly, the key global stock markets showed further upward movement in the third quarter. As at September 30, 2017, the Dow Jones Industrial closed higher by 13.4%, the Euro Stoxx 50® higher by 9.2% and the Japanese index Nikkei 225 higher by 6.5% than at year-end 2016.

SCHMOLZ + BICKENBACH share price development

The overall good development of the key customers' industries as well as a significantly better earnings trend compared to the prior year gave a boost to the SCHMOLZ + BICKENBACH share in the first nine months of 2017. The persistently good sentiment in the capital market towards the steel industry also had a positive effect. This was helped by the in some cases significant increase in the prices for important commodities such as scrap and nickel. In the third quarter, the SCHMOLZ + BICKENBACH share was exposed to bigger fluctuations and closed at CHF 0.89 as at September 30, 2017, unchanged on the second quarter. This constitutes an increase of 30.9% compared to December 31, 2016. Therefore, the increase in the share price was higher compared to the Stoxx® Europe 600 Index, which recorded an increase of 7.4% after the first nine months. The broad-based Swiss Performance Index (SPI), which includes the SCHMOLZ + BICKENBACH share, closed at the end of September with an increase of 16.5% compared to year-end 2016.

The average trading volume was 0.97 million SCHMOLZ + BICKENBACH shares in the third quarter of 2017. For comparison, the average daily trading volume was 0.40 million shares in the third quarter of 2016 and 0.56 million in the year 2016 as a whole.

Development of share price from 1.1.2017 to 30.9.2017 | SCHMOLZ + BICKENBACH share compared to Swiss Performance Index (indexed) and to STOXX® Europe 600 (indexed)

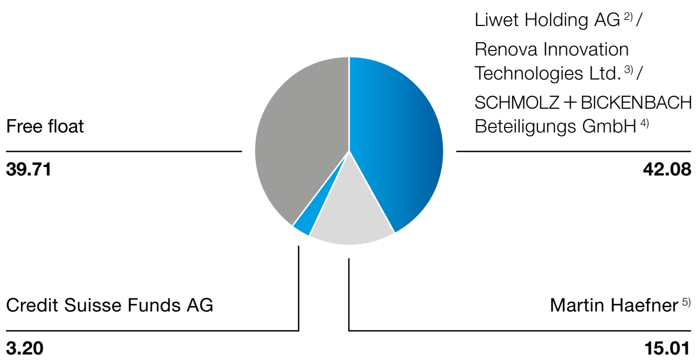


Facts and figures on the share	
ISIN	CH0005795668
Securities number	579566
Ticker symbol	STLN
Bloomberg	STLN SE
Reuters	STLN.S
Type of security	Registered share
Trading currency	CHF
Listed on	SIX Swiss Exchange
Indices	SPI, SPI Extra, SPI ex SLI, Swiss All Share Index
Number of shares outstanding	945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

Shareholder structure

Share capital as at September 30, 2017 comprised 945 000 000 fully paid-up registered shares with a nominal value of CHF 0.50 each. Mr. Viktor Vekselberg holds 42.08% of the shares in the Company indirectly via Liwet Holding AG and Renova Innovation Technologies Ltd. (Renova Group), together with SCHMOLZ + BICKENBACH Beteiligungs GmbH. Liwet Holding AG, Renova Innovation Technologies Ltd. and SCHMOLZ + BICKENBACH Beteiligungs GmbH, 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.

Overview shareholder structure as at 30.9.2017 [1] in %



[1] Percentage of shares outstanding as at closing date.
[2] 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.
[3] Until 24.3.2017 Lamesa Holding S.A. was a direct shareholder of the company.
[4] Until 12.4.2016 SCHMOLZ + BICKENBACH Holding AG was a direct shareholder of the company.
[5] Figures as reported to the Company and to the disclosure office of the SIX Swiss Exchange in accordance with applicable stock market regulations.

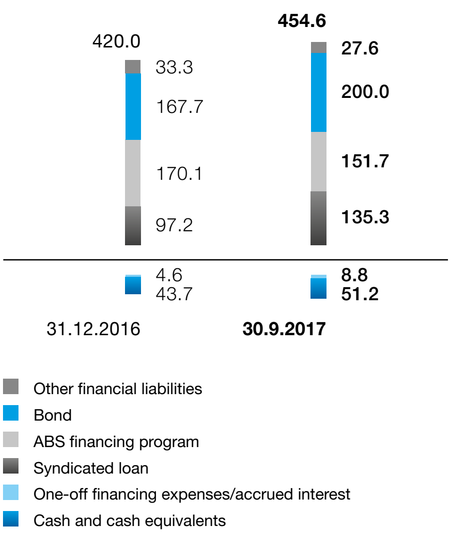
FINANCING

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

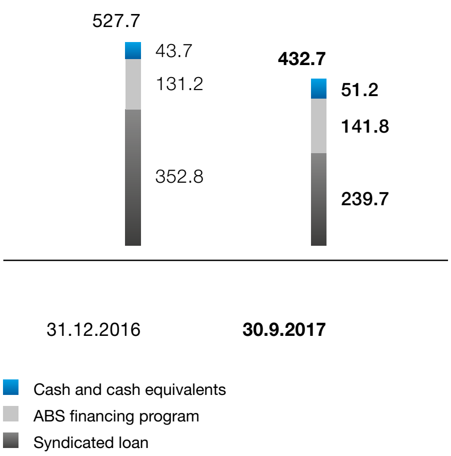
In April 2017, SCHMOLZ + BICKENBACH renewed all three financing elements. A corporate bond of EUR 200 million was issued as at April 24, 2017. Outstanding senior secured notes of EUR 167.7 million issued by the indirect subsidiary SCHMOLZ + BICKENBACH Luxembourg S.A. (LU) on May 16, 2012 were repaid prematurely on May 15, 2017, using the proceeds from the new bond.

In addition to that, the syndicated loan of EUR 375 million was extended at better conditions and the ABS financing program of EUR 230 million and USD 75 million was extended until 2022, respectively.

Net debt as at closing date
in million EUR



Net debt as at closing date
in million EUR



Unused financing lines and freely disposable funds come to around EUR 432.7 million as at September 30, 2017, ensuring the Company has sufficient financial resources.

Corporate bond 2017–2022

SCHMOLZ + BICKENBACH issued a corporate bond of EUR 200 million with a final maturity date of July 15, 2022. Proceeds from the offering were mainly used to replace the outstanding senior secured notes of EUR 167.7 million with maturity in 2019, issued by the subsidiary SCHMOLZ + BICKENBACH Luxembourg S.A. as at May 15, 2017. The senior secured notes were issued by our subsidiary SCHMOLZ + BICKENBACH Luxembourg Finance S.A. at 100% of the nominal value and with a coupon of 5.625% p.a. Interest is payable semiannually on January 15 and July 15. The bond is listed on the Luxembourg Stock Exchange and traded on the Euro MTF market.

As at September 30, 2017, the bond stood at 106.8%, giving an effective yield of 3.0% p.a.

Corporate bond	
Issuer	SCHMOLZ + BICKENBACH Luxembourg Finance S.A. (Luxembourg)
Listed on	Luxembourg Stock Exchange
ISIN	DE000A19FW97
Type of security	Fixed-interest notes
Trading currency	EUR
Nominal volume	EUR 200 million
Issue	April 24, 2017
Coupon	5.625%
Interest payable	January 15 and July 15
Maturity	July 15, 2022

Rating agency	**Rating**	**Outlook**	**Latest rating**
Moody's	B2	stable	April 3, 2017
Standard & Poor's	B+	stable	October 25, 2017

BUSINESS DEVELOPMENT OF THE GROUP

In the third quarter of 2017, we were able to seamlessly continue the positive development seen in the first half of the year, although the third quarter is usually weaker due to seasonal effects. The strong demand in most of our customers' industries continued. Together with the positive effects from our internal initiatives for improvement, we achieved solid earnings in the third quarter.

