ONWARDS.
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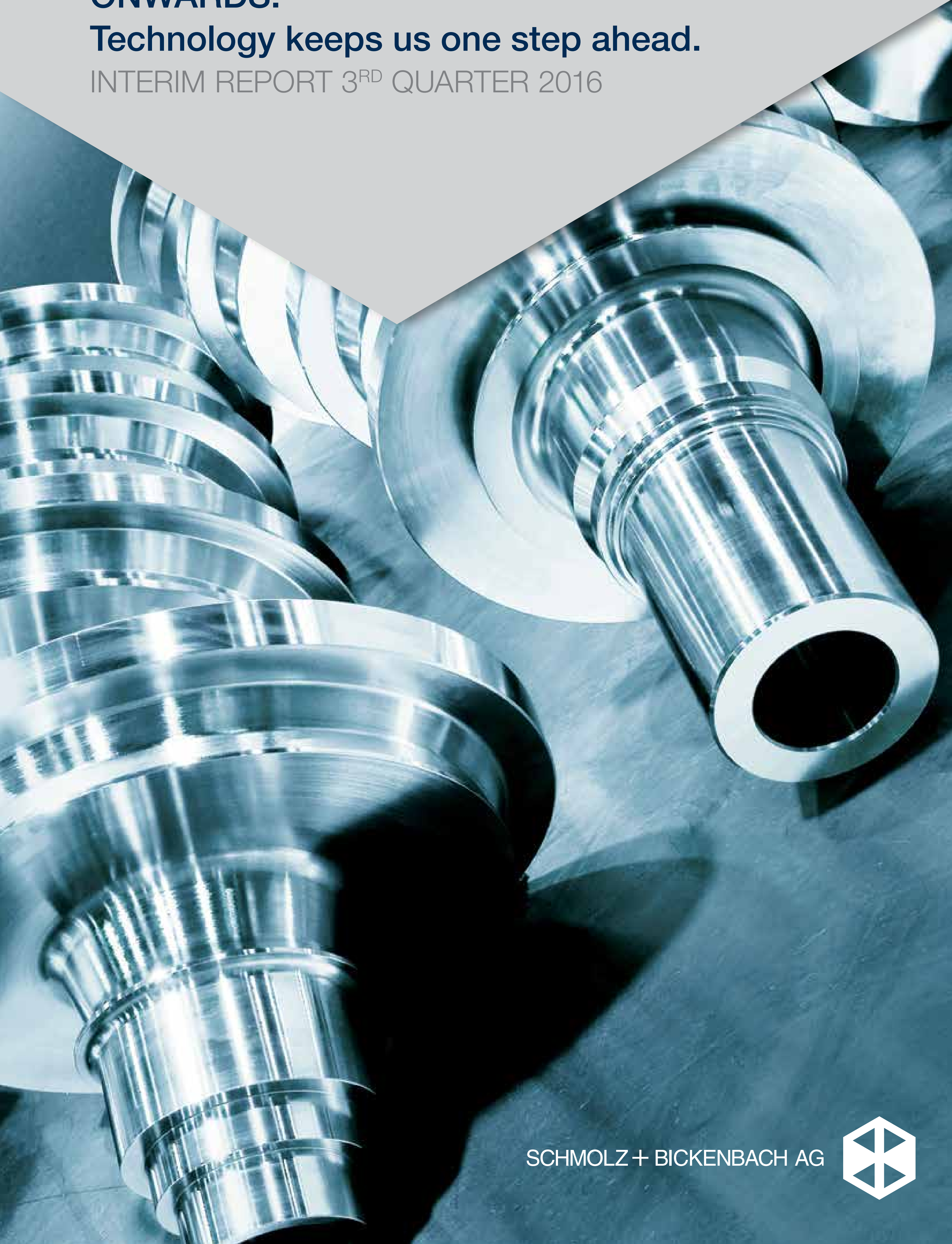
INTERIM REPORT 3RD QUARTER 2016



SCHMOLZ + BICKENBACH AG

Our key figures

	Unit	1.1.–30.9.2016	1.1.–30.9.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
SCHMOLZ + BICKENBACH GROUP							
Sales volume	kilotonnes	1 323	1 362	–2.9	391	410	–4.6
Revenue	million EUR	1 756.4	2 108.6	–16.7	534.1	619.7	–13.8
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	million EUR	109.3	129.0	–15.3	31.8	11.5	>100
Operating profit before depreciation and amortisation (EBITDA)	million EUR	99.1	122.8	–19.3	27.6	10.3	>100
Adjusted EBITDA margin	%	6.2	6.1	0.1	6.0	1.9	4.1
EBITDA margin	%	5.6	5.8	–0.2	5.2	1.7	3.5
Operating profit (EBIT)	million EUR	6.7	29.5	–77.3	–4.4	–19.6	nm
Earnings before taxes (EBT)	million EUR	–26.0	–6.0	nm	–14.3	–32.4	nm
Net income (loss) (EAT)	million EUR	–35.9	–151.7	nm	–13.9	–34.1	nm
Investments	million EUR	58.8	101.6	–42.1	25.1	24.1	4.1
Free cash flow from continuing operations	million EUR	82.4	102.8	–19.8	56.8	110.7	–48.7

	Unit	30.9.2016	31.12.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
Net debt	million EUR	421.4	471.1	–10.5	–	–	–
Shareholders' equity	million EUR	659.3	750.6	–12.2	–	–	–
Gearing	%	63.9	62.8	1.1	–	–	–
Total assets	million EUR	2 019.8	2 109.0	–4.2	–	–	–
Equity ratio	%	32.6	35.6	–3.0	–	–	–
Employees as at closing date	positions	8 982	8 910	0.8	–	–	–

	Unit	1.1.–30.9.2016	1.1.–30.9.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
SCHMOLZ + BICKENBACH SHARE							
Earnings per share [1]	EUR/CHF	–0.04/–0.04	–0.16/–0.17	–	–0.02/–0.02	–0.03/–0.03	–
Earnings per share from continuing operations [1]	EUR/CHF	–0.04/–0.04	–0.02/–0.02	–	–0.02/–0.02	–0.03/–0.03	–
Shareholders' equity per share	EUR/CHF	0.68/0.74	0.80/0.87	–	–	–	–
Highest/lowest share price	CHF	0.73/0.45	1.08/0.62	–	–	–	–

[1] Earnings per share are based on the net income (loss) of the Group after deduction of the portions attributable to non-controlling interests.

Five-quarter overview

	Unit	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Key operational figures						
Sales volume	kilotonnes	410	401	461	471	391
Order backlog	kilotonnes	395	395	444	454	420
Income statement						
Revenue	million EUR	619.7	571.3	603.6	618.7	534.1
Gross profit	million EUR	204.9	205.9	230.2	245.1	207.5
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	million EUR	11.5	40.6	25.0	52.5	31.8
Operating profit before depreciation and amortisation (EBITDA)	million EUR	10.3	36.2	21.9	49.6	27.6
Operating profit (loss) (EBIT)	million EUR	−19.6	5.4	−8.3	19.4	−4.4
Earnings before taxes (EBT)	million EUR	−32.4	−5.0	−19.6	7.9	−14.3
Earnings after taxes from continuing operations	million EUR	−32.7	−14.9	−24.0	5.9	−13.9
Net income (loss) (EAT)	million EUR	−34.1	−15.1	−24.4	2.4	−13.9
Cash flow/investments/depreciation/amortisation						
Cash flow before changes in net working capital	million EUR	−1.3	−8.6	22.7	34.3	38.2
Cash flow from operating activities of continuing operations	million EUR	86.4	133.2	3.2	54.7	76.5
Cash flow from investing activities of continuing operations	million EUR	24.3	−57.0	−16.5	−15.8	−19.7
Free cash flow from continuing operations	million EUR	110.7	76.2	−13.3	38.9	56.8
Investments	million EUR	24.1	60.3	17.4	16.3	25.1
Depreciation and amortisation	million EUR	29.9	30.8	30.2	30.2	32.0
Net assets and financial structure						
Non-current assets	million EUR	970.8	1 010.0	994.7	995.4	986.4
Current assets	million EUR	1 222.7	1 099.0	1 115.8	1 090.0	1 033.4
Net working capital	million EUR	843.8	690.8	704.4	688.6	646.6
Total assets	million EUR	2 193.5	2 109.0	2 110.5	2 085.4	2 019.8
Shareholders' equity	million EUR	765.7	750.6	687.7	676.9	659.3
Non-current liabilities	million EUR	775.7	715.2	762.9	749.9	749.7
Current liabilities	million EUR	652.1	643.2	659.9	658.6	610.8
Net debt	million EUR	543.7	471.1	488.5	454.0	421.4
Employees						
Employees as at closing date	positions	8 927	8 910	8 928	8 946	8 982
Value management						
Capital employed	million EUR	1 739.0	1 622.1	1 612.2	1 589.2	1 534.9
Key figures on profit/net assets and financial structure						
Gross margin/revenue	%	33.1	36.0	38.1	39.6	38.9
Adjusted EBITDA margin	%	1.9	7.1	4.1	8.5	6.0
EBITDA margin	%	1.7	6.3	3.6	8.0	5.2
EBIT margin	%	−3.2	0.9	−1.4	3.1	−0.8
EBT margin	%	−5.2	−0.9	−3.2	1.3	−2.7
Equity ratio	%	34.9	35.6	32.6	32.5	32.6
Gearing	%	71.0	62.8	71.0	67.1	63.9

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,

After a solid second quarter, our business experienced the traditional seasonal weakness in the third quarter. As usual in the summer months, our business activities quietened perceptibly, especially in Europe. Accordingly, we used especially the month of August to carry out regular maintenance work and new installations in our plants. This gives us the technological edge over our competitors in the industry and ensures our successful long-term positioning in the market.

