



Group Interim Report
as at 30 June 2016

Schaltbau Group Key Financial Figures for the period ended 30 June

| Group key financial figures | | 1st half of 2016 | 1st half of 2015 | 2nd quarter 2016 | 2nd quarter 2015 |
|--|--------|---------------------|---------------------|---------------------|---------------------|
| Order situation | | | | | |
| Order-intake | € m. | 319.1 | 259.4 | 163.6 | 132.1 |
| Order-book | € m. | 395.5 | 319.1 | 395.5 | 319.1 |
| Income statement | | | | | |
| Sales | € m. | 247.7 | 235.6 | 130.2 | 128.1 |
| Total output | € m. | 251.3 | 244.7 | 131.0 | 131.5 |
| EBITDA | € m. | 19.9 | 25.0 | 12.2 | 13.9 |
| Profit from operating activities (EBIT) | € m. | 12.4 | 19.6 | 8.4 | 11.2 |
| EBIT margin | % | 5.0 | 8.3 | 6.5 | 8.7 |
| Group net profit for the period | € m. | 3.6 | 13.9 | 4.9 | 10.1 |
| Profit attr. to shareholders of the AG | € m. | 0.8 | 10.9 | 3.2 | 8.5 |
| Return on capital employed | % | 7.5 | 12.8 | 10.2 | 14.6 |
| Balance sheet | | | | | |
| Fixed Assets | € m. | 182.1 | 142.1 | 182.1 | 142.1 |
| Working capital | € m. | 149.4 | 163.1 | 149.4 | 163.1 |
| Capital employed | € m. | 331.5 | 305.2 | 331.5 | 305.2 |
| Group equity | € m. | 117.1 | 121.2 | 117.1 | 121.2 |
| Net financial liabilities | € m. | 140.0 | 115.2 | 140.0 | 115.2 |
| Balance sheet total | € m. | 455.5 | 406.8 | 455.5 | 406.8 |
| Personnel | | | | | |
| Employees at end of reporting period | Number | 2,981 | 2,772 | 2,981 | 2,772 |
| Personnel expense | € m. | 83.3 | 75.8 | 42.2 | 39.0 |
| Personnel expense ¹ per employee ² | € 000 | 60.0 | 60.3 | 60.7 | 62.1 |
| Total output ¹ per employee ² | € 000 | 180.9 | 194.6 | 188.7 | 209.2 |
| Earnings per share | | | | | |
| Earnings per share (undiluted) | € | 0.13 | 1.80 | 0.53 | 1.41 |
| Earnings per share (diluted) | € | 0.13 | 1.80 | 0.53 | 1.41 |

¹ Based on figures to date extrapolated to twelve months

² Weighted average for period including trainees, executive directors and members of Management Board

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Dear Shareholders

The economic and political environment has changed discernibly in recent weeks – and not for the better. After the decision of the United Kingdom to leave the European Union and the attempted coup in Turkey, the direct effects and their ramifications are still being evaluated. The serious economic crisis in Brazil and the strident, increasingly protectionist noises coming from the US in the run-up to the election are contributing to the general atmosphere of political uncertainty. In the long term, all of these factors could also have a negative impact on the pace of growth in our sales markets.

During the first half of the year, the Schaltbau Group managed to more than compensate for order intake headwinds in some regions – such as that caused by a reluctance of authorities to award orders in China – by increasing volumes in other regions. The continual expansion of our global localisation strategy is helping us in this respect, which we have achieved above all with RAWAG, Alte, Albatros and most recently with SPII. At almost € 320 million, order intake for the six-month period is 23 per cent up on the previous year, while the comparatively moderate sales increase of 5 per cent reflects the continued project delays we have experienced across all segments.

Nevertheless, in the second quarter we managed to roughly double our EBIT compared with the first quarter 2016. Compared with the first six months of last year, however, our earnings are still more than one third down. We are unlikely to be able to compensate for this deficit in the third quarter, but only in the fourth – assuming the headwind does not slow us down in other markets and we are forced to accept delays in call-offs until the new year.

We have now moderately readjusted our sales target from € 550 million to € 530 million. The main reason is the full consolidation of Albatros, which is now only planned for the second half of the year, which will have a positive impact on EBIT and Group net profit for the year, enabling us to reaffirm our earnings targets.

In this context, it is worth noting that we are currently considering whether or not business with platform screen doors can be conducted profitably in the medium term. A decision of this nature would also impact our platform screen doors project in Brazil and subsequently lead to a one-off impairment loss that would have a negative effect on results for 2016.

With our orientation on increasing corporate value in the long term, we will also manage the rest of our portfolio and endeavour to specifically strengthen our position in a number of areas. At the same time, there is no sensible alternative to forging ahead on our international growth course, broadening our customer base and promoting regional diversity, not least in order to limit dependencies to an acceptable level.

Kind regards

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

Dr Jürgen Cammann

Spokesman of the Executive Board

Group Interim Management Statement as at 30 June 2015

Group profile

Management and control

Elisabeth Prigge resigned from her position as CFO of Schaltbau Holding AG with effect from 30 June 2016. A new CFO will be appointed in the course of 2016.

The Annual General Meeting of Schaltbau Holding AG, which was held in Munich on 14 June 2016, elected Dr Ralph Heck and Helmut Meyer as new members of the Supervisory Board. Peter Jahrmarkt and Dr Stefan Schmittmann are no longer members of the Supervisory Board. In the subsequent constituent meeting of the Supervisory Board, Mr Zimmermann was voted Chairman and Dr Heck Deputy Chairman of the Supervisory Board.

Report on economic position

General economic environment

Both the political and the economic uncertainties increased perceptibly during the first half of the year. Not only did the result of the referendum in the United Kingdom exacerbate the risks to growth, particularly in the developed economies of Europe, emerging markets were in some cases burdened by price developments on commodities markets and high levels of debt.

The Brexit controversy also gave rise to increased currency market fluctuations. The falling price of the British currency in the wake of the Brexit referendum caused the euro to gain six per cent in value against the pound. Over the six-month period, the average exchange rate of the euro to the US dollar was similar to the previous year. The euro lost ground against the Chinese renminbi (-5 per cent). Overall, however, the resulting exchange rate factors did not have a material impact on the earnings of the Schaltbau Group.

Sector-specific and regulatory environment

Despite demand for rolling stock remaining strong, the market continued to be considerably impacted by increasing price competition. Although DB Netz AG awarded more orders in the field of rail infrastructure, the pace of recovery is more sluggish than expected. The level of demand from bus manufacturers and the automotive market in general, however, remained steady.

On procurement markets, the prices of copper (-21.2 per cent, DEL), aluminium (-14.0 per cent, LME) and silver (-3.9 per cent) were all below the averages recorded for the first six months of the previous year. Rolled steel and flame-cut steel parts were also cheaper year-on-year. The price of gold in euros rose by 4.4 per cent. Although the price of Brent crude oil increased in the course of the six-month period, it was below the average recorded one year earlier. Plastics prices also remained low.

Business and earnings position

Overall assessment of financial condition

Again in the second quarter, the Schaltbau Group achieved a significant rise in order intake. The six-month figure was 23.0 per cent up on the previous year. At € 319.1 million, the Schaltbau Group reported the highest level in its corporate history. At € 395.5 million, the order book also marked an all-time high at the halfway stage of the 2016 fiscal year.

The comparatively moderate increase in sales of 5.1 per cent to € 247.7 million is primarily due to the project-based nature of the orders, in which sales are only recognised with a certain time lag in each case. The Mobile Transportation Technology segment was therefore unable to match the outstanding figures recorded the previous year due to project-related sales fluctuations in Poland. Growth in the other segments was driven partially by the positive order situation in the Brake Systems business field and for signal technology products as well as the first-time consolidation of SPII in the Components segment.

Despite a considerable improvement from the first to the second quarter year-on-year, at € 12.4 million, EBIT was 36.4 per cent down for the six-month period (January to June 2015: € 19.6 million). The growth-related increase in expenses was more pronounced than the increase in total output, partially due to the greater size of the workforce.

At € 3.6 million, Group net profit for the six-month period was also well below the previous year's € 13.9 million.