Key figures on results in million EUR	**1.1.– 30.9.2017**	1.1.– 30.9.2016	Change on prior year %	**Q3 2017**	Q3 2016	Change on prior year %
Sales volume (kt)	1 364	1 323	3.1	405	391	3.6
Revenue	2 018.4	1 756.4	14.9	611.0	534.1	14.4
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)	174.2	109.3	59.4	38.0	31.8	19.5
Operating profit before depreciation and amortization (EBITDA)	171.1	99.1	72.7	37.1	27.6	34.4
Adjusted EBITDA margin (%)	8.6	6.2	2.4	6.2	6.0	0.2
EBITDA margin (%)	8.5	5.6	2.9	6.1	5.2	0.9
Operating profit (EBIT)	75.1	6.7	nm	4.5	−4.4	nm
Earnings before taxes (EBT)	37.5	−26.0	nm	−3.8	−14.3	−73.4
Earnings after taxes from continuing operations	19.5	−32.0	nm	−7.0	−13.9	−49.6
Net income (loss) (EAT)	19.5	−35.9	nm	−7.0	−13.9	−49.6

GENERAL ECONOMIC SITUATION

The positive market situation that shaped the first half year of 2017 continued in the third quarter in most of the product groups and end markets. Demand from the European automotive industry remained strong, mechanical and plant engineering did not show any signs of weakness.

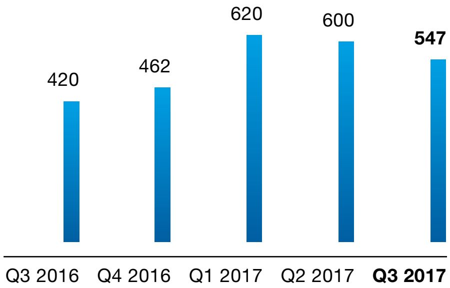
BUSINESS DEVELOPMENT

Due purely to seasonal effects, earnings in the third quarter are the weakest. Maintenance work is performed regularly over summer. On the one hand, this is reflected in lower sales volume and, on the other, in higher expenses compared to the two previous quarters. Due to the overall better market and price situation as well as further effective measures for cutting costs and enhancing efficiency, earnings were significantly higher compared to the third quarter of 2016.

Order situation and production volume

At 547 kilotons, the order backlog at the end of September was below the level of the second quarter of 2017 at 600 kilotons. On the one hand, this is due to seasonal effects and, on the other, this is attributable to the ongoing portfolio streamlining at Steeltec as well as to a more selective order intake. Compared to the third quarter of 2016, however, order backlog increased significantly by 30.2% to 420 kilotons. In the third quarter of 2017, 408 kilotons of crude steel were produced, which translated into a slight increase of 2.3% compared to 399 kilotons in the prior-year period. Compared to the second quarter of 2017, production decreased as a result of maintenance work over the summer months.

Order backlog as at quarter end in kt

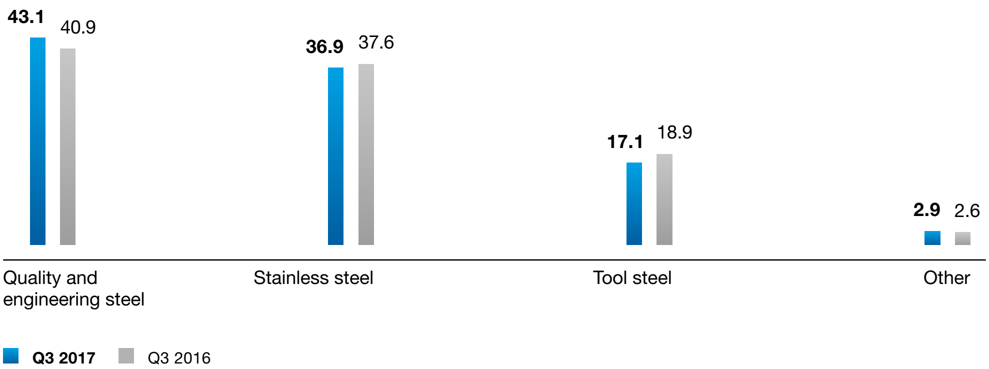


Sales volume and revenue

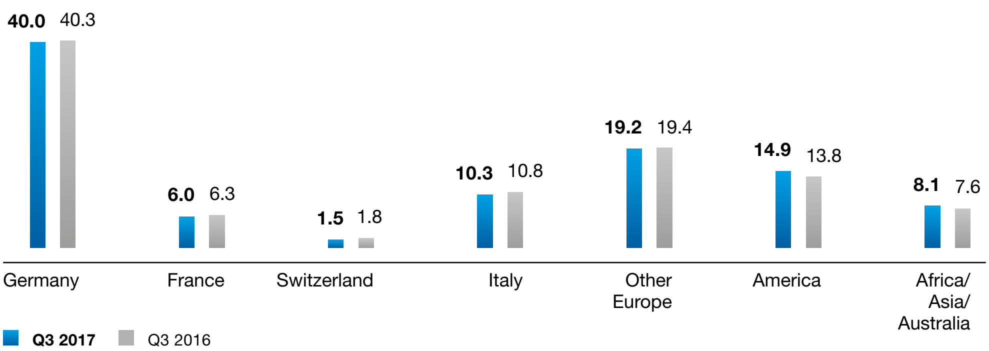
405 kilotons of steel were sold in the third quarter of 2017. This was 14 kilotons more than the 391 kilotons in the prior-year quarter. The increase was mainly attributable to the product group of quality and engineering steel, while sales volume of tool steel decreased slightly. Compared to the second quarter of 2017, sales volume was significantly lower due to the already mentioned seasonal effects and portfolio streamlining at Steeltec. Moreover, a bottleneck in truck availability had an unfavorable effect on sales. This was the result of the interruption along the important north-south freight train route in the Rhine valley.

The average sales price at EUR 1 509 per ton was above the price of EUR 1 489 per ton achieved in the second quarter of 2017 as well as significantly above the figure of EUR 1 366 per ton from the third quarter of 2016. This rise is mainly attributable to higher base prices and markup rates resulting from successful negotiations and higher commodity prices.

Revenue by product groups as % of total revenue



Revenue by region as % of total revenue



Thanks to this positive development in quantity and prices, we generated revenue of EUR 611.0 million in the third quarter of 2017, which translated to an increase of 14.4% on the corresponding prior-year quarter. The increase was primarily recorded in the product groups of quality and engineering steel as well as stainless steel. The decrease compared to the second quarter of 2017 is mainly attributable to the before-mentioned reduction in sales volume due to seasonal effects.

At the regional level, revenue with customers in the third quarter of 2017 increased in almost all countries compared to the prior-year quarter. For example, the increase in revenue of 29.1% in the US requires special mention. Here we gained mainly from the successful launch of products as well as from the renewed increase in demand from the oil and gas industry. In Germany (up 13.2%), Italy (up 9.9%) and France (up 8.9%) it is mainly the sustained strong demand from the automotive industry which is driving our revenue. Growth in revenue remains strong in China with an increase of 38.6% compared to the third quarter of 2016. After a few quarters with decreases, we again recorded revenue growth in Asia-Pacific with an increase of 14.7%. Although starting from a low basis, this development confirms that we are on the right track with the expansion of our sales network worldwide. The acquisition of Shanghai Xinzhen Precision Metalwork Co., Ltd., a joint venture with Tsingshan, was concluded in July 2017. In addition, we expanded our *Sales & Services* network by one branch in Santiago de Chile (Chile).

Cost of materials and gross profit

The cost of materials – after considering the changes in semifinished and finished goods – increased by 16.6% to EUR 378.8 million compared to the third quarter of 2016. Therefore, this increase was higher compared to the increase in revenue. This is due to the increase in the price of commodities such as scrap and nickel. In the third quarter of 2017, gross profit increased by 11.9% to EUR 232.2 million from EUR 207.5 million in the prior-year period. Gross margin of 38.0% was, however, lower due to the proportionately higher cost of materials (Q3 2016: 38.9%).

Income and expenses

At EUR 134.0 million, personnel expenses were slightly higher by 1.2% compared to the prior-year quarter. This increase is mainly attributable to inflation. The number of employees was lower by 13 compared to September 30, 2016. While through the restructuring 181 employees were reduced, in heavily utilized business units as well as in new locations 168 employees have been hired.