The measures that are required for long-term gains often lead to short-term limitations. The outage in the summer of 2016, which lasted longer than in the prior year, and the additional, unplanned operational downtimes put pressure on the sales volume and revenue. Despite the drop in sales, measured as adjusted EBITDA, we achieved an almost threefold increase in our profitability. This underlines the fact that we are making continuous progress in implementing the necessary measures for increasing efficiency and reducing costs. Additionally, we could leverage additional synergies at the Group level.

The economic environment did not see major changes in the third quarter, compared to the preceding months. As before, the customer industries of SCHMOLZ + BICKENBACH are mainly investing cautiously on account of the uncertain outlook. The consumer mood is not very upbeat either. The forecast for global economic growth remains cautious and, accordingly, also for the steel industry. In light of the prevailing conditions, we are operating in a challenging, albeit friendlier business environment compared to the beginning of the year. The steep rise in commodity prices, which are relevant for us, pushed the selling prices up. We are cautiously optimistic for the last three months of the current fiscal year, however, without expecting significant economic impetus.

Third quarter with improved profitability and reduced indebtedness

Sales volume fell from 410 kilotonnes to 391 kilotonnes mainly on account of downtimes in operation. As a result, revenue decreased from EUR 619.7 million to EUR 534.1 million. However, the adjusted EBITDA rose to EUR 31.8 million from EUR 11.5 million in the prior-year quarter. The related margin improved to 6.0% compared to 1.9% for the same period in the prior year. Free cash flow from continuing operations totalled EUR 56.8 million and thus allowed a further reduction in the net debt of EUR 421.4 million.

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 their support and the confidence shown in our Company. I would also like to thank our employees, who work tirelessly towards shaping the future of SCHMOLZ + BICKENBACH. Last but not least, I would like to thank our customers and business partners for the long-standing 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

SCHMOLZ + BICKENBACH Group
Strategic Management Holding

Production	*Sales & Services*
Deutsche Edelstahlwerke	SCHMOLZ + BICKENBACH International
Finkl Steel	More than 70 distribution and service branches in more than 30 countries worldwide
Steeltec	
Swiss Steel	
Ugitech	

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 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 – 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

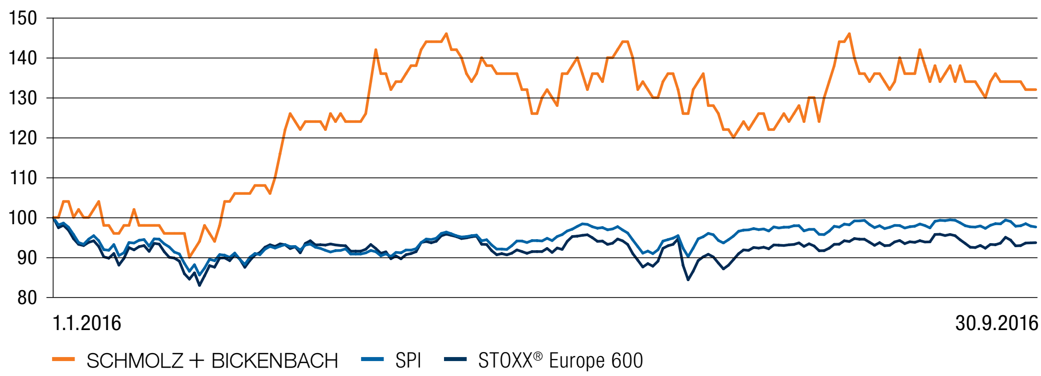
The first nine months saw considerable fluctuations on global stock markets. The beginning of the year was characterised by strong, in some cases double-digit percentage, share price losses. After a brief recovery in March and April, the stock markets were burdened by economic and political uncertainties in the second quarter. In particular UK's decision to exit the European Union had an influence. The losses thus incurred could only be partly recovered in the third quarter. As of 30 September, the Dow Jones industrial closed 4.0% higher compared to end of year 2015. The EURO STOXX 50 as well as the Japanese index Nikkei 225 closed the first nine months of 2016 with a minus of 8.7% and 13.6% compared to end of year 2015. Also the broad-based Swiss Performance Index (SPI), which includes the SCHMOLZ + BICKENBACH share, closed at the end of September down 2.3% compared to end of year 2015.

The economy in the eurozone proved stable in the third quarter with a slight upward trend in September. By contrast, the mood was somewhat gloomy in the USA, mainly due to the uncertainty in the run-up to the presidential elections in November. China began to recover after the fluctuations at the beginning of the year with expectations of better growth rates. Economic growth in India continued as well. On the other hand, Brazil and Russia continue to struggle with a prolonged recession.

The euro saw moderate fluctuations in a range between 1.08 – 1.10 against the Swiss franc (EUR/CHF) and between 1.10 – 1.14 against the US dollar (EUR/USD) in the third quarter.

The SCHMOLZ + BICKENBACH share was characterised by a phase of recovery in the first nine months of 2016. The sentiment in the financial markets towards the steel industry brightened on account of rising scrap and commodity prices, an overall robust upswing in volumes and hope of lower imports from Asia to Europe. This had a positive influence on the share. On 30 September 2016, the SCHMOLZ + BICKENBACH share closed at CHF 0.66, up 32.0% compared to 31 December 2015, and was in line with the increase in the Sector index Euro STOXX Industrial Metals (+34.9%), while the Stoxx Europe 600 was down 6.3%.

Development of share price from 1.1.2016 to 30.9.2016 I SCHMOLZ + BICKENBACH share compared to Swiss Performance Index (indexed) and to STOXX® Europe 600 (indexed)



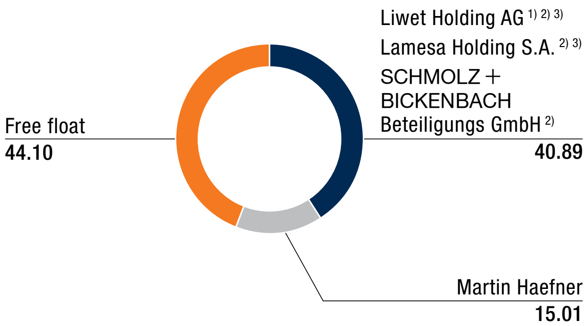
Facts and figures on the share

ISIN	CH0005795668
Securities number	579566
Ticker symbol	STLN
Bloomberg	STLN SE
Reuters	STLN.S
Type of security	Registered share
Trading currency	in CHF
Listed on	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

In the third quarter of 2016, the average trading volume of SCHMOLZ + BICKENBACH shares stood at 0.40 million. This compares to the average trading volume of around 1.97 million shares in 2015 as a whole.

Overview shareholder structure as at 30.9.2016

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 September 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

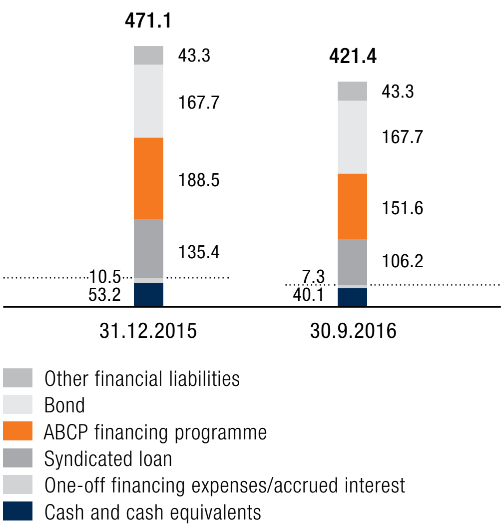
SCHMOLZ + BICKENBACH's financing structure is built on three main pillars: a syndicated loan, an ABCP financing programme and a corporate bond.