Business and earnings position of the Schaltbau Group

| Key performance figures for the Schaltbau Group | | | | | | |
|---|-----------------------|-----------------------|---------|---------------------|---------------------|---------|
| in € million | 1st half-year 2016 | 1st half-year 2015 | Δ | 2nd quarter 2016 | 2nd quarter 2015 | Δ |
| Order intake | 319.1 | 259.4 | 23.0 % | 163.6 | 132.1 | 23.8 % |
| Sales | 247.7 | 235.6 | 5.1 % | 130.2 | 128.1 | 1.6 % |
| EBIT | 12.4 | 19.6 | -36.4 % | 8.4 | 11.2 | -24.5 % |

Order intake and order book

Order intake for the Schaltbau Group grew to € 319.1 million for the six-month period, 23.0 per cent up on the same period of 2015. The primary reason for the significant increase was the awarding of two major orders, one for door systems and the other for sanitary systems, both in the Mobile Transportation Technology segment during the second quarter. Contributions from Schaltbau's Italian subsidiary SPII in the Components segment, which were not yet included in Group figures the previous year, provided additional momentum.

The large volume of new business increased the size of the order book by 23.9 per cent to € 395.5 million compared with 30 June 2015 (€ 319.1 million). The order book was 21.6 per cent up on the level seen at 31 December 2015 (€ 325.3 million).

Sales

Sales grew by 5.1 per cent to € 247.7 million. Sales for the Mobile Transportation Technology segment were slightly down on the very high figure recorded the previous year, which was characterised by the processing of a major order at RAWAG. The other segments all showed improvements, although the Components segment profited mainly from the contributions of SPII, which were not yet included one year earlier. Overall, 44.3 per cent of sales were generated on European markets outside Germany and a further 23.7 per cent outside Europe.

Group earnings performance

Profit before financial result and taxes (EBIT) recorded by the Schaltbau Group dropped to € 12.4 million (January to June 2015: € 19.6 million). In the second quarter, EBIT came in at € 8.4 million, € 2.8 million down on the previous year. The EBIT margin dropped accordingly from 8.3 per cent to 5.0 per cent compared with the first six months of 2015. The higher total output was accompanied by a disproportionate growth-related cost increase, mainly attributable to the greater size of the workforce. Furthermore, negative

factors in the Rail Infrastructure business field as well as ongoing restructuring and upfront expenditure for recently gained major orders at ALTE had a negative impact.

Total output includes changes in inventories amounting to € 2.0 million (2015: € 7.5 million). At 49.6 per cent, the cost of materials ratio was just slightly below the previous year's level of 49.9 per cent. In absolute terms, the cost of materials went up from € 122.0 million to € 124.7 million.

Personnel expense rose from € 75.8 million to € 83.3 million (€ 2.8 million of which attributable to SPH) and at 33.2 per cent was above the previous year's level of 31.0 per cent as a proportion of total output. Other operating expenses increased to € 26.8 million (30 June 2015: € 25.1 million).

At € 3.6 million, Group net profit for the six-month period was well down on the previous year's € 13.9 million, mainly due to the lower EBIT, a higher negative contribution from Albatros and increased interest expense. Furthermore, the previous year's result from investments had included a gain arising on the revaluation of Rail Door Solutions Ltd. when the status of that entity changed from at-equity to fully consolidated.

The profit attributable to shareholders of Schaltbau Holding AG totalled € 0.8 million (30 June 2015: € 10.9 million). On this basis, earnings per share for the six-month period under report amounted to € 0.13, compared with € 1.80 for the same period one year earlier.

Business and earnings performance of the segments

The Mobile Transportation Technology segment

| Key performance figures for the Mobile Transportation Technology segment | | | | | | |
|--|-----------------------|-----------------------|---------|---------------------|---------------------|---------|
| in € million | 1st half-year 2016 | 1st half-year 2015 | Δ | 2nd quarter 2016 | 2nd quarter 2015 | Δ |
| Order intake | 151.6 | 112.6 | 34.6 % | 90.6 | 58.6 | 54.6 % |
| Sales | 102.9 | 109.1 | -5.7 % | 51.9 | 56.9 | -8.8 % |
| EBIT | 5.3 | 11.7 | -54.7 % | 2.0 | 5.5 | -63.6 % |

Order intake for the Mobile Transportation Technology segment (Bode Group and Alte Technologies) went up by 34.6 per cent to € 151.6 million. In April, Alte Technologies signed a large-scale contract for the supply of sanitary modules and in June the Bode

Group obtained a major order for railway door systems. The consolidation of the refurbishment and service business operated by the UK subsidiary RDS had an additional positive impact across the entire period under report, alongside slightly higher order intake in the Automotive business field. After the exceptionally high figure recorded one year earlier, order intake for Schaltbau's Polish subsidiary RAWAG returned to its accustomed level. New business in the bus sector was not quite as strong as in the previous year.

As expected, segment sales of € 102.9 million for the six-month period were down on the previous year's high figure of € 109.1 million, mainly attributable to the lower volume sold by RAWAG. Sales of door systems within Germany were also slightly lower year-on-year. The major orders gained in the second quarter will only have an impact on sales during the next few years.

Segment EBIT of € 5.3 million (January to June 2015: € 11.7 million) reflects the weaker and lower-margin sales reported by the Bode Group during the first half of the year. EBIT for ALTE was an improvement on the previous year, although it remained negative. The six-month EBIT margin for the segment dropped to 5.1 per cent (January to June 2015: 10.7 per cent).

The Stationary Transportation Technology segment

| Key performance figures for the Stationary Transportation Technology segment | | | | | | |
|---|-----------------------|-----------------------|--------|---------------------|---------------------|---------|
| in € million | 1st half-year 2016 | 1st half-year 2015 | Δ | 2nd quarter 2016 | 2nd quarter 2015 | Δ |
| Order intake | 88.7 | 81.5 | 8.8 % | 36.9 | 39.1 | -5.6 % |
| Sales | 67.7 | 61.4 | 10.3 % | 36.1 | 36.3 | -0.0 % |
| EBIT | -2.5 | -1.5 | | 0.7 | 1.2 | -41.7 % |

Order intake for the Stationary Transportation Technology segment rose to € 88.7 million (January to June 2015: € 81.5 million), mainly driven by slightly higher order volumes from DB Netz AG, including a major order for signal technology in January. The Warning Systems product group, which recorded annual sales of € 6.4 million in 2015 and included the specialised business with visual and acoustic signals for use in various types of official vehicle, was sold on 1 April 2016 (see quarterly statement). It therefore no longer contributed towards order intake and sales in the Rail Infrastructure business field in the second quarter.

Order intake in the Brake Systems business field achieved the exceptionally high volume registered one year earlier and is likely to perform better than expected over the year as a

whole. The trend is largely attributable to the continued high demand coming from the operators of major ports in Asia and the Middle East.

The sales growth of 10.3 per cent to € 67.7 million in this sector is firstly a result of the booming order situation in the Brake Systems business field and secondly due to the significant increase in the sale of signal technology reported in China in the second quarter. The Warning Systems product group contributed sales of € 1.3 million in the second quarter one year earlier and is therefore of minor importance in terms of sales performance.

Segment EBIT was again positive in the second quarter. However, seen over the entire six-month reporting period, it totalled a negative amount of € 2.5 million (January to June 2015: negative amount of € 1.5 million), giving rise to a negative EBIT margin of 3.7 per cent (30 June 2015: negative margin of 2.5 per cent).

The Components segment

| Key performance figures for the Components segment | | | | | | |
|---|-----------------------|-----------------------|--------|---------------------|---------------------|--------|
| in € million | 1st half-year 2016 | 1st half-year 2015 | Δ | 2nd quarter 2016 | 2nd quarter 2015 | Δ |
| Order intake | 78.8 | 65.3 | 20.7 % | 36.1 | 34.4 | 4.9 % |
| Sales | 77.1 | 65.1 | 18.4 % | 42.1 | 34.8 | 21.0 % |
| EBIT | 14.6 | 12.9 | 13.2 % | 8.7 | 6.1 | 42.6 % |

At € 78.8 million, order intake in the Components segment was significantly higher than in the previous year (€ 65.3 million), due to the consolidation of SPII. In organic terms, segment performance was slightly down on the previous year, mainly due to lower order volumes in China, where the market was particularly affected by changes in state investment policies. New business in Germany and France was slightly higher than in the first half of 2015, caused by increased demand from Russia and other foreign markets.