At EUR 8.6 million, other operating income decreased by EUR 10.8 million on the prior-year period (Q3 2016: EUR 19.4 million). In the third quarter of 2016, this included non-recurring indemnification for business downtimes. Compared to the prior-year quarter, other operating expenses increased by 4.2% to EUR 69.7 million (Q3 2016: EUR 66.9 million). The main drivers of this increase were expenses for maintenance and repair as a result of more intensive capacity utilization of the plants. In addition, higher freight costs increased expenses. The implementation of the cost-cutting and efficiency improvement program as planned sustainably saved costs of EUR 4.8 million in the third quarter of 2017.

Adjusted EBITDA, EBITDA and EBITDA margins

Compared to the third quarter of 2016, adjusted EBITDA increased by 19.5% from EUR 31.8 million to EUR 38.0 million. Restructuring measures resulted in non-recurring expenses of EUR 0.9 million (Q3 2016: EUR 4.2 million), for which EBITDA was adjusted. The positive developments are also reflected in the adjusted EBITDA margin: In the third quarter of 2017, it stood at 6.2% compared to 6.0% in the third quarter of 2016.

Depreciation, amortization and impairments

Depreciation, amortization and impairments increased slightly from EUR 32.0 million in the third quarter of 2016 to EUR 32.6 million in the third quarter of 2017. An impairment of EUR 1.3 million was made as part of restructuring of the Steeltec business unit in the third quarter of 2017.

Financial result

The financial result of the third quarter of 2017 for the first time reflects the lower interest expenses resulting from the successful refinancing from April 2017. As part of this a new corporate bond of EUR 200 million was issued, the syndicated loan was extended at better conditions and the ABS financing line was extended until 2022, respectively. Therefore, the financial result at EUR –8.3 million was lower by 16.2% compared to the prior-year quarter (Q3 2016: EUR –9.9 million). In the third quarter of 2017, there were no other special and one-time effects related to the renewal of the financing elements.

Group result

In the third quarter of 2017, which was weak due to seasonal effects, earnings before taxes were negative at EUR 3.8 million. However, compared to the prior-year quarter, the loss was significantly lower (Q3 2016: loss of EUR 14.3 million). However, tax expenses of EUR 3.2 million were now incurred, while in the third quarter of 2016, tax income of EUR 0.4 million had been recorded. This is attributable to a change in the composition of the profits or losses of the individual countries. Therefore, Group result in the third quarter of 2017 came to EUR –7.0 million compared to EUR –13.9 million in the comparative prior-year period.

BUSINESS DEVELOPMENT OF THE DIVISIONS

Key figures of the divisions in million EUR	**1.1.–30.9.2017**	1.1.–30.9.2016	Change on prior year %	**Q3 2017**	Q3 2016	Change on prior year %
Production						
Revenue	1 859.1	1 594.1	16.6	594.7	481.5	23.5
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)	161.4	97.3	65.9	33.7	34.0	–0.9
Operating profit before depreciation and amortization (EBITDA)	160.4	94.9	69.0	33.8	32.4	4.3
Adjusted EBITDA margin (%)	8.7	6.1	2.6	5.7	7.1	–1.4
EBITDA margin (%)	8.6	6.0	2.6	5.7	6.7	–1.0
Investments	50.3	55.2	–8.9	27.2	23.3	16.7
Segment operating free cash flow	11.0	82.0	–86.6	45.7	52.9	–13.6
Employees as at closing date [1]	7 516	7 526	–0.1	–	–	–
Sales & Services						
Revenue	445.2	345.6	28.8	140.7	109.5	28.5
Adjusted operating profit before depreciation and amortization (Adjusted EBITDA)	20.8	13.7	51.8	5.6	4.4	27.3
Operating profit before depreciation and amortization (EBITDA)	20.6	12.9	59.7	5.4	3.8	42.1
Adjusted EBITDA margin (%)	4.7	4.0	0.7	4.0	4.0	0.0
EBITDA margin (%)	4.6	3.7	0.9	3.8	3.5	0.3
Investments	2.2	2.7	–18.5	0.8	1.5	–46.7
Segment operating free cash flow	23.5	24.7	–4.9	5.3	8.0	–33.8
Employees as at closing date [1]	1 341	1 239	8.2	–	–	–

[1] As at September 30, 2017 and 31 December 2016, respectively.

Optimization of *Sales & Services* activities in Germany led to diverse reclassifications from the *Production* division to the *Sales & Services* division. 81 sales employees from production companies were transferred to the *Sales & Services* organization. Therefore, revenue (EUR 19.3 million) as well as EBITDA (EUR 0.9 million) were also reclassified. Overall on a comparable basis in the future, this will result in the recognition of more revenue in the *Sales & Services* division. As a result, its share in Group EBITDA will also increase.

The *Production* division achieved an increase in revenue of 23.5% to EUR 594.7 million in the third quarter of 2017. However, due to reclassifications, adjusted EBITDA decreased slightly by 0.9% to EUR 33.7 million on the prior-year quarter.

In the *Sales & Services* division, revenue in the third quarter of 2017 increased by 28.5% to EUR 140.7 million. Adjusted EBITDA of the division increased by 27.3% to EUR 5.6 million.

FINANCIAL POSITION AND NET ASSETS

The primary goal of financial management is to create a solid capital base to support the Group's sustainable growth. The Group relies on three pillars to secure the liquidity needed to do this: the syndicated loan, the corporate bond, and the ABS financing program. A central cash pool ensures that our international operations have sufficient liquidity.

Key figures on the financial position and net assets	Unit	**30.9.2017**	31.12.2016	Change on prior year %
Shareholders' equity	million EUR	671.8	667.5	0.6
Equity ratio	%	32.3	32.6	–0.3
Net debt	million EUR	454.6	420.0	8.2
Gearing	%	67.7	62.9	4.8
Net working capital	million EUR	715.8	615.4	16.3
Total assets	million EUR	2077.7	2047.0	1.5

	Unit	**1.1.– 30.9.2017**	1.1.– 30.9.2016	Change on prior year %	**Q3 2017**	Q3 2016	Change on prior year %
Cash flow before changes in net working capital	million EUR	172.1	95.2	80.8	23.6	38.2	–38.2
Cash flow from operating activities	million EUR	54.5	134.4	–59.4	57.7	76.5	–24.6
Cash flow from investing activities	million EUR	–51.8	–52.0	–0.4	–30.7	–19.7	55.8
Free cash flow	million EUR	2.7	82.4	–96.7	27.0	56.8	–52.5
Depreciation, amortization and impairments	million EUR	–96.0	–92.4	3.9	–32.6	–32.0	1.9
Investments	million EUR	53.3	58.8	–9.4	28.3	25.1	12.7

FINANCIAL SITUATION

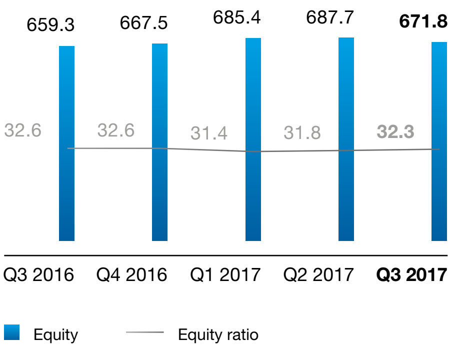
Shareholders' equity and equity ratio

In the first nine months of 2017, we recorded a slight increase in shareholders' equity compared to December 31, 2016. The increase stems from the Group result of EUR 19.5 million as well as from actuarial gains of EUR 10.7 million, while losses from currency translation of EUR 23.5 million had a negative impact. At 32.3%, the equity ratio was slightly lower than at year-end 2016 (32.6%).

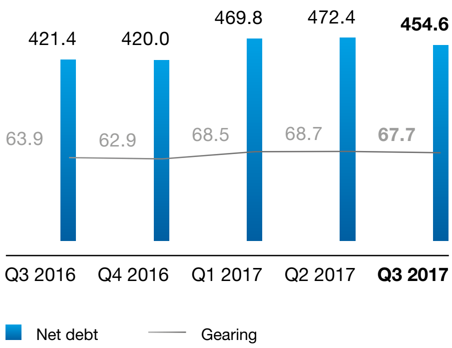
Net debt

Net debt, comprising current and non-current financial liabilities less cash and cash equivalents, came to EUR 454.6 million, up on the figure from December 31, 2016 (EUR 420.0 million). This stems from the increase in net working capital, which is attributable to the increased inventories, production volume and higher prices. However, net debt at EUR 472.4 million decreased by EUR 17.8 million compared to June 30, 2017.