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.

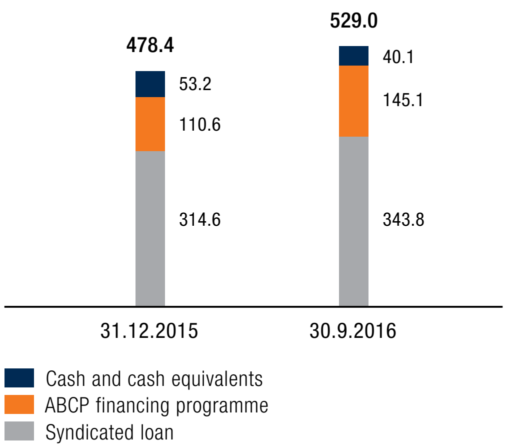
Net debt as at 30.9.2016

in million EUR



Financial headroom as at 30.9.2016

in million EUR



Unused financing lines and freely disposable funds come to around EUR 529 million as at 30 September 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 September 2016, the bond was priced at 104.28%, giving an effective yield of 8.03%.

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+	negative	19 October 2015

Financial calendar	
9 March 2017	Annual Report 2016, Media and Investor Conference
11 May 2017	Interim Report Q1 2017, Telephone Conference for the Media, Analysts and Investors
11 August 2017	Interim Report Q2 2017, Telephone Conference for the Media, Analysts and Investors
9 November 2017	Interim Report Q3 2017, Telephone Conference for the Media, Analysts and Investors

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.–30.9.2016	1.1.–30.9.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
in million EUR						
Sales volume (kilotonnes)	1 323	1 362	–2.9	391	410	–4.6
Revenue	1 756.4	2 108.6	–16.7	534.1	619.7	–13.8
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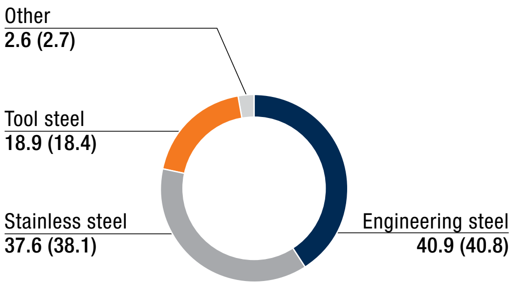
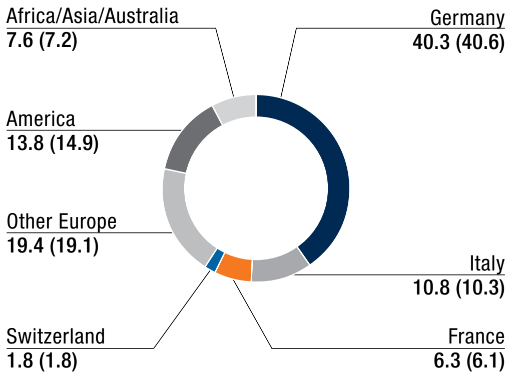
Operating profit before depreciation and amortisation (EBITDA)	99.1	122.8	–19.3	27.6	10.3	>100
Adjusted EBITDA margin (%)	6.2	6.1	0.1	6.0	1.9	4.1
EBITDA margin (%)	5.6	5.8	–0.2	5.2	1.7	3.5
Operating profit (EBIT)	6.7	29.5	–77.3	–4.4	–19.6	nm
Earnings before taxes (EBT)	–26.0	–6.0	nm	–14.3	–32.4	nm
Earnings after taxes from continuing operations	–32.0	–20.5	nm	–13.9	–32.7	nm
Net income (loss) (EAT)	–35.9	–151.7	nm	–13.9	–34.1	nm

Comparison of revenue by product group
Q3 2016 (Q3 2015) [1)]
in %



Comparison of revenue by region
Q3 2016 (Q3 2015) [1)]
in %



1) Following reclassification of the discontinued operations as at 31 March 2015 and deconsolidation of the respective entities as at 22 July 2015, the figures for the prior year now refer only to the continuing operations remaining in the Group.

Market environment

Following a challenging start in the first quarter and slight improvement in the second quarter, the market environment stabilised at a low level in the third quarter. Our main customer industries showed a differentiated picture. Whereas the automotive industry showed a further robust development, the mechanical and plant engineering industry was trapped in a sideward movement with little momentum. In line with observations in the second quarter of 2016, the oil and gas industry stabilised at a low level due to higher oil prices.

Order situation and production volume

In the third quarter, the order situation improved on the prior-year period. This was mainly for stainless steel, where an increase of 18.4% was seen. The order backlog as a whole of 420 kilotonnes was 25 kilotonnes higher than the third quarter of 2015. The decrease of 7.5% on the second quarter is attributable to the usual seasonal fluctuation of lower demand in the summer. The volume of 399 kilotonnes of crude steel produced at our plants saw a slight increase on the prior-year volume of 397 kilotonnes.

Sales volume and revenue

Sales volume of steel products decreased by 4.6% compared to the prior-year quarter. The decline mainly affected engineering steel (down 6.2%). The reason is the unplanned interruption of operations for several weeks in two rolling mills. The average price per tonne of steel stood at EUR 1 366, which, though lower than in the third quarter of 2015 (EUR 1 513 per tonne), was, nevertheless, significantly higher than in the preceding quarter (Q2 2016: EUR 1 312 per tonne). On the one hand, this was due to the delayed effect of higher commodity prices in our books, on the other hand, there was a temporary improvement in the share of high-grade products. This is chiefly attributable to the interruption in the production of low-grade engineering steel.

Our revenue decreased by 13.8% to EUR 534.1 million on account of the decrease in sales volume described above and the lower prices (Q3 2015: EUR 1 513 per tonne, Q3 2016: EUR 1 366 per tonne). Revenue saw a downward trend in all regions. Africa/Asia/Australia did comparatively well with a decrease of 9.4%. The emerging markets China and India, saw double-digit percentage increases. Rest of Europe (without CH, GER, FR, IT) fell by 12.5% and America by 20.0%.

Compared to the third quarter of the prior year, the sales volume of tool steel fell by 2.2%. This was primarily due to the weak demand from the oil and gas industry as well as higher competitive pressure. Sales volume of stainless steel proved stable at the level of the prior-year quarter, whereas the sales volume of engineering steel decreased by 6.2%. As mentioned, this is attributable to the operational interruption that mainly hit the production of engineering steel. Compared to the prior year, revenue decreased across all product groups between 11.1% for tool steel and 14.9% for stainless steel on account of significantly lower prices and unit sales.

Cost of materials and gross profit

Cost of materials – adjusted for the change in semi-finished and finished products – fell compared to the prior-year quarter by 21.3% to EUR 326.6 million (Q3 2015: EUR 414.8 million). The measures implemented to reduce costs and to increase efficiency in material procurement had a positive effect. We were able to increase the gross profit by 1.3% to EUR 207.5 million (Q3 2015: EUR 204.9 million). The gross profit margin increased from 33.1% to 38.9%.

Income and expenses

Other operating income more than doubled on the prior-year period in the third quarter of 2016. This includes one-time insurance payments related to the production stops in the two rolling mills mentioned above. Thereby the losses related to production downtime could be partly compensated.

Personnel expenses of EUR 132.4 million were slightly higher than in the third quarter of 2015 with EUR 131.1 million. Other operating expenses could be reduced by 8.5%. This decrease reflects the impact of the measures to reduce costs and increase efficiency, which were further implemented as planned in the third quarter. Since the beginning of the year, we could already realise savings totalling EUR 29.8 million.

Adjusted EBITDA and EBIT

The adjusted EBITDA of EUR 31.8 million almost trebled compared to the third quarter of 2015. The adjusted EBITDA margin increased by 4.1% to 6.0%. Depreciation, amortisation and impairments stood at EUR 32.0 million, and increased slightly by EUR 2.1 million on account of operative investments in the third quarter. This resulted in negative EBIT of EUR 4.4 million compared to a minus of EUR 19.6 million in the prior-year quarter. Accumulated, this results in positive EBIT for the first nine months of EUR 6.7 million (9M 2015: EUR 29.5 million).

Financial result

Financial expenses decreased by EUR 1.3 million to EUR 12.1 million, a trend which was chiefly driven by persistently reducing loans. Financial income increased by EUR 1.6 million to EUR 2.2 million and is entirely attributable to the higher valuation of the call option for the issued bonds of SCHMOLZ + BICKENBACH. This is based on the rise in bond price and an improvement in credit rating. Overall, the financial result has thus improved by EUR 2.9 million.