The contribution from SPII drove up segment sales by 18.4 per cent to € 77.1 million. Existing portfolio business was primarily impacted by a decrease in demand on Chinese markets. Despite German and French markets performing better than expected, they were unable to make up for the lack of vitality in China.

At the six-month stage, EBIT totalled € 14.6 million, well up on the previous year's € 12.9 million). Apart from the positive contribution from SPII, the reduction of allowances on receivables also had an impact. The EBIT margin came in at a pleasing 19.0 per cent (2015: 19.8 per cent).

Financial and net assets position

Compared with the end of 2015 (€ 454.2 million), the balance sheet total of € 455.5 million remained practically unchanged.

Analysis of capital structure

At € 231.9 million, non-current liabilities were higher than at 31 December 2015 (€ 208.5 million). The figure includes the promissory note of approximately € 70 million as well as non-current liabilities to banks, which rose by € 18.4 million compared with the end of 2015. Furthermore, pension provisions rose by € 4.1 million, due to the lower interest rate applied.

Short-term debt capital decreased to € 106.4 million (31 December 2015: € 116.2 million). In particular, current liabilities were down by € 6.3 million and trade accounts payable by € 1.8 million.

The increase in net financial liabilities (current and non-current bank liabilities plus other financial liabilities less cash and cash equivalents) to € 140.0 million (31 December 2015: € 128.7 million) gave rise to a debt ratio (based on annualised EBITDA) of 3.5, compared with 2.6 at 31 December 2015.

In addition to the Syndicated Credit Agreement and the promissory note, the Group had access to credit lines amounting to € 153.7 million at 30 June 2016 (31 December 2015: € 157.1 million), of which € 33.5 million were drawn down as loans (31 December 2015: € 39.1 million). Current account and fixed-term credit lines available at the end of the reporting period amounted to € 120.2 million (31 December 2015: € 118.1 million), of which € 100.0 million is currently available until August 2020. At 30 June 2016, € 86.8 million (31 December 2015: € 68.0 million) of these (including guarantee lines) were being utilised.

Equity decreased from € 129.5 million at the end of 2015 to € 117.1 million at 30 June 2016. The equity ratio of 25.7 per cent (31 December 2015: 28.5 per cent) was below the target range.

Liquidity analysis

The cash flow from operating activities improved significantly from a negative amount of € 11.7 million the previous year to a positive amount of € 8.0 million. The crucial factor was the very moderate increase in working capital.

The net cash outflow from investing activities totalling € 6.0 million primarily includes outflows for investments in property, plant and equipment and was lower than the outflow of € 8.9 million one year earlier, mainly due to proceeds relating to the sale of the Warning Systems product group.

Cash flow from financing activities was practically break-even (negative amount of € 0.1 million). Cash outflows for the dividend, loan repayments and interest payments stood in contrast to the increase in other financial liabilities. The comparative figure for 2015 (€ 12.5 million) was primarily characterised by the cash inflow from the issuance of the promissory note and the simultaneous repayment of the Syndicated Credit Agreement.

Cash and cash equivalents rose by € 1.0 million to € 32.0 million during the period under report.

Net assets

Compared with 31 December 2015 (€ 200.4 million), non-current assets dropped very slightly to € 198.0 million at 30 June 2016. Current assets increased to € 257.4 million (31 December 2015: € 253.8 million) due to slightly higher inventories.

Working capital stood at € 149.4 million, similar to the level of € 147.6 million recorded at 31 December 2015. The return on capital employed (ROCE) dropped from 12.8 per cent last year to 7.5 per cent at the end of the six-month period under report.

Employees

At 30 June 2016 the Schaltbau Group employed a workforce of 2,981 people (31 December 2015: 2,973). The number of employees working in the Mobile Transportation Technology segment rose slightly to 1,341 people (31 December 2015: 1,320 people). The number of people employed in the Stationary Transportation Technology segment dropped slightly to 758 (31 December 2015: 776 people). The Components segment employed 855 people (31 December 2015: 853).

Events after the end of the reporting period

No further events or developments of special significance took place subsequent to 30 June 2016.

Report on outlook, opportunities and risks

Overall, macroeconomic conditions have developed in line with predictions made in the Outlook Report, which is part of the Group Management Report 2015 (see Annual Report pages 43 to 45)

For the remainder of the year, the economic risks have increased in the wake of the Brexit decision. Nevertheless, the Schaltbau Group expects generally stable macroeconomic conditions.

For the fiscal year 2016, Schaltbau continues to forecast order intake growth of well over 10 per cent. The sales target has been adjusted from the previous figure of € 550 million to € 530 million, i.e. an increase of some six per cent on the previous year. The main reason is that the full consolidation of Albatros is now only planned for the second half of the year.

The first-time full consolidation of Albatros will give rise to positive contributions within the Group, particularly due to a one-time revaluation gain in the result from investments. The management team therefore reaffirms its earnings targets for the full year 2016. Project delays from the third into the fourth quarter 2016 have already been taken into account, which means the third quarter is also likely to end with an EBIT down on that of the previous year.

The Schaltbau Group's risk and opportunity situation has not fundamentally changed compared to that presented in the Annual Report 2015. The Risk and Opportunity Report is presented on pages 36 to 43 of the Annual Report. At the present time, no risks have been identified that pose a threat to the going-concern status of the Group.

Condensed Interim Consolidated Financial Statements as at 30.06.2016

Consolidated Income Statement for the period from 1 January to 30 June 2016

| €000 | 1.1.-30.06.2016 | 1.1.-30.06.2015 |
|---|-----------------|-----------------|
| 1. Sales | 247,683 | 235,579 |
| 2. Change in inventories of finished and work in progress | 1,979 | 7,527 |
| 3. Own work capitalised | 1,600 | 1,624 |
| 4. Total output | 251,262 | 244,730 |
| 5. Other operating income | 3,442 | 3,209 |
| 6. Cost of materials | 124,668 | 122,014 |
| 7. Personnel expense | 83,317 | 75,830 |
| 8. Amortisation and depreciation | 7,509 | 5,435 |
| 9. Other operating expenses | 26,771 | 25,101 |
| 10. Profit from operating activities (EBIT) | 12,439 | 19,559 |
| a) Result from at-equity accounted investments | -3,222 | -1,333 |
| b) Other results from investments | 0 | 2,465 |
| 11. Results from investments | -3,222 | 1,132 |
| a) Interest income | 386 | 111 |
| b) Interest expense | 2,814 | 2,189 |
| 12. Finance result | -2,428 | -2,078 |
| 13. Profit before tax | 6,789 | 18,613 |
| 14. Income taxes | 3,218 | 4,700 |
| 15. Group net profit for the period | 3,571 | 13,913 |
| Analysis of group net profit | | |
| attributable to minority shareholders | 2,812 | 3,039 |
| attributable to the shareholders of Schaltbau Holding AG | 759 | 10,874 |
| Group net profit for the period | 3,571 | 13,913 |
| Earnings per share – undiluted: | 0.13 € | 1.80 € |
| Earnings per share – diluted: | 0.13 € | 1.80 € |

Statement of Income and Expenses recognised in equity for the period from 1 Jan. to 30 June 2016

| €000 | 1.1.-30.06.2016 | | | 1.1.-30.06.2015 | | |
|---|-----------------|---------------|---------------|-----------------|---------------|---------------|
| | Before tax | Tax effect | After tax | Before tax | Tax effect | After tax |
| Group net profit for the period | | | 3,571 | | | 13,913 |
| Actuarial gains/losses relating to pensions | -4,471 | 1,341 | -3,130 | 2,195 | -659 | 1,536 |
| Items which may subsequently be reclassified to profit or loss | | | | | | |
| Unrealised gains/losses arising on currency translations | | | | | | |
| - from fully consolidated companies | | | -3,943 | | | 3,674 |
| - from at-equity accounted companies | | | -28 | | | -152 |
| Derivative financial instruments | | | | | | |
| - Change in unrealised gains / losses | -17 | 5 | -12 | -264 | 79 | -185 |
| - Realised gains / losses | 321 | -96 | 225 | 466 | -140 | 326 |
| | 304 | -91 | -3,758 | 202 | -61 | 3,663 |
| Other comprehensive income | | | -6,888 | | | 5,199 |
| Group comprehensive income | | | -3,317 | | | 19,112 |
| of which attributable to minority shareholders | | | 1,695 | | | 4,163 |
| of which attributable to the shareholders of Schaltbau | | | -5,012 | | | 14,949 |