Shareholders' equity and equity ratio
Five-quarter overview in million EUR / in %



Net debt and gearing
Five-quarter overview in million EUR / in %



The gearing, which expresses the relation between the net debt to shareholders' equity, increased accordingly from 62.9% as at December 31, 2016 to 67.7%. Compared to June 30, 2017, we have reduced this key indicator (Q2 2017: 68.7%).

Cash flow

In the third quarter of 2017, the cash flow prior to changes in net working capital came to EUR 23.6 million, down on the prior-year period (Q3 2016: EUR 38.2 million). This is mainly attributable to lower other liabilities, which decreased due to real estate transfer tax and VAT payments. The rise in net working capital due to the increase in inventories and receivables led to a decrease in cash flow from operating activities to EUR 57.7 million (Q3 2016: EUR 76.5 million).

At EUR 30.7 million, cash flow from investing activities was above the level of the comparative period of the prior year (Q3 2016: EUR 19.7 million). Investments in property, plant and equipment of EUR 26.5 million were higher by EUR 3.3 million on the comparative period of the prior year. Furthermore, the payment of the remainder of EUR 4.5 million for the sale of distribution companies to JACQUET METAL SERVICE had a positive impact on the cash flow in the third quarter of 2016. In addition, a payment of EUR 3.3 million was made for the acquisition of the 60% stake in Shanghai Xinzhen Precision Metalwork Co., Ltd. in the third quarter of 2017.

Free cash flow, which is calculated from the cash flow from operating activities less the cash flow from investing activities, therefore came to EUR 27.0 million for the third quarter of 2017 (Q3 2016: EUR 56.8 million).

The reduction in financial liabilities as well as the payment of interest led to cash flow from financing activities in the third quarter of 2017 of EUR –14.1 million (Q3 2016: EUR –54.3 million).

NET ASSETS

Total assets

In the period from December 31, 2016 to September 30, 2017, total assets increased by EUR 30.7 million to EUR 2 077.7 million. This is primarily attributable to an increase in current assets and to an increase in non-current financial liabilities on the equity and liabilities side.

Non-current assets

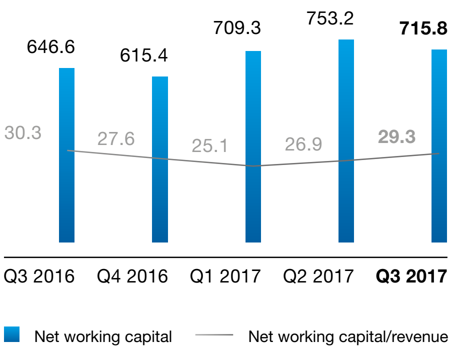
Compared to December 31, 2016, non-current assets decreased by 8.6% from EUR 994.7 million to EUR 908.7 million. The decrease was mainly due to depreciation and amortization of fixed assets of EUR 91.8 million, which was only partly offset by capital expenditures of EUR 50.7 million in new plant and equipment. The share of non-current assets in total assets thus decreased to 43.7% (December 31, 2016: 48.6%).

Net working capital

Compared to December 31, 2016, net working capital rose significantly from EUR 615.4 million to EUR 715.8 million. This development is linked to higher sales as well as production volume and the resulting increase in trade receivables (EUR + 44.4 million) and inventories (EUR + 53.6 million). The reduction in trade payables by EUR 2.4 million strengthened this effect further. Compared to June 30, 2017, net working capital was decreased by EUR 37.4 million.

As at September 30, 2017, net working capital as a percentage of revenue came to 29.3% and was thus improved from 30.3% at the end of the third quarter of 2016. Compared to 27.6% on December 31, 2016, however, this key indicator increased due to seasonal effects.

Net working capital and
net working capital/revenue
Five-quarter overview in million EUR / in %



Liabilities

Non-current liabilities totaled EUR 733.7 million as at the reporting date, up EUR 36.8 million on the figure from December 31, 2016. On the one hand, this is attributable to the increase in non-current financial liabilities by EUR 61.8 million. On the other hand, the decrease in defined benefit obligations by EUR 17.6 million had the opposite effect. The ratio of non-current liabilities to total assets thus increased from 34.1% to 35.3%.

Current liabilities fell by EUR 10.4 million to EUR 672.2 million compared to year-end 2016. This development was mainly driven by the reduction in trade payables by EUR 2.4 million and in current liabilities by EUR 19.6 million. The share of current liabilities in total assets thus decreased to 32.4% (December 31, 2016: 33.3%).

OPPORTUNITIES AND RISKS

SCHMOLZ + BICKENBACH's central risk management system is intended to systematically minimize or completely eliminate risks 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.

RISK MANAGEMENT

The Group's risk management provides support in the strategic planning and day-to-day decision-making to pursue and to manage the Group's objectives within the set appetite for risk. The risk management objectives are to detect threats and exploit opportunities at an early stage and respond in a way that is conducive to achieving strategic goals and continuously increasing the value of the Company. A standardized Enterprise Risk Management (ERM) system has been implemented across the Group to ensure systematic and efficient risk management by means of consistent guidelines. The ERM is an integral component of the annual strategy process and of the Group's culture, enabling risk identification, a comprehensive risk analysis including probability of occurrence, impact measurement, and corresponding mitigating action.

Risk categories

> Political and regulatory risks
> Risks relating to the future economic development
> Environmental risks
> Risks from IT security and internal processes
> Personnel risks
> Financial risks (foreign currency, interest rate, commodity price, credit and liquidity risk)

OPPORTUNITY MANAGEMENT

From its starting point as a collection of complementary companies, the Group became increasingly cohesive between 2003 and 2016. 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 Corporate Business Development. We collect and analyze information about the market, production, and 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 annual report 2016 on pages 60–65.

OUTLOOK

Our long-term goal is to create a robust, profitable, innovative and global group for special long steel.

This section contains forward-looking statements, including presentations of developments, plans, intentions, assumptions, expectations, beliefs and potential impacts or 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.

Friendly market environment expected in the last quarter

The friendly market environment of the first six months continued in the third quarter. Following the weak demand during the summer months, which was purely due to seasonal effects, the business received a significant boost again. Demand for our special long steel stabilized at a significantly higher level compared to 2015 and 2016. Looking at our end markets, it is clear that the automotive industry especially in Europe is still in very good shape, while signs of a significant slowdown are becoming visible in the US. The mechanical and plant engineering industry confirmed the robust upswing of the first half of the year and seems to be on course to confirm this growth in the fourth quarter. By contrast, there is no significant impetus for our business from the oil and gas industry. Nevertheless, in the last few quarters, this industry has put the considerable weakness of the two prior years behind it. Although we expect unfavorable development on the cost side due to increasing purchase prices for graphite electrodes and refractory materials, overall we are optimistic for the rest of the year and expect a clearly better market environment compared to the prior year.

Outlook 2017 for the SCHMOLZ + BICKENBACH Group

Despite the third quarter being the weakest of the year due to seasonal effects, earnings were significantly better compared to the prior-year quarter. The better market environment, the current good order backlog as well as our assessment of the customers' industries make us confident for the earnings development in the fourth quarter. We still expect to generate adjusted EBITDA of EUR 200–220 million.

In the next few weeks, we will continue to focus on expanding our strengths. We will continue with the restructuring of Deutsche Edelstahlwerke and Steeltec. We will make targeted investments to improve our innovative capacity and technology leadership and align the Company more closely to the market. And last but not least, we will keep a strict focus on cost discipline and efficiency of our net working capital.

In the medium term, we aim to develop SCHMOLZ + BICKENBACH further into 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.