Profit/loss from continuing operations

The matters presented above as well as recognition of an income tax receivable of EUR 0.4 million (Q3 2015: EUR – 0.3 million) led to earnings after taxes (EAT) from continuing operations of EUR –13.9 million, a significant improvement on the prior year (Q3 2015: EUR –32.7 million).
As at 30 September 2016, this results in EAT from continuing operations of EUR – 32.0 million (9M 2015: EUR – 20.5 million), decisively driven by the negative result of EUR 24.0 million in the first quarter of 2016.

Profit/loss from discontinued operations and net income/loss

In the third quarter, no expenses were incurred from the sale of discontinued operations. Furthermore, we could agree upon the final purchase price, which in turn resulted in a decrease of EUR 3.5 million. The amount outstanding has been paid. A loss of EUR 1.4 million was reported in the prior-year period. The net loss was thus identical to the EAT from continuing operations of EUR –13.9 million (Q3 2015: EUR –34.1 million). On aggregate, this results in an accumulated loss from continuing operations as at 30 September 2016 of EUR 33.8 million (9M 2015: EUR 22.0 million).

BUSINESS DEVELOPMENT OF THE DIVISIONS

Key figures of the divisions	1.1.–30.9.2016	1.1.–30.9.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
in million EUR						
Production						
Revenue	1 594.1	1 938.0	–17.7	481.5	555.6	–13.3
Adjusted operating profit before depreciation and amortisation (adjusted EBITDA)	97.3	118.7	–18.0	34.0	7.1	>100
Operating profit before depreciation and amortisation (EBITDA)	94.9	118.9	–20.2	32.4	7.6	>100
Adjusted EBITDA margin (%)	6.1	6.1	0.0	7.1	1.3	5.8
EBITDA margin (%)	6.0	6.1	–0.1	6.7	1.4	5.3
Investments	55.2	59.0	–6.4	23.3	23.4	–0.4
Segment operating free cash flow	82.0	104.4	–21.5	52.9	85.8	–38.3
Employees as at closing date [1]	7 626	7 546	1.1	–	–	–
Sales & Services						
Revenue	345.6	426.2	–18.9	109.5	133.2	–17.8
Adjusted operating profit before depreciation and amortisation (Adjusted EBITDA)	13.7	16.6	–17.5	4.4	5.5	–20.0
Operating profit before depreciation and amortisation (EBITDA)	12.9	15.4	–16.2	3.8	4.3	–11.6
Adjusted EBITDA margin (%)	4.0	3.9	0.1	4.0	4.1	–0.1
EBITDA margin (%)	3.7	3.6	0.1	3.5	3.2	0.3
Investments	2.7	2.0	35.0	1.5	0.3	>100
Segment operating free cash flow	24.7	–18.1	nm	8.0	–3.9	nm
Employees as at closing date [1]	1 248	1 252	–0.3	–	–	–

[1] As of 30 September 2016 and 31 December 2015, respectively.

Segment reporting is 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

In the *Production* division, revenue was down 13.3% on account of production downtime in the two rolling mills and due to lower prices compared to the prior year. Adjusted EBITDA could, however, be increased almost five times. The result was the EBITDA margin of 7.1%. Thanks to ongoing efforts to monitor and optimise net working capital, combined with slightly lower investments, and despite the difficult market environment, the segment operating free cash flow was positive at EUR 52.9 million, albeit below the prior-year figure.

Revenue and EBITDA in the *Sales & Services* division

A fall in revenue was seen in the *Sales & Services* division too, which was also attributable to lower prices and a lower sales volume. On account of the new branch offices being established in the highly promising markets Taiwan and Thailand, with therefore higher expenses, the adjusted EBITDA of EUR 4.4 million was below the prior-year level. The adjusted EBITDA margin also slipped due to this. Thanks to the optimisation of net working capital and despite new investments, the segment operating free cash flow in this division could be improved to EUR 8.0 million. At EUR 3.9 million, it had been still negative in the third quarter of the prior year.

FINANCIAL POSITION AND NET ASSETS

Key figures on the financial position and net assets	Unit	30.9.2016	31.12.2015	Change on prior year %
Shareholders' equity	million EUR	659.3	750.6	–12.2
Equity ratio	%	32.6	35.6	–3.0
Net debt	million EUR	421.4	471.1	–10.5
Gearing	%	63.9	62.8	1.1
Net working capital	million EUR	646.6	690.8	–6.4
Total assets	million EUR	2019.8	2109.0	–4.2

	Unit	1.1.–30.9.2016	1.1.–30.9.2015	Change on prior year %	Q3 2016	Q3 2015	Change on prior year %
Cash flow before changes in net working capital from continuing operations	million EUR	95.2	122.3	–22.2	38.2	–1.3	nm
Cash flow from continuing operations	million EUR	134.4	155.0	–13.3	76.5	86.4	–11.5
Cash flow from investing activities of continuing operations	million EUR	–52.0	–52.2	0.4	–19.7	24.3	nm
Free cash flow from continuing operations	million EUR	82.4	102.8	–19.8	56.8	110.7	–48.7
Depreciation and amortisation	million EUR	–92.4	–91.1	–1.4	–32.0	–29.9	–7.0
Investments	million EUR	58.8	101.6	–42.1	25.1	24.1	4.1

Financial situation

Shareholders' equity and equity ratio

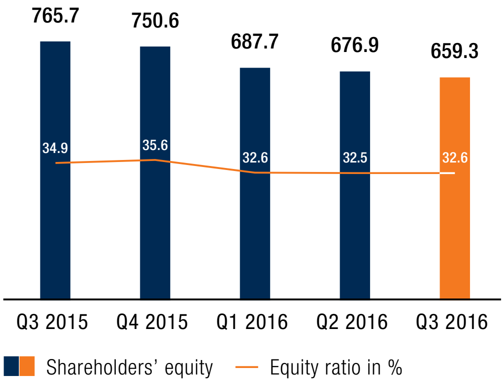
On the one hand, the shareholders' equity reflects a net loss of EUR 35.9 million in the first nine months; on the other hand, the net actuarial losses on pension plans of EUR 68.0 million reflected in the statement of comprehensive income also had a negative effect. Since 31 December 2015, shareholders' equity fell accordingly by EUR 91.3 million to EUR 659.3 million. The equity ratio thus fell by 3.0 percentage points to 32.6%.

Net debt

Net debt, comprising current and non-current financial liabilities less cash and cash equivalents, came to EUR 421.4 million, a fall of around EUR 50 million on the figure as at 31 December 2015 (EUR 471.1 million). The reason for this is successful working capital management that led to continuous reduction of financial liabilities.
The gearing, which expresses the relationship of net debt to shareholders' equity, increased as a result of a stronger decrease in equity from 62.8% as at 31 December 2015 to 63.9%. The gearing at 67.1% was considerably improved compared to the second quarter of 2016.

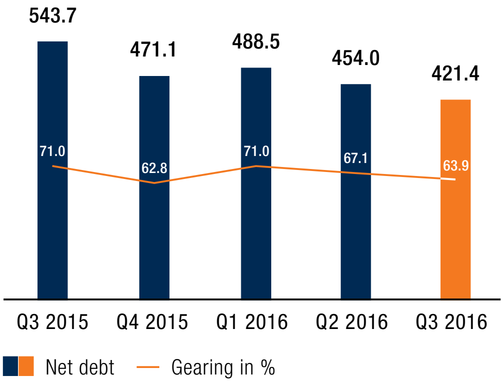
Shareholders' equity and equity ratio
Q3 2015 – Q3 2016

in million EUR | in %



Net debt and gearing
Q3 2015 – Q3 2016

in million EUR | in %



Cash flow

Compared to the first nine months of the prior year, the cash flow before changes in net working capital from continuing operations decreased by around EUR 27 million, mainly due to the negative earnings before taxes and as a result of the decrease in other assets and liabilities. Thanks to successful management of the net working capital and the payment of the remaining purchase price related to the sale of discontinued operations, cash flow from operating activities of EUR 134.4 million was recorded.

Cash flow from investments in continuing operations in the current fiscal year at EUR –52.0 million was slightly below the prior-year level of EUR –52.2 million. The prior-year figure was primarily attributable to the slag disposal site acquired in Siegen in the first half of 2015 as well as to the acquisition of property in Düsseldorf. Investments in the current year mainly include a facility for quenching treatment at Deutsche Edelstahlwerke GmbH and a new hook conveyor at Swiss Steel AG.
Free cash flow from continuing operations for the first nine months of the fiscal year was therefore EUR 82.4 million (9M 2015: EUR 102.8 million).

Reduction of net debt led to an outflow with effect on cash of EUR 71.5 million. At EUR 22.4 million (9M 2015: EUR 21.6 million), interest paid could be maintained at a similar low level as in the prior year and reflects the reduced financial liabilities. The outflow of funds from financing activities of the continuing operations in the first nine months in 2016 totalled EUR –94.6 million (9M 2015: EUR –80.9 million), thus significantly higher than the prior-year figure on account of higher debt repayment.