Consolidated Income Statement for the second quarter 2016

| €000 | 1.4.-30.06.2016 | 1.4.-30.06.2015 |
|---|-----------------|-----------------|
| 1. Sales | 130,234 | 128,132 |
| 2. Change in inventories of finished and work in progress | -75 | 2,537 |
| 3. Own work capitalised | 884 | 866 |
| 4. Total output | 131,043 | 131,535 |
| 5. Other operating income | 2,191 | 1,181 |
| 6. Cost of materials | 64,916 | 65,650 |
| 7. Personnel expense | 42,164 | 39,029 |
| 8. Amortisation and depreciation | 3,783 | 2,762 |
| 9. Other operating expenses | 13,939 | 14,104 |
| 10. Profit from operating activities (EBIT) | 8,432 | 11,171 |
| a) Result from at-equity accounted investments | -566 | -217 |
| b) Other results from investments | 0 | 2,466 |
| 11. Results from investments | -566 | 2,249 |
| a) Interest income | 202 | 37 |
| b) Interest expense | 1,413 | 1,132 |
| 12. Finance result | -1,211 | -1,095 |
| 13. Profit before tax | 6,655 | 12,325 |
| 14. Income taxes | 1,754 | 2,225 |
| 15. Group net profit for the period | 4,901 | 10,100 |
| Analysis of group net profit | | |
| attributable to minority shareholders | 1,716 | 1,618 |
| attributable to the shareholders of Schaltbau Holding AG | 3,185 | 8,482 |
| Group net profit for the period | 4,901 | 10,100 |
| Earnings per share – undiluted: | 0.53 € | 1.40 € |
| Earnings per share – diluted: | 0.53 € | 1.40 € |

Statement of Income and Expenses recognised in equity for the second quarter 2016

| €000 | 1.4.-30.06.2016 | | | 1.4.-30.06.2015 | | |
|---|-----------------|------------|---------------|-----------------|------------|---------------|
| | Before tax | Tax effect | After tax | Before tax | Tax effect | After tax |
| Group net profit for the period | | | 4.901 | | | 10.100 |
| Actuarial gains/losses relating to pensions | -2.226 | 668 | -1.558 | 4.989 | -1.497 | 3.492 |
| Items which may subsequently be reclassified to profit or loss | | | | | | |
| Unrealised gains/losses arising on currency translations | | | | | | |
| - from fully consolidated companies | | | -1.552 | | | -2.466 |
| - from at-equity accounted companies | | | 5 | | | -181 |
| Derivative financial instruments | | | | | | |
| - Change in unrealised gains / losses | -81 | 24 | -57 | 259 | -78 | 181 |
| - Realised gains / losses | 117 | -35 | 82 | 223 | -67 | 156 |
| | 36 | -11 | -1.522 | 482 | -145 | -2.310 |
| Other comprehensive income | | | -3.080 | | | 1.182 |
| Group comprehensive income | | | 1.821 | | | 11.282 |
| of which attributable to minority shareholders | | | 1.415 | | | 960 |
| of which attributable to the shareholders of Schaltbau | | | 406 | | | 10.322 |

Consolidated Cash Flow Statement for the period from 1 January to 30 June 2016

| € 000 | 1.1.-30.06.2016 | 1.1.-30.06.2015 |
|---|-----------------|-----------------|
| Profit before financial result and taxes (EBIT) | 12,439 | 19,559 |
| Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment | 7,496 | 5,428 |
| Gains/losses on the disposal of intangible assets and property, plant and equipment | -252 | -6 |
| Change in current assets | -4,279 | -38,852 |
| Change in provisions | -3,871 | -1,513 |
| Change in current liabilities | 1,030 | 8,034 |
| Income tax paid | -4,211 | -3,925 |
| Other non-cash income / expenses | -374 | -439 |
| Cash flow from operating activities | 7,978 | -11,714 |
| Payments for investments in: | | |
| - intangible assets and property, plant and equipment | -8,010 | -7,256 |
| - non-current financial assets | -757 | -1,000 |
| - Acquisitions of fully consolidated entities less cash acquired | -212 | -688 |
| Proceeds from disposal of: | | |
| - property, plant and equipment | - | 72 |
| - business units | 2,991 | - |
| Cash flow from investing activities | -5,988 | -8,872 |
| Share buybacks | 0 | -5,086 |
| Dividend payment by Schaltbau Holding AG | -6,020 | -5,988 |
| Distribution to minority interests | -1,080 | -1,534 |
| Promissory note issued | - | 70,000 |
| Loan repayments | -4,163 | -5,075 |
| Loans rised | 540 | - |
| Interest paid | -3,074 | -1,775 |
| Interest received | 165 | 107 |
| Change in current financial liabilities | 13,581 | -38,172 |
| Cash flow from financing activities | -51 | 12,477 |
| Change in cash funds due to exchange rate fluctuations | -915 | 973 |
| Changes in cash funds | 1,024 | -7,136 |
| Cash funds at the end of the period | 31,988 | 19,068 |
| Cash funds at the beginning of the period | 30,964 | 26,204 |
| | 1,024 | -7,136 |

Consolidated Balance Sheet as at 30 June 2016

| ASSETS | € 000 | € 000 |
|--|----------------|----------------|
| | 30.06.2016 | 31.12.2015 |
| A. NON-CURRENT ASSETS | | |
| I. Intangible assets | 81,243 | 82,911 |
| II. Property, plant and equipment | 76,082 | 75,654 |
| III. At-equity accounted investments | 8,395 | 11,468 |
| IV. Other investments | 16,397 | 15,660 |
| V. Deferred tax assets | 15,918 | 14,684 |
| | 198,035 | 200,377 |
| B. CURRENT ASSETS | | |
| I. Inventories | 93,449 | 88,629 |
| II. Trade accounts receivable | 105,741 | 109,412 |
| III. Income tax receivables | 795 | 533 |
| IV. Other receivables and assets | 25,837 | 21,569 |
| V. Cash and cash equivalents | 31,601 | 30,735 |
| VI. Assets held for sale | - | 2,944 |
| | 257,423 | 253,822 |
| Total assets | 455,458 | 454,199 |
| EQUITY AND LIABILITIES | | |
| | € 000 | € 000 |
| | 30.06.2016 | 31.12.2015 |
| A. EQUITY | | |
| I. Subscribed capital | 7,506 | 7,506 |
| II. Capital reserves | 16,126 | 16,126 |
| III. Statutory reserves | 231 | 231 |
| IV. Revenues reserves | 56,909 | 48,502 |
| V. Income/expense recognised directly in equity | -51 | 2,803 |
| VI. Revaluation reserve | 3,041 | 3,041 |
| VII. Group net profit attributable to shareholders of Schaltbau Holding AG | 759 | 17,443 |
| VIII. Equity attributable to shareholders of Schaltbau Holding AG | 84,521 | 95,652 |
| IX. Minority interests | 32,600 | 33,881 |
| | 117,121 | 129,533 |
| B. NON-CURRENT LIABILITIES | | |
| I. Pension provisions | 41,469 | 37,351 |
| II. Personnel-related accruals | 4,105 | 4,040 |
| III. Other provisions | 568 | 439 |
| IV. Financial liabilities | 162,536 | 144,154 |
| V. Other liabilities | 11,350 | 10,430 |
| VI. Deferred tax liabilities | 11,906 | 12,094 |
| | 231,934 | 208,508 |
| C. CURRENT LIABILITIES | | |
| I. Personnel-related accruals | 6,016 | 7,501 |
| II. Other provisions | 16,898 | 18,179 |
| III. Income taxes payable | 717 | 1,748 |
| IV. Financial liabilities | 9,037 | 15,322 |
| V. Trade accounts payable | 36,424 | 38,190 |
| VI. Advance payments received | 13,363 | 12,252 |
| VII. Other liabilities | 23,948 | 22,456 |
| VIII. Liabilities related to assets held for sale | - | 510 |
| | 106,403 | 116,158 |
| Total equity and liabilities | 455,458 | 454,199 |