Financial reporting

SCHMOLZ + BICKENBACH Group

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CONSOLIDATED INCOME STATEMENT

in million EUR	Note	1.1.–30.9.2017	1.1.–30.9.2016	Q3 2017	Q3 2016
Revenue		2018.4	1756.4	611.0	534.1
Change in semi-finished and finished goods		24.6	–46.1	–24.7	–8.0
Cost of materials		–1245.8	–1027.5	–354.1	–318.6
Gross profit		**797.2**	**682.8**	**232.2**	**207.5**
Other operating income	6	26.6	36.2	8.6	19.4
Personnel costs		–431.0	–410.0	–134.0	–132.4
Other operating expenses	6	–221.7	–209.9	–69.7	–66.9
Operating profit before depreciation, amortization and impairments		**171.1**	**99.1**	**37.1**	**27.6**
Depreciation, amortization and impairments	9	–96.0	–92.4	–32.6	–32.0
Operating profit		**75.1**	**6.7**	**4.5**	**–4.4**
Financial income	7	4.1	2.6	0.1	2.2
Financial expense	7	–41.7	–35.3	–8.4	–12.1
Financial result		**–37.6**	**–32.7**	**–8.3**	**–9.9**
Earnings before taxes		**37.5**	**–26.0**	**–3.8**	**–14.3**
Income taxes	8	–18.0	–6.0	–3.2	0.4
Earnings after taxes from continuing operations		**19.5**	**–32.0**	**–7.0**	**–13.9**
Earnings after taxes from discontinued operations		0.0	–3.9	0.0	0.0
Net income (loss)		**19.5**	**–35.9**	**–7.0**	**–13.9**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		18.2	–37.7	–7.3	–14.4
of which from continuing operations		18.2	–33.8	–7.3	–14.4
of which from discontinued operations		0.0	–3.9	0.0	0.0
– non-controlling interests		1.3	1.8	0.3	0.5
Earnings per share in EUR (basic/diluted)		**0.02**	**–0.04**	**–0.01**	**–0.02**
Earnings per share in EUR (basic/diluted) from continuing operations		**0.02**	**–0.04**	**–0.01**	**–0.02**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in million EUR	Note	1.1.–30.9.2017	1.1.–30.9.2016	Q3 2017	Q3 2016
Net income (loss)		**19.5**	**–35.9**	**–7.0**	**–13.9**
Gains/(losses) from currency translation		–23.5	–5.3	–7.0	–3.9
Change in unrealized gains/(losses) from cash flow hedges		–0.1	0.5	0.4	–0.2
Tax effect from cash flow hedges		0.0	–0.2	–0.2	0.0
Items that may be reclassified subsequently to profit or loss		**–23.6**	**–5.0**	**–6.8**	**–4.1**
Actuarial gains/(losses) from pension-related and similar obligations	11	10.7	–68.0	–5.3	–0.3
Tax effect from pensions and similar obligations		–2.3	17.3	1.5	0.2
Items that will not be reclassified subsequently to profit or loss		**8.4**	**–50.7**	**–3.8**	**–0.1**
Other comprehensive income (loss)		**–15.2**	**–55.7**	**–10.6**	**–4.2**
Total comprehensive loss		**4.3**	**–91.6**	**–17.6**	**–18.1**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		3.0	–93.4	–17.9	–18.6
of which from continuing operations		3.0	–89.5	–17.9	–18.6
of which from discontinued operations		0.0	–3.9	0.0	0.0
– non-controlling interests		1.3	1.8	0.3	0.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.9.2017		31.12.2016	
	Note	in million EUR	%	in million EUR	%
Assets					
Intangible assets	9	26.6		28.1	
Property, plant and equipment	9	814.9		889.1	
Other non-current assets		1.3		1.5	
Non-current income tax assets		6.8		10.1	
Other non-current financial assets		1.7		1.5	
Deferred tax assets		57.4		64.4	
Total non-current assets		**908.7**	**43.7**	**994.7**	**48.6**
Inventories	10	683.8		630.2	
Trade accounts receivable		377.5		333.1	
Current financial assets		0.3		0.3	
Current income tax assets		4.3		5.5	
Other current assets		50.3		39.4	
Cash and cash equivalents		51.2		43.7	
Assets held for sale		1.6		0.1	
Total current assets		**1 169.0**	**56.3**	**1 052.3**	**51.4**
Total assets		**2 077.7**	**100.0**	**2 047.0**	**100.0**
Shareholders' equity and liabilities					
Share capital		378.6		378.6	
Capital reserves		952.8		952.8	
Retained earnings (accumulated losses)		–588.7		–606.7	
Accumulated income and expense recognized in other comprehensive income (loss)		–79.8		–64.6	
Treasury shares		–0.8		–0.1	
Attributable to shareholders of SCHMOLZ + BICKENBACH AG		**662.1**		**660.0**	
Non-controlling interests		9.7		7.5	
Total shareholders' equity		**671.8**	**32.3**	**667.5**	**32.6**
Pension liabilities	11	309.0		326.6	
Other non-current provisions		35.9		37.5	
Deferred tax liabilities		43.1		47.1	
Non-current financial liabilities	12	343.7		281.9	
Other non-current liabilities		2.0		3.8	
Total non-current liabilities		**733.7**	**35.3**	**696.9**	**34.1**
Current provisions		35.7		35.1	
Trade accounts payable		345.5		347.9	
Current financial liabilities	12	162.1		181.7	
Current income tax liabilities		7.1		3.4	
Other current liabilities		121.8		114.5	
Total current liabilities		**672.2**	**32.4**	**682.6**	**33.3**
Total liabilities		**1 405.9**	**67.7**	**1 379.5**	**67.4**
Total shareholders' equity and liabilities		**2 077.7**	**100.0**	**2 047.0**	**100.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

in million EUR	Note	1.1.–30.9.2017	1.1.–30.9.2016
Earnings before taxes		37.5	−26.0
Depreciation, amortization and impairments		96.0	92.4
Gain/loss on disposal of intangible assets, property, plant and equipment and financial assets		−3.1	0.1
Increase/decrease in other assets and liabilities		5.8	2.2
Financial income		−4.1	−2.6
Financial expense		41.7	35.3
Income taxes paid (net)		−1.7	−6.2
Cash flow before changes in net working capital		**172.1**	**95.2**
Change in inventories		−64.7	62.5
Change in trade accounts receivable		−56.5	−17.2
Change in trade accounts payable		3.6	−6.1
Cash flow from operating activities of discontinued operations		0.0	−0.4
Cash flow from operating activities	**A**	**54.5**	**134.0**
Investments in property, plant and equipment		−50.5	−54.4
Proceeds from disposal of property, plant and equipment		4.2	0.6
Investments in intangible assets		−2.7	−3.0
Acquisition of Group companies		−3.3	0.0
Proceeds from disposal of discontinued operations		0.0	4.5
Interest received		0.5	0.3
Cash flow from investing activities	**B**	**−51.8**	**−52.0**
Increase in other financial liabilities		18.6	−71.5
Proceeds bond		193.6	−1.9
Transaction costs other refinancing		−3.7	0.0
Repayment bond		−171.9	0.0
Investment in treasury shares		−1.7	−0.5
Investments in shares in previously consolidated companies		−3.1	0.0
Dividends to non-controlling interests		−1.2	−0.2
Interest paid		−23.3	−22.4
Cash flow from financing activities	**C**	**7.3**	**−96.5**
Change in cash and cash equivalents due to cash flow	**A+B+C**	**10.0**	**−14.5**
Effect of foreign currency translation		−2.5	−0.5
Change in cash and cash equivalents		**7.5**	**−15.0**
Cash and cash equivalents as at 1.1.		43.7	53.2
Cash and cash equivalents as at 30.9.		51.2	40.1
Change in cash and cash equivalents		**7.5**	**−13.1**
Free cash flow from continuing operations		**2.7**	**82.4**
Free cash flow from discontinued operations		0.0	−0.4
Free cash flow	**A+B**	**2.7**	**82.0**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in million EUR	Share capital	Capital reserves	Retained earnings (accumulated losses)	Accumulated income and expense recognized in other comprehensive income	Treasury shares	**Attributable to shareholders of SCHMOLZ + BICKENBACH AG**	Non-controlling interests	**Total shareholders' equity**
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
Expenses from share-based payments	0.0	0.0	1.0	0.0	0.0	**1.0**	0.0	1.0
Definitive allocation of share-based payments for the prior year	0.0	0.0	–0.5	0.0	0.5	**0.0**	0.0	0.0
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**	**0.5**	**0.0**	**0.0**	**0.5**	**–0.2**	**0.3**
Net income (loss)	0.0	0.0	–37.7	0.0	0.0	**–37.7**	1.8	–35.9
Other comprehensive income (loss)	0.0	0.0	0.0	–55.7	0.0	**–55.7**	0.0	–55.7
Total comprehensive income (loss)	**0.0**	**0.0**	**–37.7**	**–55.7**	**0.0**	**–93.4**	**1.8**	**–91.6**
As at 30.9.2016	**378.6**	**952.8**	**–563.7**	**–122.9**	**–0.1**	**644.7**	**14.6**	**659.3**
As at 1.1.2017	**378.6**	**952.8**	**–606.7**	**–64.6**	**–0.1**	**660.0**	**7.5**	**667.5**
Change in scope of consolidation	0.0	0.0	0.0	0.0	0.0	**0.0**	2.1	2.1
Purchase of treasury shares	0.0	0.0	0.0	0.0	–1.7	**–1.7**	0.0	–1.7
Expenses from share-based payments	0.0	0.0	1.2	0.0	0.0	**1.2**	0.0	1.2
Definitive allocation of share-based payments for the prior year	0.0	0.0	–1.4	0.0	1.0	**–0.4**	0.0	–0.4
Dividends	0.0	0.0	0.0	0.0	0.0	**0.0**	–1.2	–1.2
Capital transactions with shareholders	**0.0**	**0.0**	**–0.2**	**0.0**	**–0.7**	**–0.9**	**0.9**	**0.0**
Net income (loss)	0.0	0.0	18.2	0.0	0.0	**18.2**	1.3	19.5
Other comprehensive income (loss)	0.0	0.0	0.0	–15.2	0.0	**–15.2**	0.0	–15.2
Total comprehensive income (loss)	**0.0**	**0.0**	**18.2**	**–15.2**	**0.0**	**3.0**	**1.3**	**4.3**
As at 30.9.2017	**378.6**	**952.8**	**–588.7**	**–79.8**	**–0.8**	**662.1**	**9.7**	**671.8**