Net assets

Total assets

Following the completion of the deconsolidation of selected distribution entities in 2015, with a corresponding reduction in assets and liabilities, total assets decreased significantly since year-end. As at 30 September 2016 total assets are with EUR 2 019.8 million down by EUR 89.2 million (31 December 2015: EUR 2 109.0 million) due to a reduction in inventories, financial liabilities, but also due to the net loss.

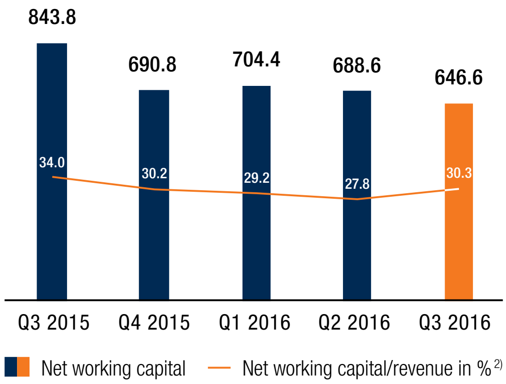
Non-current assets

Compared to year-end 2015, non-current assets decreased by 2.3% to EUR 986.4 million (31 December 2015: EUR 1 010.0 million). This decrease was mainly driven by the regular depreciation of assets of EUR 92.4 million, which was partially compensated by capital expenditures of EUR 54.4 million as well as an increase in deferred tax assets stemming from a temporary difference on actuarial losses recognised on pension plans. The share of non-current assets in total assets remained almost stable at 48.8% (31 December 2015: 47.9%).

Net working capital

Overall, non-current assets decreased by EUR 65.6 million to EUR 1 033.4 million, mainly as a result of lower inventories by EUR 65.8 million since 31 December 2015. This reduction was partly offset by an increase of trade receivables. On the whole, the net working capital was further reduced. The ratio to revenue increased to 30.3% due to decreased revenue. Thanks to the efficient management of the net working capital, despite the rise, the figure was significantly lower than as at 30 September 2015.

Net working capital and net working capital/revenue [1)]
Q3 2015 – Q3 2016
in million EUR | in %



1) Following reclassification of the discontinued operations as at 31 March 2015 and deconsolidation of the respective entities as at 22 July 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.

Liabilities

Non-current liabilities totalled EUR 749.7 million as at the reporting date, up EUR 34.5 million or 4.8% on the figure from 31 December 2015. This increase is primarily attributable to the higher provisions for pension plans, which were recalculated using updated discount rates. Pension provisions rose therefore by EUR 66.0 million. This was partially compensated by the retained earnings, which were down on account of the negative earnings after taxes before non-controlling interests of EUR 35.9 million as at 30 September 2016. The share of non-current liabilities in the stable total assets increased compared to 31 December 2015 from 33.9% to 37.2%.
Current liabilities decreased by EUR 32.4 million to EUR 610.8 million since year-end 2015. The share of current liabilities in total shareholders' equity and liabilities decreased from 30.5% as at 31 December 2015 to 30.2%.

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 in 2003 as a collection of complementary companies, the Group has become increasingly cohesive. 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

Contrary to expectations at the beginning of the year, the world economy gained little momentum. Especially China and the industrial sector in the USA turned out to be disappointing. Important markets in the emerging regions Asia and Latin America are recovering slowly from the setbacks in growth or are still stuck in an economic contraction. Generally speaking, the triggering factors for a sustained upswing are lacking globally. This is reflected in the repeated downward adjustments of the growth forecast for 2016 and in the current trend indicating only a sideward development at best. In light of the numerous hot spots and political uncertainty, investments are marked by a hesitant approach in the market environment. The globally loose monetary policy has still to take effect and is hardly able to stimulate growth.

Accordingly, SCHMOLZ + BICKENBACH does not expect new impetus from the economy in the last quarter. The challenging market conditions are expected to continue for the rest of 2016. In contrast, the picture will remain differentiated in the customer industries, similar to the first nine months. The automotive industry is expected to see robust development, and the forecast for the mechanical and plant engineering industry is further restrained. Despite stabilisation at a low level since the second quarter, we do not expect a short-term turnaround in the oil and gas industry.

The price environment in the long steel industry should be friendlier than in the first half year. However, positive impetus is not expected compared to the third quarter. There is continuous competitive pressure without, however, excluding basic price increases, especially for innovative products. The price development of decisive commodities for scrap and alloying elements is unpredictable: we anticipate volatile sideward movement for these commodities. We do not consider the rise in prices of important elements such as nickel and ferrochromium in the last months that stayed fairly stable in the summer season to be the turnaround as yet.

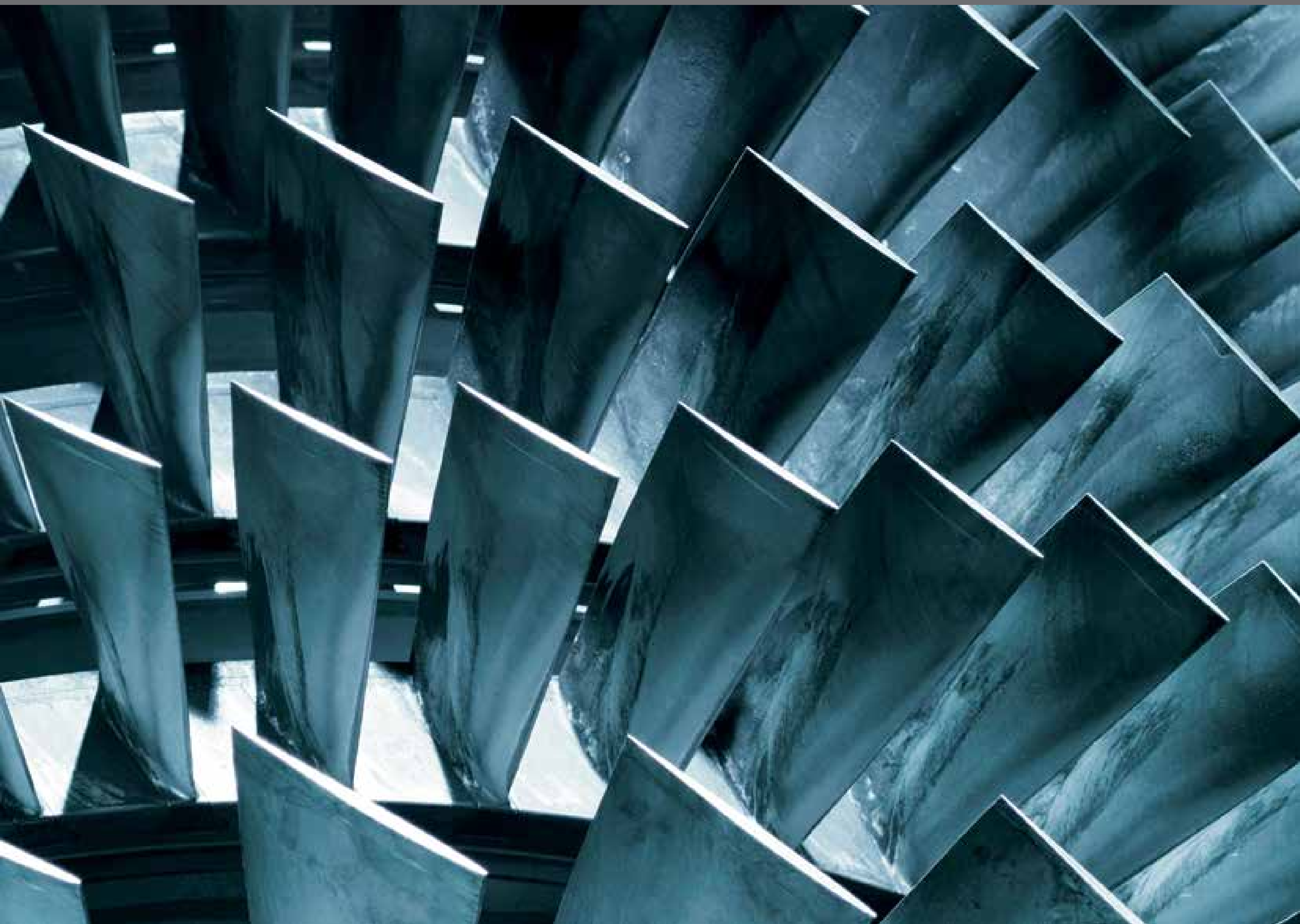
Irrespective of the influence of external factors, we will continue to vigorously pursue our present course. In 2016, we will focus on the rigorous implementation of our measures aimed at improving earnings. Determined implementation of our corporate strategy will help us leverage the full potential of the SCHMOLZ + BICKENBACH Group. The core elements of this strategy are:

> Restructuring Deutsche Edelstahlwerke
> Generating robust free cash flow to strengthen the statement of financial position through debt reduction
> 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. We anticipate adjusted EBITDA at the lower end of the range between EUR 150 and EUR 190 million. In the annual comparison, 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 as well as successes from our investments in innovation and technology. The investments will amount to around EUR 100 million.