Consolidated Statement of Changes in Equity as at 30 June 2016

| | Equity attributable to shareholders of Schaltbau Holding AG | | | | | |
|----------------------------------|---|------------------|--------------------|------------------|--|---------------------|
| | Subscribed capital | Capital reserves | Statutory reserves | Revenue Other | Reserves Derivate financial Instruments | Revaluation reserve |
| Balance at 1.1.2015 | 7,506 | 15,872 | 231 | 41,997 | -1,309 | 3,041 |
| Profit brought forward | 0 | 0 | 0 | 24,780 | 0 | 0 |
| Dividends | 0 | 0 | 0 | -5,988 | 0 | 0 |
| Change in Group reporting entity | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 67 | 0 | -5,073 | 0 | 0 |
| Group net profit for the period | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 1,536 | 141 | 0 |
| Group comprehensive income | 0 | 0 | 0 | 1,536 | 141 | 0 |
| Balance at 30.6.2015 | 7,506 | 15,872 | 231 | 57,252 | -1,168 | 3,041 |
| Balance at 30.06.2015 | 7,506 | 15,872 | 231 | 57,252 | -1,168 | 3,041 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Group reporting entity | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 254 | 0 | -8,012 | 0 | 0 |
| Group net profit for the period | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 238 | 192 | 0 |
| Group comprehensive income | 0 | 0 | 0 | 238 | 192 | 0 |
| Balance at 31.12.2015 | 7,506 | 16,126 | 231 | 49,478 | -976 | 3,041 |
| Balance at 1.1.2016 | 7,506 | 16,126 | 231 | 49,478 | -976 | 3,041 |
| Profit brought forward | 0 | 0 | 0 | 17,443 | 0 | 0 |
| Dividends | 0 | 0 | 0 | -6,020 | 0 | 0 |
| Change in Group reporting entity | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 0 | 0 | -99 | 0 | 0 |
| Group net profit for the period | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 0 | 0 | -3,130 | 213 | 0 |
| Group comprehensive income | 0 | 0 | 0 | -3,130 | 213 | 0 |
| Balance at 30.06.2016 | 7,506 | 16,126 | 231 | 57,672 | -763 | 3,041 |

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

| Income/expenses directly in equity | recognised | | Net profit for the period | Total | Minority interests in equity | | | Group equity |
|---------------------------------------|-----------------------------|---------------------------------|------------------------------|---------------|------------------------------|---------------------------------|----------------|--------------|
| | from fully consolidation | from at-equity consolidation | | | in capital and reserves | in net profit for the period | Total | |
| 1,722 | -514 | 24,780 | 93,326 | 14,865 | 4,348 | 19,213 | 112,539 | |
| 0 | 0 | -24,780 | 0 | 4,348 | -4,348 | 0 | 0 | |
| 0 | 0 | 0 | -5,988 | -2,169 | 0 | -2,169 | -8,157 | |
| 0 | 0 | 0 | | | | | | |
| 0 | 0 | 0 | -5,073 | 2,746 | 0 | 2,746 | -2,327 | |
| 0 | 0 | 10,874 | 10,874 | 0 | 3,039 | 3,039 | 13,913 | |
| 2,550 | -152 | 0 | 4,075 | 1,124 | 0 | 1,124 | 5,199 | |
| 2,550 | -152 | 10,874 | 14,949 | 1,124 | 3,039 | 4,163 | 19,112 | |
| 4,272 | -666 | 10,874 | 97,214 | 20,914 | 3,039 | 23,953 | 121,167 | |
| | | | | | | | | |
| 4,272 | -666 | 10,874 | 97,214 | 20,914 | 3,039 | 23,953 | 121,167 | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 0 | 0 | 0 | 0 | 10,112 | 0 | 10,112 | 10,112 | |
| 0 | 0 | 0 | -7,758 | -2,971 | 0 | -2,971 | -10,729 | |
| 0 | 0 | 6,569 | 6,569 | 0 | 2,995 | 2,995 | 9,564 | |
| -758 | -45 | 0 | -373 | -453 | 245 | -208 | -581 | |
| -758 | -45 | 6,569 | 6,196 | -453 | 3,240 | 2,787 | 8,983 | |
| 3,514 | -711 | 17,443 | 95,652 | 27,602 | 6,279 | 33,881 | 129,533 | |
| | | | | | | | | |
| 3,514 | -711 | 17,443 | 95,652 | 27,602 | 6,279 | 33,881 | 129,533 | |
| 0 | 0 | -17,443 | 0 | 6,279 | -6,279 | 0 | 0 | |
| 0 | 0 | 0 | -6,020 | -2,976 | 0 | -2,976 | -8,996 | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 0 | 0 | 0 | -99 | 0 | 0 | 0 | -99 | |
| 0 | 0 | 759 | 759 | 0 | 2,812 | 2,812 | 3,571 | |
| -2,826 | -28 | 0 | 5,771 | -1,117 | 0 | -1,117 | -6,888 | |
| -2,826 | -28 | 759 | -5,012 | -1,117 | 2,812 | 1,695 | -3,317 | |
| 688 | -739 | 759 | 84,521 | 29,788 | 2,812 | 32,600 | 117,121 | |

Explanatory Notes and segment information as at 30 June 2016

DESCRIPTION OF BUSINESS

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

BASIS OF PREPARATION

The Interim Financial Report of Schaltbau Holding AG, Munich, has been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), and with those of German Accounting Standard No. 16 "Interim Reporting" issued by the Accounting Standards Committee of Germany (DRSC). The same accounting principles and policies have been applied as in the consolidated financial statements for the fiscal year ended 31 December 2015.

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

BUSINESS COMBINATIONS / GROUP REPORTING ENTITY

On 3 May, Rail Door Solutions Ltd., based in Milton Keynes, United Kingdom, a 65% subsidiary of Gebr. Bode & Co. Beteiligungs GmbH, Kassel, acquired 100% of the shares of Albatros UK Ltd., Milton Keynes, United Kingdom, for a purchase price of € 299,000. Albatros UK Ltd. was previously a 70% subsidiary of Albatros S.L., Madrid, itself a 91.74% subsidiary of Schaltbau Holding AG. Subsequent to the acquisition, the acquired entity was merged with Rail Door Solutions Ltd. Albatros UK specialises in the maintenance and repair of air conditioning systems and inverters in railway vehicles, primarily for customers in the United Kingdom and Ireland. The acquisition is part of Rail Door Solutions' response to the current trend for maintenance and repair contracts to be awarded to general contractors, thus enabling it to offer a broader range of services to the same customer. With its workforce of 11 people, Albatros UK generated sales in the region of € 2.0 million and a loss of approximately € 0.2 million in 2015.

On 1 June, BODO Bode-Dogrusan A.S., based in Kestel-Bursa, Turkey, a 50% subsidiary of Gebr. Bode & Co. Beteiligungs GmbH, Kassel, acquired 60% of the shares of Pro-Last Profil San. Ve Tic. A.S., based in Bursa, Turkey, for a purchase price of € 1,093,000. The remaining 40 % remain in the hands of the founding family. Subsequent to the acquisition, the acquired entity's name was changed to BODO Pro-Last Profil San. Ve Tic. A.S. It manufactures rubber products and sealing systems used in the automobile and commercial vehicle sectors. With a workforce of 70 people, it generated sales in the region of € 2 million and a profit of approximately € 0.2 million in 2015. The

acquisition strengthens the Schaltbau Group's expertise within the Door Systems product group. Due to its size, the acquired entity is not currently included in the consolidated financial statements of Schaltbau Holding AG.

The changes to the Group reporting entity have only a minor impact on the consolidated balance sheet. For this reason, and in view of the fact that the acquired entity, Albatros UK Ltd., has already been merged with the acquiring entity, Rail Door Solutions Ltd., the information normally required for the consolidated balance sheet and income statement has not been disclosed at 30 June 2016.