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 authorized for issue by the Board of Directors on November 8, 2017.

1 ACCOUNTING POLICIES

The Group prepared these interim condensed consolidated financial statements of SCHMOLZ + BICKENBACH AG for the first nine months of 2017 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 December 31, 2016. 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 recognized 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 2016. The new or revised standards that are mandatory for fiscal years from January 1, 2017 have no effects on these interim financial statements. Starting from January 1, 2018 the Group will apply IFRS 15 "Revenue from Contracts with Customers" using the modified retrospective approach. According to IFRS 15, revenue is recognized as soon as the control of goods and services has been transferred to the customer. This can happen either at a specific point in time or over a period of time. SCHMOLZ + BICKENBACH's revenue is recognized only at a specific point in time. The Group does not expect any significant effect on annual revenue. The effect from the first-time application of IFRS 15 will be recognized directly in shareholders' equity.

Additionally the following new and amended standards and interpretations had been published by the balance sheet date, but will not be applied until subsequent financial years.

SCHMOLZ + BICKENBACH intends to apply the changes from the date on which they enter into force (entry into force for financial years beginning on or after the dates in brackets):

- IFRS 9 "Financial Instruments" (January 1, 2018)
- IFRS 16 "Leases" (January 1, 2019)
- IFRIC 23 "Uncertainty over Income Tax Treatments" (January 1, 2019)

Possible effects of applying these new or changed standards and interpretations are curretly under evalution.

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 lower due to vacation periods in July and August as well as in 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

In the first nine months of 2017, SCHMOLZ + BICKENBACH Chile SpA (CL) was established and allocated to the *Sales & Services* segment.

In the first nine months of 2017 the first installment of the purchase price of EUR 3.1 million for the acquisition of the non-controlling interests of SCHMOLZ + BICKENBACH s.r.o. (CZ) and SCHMOLZ + BICKENBACH Slovakia s.r.o. (SK) was paid, which were fully consolidated as at December 2016. The total purchase price amounts to EUR 6.1 million, further installments will be paid in fiscal years 2018 and 2019.

As at July 5, 2017 SCHMOLZ + BICKENBACH acquired a 60% stake in the privately-owned Chinese company Shanghai Xinzhen Precision Metalwork Co., Ltd., while the Chinese Tsingshan Group holds a non-controlling interest of 40%. Shanghai Xinzhen Precision Metalwork Co., Ltd. is specialized in the production of a broad range of drawn bright steel. This acquisition is aimed at tapping into the Chinese market for stainless long steel. The competitive position will be established by building up local processing and sales structures (downstream) while customer service will be strengthened by a reliable and flexible supply chain.

Fair values from the acquisition in China were accounted for using the acquisition method and will be consolidated in full for the first time in the third quarter of 2017 taking into consideration the corresponding non-controlling interest. The acquired net assets as of acquisition date have a total fair value of EUR 5.2 million, thereof EUR 2.1 million non-controlling interests. The purchase price of the company amounts to EUR 3.4 million and the resulting goodwill to EUR 0.3 million. The net cash flow in the third quarter came to EUR 3.3 million as EUR 0.1 million of cash and cash equivalents were acquired through the transaction.

The goodwill of EUR 0.3 million was paid for synergies in the combination of production and sales processes of SCHMOLZ + BICKENBACH and the acquired company.

In total, transaction costs of EUR 0.5 million were recognized as other operating expenses and as cash flow from operating activities.

Unless otherwise stated, the numbers mentioned above refer to preliminary figures as purchase price allocations have not been concluded completely.

During the first three quarters of 2016, the entities SCHMOLZ + BICKENBACH Taiwan Ltd., Chongqing SCHMOLZ + BICKENBACH Co. Ltd. (CN) and SCHMOLZ + BICKENBACH (Thailand) Ltd. were established and allocated to the *Sales & Services* segment.

In addition, the sale of the discontinued operation JACQUET METAL SERVICE was brought to a conclusion in the third quarter of 2016. The agreement resulted in a reduction in sales price of EUR 3.5 million. This loss was recognized in the loss from discontinued operations.

6 OTHER OPERATING INCOME AND EXPENSES

Other operating income of EUR 26.6 million (2016: EUR 36.2 million) comprises a number of items which are immaterial both individually and when aggregated and are therefore not presented separately.

Other operating expenses can be broken down as follows:

in million EUR	1.1.–30.9.2017	1.1.–30.9.2016
Freight, commission	62.5	58.8
Maintenance, repairs	54.4	43.2
Holding and administration expenses	23.0	19.3
Fees and charges	15.7	13.8
Rent and lease expenses	13.3	13.5
Consultancy and audit services	10.3	16.6
IT expenses	15.0	11.3
Losses on disposal of intangible assets, property, plant and equipment, and financial assets	0.6	0.4
Non-income taxes	8.7	8.5
Net exchange losses (net)	0.0	0.6
Miscellaneous expense	18.2	23.9
Total	**221.7**	**209.9**

Other operating expenses of EUR 18.2 million (2016: EUR 23.9 million) comprise a number of individually immaterial items which cannot be allocated to any other 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.– 30.9.2017	1.1.– 30.9.2016
Exchange gains	48.6	23.5
Exchange losses	47.2	24.1
Net exchange gains/(losses)	**1.4**	**–0.6**

7 FINANCIAL RESULT

in million EUR	1.1.– 30.9.2017	1.1.– 30.9.2016
Interest income	0.5	0.9
Other financial income	3.6	1.7
Financial income	**4.1**	**2.6**
Interest expense on financial liabilities	–23.5	–27.3
Net interest expense on pension provisions and plan assets	–3.6	–4.5
Capitalized borrowing costs	0.2	0.8
Other financial expense	–14.8	–4.3
Financial expense	**–41.7**	**–35.3**
Financial result	**–37.6**	**–32.7**

Other financial income includes a valuation gain of EUR 3.6 million (2016: EUR 0.0 million) from the repayment option for the bond issued in May 2017. This valuation gain represents the option to redeem the existing bond prematurely on potentially better interest terms.