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.–30.9.2016	1.1.–30.9.2015	Q3 2016	Q3 2015
Revenue		1 756.4	2 108.6	534.1	619.7
Change in semi-finished and finished goods		–46.1	–65.0	–8.0	–55.5
Cost of materials		–1 027.5	–1 277.7	–318.6	–359.3
Gross profit		**682.8**	**765.9**	**207.5**	**204.9**
Other operating income	6	36.2	26.3	19.4	9.6
Personnel costs		–410.0	–430.0	–132.4	–131.1
Other operating expenses	6	–209.9	–239.4	–66.9	–73.1
Operating profit before depreciation, amortisation and impairments		**99.1**	**122.8**	**27.6**	**10.3**
Depreciation, amortisation and impairments	9	–92.4	–93.3	–32.0	–29.9
Operating profit		**6.7**	**29.5**	**–4.4**	**–19.6**
Financial income	7	2.6	1.0	2.2	0.6
Financial expense	7	–35.3	–36.5	–12.1	–13.4
Financial result		**–32.7**	**–35.5**	**–9.9**	**–12.8**
Earnings before taxes		**–26.0**	**–6.0**	**–14.3**	**–32.4**
Income taxes	8	–6.0	–14.5	0.4	–0.3
Earnings after taxes from continuing operations		**–32.0**	**–20.5**	**–13.9**	**–32.7**
Earnings after taxes from discontinued operations	5	–3.9	–131.2	0.0	–1.4
Net income (loss)		**–35.9**	**–151.7**	**–13.9**	**–34.1**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		–37.7	–153.2	–14.4	–34.4
of which from continuing operations		–33.8	–22.0	–14.4	–33.0
of which from discontinued operations		–3.9	–131.2	0.0	–1.4
– non-controlling interests		1.8	1.5	0.5	0.3
Earnings per share in EUR (basic/diluted)		**–0.04**	**–0.16**	**–0.02**	**–0.03**
Earnings per share in EUR (basic/diluted) from continuing operations		**–0.04**	**–0.02**	**–0.02**	**–0.03**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in million EUR	Note	1.1.–30.9.2016	1.1.–30.9.2015	Q3 2016	Q3 2015
Net income (loss)		**–35.9**	**–151.7**	**–13.9**	**–34.1**
Gains/losses from currency translation		–5.3	12.7	–3.9	–11.8
Change in unrealised gains/losses from cash flow hedges		0.5	–0.4	–0.2	0.2
Tax effect from cash flow hedges		–0.2	0.2	0.0	–0.1
Items that may be reclassified subsequently to profit or loss		**–5.0**	**12.5**	**–4.1**	**–11.7**
Actuarial gains/losses from pension-related and similar obligations	11	–68.0	10.4	–0.3	–3.6
Tax effect from pensions and similar obligations		17.3	–6.3	0.2	0.5
Items that will not be reclassified subsequently to profit or loss		**–50.7**	**4.1**	**–0.1**	**–3.1**
Other comprehensive income (loss)		**–55.7**	**16.6**	**–4.2**	**–14.8**
Total comprehensive loss		**–91.6**	**–135.1**	**–18.1**	**–48.9**
of which attributable to					
– shareholders of SCHMOLZ + BICKENBACH AG		–93.4	–136.7	–18.6	–49.3
of which from continuing operations		–89.5	–5.5	–18.6	–47.9
of which from discontinued operations		–3.9	–131.2	0.0	–1.4
– non-controlling interests		1.8	1.6	0.5	0.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.9.2016		31.12.2015	
	Note	in million EUR	%	in million EUR	%
Assets					
Intangible assets	9	26.8		28.0	
Property, plant and equipment	9	864.4		906.4	
Other non-current assets		3.2		2.1	
Non-current income tax assets		8.1		9.6	
Deferred tax assets		83.9		63.9	
Total non-current assets		**986.4**	**48.8**	**1 010.0**	**47.9**
Inventories	10	598.2		664.0	
Trade accounts receivable		346.0		331.5	
Current financial assets		0.5		0.2	
Current income tax assets		7.7		7.2	
Other current assets		40.9		42.9	
Cash and cash equivalents		40.1		53.2	
Total current assets		**1 033.4**	**51.2**	**1 099.0**	**52.1**
Total assets		**2 019.8**	**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)		−563.7		−526.5	
Accumulated income and expense recognised in other comprehensive income (loss)		−122.9		−67.2	
Treasury shares		−0.1		−0.1	
Attributable to shareholders of SCHMOLZ + BICKENBACH AG		**644.7**		**737.6**	
Non-controlling interests		14.6		13.0	
Total shareholders' equity		**659.3**	**32.6**	**750.6**	**35.6**
Pension liabilities	11	384.6		318.6	
Other non-current provisions		30.4		28.5	
Deferred tax liabilities		41.6		44.2	
Non-current financial liabilities	12	292.7		323.3	
Other non-current liabilities		0.4		0.6	
Total non-current liabilities		**749.7**	**37.2**	**715.2**	**33.9**
Current provisions		24.4		28.6	
Trade accounts payable		297.6		304.7	
Current financial liabilities	12	168.8		201.0	
Current income tax liabilities		8.6		6.1	
Other current liabilities		111.4		102.8	
Total current liabilities		**610.8**	**30.2**	**643.2**	**30.5**
Total liabilities		**1 360.5**	**67.4**	**1 358.4**	**64.4**
Total shareholders' equity and liabilities		**2 019.8**	**100.0**	**2 109.0**	**100.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

in million EUR	Note	1.1.– 30.9.2016	1.1.– 30.9.2015
Earnings before taxes		–26.0	–6.0
Depreciation, amortisation and impairments		92.4	93.3
Gain/loss on disposal of intangible assets, property, plant and equipment and financial assets		0.1	–0.2
Increase/decrease in other assets and liabilities		2.2	7.6
Financial income		–2.6	–1.0
Financial expense		35.3	36.5
Income taxes paid		–6.2	–7.9
Cash flow before changes in net working capital from continuing operations		**95.2**	**122.3**
Change in inventories		62.5	77.2
Change in trade accounts receivable		–17.2	–7.0
Change in trade accounts payable		–6.1	–37.5
Cash flow from operating activities of continuing operations		**134.4**	**155.0**
Cash flow from operating activities of discontinued operations		–0.4	–1.1
Cash flow from operating activities – Total		**134.0**	**153.9**
Investments in property, plant and equipment		–54.4	–99.0
Proceeds from disposal of property, plant and equipment		0.6	0.9
Investments in intangible assets		–3.0	–0.8
Proceeds from disposal of discontinued operations		4.5	46.2
Interest received		0.3	0.5
Cash flow from investing activities of continuing operations		**–52.0**	**–52.2**
Cash flow from investing activities of discontinued operations		0.0	–1.4
Cash flow from investing activities – Total		**–52.0**	**–53.6**
Increase/decrease of financial liabilities		–71.5	–58.3
Investment in treasury shares		–0.5	–0.8
Dividends to non-controlling interests		–0.2	–0.2
Interest paid		–22.4	–21.6
Cash flow from financing activities of continuing operations		**–94.6**	**–80.9**
Cash flow from financing activities of discontinued operations		0.0	–37.7
Cash flow from financing activities – Total		**–94.6**	**–118.6**
Change in cash and cash equivalents due to cash flow – Total		**–12.6**	**–18.3**
Change in scope of consolidation		0.0	–1.3
Effect of foreign currency translation – Total		–0.5	–0.3
Change in cash and cash equivalents – Total		**–13.1**	**–19.9**
Cash and cash equivalents as at 1.1. – Total		53.2	72.1
Cash and cash equivalents as at 30.9. – Total		40.1	52.2
Change in cash and cash equivalents – Total		**–13.1**	**–19.9**
Free cash flow from continuing operations		**82.4**	**102.8**
Free cash flow from discontinued operations		–0.4	–2.5
Free cash flow – Total		**82.0**	**100.3**

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	0.9	0.0	0.0	**0.9**	0.0	**0.9**
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**
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**	**0.2**	**0.0**	**−0.1**	**0.1**	**−0.2**	**−0.1**
Net income (loss)	0.0	0.0	−153.2	0.0	0.0	**−153.2**	1.5	**−151.7**
Other comprehensive income (loss)	0.0	0.0	0.0	16.5	0.0	**16.5**	0.1	**16.6**
Total comprehensive income (loss)	**0.0**	**0.0**	**−153.2**	**16.5**	**0.0**	**−136.7**	**1.6**	**−135.1**
As at 30.9.2015	**378.6**	**952.8**	**−511.3**	**−66.8**	**−0.1**	**753.2**	**12.5**	**765.7**
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**

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 14 November 2016.