Based on amounts recognised at the date of first-time consolidation, the acquisition of Albatros UK Ltd. had the following impact:

| Disclosures in €000 | Carrying amounts at acquisition date | Fair value adjust- ments | Fair values at acquisition date |
|-----------------------------------|---|-----------------------------------|--|
| Property, plant and equipment | 16 | | 16 |
| Inventories | 145 | | 145 |
| Trade accounts receivable | 308 | | 308 |
| Other assets | 8 | | 8 |
| Cash and cash equivalents | 87 | | 87 |
| Total assets acquired | | | 564 |
| Liabilities to banks | 135 | | 135 |
| Trade accounts payable | 139 | | 139 |
| Other liabilities | 85 | | 85 |
| Total liabilities acquired | | | 359 |
| Net assets acquired | | | 205 |
| Acquisition cost | | | 299 |
| Goodwill | | | 94 |

None of the goodwill is deductible for tax purposes.

If the business acquisition had taken place with effect from 1 January, Group sales would have been € 407,000 higher. Group net profit would have been reduced by € 103,000 (of which € 36,000 attributable to minority shareholders). The additional impact of eliminating intragroup profit cannot be quantified.

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

Discontinued operations

Warning Systems operations (previously allocated to the Stationary Transportation Technology segment) was sold with effect from 1 April 2016, resulting in a pre-tax gain of € 312,000 and a related tax expense of € 96,000.

USE OF ESTIMATES

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

FOREIGN CURRENCY TRANSLATION

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

| | Closing rate | | Average rate | |
|-----------------------|---------------------|-------------------|--------------------------------|--------------------------------|
| | 30.06.2016 | 31.12.2015 | 1.1. bis 30.06.2016 | 1.1. bis 30.06.2015 |
| Chinese renminbi yuan | 7.3755 | 7.0608 | 7.2921 | 6.8435 |
| US dollar | 1.1102 | 1.0887 | 1.1153 | 1.1172 |
| British pound | 0.8265 | 0.7340 | 0.7783 | 0.7333 |
| New Turkish lire | 3.2060 | 3.1765 | 3.2582 | 2.8610 |
| Polish Zloty | 4.4362 | 4.2639 | 4.3681 | 4.1407 |

ACCOUNTING PRINCIPLES AND POLICIES

Provisions

Pension provisions are measured on the basis of values stated in the relevant actuarial reports for 2016, taking into account pensions paid during the period under report and the change in the interest rate level. The interest rate at the end of the quarter is calculated on the basis of the discount rate updated in accordance with the Mercer Pension Discount Yield Curve Approach (MPDYC). Adjustments resulting from the change in the interest rate level are recognised directly in equity, net of deferred tax. The provision for obligations for early retirement part-time working arrangements is based on management estimates, unlike in the financial statements for the year ended 31 December 2013 when the provision was based on actuarial reports.

Contingent liabilities

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

Consolidated cash flow statement

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

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

ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

PERSONNEL EXPENSE / EMPLOYEES

| in € 000 | 1.1. – 30.06. | 2016 | 2015 |
|---|---------------|---------------|---------------|
| Wages and salaries | | 70,244 | 63,626 |
| Social security, pension and welfare expenses | | 13,073 | 12,204 |
| | | 83,317 | 75,830 |
| EMPLOYEES | | | |
| | | 2016 | 2015 |
| Employees | | 2,777 | 2,516 |

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

Results from investments

The **result from at-equity accounted investments** includes the Group's share of earnings for the current financial year of BoDo Bode-Dogrusan A.S. and Albatros S.L. In the previous year, the Group's share of earnings of Rail Door Solutions Ltd. was also included here up to the date of that entity's first-time full consolidation.

Other results from investments in the previous year included the gain arising on the fair value measurement of the shares held in Rail Door Solutions Ltd. prior to first-time full consolidation.

FINANCIAL RESULT

| in € 000 | 1.1. – 30.06. | 2016 | 2015 |
|---|---------------|----------------|---------------|
| Other interest and similar income (of which from affiliated companies) | | 386 (338) | 111 (23) |
| Interest and similar expenses (of which to affiliated companies) | | - 2,814 (-) | -2,189 (0) |
| | | - 2,428 | -2,078 |

Interest expenses include €425,000 (1.1. – 30.06.2016: € 406,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

| in € 000 | 1.1. – 30.06. | 2016 | 2015 |
|----------------------|---------------|--------|--------|
| Income tax expense | | -3,700 | -3,672 |
| Deferred tax expense | | 482 | -1,028 |
| | | -3,218 | -4,700 |

€ 311,000 (January – June 2015: € 522,000) of deferred tax assets, recognised in previous accounting periods on tax losses available for carryforward in Germany, were derecognised in the period under report.

NOTES TO THE CONSOLIDATED BALANCE SHEET

INTANGIBLE ASSETS, PLANT PROPERTY AND EQUIPMENT AND INVESTMENTS

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

INVENTORIES

| in € 000 | 30.06.2016 | 31.12.2015 |
|---|-------------------|-------------------|
| Raw materials, consumables and supplies | 46,609 | 43,344 |
| Work in progress | 35,898 | 31,723 |
| Finished products, goods for resale | 10,071 | 12,441 |
| Advance payments to suppliers | 871 | 1,121 |
| | 93,449 | 88,629 |

Write-downs totalling € 580,000 (January – June 2015: € 941,000) and reversals of impairment losses totalling € 221,000 (January – June 2015: € 64,000) were recognised on inventories during the period under report. Write-downs on inventories at the end of the reporting period totalled € 18,576,000 (2015: € 20,199,000).

RECEIVABLES AND OTHER ASSETS

| in € 000 | 30.06.2016 | 31.12.2015 |
|---------------------------------------|-------------------|-------------------|
| Trade accounts receivable | 105,741 | 109,412 |
| Receivables from affiliated companies | 13,594 | 11,412 |
| Receivables from associated companies | 4,345 | 906 |
| ???? | 206 | 213 |
| Income tax receivables | 795 | 533 |
| Other assets | 7,692 | 9,038 |
| | 132,373 | 131,514 |

Allowances on trade accounts receivable amount to € 5,466,000 (30 June 2015: € 6,213,000).

Write-downs amounting to € 580,000 (January – June 2015: € 1,570,000) and reversals of write-downs amounting to € 634,000 (January – June 2015: € 126000) were recorded against receivables and other assets.

CASH AND CASH EQUIVALENTS

| in € 000 | 30.06.2016 | 31.12.2015 |
|--------------------------|---------------|---------------|
| Cheques and cash on hand | 59 | 37 |
| Cash at bank | 31,542 | 30,698 |
| | 31,601 | 30,735 |

CHANGES IN GROUP EQUITY

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

In accordance with a resolution passed at the Annual General Meeting on 14 June 2016, a (new) Conditional Capital has been in place since 30 June amounting to € 3,752,601.66 as a result of the issue of up to 3,075,903 bearer shares. The Executive Board is authorised up to 13 June 2021, with the approval of the Supervisory Board, to issue bearer convertible bonds or bonds with options.

PROVISIONS

| in € 000 | 30.06.2016 | 31.12.2015 |
|--------------------------------|---------------|---------------|
| Non-current provisions | | |
| Pension provision* | 41,469 | 37,351 |
| Personnel-related accruals | 4,105 | 4,040 |
| Warranties | 218 | 245 |
| Other provisions | 350 | 194 |
| Other non-current provisions | 4,673 | 4,479 |
| | 46,142 | 41,830 |
| Current provisions | | |
| Personnel-related accruals | 6,016 | 7,501 |
| Current tax | 2,087 | 1,314 |
| Warranties | 7,517 | 8,358 |
| Outstanding costs and material | 5,227 | 6,290 |
| Other provisions | 2,067 | 2,217 |
| Other current provisions | 16,898 | 18,179 |
| | 22,914 | 25,680 |
| Total provisions* | 69,056 | 67,510 |

A discount rate of 1.4 % (2015: 2.2 %) was used to compute the pension provision. The resulting € 4,446,000 decrease in the pension provision was recognised directly in equity.