Other financial expense contains expenses related to the premature redemption of the bond issued in 2012. These include realization and derecognition of capitalized repurchase options of EUR 4.6 million (2016: EUR 1.7 million), additionally, amortization of the remaining transaction costs and the redemption premium for early payment totaling EUR 6.6 million.

8 INCOME TAXES

in million EUR	1.1.– 30.9.2017	1.1.– 30.9.2016
Current taxes	13.2	10.3
Deferred taxes	4.8	–4.3
Income tax expense/(income)	**18.0**	**6.0**

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 nine months of fiscal year 2017 was 48.0% (2016: –23.1%). 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.– 30.9.2017	1.1.– 31.12.2016	1.1.– 30.9.2016
Opening balance at the beginning of the period	17.3	19.7	19.7
Changes from continuing operations recognized in profit and loss	–4.8	–5.1	4.3
Changes recognized in other comprehensive income	–2.3	4.1	17.1
Foreign currency effects	4.1	–1.4	1.2
Closing balance at the end of the period	**14.3**	**17.3**	**42.3**

9 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets did not change significantly in the first nine months. The carrying amount of intangible assets as at September 30, 2017 stood at EUR 26.6 million (December 31, 2016: EUR 28.1 million). Amortization of intangible assets in the first nine months of 2017 came to EUR 2.9 million (2016: EUR 3.6 million).

The breakdown of property, plant and equipment into its subcategories can be seen below. Depreciation of property, plant and equipment of EUR 1.3 million as well as reclassification into assets held for sale of EUR 1.6 million was performed as part of restructuring of the Steeltec business unit. 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 1.1.2016	**698.8**	**2319.6**	**70.2**	**3088.6**
Reclassifications from assets held for sale	0.0	0.0	0.0	0.0
Additions	1.0	51.6	42.0	94.6
Disposals	−0.5	−28.5	−0.1	−29.1
Reclassifications	3.1	50.0	−53.1	0.0
Foreign currency effects	5.8	19.0	0.8	25.6
Cost as at 31.12.2016	**708.2**	**2411.7**	**59.8**	**3179.7**
Change in scope	3.7	0.9	0.0	4.6
Reclassifications from assets held for sale	−7.1	0.0	0.0	−7.1
Additions	0.4	14.5	35.8	50.7
Disposals	−0.2	−18.4	−0.1	−18.7
Reclassifications	2.1	24.9	−27.0	0.0
Foreign currency effects	−25.0	−66.4	−1.8	−93.2
Cost as at 30.9.2017	**682.1**	**2367.2**	**66.7**	**3116.0**
Accumulated depreciation and impairments as at 1.1.2016	**−383.5**	**−1798.7**	**0.0**	**−2182.2**
Depreciation	−16.8	−103.2	0.0	−120.0
Impairment	−0.2	−0.2	0.0	−0.4
Disposals	0.4	27.6	0.0	28.0
Foreign currency effects	−3.1	−12.9	0.0	−16.0
Accumulated depreciation and impairments as at 31.12.2016	**−403.2**	**−1887.4**	**0.0**	**−2290.6**
Change in scope	−0.4	−0.4	0.0	−0.8
Reclassifications into assets held for sale	5.5	0.0	0.0	5.5
Depreciation	−12.5	−79.3	0.0	−91.8
Impairment	0.0	−1.3	0.0	−1.3
Disposals	0.1	17.7	0.0	17.8
Foreign currency effects	13.3	46.8	0.0	60.1
Accumulated depreciation and impairments as at 30.9.2017	**−397.2**	**−1903.9**	**0.0**	**−2301.1**
Net carrying amount as at 31.12.2016	**305.0**	**524.3**	**59.8**	**889.1**
Net carrying amount as at 30.9.2017	**284.9**	**463.3**	**66.7**	**814.9**

There were no restrictions on ownership or disposal as at each reporting date.

10 INVENTORIES

Inventories as at September 30, 2017 as well as at December 31, 2016 break down as follows:

in million EUR	30.9.2017	31.12.2016
Raw materials, consumables and supplies	126.7	103.6
Semi-finished goods and work in progress	267.1	250.2
Finished goods and merchandise	290.0	276.4
Total	**683.8**	**630.2**

11 PENSIONS

On the one hand, there are "Defined Benefit Plans" in the Group, on the other, there are "Defined Contribution Plans", where contractually defined amounts are transferred to an external pension institution. Most of the plans are, however, defined benefit plans, in which the employer undertakes to deliver the agreed pension benefits to its employees.

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.–30.9.2017	1.1.–31.12.2016	1.1.–30.9.2017	1.1.–31.12.2016	1.1.–30.9.2017	1.1.–31.12.2016
Present value of defined benefit obligations/Fair value of plan assets at the beginning of the period	**636.9**	**611.1**	**311.6**	**294.1**	**325.3**	**317.0**
Current service cost	7.9	12.4	0.0	0.0	7.9	12.4
Administration expenses	0.0	0.0	–0.5	–0.7	0.5	0.7
Interest cost/(income)	5.6	9.4	2.0	3.4	3.6	6.0
Past service costs	–2.8	–4.0	0.0	0.0	–2.8	–4.0
Net pension expenses/(income)	**10.7**	**17.8**	**1.5**	**2.7**	**9.2**	**15.1**
Return on plan assets less interest income	0.0	0.0	0.0	10.0	0.0	–10.0
Actuarial (gains)/losses from changes in demographic assumptions	0.0	–2.5	0.0	0.0	0.0	–2.5
Actuarial (gains)/losses from changes in financial assumptions	–10.6	28.0	0.0	0.0	–10.6	28.0
Actuarial (gains)/losses from experience adjustments	0.0	–7.9	0.0	0.0	0.0	–7.9
Remeasurement effects included in other comprehensive income	**–10.6**	**17.6**	**0.0**	**10.0**	**–10.6**	**7.6**
Employer contributions	0.0	0.0	11.7	15.6	–11.7	–15.6
Employee contributions	3.6	4.8	3.6	4.8	0.0	0.0
Benefit payments	–19.8	–20.9	–19.8	–20.9	0.0	0.0
Foreign currency effects	–25.7	6.5	–20.4	5.3	–5.3	1.2
Present value of defined benefit obligations/Fair value of plan assets at the end of the period	**595.1**	**636.9**	**288.2**	**311.6**	**306.9**	**325.3**
Provisions from obligations similar to pensions	2.1	1.3	0.0	0.0	2.1	1.3
Total provisions for pensions and obligations similar to pensions	**597.2**	**638.2**	**288.2**	**311.6**	**309.0**	**326.6**

Actuarial gains primarily result from the slight increase in discount rates as at September 30, 2017 in Switzerland and the euro area compared to the prior year as at December 31, 2016.

In 2016 these decreased in Switzerland and the euro area and thus resulted in an actuarial loss.

In the first nine months of 2017 – like in the prior year – an improvement in earnings was recognized in the income statement. This resulted from the renewed reduction in the pension conversion rates in Switzerland. The recalculation of the present value of the defined benefit obligations resulted in a non-recurring gain of EUR 2.8 million (Q3 2016: EUR 4.0 million), which was immediately posted to other comprehensive income.

As at the reporting date, the main driver of the measurement of the defined benefit obligations, the discount rates, were evaluated critically and adjusted if not within the appropriate range. The following valuation assumptions were used.

in %	Switzerland		Euro area		USA		Canada	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
Discount rate	0.6	0.5	1.9	1.8	3.6	3.8	3.7	3.8
Salary trend	1.5	1.5	1.8–3.0	1.8–3.0	nm	nm	3.0	3.0

12 FINANCIAL LIABILITIES

Financial liabilities break down as follows as at September 30, 2017:

in million EUR	30.9.2017	31.12.2016
Syndicated loan	129.1	93.1
Other bank loans	17.3	21.3
Bond	194.9	164.6
Liabilities from finance leases	2.4	2.9
Total non-current	**343.7**	**281.9**
Other bank loans	7.0	7.8
ABS financing program	151.5	169.9
Liabilities from finance leases	0.8	1.1
Other financial liabilities	2.8	2.9
Total current	**162.1**	**181.7**

Other current financial liabilities include accrued interest for the bond of EUR 2.3 million (December 31, 2016: EUR 2.1 million).