1__ Accounting policies

The Group prepared these interim condensed consolidated financial statements of SCHMOLZ + BICKENBACH AG for the first nine months 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 International Financial Reporting Standards (IFRS). 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 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.
Aditionally, the sale of discontinued operations to JACQUET METAL SERVICE was concluded in the third quarter. The agreement resulted in reduction of the sales price to EUR 3.5 million. This loss is reflected in the result of discontinued operations.

In the first nine months of 2015, as part of the expansion of the existing ABCP financing programme, the companies A. Finkl Steel ABS SPV, LLC (US) and SCHMOLZ + BICKENBACH ABS SPV, LLC (US) were founded as wholly-owned subsidiaries. Furthermore, 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 three quarters of 2015. These have been presented separately since 31 March 2015.

6__ Other operating income and expenses

Other operating income of EUR 36.2 million (2015: EUR 26.3 million) comprises a number of items which are immaterial both individually and when aggregated and are therefore not presented separately. The rise of around EUR 10 million on the prior year is largely attributable to reimbursement as well as reversal of diverse provisions that are not required anymore.

Other operating expenses can be broken down as follows:

in million EUR	1.1.–30.9.2016	1.1.–30.9.2015
Freight, commission	58.8	68.3
Maintenance, repairs	43.2	55.0
Holding and administration expenses	27.8	27.7
Fees and charges	13.8	15.4
Rent and lease expenses	13.5	15.2
Consultancy and audit services	16.6	11.5
IT expenses	11.3	11.5
Net exchange gains/losses	0.6	9.4
Miscellaneous expense	24.3	25.4
Total	**209.9**	**239.4**

Miscellaneous expense of EUR 24.3 million (2015: EUR 25.4 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.–30.9.2016	1.1.–30.9.2015
Exchange gains	23.5	76.7
Exchange losses	24.1	86.1
Net exchange gains/losses	**–0.6**	**–9.4**

7__ Financial result

in million EUR	1.1.– 30.9.2016	1.1.– 30.9.2015
Interest income	0.9	1.0
Other financial income	1.7	0.0
Financial income	**2.6**	**1.0**
Interest expense on financial liabilities	–31.3	–28.8
Other financial expense	–4.0	–7.7
Financial expense	**–35.3**	**–36.5**
Financial result	**–32.7**	**–35.5**

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

8__ Income taxes

in million EUR	1.1.– 30.9.2016	1.1.– 30.9.2015
Current taxes	10.3	13.3
Deferred taxes	–4.3	1.2
Income tax expense	**6.0**	**14.5**

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 2016 was –23.1% (2015: –241.7%). 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.– 30.9.2016	1.1.– 31.12.2015	1.1.– 30.9.2015
Opening balance at the beginning of the period	19.7	45.0	45.0
Changes from continuing operations recognised in profit and loss	4.3	–8.4	–1.2
Changes from discontinued operations recognised in profit and loss	0.0	–1.4	–1.4
Changes recognised in other comprehensive income	17.1	–3.6	–6.1
Foreign currency effects	1.2	–3.3	–2.4
Reclassification of discontinued operations	0.0	–8.6	–8.7
Closing balance at the end of the period	**42.3**	**19.7**	**25.2**

9__ Intangible assets and property, plant and equipment

Intangible assets have not changed significantly in the first nine months. The figures as at 30 September 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 discountinued 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	2.1	0.0	0.9	0.0	3.0
Disposals	−0.6	0.0	0.0	0.0	−0.6
Reclassifications	1.1	0.0	−1.1	0.0	0.0
Foreign currency effects	−0.3	−0.8	0.0	−0.2	−1.3
Cost as at 30.9.2016	**81.0**	**24.4**	**0.9**	**5.8**	**112.1**
Accumulated amortisation and impairments as at 1.1.2015	**−75.6**	**−6.8**	**0.0**	**−2.7**	**−85.1**
Reclassification to discountinued 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	−3.1	−0.5	0.0	0.0	−3.6
Disposals	0.6	0.0	0.0	0.0	0.6
Foreign currency effects	0.3	0.4	0.0	0.0	0.7
Accumulated amortisation and impairments as at 30.9.2016	**−73.8**	**−8.6**	**0.0**	**−2.9**	**−85.3**
Net carrying amount as at 31.12.2015	**7.1**	**16.7**	**1.1**	**3.1**	**28.0**
Net carrying amount as at 30.9.2016	**7.2**	**15.8**	**0.9**	**2.9**	**26.8**

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**	**2 233.8**	**42.1**	**2 971.8**
Reclassification to discountinued 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**	**2 275.2**	**70.2**	**3 062.6**
Additions	0.5	26.0	29.0	55.5
Disposals	–0.2	–19.4	–0.1	–19.7
Reclassifications	2.8	37.2	–40.0	0.0
Foreign currency effects	–4.3	–8.4	–0.3	–13.0
Cost as at 30.9.2016	**716.0**	**2 310.6**	**58.8**	**3 085.4**
Accumulated depreciation and impairments as at 1.1.2015	**–404.2**	**–1 698.5**	**0.0**	**–2 102.7**
Reclassification to discountinued 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**	**–1 754.3**	**0.0**	**–2 156.2**
Depreciation	–12.5	–76.3	0.0	–88.8
Disposals	0.2	18.9	0.0	19.1
Foreign currency effects	1.2	3.7	0.0	4.9
Accumulated depreciation and impairments as at 30.9.2016	**–413.0**	**–1 808.0**	**0.0**	**–2 221.0**
Net carrying amount as at 31.12.2015	**315.3**	**520.9**	**70.2**	**906.4**
Net carrying amount as at 30.9.2016	**303.0**	**502.6**	**58.8**	**864.4**

10__ Inventories

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

in million EUR	30.9.2016	31.12.2015
Raw materials, consumables and supplies	92.0	93.8
Semi-finished goods and work in progress	242.1	251.4
Finished products and merchandise	264.1	318.8
Total	**598.2**	**664.0**

11__ Pensions

On the one hand, there are defined benefit plans in the Group. On the other hand, there are defined contribution plans, whereby contributions defined are paid to the pension organisation. However, the majority of the pension plans are defined contractually benefit plans. In this case, the employer is obliged to pay defined 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. 2016	1.1.–31.12. 2015	1.1.–30.9. 2016	1.1.–31.12. 2015	1.1.–30.9. 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	9.0	11.4	0.0	0.0	9.0	11.4
Administration expenses	0.0	0.0	–0.5	–0.5	0.5	0.5
Interest cost/income	7.0	10.1	2.5	4.3	4.5	5.8
Past service costs	–3.5	–5.5	0.0	0.0	–3.5	–5.5
Net pension expenses/income	**12.5**	**16.0**	**2.0**	**3.8**	**10.5**	**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	68.0	–8.7	0.0	–6.0	68.0	–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	**68.0**	**–8.3**	**0.0**	**–6.0**	**68.0**	**–2.3**
Employer contributions	0.0	0.0	11.7	15.7	–11.7	–15.7
Employee contributions	3.5	4.4	3.5	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	–19.9	–18.6	–19.9	–18.6	0.0	0.0
Foreign currency effects	–2.3	33.1	–1.9	26.8	–0.4	6.3
Present value of defined benefit obligations/ Fair value of plan assets at the end of the period	**672.9**	**611.1**	**289.5**	**294.1**	**383.4**	**317.0**
Provisions from obligations similar to pensions	1.2	1.6	0.0	0.0	1.2	1.6
Total provisions for pensions and obligations similar to pensions	**674.1**	**612.7**	**289.5**	**294.1**	**384.6**	**318.6**

The improvement of results was already recognised in the first half of 2016. This resulted from reductions in the pension conversion rates in Switzerland, which in turn resulted in a non-recurring gain of EUR 3.5 million, that was immediately posted to the consolidated income statement.

The actuarial losses chiefly result from the lower discount rates in Switzerland and the euro area as at 30 September 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 subject to critical evaluation. Those not within the range were adjusted accordingly. The following measurement assumptions were used.