LIABILITIES

| in € 000 | 30.06.2016 | 31.12.2015 |
|-------------------------------------|----------------|----------------|
| Non-current liabilities | | |
| Liabilities to banks | 92,071 | 73,711 |
| Finance lease liabilities | 15 | 16 |
| Other financial liabilities | 70,450 | 70,427 |
| Financial liabilities | 162,536 | 144,154 |
| Other liabilities | 11,350 | 10,430 |
| | 173,886 | 154,584 |
| Current liabilities | | |
| Current income tax liabilities | 717 | 1,748 |
| Liabilities to banks | 8,968 | 14,104 |
| Finance lease liabilities | 17 | 35 |
| Other financial liabilities | 52 | 1,183 |
| Financial liabilities | 9,037 | 15,322 |
| Trade accounts payable | 36,424 | 38,190 |
| Advance payments received | 13,363 | 12,252 |
| Payables to affiliated companies | 346 | 497 |
| Liabilities to other group entities | 323 | 478 |
| Negative fair values of derivatives | <u>1,528</u> | 1,990 |
| Sundry other liabilities | 21,751 | 19,491 |
| Other liabilities | 23,948 | 22,456 |
| | 83,489 | 89,968 |
| Total liabilities | 257,375 | 244,552 |

SEGMENTS

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

The column "Holding company, other consolidation items" comprises the activities of the holding company. This is influenced by the financing function of the holding company for the Group and by the tax group arrangements in place in Germany. These expenses are not recharged to the subsidiaries concerned. By contrast, expenses incurred for providing centralised services (e.g. SAP system costs) are recharged. The financial reporting principles used for segment reporting correspond to those used in the consolidated financial statements.

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.1. – 30.06.

| | Mobile Transportation Technology | | Stationary Transportation Technology | |
|---|----------------------------------|---------|--------------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Order-intake (external) | 151,589 | 112,556 | 88,710 | 81,525 |
| Sales | 103,233 | 109,382 | 67,720 | 61,474 |
| - of which external | 102,901 | 109,093 | 67,662 | 61,354 |
| - of which with other segment | 332 | 289 | 58 | 120 |
| External order-book | 209,615 | 160,304 | 104,528 | 95,838 |
| EBITDA | 7,481 | 13,573 | -276 | 181 |
| Result from operating activities (EBIT) | 5,257 | 11,706 | -2,519 | 1,546 |
| Result from at-equity accounted investments | -3,222 | -1,333 | 0 | 0 |
| Other results from investments | 0 | 2,465 | 0 | 0 |
| Interest income | 55 | 62 | 39 | 29 |
| Interest expense | -594 | -588 | -969 | -1,114 |
| Income taxes | -915 | -2,033 | 19 | -723 |
| Segment result / Group result | 581 | 10,279 | -3,430 | -3,354 |
| Changes in group reporting entity | 110 | 3,112 | 0 | 0 |
| Capital expenditure on investments | 178 | 0 | 470 | 0 |
| Impairment losses on investments | 0 | 0 | 0 | 0 |
| Capital expenditure ¹⁾ | 2,717 | 2,258 | 3,155 | 2,976 |
| Amortisation and depreciation ¹⁾ | -2,224 | -1,867 | -2,243 | -1,727 |
| Impairment losses | -196 | -137 | -24 | -98 |
| Reversal of impairment losses | -283 | 118 | -5 | 8 |
| Other significant non-cash expenses | -2,107 | -3,537 | -2,867 | -3,524 |
| Segment assets ²⁾ | 160,483 | 163,920 | 128,911 | 125,686 |
| Investments accounted for at-equity | 8,395 | 3,014 | 0 | 0 |
| Capital employed ³⁾ | 120,728 | 122,772 | 95,201 | 98,448 |
| Segment liabilities ⁴⁾ | 79,082 | 82,926 | 102,162 | 103,537 |
| Employees (average as per HGB) | 1,260 | 1,142 | 703 | 689 |
| EBIT margin ⁵⁾ | 5.1 % | 10.7 % | -3.7 € | -2.5 % |
| Return on capital employed ⁶⁾ | 8.7 % | 19.1 % | -5.3 € | -3.1 % |

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

²⁾ = Balance sheet total

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

⁴⁾ = Liabilities

⁵⁾ = EBIT / external sales

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

| Components | | Sub-total | | Holding, Reconciling items | | Schaltbau Group | |
|------------|---------|-----------|---------|-------------------------------|--------|-----------------|---------|
| 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| 78,766 | 65,258 | 319,065 | 259,339 | 39 | 39 | 319,104 | 259,378 |
| 77,482 | 65,484 | 248,435 | 236,340 | -752 | -761 | | |
| 77,082 | 65,094 | 247,645 | 235,541 | 38 | 38 | 247,683 | 235,579 |
| 400 | 390 | 790 | 799 | -790 | -799 | | |
| 81,343 | 62,985 | 395,486 | 319,127 | | | 395,486 | 319,127 |
| 17,442 | 14,508 | 24,647 | 28,262 | -4,699 | -3,268 | 19,948 | 24,994 |
| 14,629 | 12,857 | 17,367 | 23,017 | -4,928 | -3,458 | 12,439 | 19,559 |
| 0 | 0 | -3,222 | -1,333 | 0 | 0 | -3,222 | -1,333 |
| 0 | 0 | 0 | 2,465 | 0 | 0 | 0 | 2,465 |
| 28 | 22 | 122 | 113 | 264 | -2 | 386 | 111 |
| -881 | -704 | -2,444 | -2,406 | -370 | 217 | -2,814 | -2,189 |
| -2,534 | -1,675 | -3,430 | -4,431 | 212 | -269 | -3,218 | -4,700 |
| 11,242 | 10,500 | 8,393 | 17,425 | -4,822 | -3,512 | 3,571 | 13,913 |
| 0 | 0 | 110 | 3,112 | 0 | 0 | 110 | 3,112 |
| 0 | 0 | 648 | 0 | 109 | 1,004 | 757 | 1,004 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,762 | 1,671 | 7,634 | 6,905 | 376 | 351 | 8,010 | 7,256 |
| -2,800 | -1,644 | -7,267 | -5,238 | -229 | -190 | -7,496 | -5,428 |
| -413 | -2,276 | -633 | -2,511 | 0 | 0 | -633 | -2,511 |
| -567 | 64 | -855 | 190 | -1 | 0 | -856 | 190 |
| -4,572 | -4,396 | -9,546 | -11,457 | -1,871 | -1,234 | -11,417 | -12,691 |
| 159,726 | 122,020 | 449,120 | 411,626 | 6,338 | -4,824 | 455,458 | 406,802 |
| 0 | 0 | 8,395 | 3,014 | 0 | 0 | 8,395 | 3,014 |
| 116,287 | 93,038 | 332,216 | 314,258 | -696 | -9,082 | 331,520 | 305,176 |
| 98,272 | 63,991 | 279,516 | 250,454 | 58,821 | 35,181 | 338,337 | 285,635 |
| 788 | 661 | 2,751 | 2,492 | 26 | 24 | 2,777 | 2,516 |
| 19.0 % | 19.8 % | | | | | 5.0 % | 8.3 % |
| 25.2 % | 27.6 % | | | | | 7.5 % | 12.8 % |

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.4. – 30.06.

| | Mobile Transportation Technology | | Stationary Transportation Technology | |
|---|----------------------------------|---------|--------------------------------------|---------|
| | 2016 | 2015 | 2016 | 2015 |
| Order-intake (external) | 90,602 | 58,566 | 36,852 | 39,120 |
| Sales | 52,133 | 57,052 | 36,167 | 36,401 |
| - of which external | 51,946 | 56,894 | 36,134 | 36,285 |
| - of which with other segment | 187 | 158 | 33 | 116 |
| External order-book | 209,615 | 160,304 | 104,528 | 95,838 |
| EBITDA | 3,086 | 6,518 | 1,796 | 2,078 |
| Result from operating activities (EBIT) | 1,961 | 5,533 | 674 | 1,223 |
| Result from at-equity accounted investments | -566 | -216 | 0 | 0 |
| Other results from investments | 0 | 2,465 | 0 | 0 |
| Interest income | 25 | 29 | 19 | -11 |
| Interest expense | -302 | -306 | -492 | -560 |
| Income taxes | -326 | -959 | 259 | -417 |
| Segment result / Group result | 792 | 6,546 | 460 | 235 |
| Changes in group reporting entity | 110 | 3,112 | 0 | 0 |
| Capital expenditure on investments | 127 | 0 | 224 | 0 |
| Impairment losses on investments | 0 | 0 | 0 | 0 |
| Capital expenditure ¹⁾ | 1,078 | 1,333 | 1,525 | 1,656 |
| Amortisation and depreciation ¹⁾ | -1,125 | -985 | -1,122 | -855 |
| Impairment losses | -121 | -137 | -12 | -68 |
| Reversal of impairment losses | 1 | 2 | 0 | 1 |
| Other significant non-cash expenses | -460 | -879 | -1,061 | -1,078 |
| Segment assets ²⁾ | 160,483 | 163,920 | 128,911 | 125,686 |
| Investments accounted for at-equity | 8,395 | 3,014 | 0 | 0 |
| Capital employed ³⁾ | 120,728 | 122,772 | 95,201 | 98,448 |
| Segment liabilities ⁴⁾ | 79,082 | 82,926 | 102,162 | 103,537 |
| Employees (average as per HGB) | 1,260 | 1,142 | 706 | 689 |
| EBIT margin ⁵⁾ | 3.8 % | 9.7 % | 1.9 % | 3.4 % |
| Return on capital employed ⁶⁾ | 6.5 % | 18.0 % | 2.8 % | 5.0 % |