SCHMOLZ + BICKENBACH issued a corporate bond on April 24, 2017 with a final maturity date of July 15, 2022. Senior secured notes of EUR 200 million were offered by the subsidiary SCHMOLZ + BICKENBACH Luxembourg Finance S.A. (LU) and carry a coupon of 5.625% p.a. Interest is payable semiannually on January 15 and July 15. The new bond replaced the old bond (issue date: May 15, 2012) prematurely on May 15, 2017.

In addition to that, the syndicated loan of EUR 375 million was extended at better conditions and the ABS financing program of EUR 230 million and USD 75 million was extended until 2022, respectively.

13 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Contingent liabilities from guarantees, warranties and purchase commitments totaled EUR 40.8 million as at September 30, 2017 (December 31, 2016: EUR 21.2 million).

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.

The fair value (Level 1) of the bonds as at September 30, 2017 came to EUR 213.6 million (December 31, 2016: EUR 176.3 million) while the carrying amount of the bonds as at September 30, 2017 was EUR 194.9 million (December 31, 2016: EUR 164.6 million).

As at September 30, 2017 a positive fair value of EUR 4.3 million (December 31, 2016: EUR 4.6 million) was accounted for embedded derivative financial instruments (Level 2). The figure is attributable to the repurchase option for the bond issued by SCHMOLZ + BICKENBACH Luxembourg Finance S.A. (LU) in April 2017. The figure as at December 31, 2016 is attributable to the repurchase option for the bond issued in May 2012. The effect recognized in the income statement in the first nine months came to EUR 1.0 million on a net basis.

The fair value of the repayment options for the bonds was calculated using an option pricing model. The main drivers of the fair value are the changes in the market interest rates, the change in the credit spread as well as volatility of market interest rates and the credit spread. For every exercise date, the payment profile of repayment options is determined taking into consideration the deviation in the present value of future interest and principal repayments from the repayment amount at each date of termination. The acquisition costs accounted for the bond consider the value determined for the embedded option during the issue.

15 SEGMENT REPORTING

The Group is presented in accordance with its internal reporting and organizational structure, comprising the two divisions (also referred to as operating segments): *Production* and *Sales & Services*. The optimization of the *Sales & Services* activities in Germany resulted in various reclassifications from the *Production* division to the *Sales & Services* division, which were realized retrospectively for the first nine months of the 2017 financial year. As a result, sales of EUR 58.0 million and EBITDA of EUR 2.8 million are reported in the *Sales & Services* division in the current financial year while those figures were included in the *Production* division in previous years. The table below shows the segment reporting for the continuing operations as at September 30, 2017.

	Production		Sales & Services	
in million EUR	**1.1.– 30.9.2017**	1.1.– 30.9.2016	**1.1.– 30.9.2017**	1.1.– 30.9.2016
Third-party revenue	1 573.7	1 410.9	444.7	345.5
Intersegment revenue	285.4	183.2	0.5	0.1
Total revenue	**1 859.1**	**1 594.1**	**445.2**	**345.6**
Operating profit before depreciation and amortization (EBITDA)	**160.4**	**94.9**	**20.6**	**12.9**
Depreciation and amortization of intangible assets, property, plant and equipment	−88.3	−86.2	−3.6	−3.4
Impairment of intangible assets, property, plant and equipment and assets held for sale	−1.3	0.0	0.0	0.0
Operating profit (loss) (EBIT)	**70.8**	**8.7**	**17.0**	**9.5**
Financial income	2.0	3.4	2.4	2.3
Financial expense	−25.0	−29.1	−5.4	−5.8
Earnings before taxes (EBT) from continuing operations	**47.8**	**−17.0**	**14.0**	**6.0**
Segment investments [1]	50.3	55.2	2.2	2.7
Segment operating free cash flow [2]	11.0	82.0	23.5	24.7
in million EUR	30.9.2017	31.12.2016	30.9.2017	31.12.2016
Segment assets [3]	1 707.5	1 686.0	249.7	228.1
Segment liabilities [4]	328.1	332.3	109.3	86.4
Segment assets less segment liabilities (capital employed)	**1 379.4**	**1 353.7**	**140.4**	**141.7**
Employees as at closing date	7 516	7 526	1 341	1 239

[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 capitalized 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		Holdings		Eliminations/adjustments		Total	
	1.1.– 30.9.2017	1.1.– 30.9.2016	**1.1.– 30.9.2017**	1.1.– 30.9.2016	**1.1.– 30.9.2017**	1.1.– 30.9.2016	**1.1.– 30.9.2017**	1.1.– 30.9.2016
	2018.4	1756.4	0.0	0.0	0.0	0.0	2018.4	1756.4
	285.9	183.3	0.0	0.0	−285.9	−183.3	0.0	0.0
	2304.3	**1939.7**	**0.0**	**0.0**	**−285.9**	**−183.3**	**2018.4**	**1756.4**
	181.0	**107.8**	**−10.6**	**−13.8**	**0.6**	**5.1**	**171.0**	**99.1**
	−91.9	−89.6	−2.7	−2.5	0.0	−0.3	−94.6	−92.4
	−1.3	0.0	0.0	0.0	0.0	0.0	−1.3	0.0
	87.8	**18.2**	**−13.3**	**−16.3**	**0.6**	**4.8**	**75.1**	**6.7**
	4.4	5.7	28.3	30.6	−28.6	−33.7	4.1	2.6
	−30.4	−34.9	−39.9	−34.1	28.6	33.7	−41.7	−35.3
	61.8	**−11.0**	**−24.9**	**−19.8**	**0.6**	**4.8**	**37.5**	**−26.0**
	52.5	57.9	0.8	0.9	0.0	0.0	53.3	58.8
	34.5	106.7	−10.6	−9.3	−3.1	−1.5	20.8	95.9
	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	1957.2	1914.1	42.6	41.1	77.9	91.8	2077.7	2047.0
	437.4	418.7	1.1	2.2	967.4	958.6	1405.9	1379.5
	1519.8	**1495.4**						
	8857	8765	112	112			8969	8877

Additional information

SCHMOLZ + BICKENBACH AG

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MEMBERS OF THE BOARD OF DIRECTORS

The following overview provides details of the composition of the Board of Directors as at the reporting date.

SCHMOLZ + BICKENBACH AG Board of Directors

Edwin Eichler (DE) [1]
Year of birth 1958
Chairman
Compensation Committee (Chairman)
Member since 2013
Elected until 2018

Martin Haefner (CH) [2]
Year of birth 1954
Vice Chairman
Audit Committee (Member)
Member since 2016
Elected until 2018

Michael Büchter (DE) [2]
Year of birth 1949
Audit Committee (Chairman)
Member since 2013
Elected until 2018

Marco Musetti (CH) [1]
Year of birth 1969
Compensation Committee (Member)
Member since 2013
Elected until 2018

Vladimir Polienko (RUS) [1]
Year of birth 1980
Member since 2016
Elected until 2018

Dr. Heinz Schumacher (DE) [2]
Year of birth 1948
Compensation Committee (Member)
Member since 2013
Elected until 2018

Dr. Oliver Thum (DE) [3]
Year of birth 1971
Audit Committee (Member)
Member since 2013
Elected until 2018

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

Unless otherwise stated, the members of the Board have no significant business relationships with Group companies. For details of business relationships with certain companies represented by members of the Board of Directors, including, but not limited to, the Renova Group and associates of SCHMOLZ + BICKENBACH Beteiligungs GmbH, see the notes to the consolidated financial statements in the annual report 2016, note 31, Related party disclosures.

MEMBERS OF THE EXECUTIVE BOARD

In accordance with the organizational regulations applicable as at the reporting date, the Executive Board consists of the Chief Executive Officer (CEO, Chair) and the Chief Financial Officer (CFO).

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

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

This interim 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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