	Switzerland		Euro area		USA		Canada	
in %	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015
Discount rate	0.2	0.8	1.2	2.3	3.5	4.0	3.2	3.9
Salary trend	2.0	2.0	2.5–3.0	2.5–3.0	–	–	3.0	3.0

12__ Financial liabilities

Financial liabilities break down as follows as at 30 September 2016:

in million EUR	30.9.2016	31.12.2015
Syndicated loan	102.8	130.4
Other bank loans	22.7	26.8
Bond	164.0	162.5
Liabilities from finance leases	3.2	3.6
Total non-current	**292.7**	**323.3**
Other bank loans	8.9	8.6
ABCP financing programme	151.4	188.1
Liabilities from finance leases	1.1	1.2
Other financial liabilities	7.4	3.1
Total current	**168.8**	**201.0**

Other current financial liabilities include accrued interest for the bond of EUR 6.2 million (31 December 2015: EUR 2.1 million).

13__ Contingent liabilities and other financial obligations

Contingent liabilities from guarantees, warranties and purchase commitments totalled EUR 21.9 million as at 30 September 2016 (31 December 2015: EUR 31.1 million).

The reduction in financial liabilities is primarily attributable to lower purchase commitments down by EUR 9.4 million as 30 September 2016 compared to the end of the prior year.

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 September 2016, the bond had a fair value (Level 1) of EUR 174.9 million (31 December 2015: EUR 140.9 million).

The carrying amount of the bond as at 30 September 2016 was EUR 164 million (31 December 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 September 2016.

	Production		Sales & Services	
in million EUR	1.1.–30.9.2016	1.1.–30.9.2015	1.1.–30.9.2016	1.1.–30.9.2015
Third-party revenue	1 410.9	1 682.4	345.5	426.2
Intersegment revenue	183.2	255.6	0.1	0.0
Total revenue	**1 594.1**	**1 938.0**	**345.6**	**426.2**
Operating profit before depreciation and amortisation (EBITDA)	**94.9**	**118.9**	**12.9**	**15.4**
Depreciation and amortisation of intangible assets, property, plant and equipment	– 86.2	– 85.1	– 3.4	– 3.5
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)	**8.7**	**31.6**	**9.5**	**11.9**
Financial income	3.4	1.2	2.3	2.8
Financial expense	– 29.1	– 28.8	– 5.8	– 7.3
Earnings before taxes (EBT) from continuing operations	**– 17.0**	**4.0**	**6.0**	**7.4**
Segment investments [1]	55.2	59.0	2.7	2.0
Segment operating free cash flow [2]	82.0	104.4	24.7	– 18.1
in million EUR	30.9.2016	31.12.2015	30.9.2016	31.12.2015
Segment assets [3]	1 638.4	1 718.9	226.8	251.9
Segment liabilities [4]	283.5	285.9	83.3	92.7
Segment assets less segment liabilities (capital employed)	**1 354.9**	**1 433.0**	**143.5**	**159.2**
Employees as at closing date	7 626	7 546	1 248	1 252

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

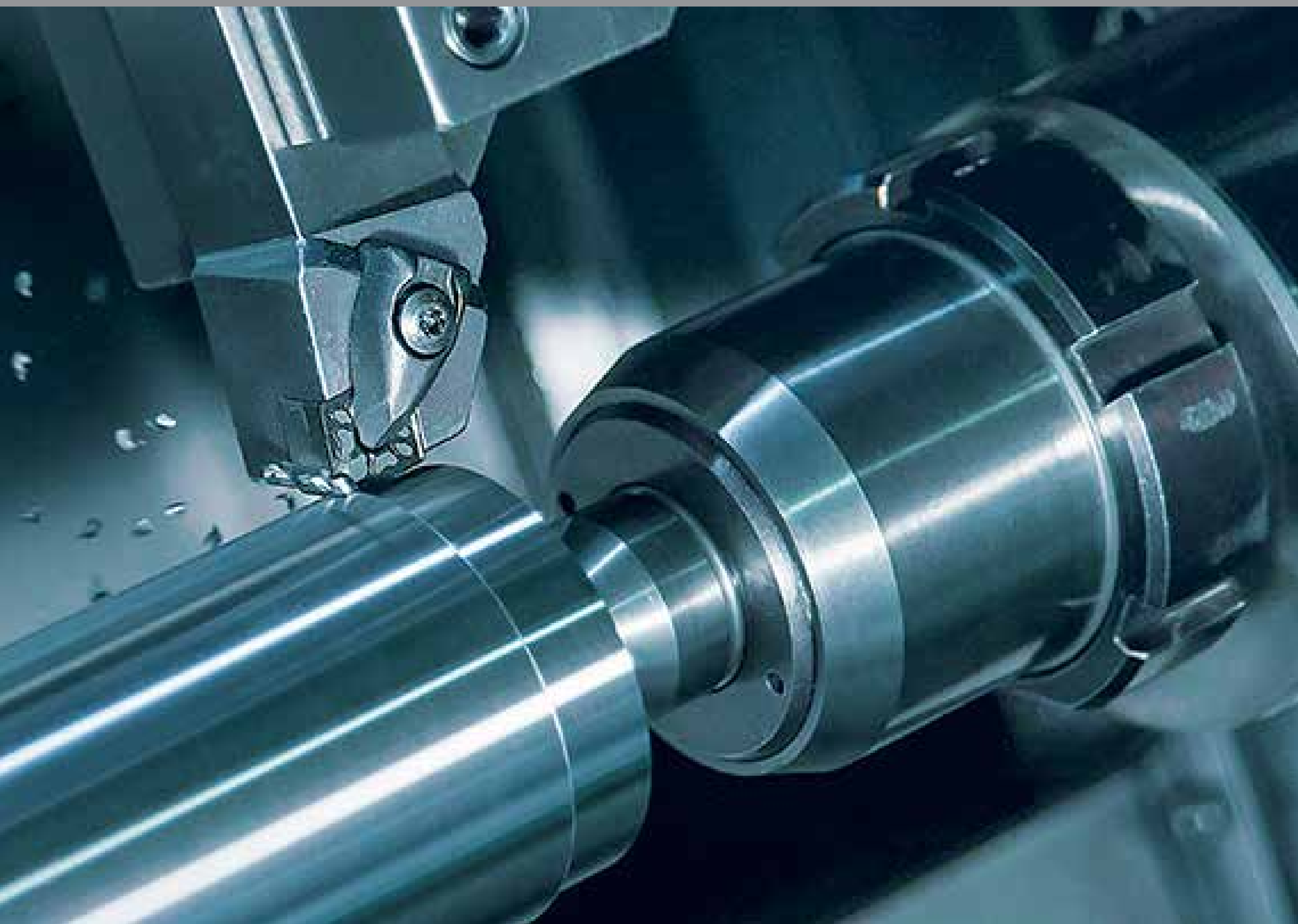
[2] Segment operating free cash flow: Adjusted EBITDA +/– change in net working capital (inventories, trade accounts receivable and payable valued at spot rate), less segment investments less capitalised borrowing costs.

[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.– 30.9.2016	1.1.– 30.9.2015	1.1.– 30.9.2016	1.1.– 30.9.2015	1.1.– 30.9.2016	1.1.– 30.9.2015	1.1.– 30.9.2016	1.1.– 30.9.2015
	1 756.4	2 108.6	0.0	0.0	0.0	0.0	1 756.4	2 108.6
	183.3	255.6	0.0	0.0	−183.3	−255.6	0.0	0.0
	1 939.7	**2 364.2**	**0.0**	**0.0**	**−183.3**	**−255.6**	**1 756.4**	**2 108.6**
	107.8	**134.3**	**−13.8**	**−8.6**	**5.1**	**−2.9**	**99.1**	**122.8**
	−89.6	−88.6	−2.5	−2.5	−0.3	0.0	−92.4	−91.1
	0.0	−2.2	0.0	0.0	0.0	0.0	0.0	−2.2
	18.2	**43.5**	**−16.3**	**−11.1**	**4.8**	**−2.9**	**6.7**	**29.5**
	5.7	4.0	30.6	30.9	−33.7	−33.9	2.6	1.0
	−34.9	−36.1	−34.1	−34.3	33.7	33.9	−35.3	−36.5
	−11.0	**11.4**	**−19.8**	**−14.5**	**4.8**	**−2.9**	**−26.0**	**−6.0**
	57.9	61.0	0.9	40.6	0.0	0.0	58.8	101.6
	106.7	86.3	−9.3	−42.9	−1.5	0.0	95.9	43.4
	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015	30.9.2016	31.12.2015
	1 865.2	1 970.8	32.2	46.7	122.4	91.5	2 019.8	2 109.0
	366.8	378.6	1.4	2.9	992.4	976.9	1 360.6	1 358.4
	1 498.4	**1 592.2**						
	8 874	8 798	108	112	0	0	8 982	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 September 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 September 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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