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

²⁾ = Balance sheet total

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

⁴⁾ = Liabilities

⁵⁾ = EBIT / external sales

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

| Components | | Sub-total | | Holding, Reconciling items | | Schaltbau Group | |
|------------|---------|-----------|---------|-------------------------------|--------|-----------------|---------|
| 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| 36,120 | 34,438 | 163,574 | 132,124 | 19 | 19 | 163,593 | 132,143 |
| 42,350 | 34,988 | 130,650 | 128,441 | 417 | 310 | | |
| 42,135 | 34,790 | 130,215 | 127,969 | 18 | 162 | 130,233 | 128,131 |
| 215 | 198 | 435 | 472 | -435 | -472 | | |
| 81,343 | 62,985 | 395,486 | 319,127 | | | 395,486 | 319,127 |
| 10,096 | 6,923 | 14,978 | 15,519 | -2,762 | -1,587 | 12,216 | 13,932 |
| 8,676 | 6,097 | 11,311 | 12,853 | -2,878 | -1,683 | 8,433 | 11,170 |
| 0 | 0 | -566 | -216 | 0 | 0 | -566 | -216 |
| 0 | 0 | 0 | 2,465 | 0 | 0 | 0 | 2,465 |
| 14 | 9 | 58 | 27 | 144 | 11 | 202 | 38 |
| -426 | -340 | -1,220 | -1,206 | -194 | 74 | -1,414 | -1,132 |
| -1,472 | -773 | -1,539 | -2,149 | -216 | -76 | -1,755 | -2,225 |
| 6,792 | 4,993 | 8,044 | 11,774 | -3,144 | -1,674 | 4,900 | 10,100 |
| 0 | 0 | 110 | 3,112 | 0 | 0 | 110 | 3,112 |
| 0 | 0 | 351 | 0 | 109 | 1,002 | 460 | 1,002 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,196 | 1,110 | 3,799 | 4,099 | 331 | 169 | 4,130 | 4,268 |
| -1,407 | -820 | -3,654 | -2,660 | -116 | -96 | -3,770 | -2,756 |
| -161 | -1,362 | -294 | -1,567 | 0 | 0 | -294 | -1,567 |
| 0 | 64 | 1 | 67 | 0 | 0 | 1 | 67 |
| -1,592 | 587 | -3,113 | -1,370 | -1,255 | -433 | -4,368 | -1,803 |
| 159,726 | 122,020 | 449,120 | 411,626 | 6,338 | -4,824 | 455,458 | 406,802 |
| 0 | 0 | 8,395 | 3,014 | 0 | 0 | 8,395 | 3,014 |
| 116,287 | 93,038 | 332,216 | 314,258 | -696 | -9,082 | 331,520 | 305,176 |
| 98,272 | 63,991 | 279,516 | 250,454 | 58,821 | 35,181 | 338,337 | 285,635 |
| 788 | 661 | 2,751 | 2,492 | 26 | 24 | 2,777 | 2,516 |
| 20.6 % | 17.5 % | | | | | 6.5 % | 8.7 % |
| 29.8 % | 26.2 % | | | | | 10.2 % | 14.6 % |

Reconciliations

| € 000 | Sales | | € 000 | EBIT | |
|-------------------------------|----------------|----------------|------------------------------|---------------|---------------|
| | 2016 | 2015 | | 2016 | 2015 |
| 1.1.-30.06. | | | 1.1.-30.06. | | |
| Total sales of segments | 248,435 | 236,340 | Total EBIT of segments | 17,367 | 23,017 |
| Other sales | 1,771 | 1,750 | Other EBIT | -5,306 | -3,468 |
| Consolidation | -2,523 | -2,511 | Consolidation | 378 | 10 |
| Sales as per income statement | 247,683 | 235,579 | EBIT as per income statement | 12,439 | 19,559 |

| € 000 | Assets | | € 000 | Liabilities | |
|--|----------------|----------------|--|----------------|----------------|
| | 2016 | 2015 | | 2016 | 2015 |
| 30.06. | | | 30.06. | | |
| Total segment assets | 449,120 | 411,626 | Total segment liabilities | 279,516 | 250,454 |
| Other assets excluding deferred tax assets | 117,629 | 81,407 | Other liabilities excluding deferred tax liabilities | 152,911 | 113,306 |
| Deferred taxes | 4,289 | 3,888 | Deferred taxes | 383 | 25 |
| Consolidation | -115,580 | -90,119 | Consolidation | -94,473 | -78,150 |
| Group assets as per balance sheet | 455,458 | 406,802 | Group liabilities as per balance sheet | 338,337 | 285,635 |

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

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

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

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

CONSOLIDATED CASH FLOW STATEMENT

Composition of cash funds

Cash funds comprise:

| € 000 | 30.06.2016 | 31.12.2015 |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | 31,601 | 30,735 |
| Balance on cash management accounts | 387 | 229 |
| | 31,988 | 30,964 |

| € 000 | 30.06.2015 | 31.12.2014 |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | 18,367 | 25,654 |
| Balance on cash management accounts | 701 | 550 |
| | 19,068 | 26,204 |

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

OTHER DISCLOSURES

Contingent liabilities and other financial commitments

| in € 000 | 30.06.2016 | 31.12.2015 |
|------------------------------------|------------|------------|
| Other financial obligations | | |
| Rental and lease expenses | 10,569 | 12,581 |
| Other commitments | 3,219 | 3,242 |

Contingent liabilities amounted to € 11,230,000 at 30 June 2016 (31 December 2015: € 11,092,000). The risk of incurring costs in connection with these contingent liabilities is considered small. The rental and leasing expenses shown under **other financial obligations** have been calculated on the basis of the earliest possible cancellation dates.

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

Related party relationships

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

| | Volume of services performed | | Volume of services received | |
|----------------------------|------------------------------|----------------|-----------------------------|----------------|
| | 1.1.-30.6.2016 | 1.1.-30.6.2015 | 1.1.-30.6.2016 | 1.1.-30.6.2015 |
| | € 000 | € 000 | € 000 | € 000 |
| Associated companies | | | | |
| goods and services | 113 | 77 | 929 | 701 |
| other relationships | 71 | - | 20 | 30 |
| Non-consolidated companies | | | | |
| goods and services | 7,407 | 6,265 | 1,685 | 1,343 |
| other relationships | 404 | 237 | 1,174 | 1,120 |

At the end of the reporting period, the following receivables and payables (mostly from trading and at a level customary for the business) existed from the perspective of the Group's fully consolidated entities. In addition, non-current loans receivable from Albatros S.L. and Pintsch Bamag Brasil Tecnologia Ferroviaria LTDA. amounted to € 10,829,000 (31 December 2015: € 10,168,000).

| | Receivables | | Payables | |
|----------------------------|-------------|------------|------------|------------|
| | 30.06.2016 | 31.12.2015 | 30.06.2016 | 31.12.2015 |
| | € 000 | € 000 | € 000 | € 000 |
| Associated companies | 4,345 | 906 | 323 | 478 |
| Non-consolidated companies | 13,800 | 11,412 | 346 | 497 |

Munich, 29 July 2016
Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Ralf Klädtke

Disclaimer

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

Responsibility statement

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

Munich, 29 July 2016

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Ralf Klädtke

Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 30 June 2016 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

Schaltbau Holding AG

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