



Group Interim Report
as at 30 September 2015

Schaltbau Group Key Financial Figures for the period ended 30 Sept.

Group key financial figures		30 Sept. 2015	30 Sept. 2014	3rd quarter 2015	3rd quarter 2014
Order situation					
Order-intake	€ m.	392.5	338.2	133.1	110.5
Order-book	€ m.	345.4	285.9	345.4	285.9
Income statement					
Sales	€ m.	360.2	312.5	124.7	115.8
Total output	€ m.	371.6	324.1	126.9	122.1
EBITDA	€ m.	36.6	30.8	11.6	14.0
Profit from operating activities (EBIT)	€ m.	27.5	23.8	7.9	11.5
EBIT margin	%	7.6	7.6	6.4	9.9
Group net profit for the period	€ m.	18.4	28.1	4.5	7.8
Profit attr. to shareholders of the AG	€ m.	13.9	24.2	3.1	6.2
Return on capital employed	%	10.6	11.4	9.2	16.5
Balance sheet					
Fixed Assets	€ m.	167.7	124.1	167.7	124.1
Working capital	€ m.	176.9	154.8	176.9	154.8
Capital employed	€ m.	344.6	278.9	344.6	278.9
Group equity	€ m.	131.2	113.5	131.2	113.5
Net financial liabilities	€ m.	142.5	95.9	142.5	95.9
Balance sheet total	€ m.	451.6	359.0	451.6	359.0
Personnel					
Employees at end of reporting period	Number	2.981	2.629	2.981	2.629
Personnel expense	€ m.	116.1	100.8	40.2	35.4
Personnel expense ¹ per employee ²	€ 000	59.7	60.7	62.1	64.1
Total output ¹ per employee ²	€ 000	191.2	195.3	195.9	220.7
Earnings per share					
Earnings per share (undiluted)	€	2.32	3.94	0.52	1.01
Earnings per share (diluted)	€	2.32	3.94	0.52	1.01

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

Our investments in the growth of the Schaltbau Group are bearing fruit. Order intake, sales and EBIT all grew at almost identical rates of some 15 per cent during the first nine months of 2015. For the first time, we are looking at order and sales volumes approaching half a billion euros for a full year, compared with less than 300 million at the beginning of the decade. A fifth consecutive year of strong growth has enabled the Schaltbau Group to attain a new level, not only from the point of view of investors, but also of our most important customers.

The acquisitions and investments made over the last 18 months, i.e. in RAWAG, ALTE, Albatros, RDS and most recently SPII, have made a major contribution to this achievement. However, expansion that strengthens our position on worldwide markets has its price. The lower EBIT margin in the third quarter reflects both the cost of integrating SPII and the losses made by our Spanish entity ALTE, where we have now introduced measures to ensure long-term profitability by appointing a new management team. At the same time, we have acquired the remaining shares in ALTE and become the sole owner.

In view of the consequences resulting from the acquisitions, it is a matter of discussion as to whether the Group's earnings and financing are still adequate to cover the expense of maintaining the same speed of expansion seen to date. Particularly within the last two years, the railway industry has seen an accelerating trend towards consolidation, which applies not only to our competitors, but also to our customers. The most striking examples are the takeover of Faiveley by Wabtec, the acquisition of Ansaldo by Hitachi Rail, and the merger of China's two largest railway systems manufacturers to form CRRC.

The concentration currently taking place among systems suppliers is not simply motivated by expansionism for its own sake, but reflects how comprehensively market requirements have changed. The unbroken trend towards internationalisation, driven by increased calls for greater local content and the standardisation of our customers' products worldwide, but also increasing digitalisation and ever-shorter technology cycles combined with greater expectations in terms of local intelligence and the ability of our products to interact

with other systems, make it an absolute necessity to concentrate resources accordingly. Players who refuse to accept these market mechanisms are in danger of losing out in times of all-embracing change.

We have therefore decided to invest in promoting the next phase of growth, given that the only entrepreneurial decision that will benefit shareholders must be to take a pro-active role in the process of consolidation. In taking this decision, we are fully aware of the necessity to rise to the challenge of performing a careful balancing act between growing the business and managing the additional expenditure involved. Our investments in growth will need to be evaluated more rigorously than ever from the perspective of customers, in order to determine whether expanding our product range and structures will improve our market position in the long term. Based on this guiding principle, the range of products we offered customers up to just a few years ago, following a more isolated approach, will continue to grow together to form an integrated, cohesive solution that is firmly rooted in the principle of thinking in terms of systems.

Current customer response is affirmation of our strategic approach and role as systems partner. The appreciation of our customers is the key driving factor determining the market position of the Schaltbau Group and therefore the value of the Company as a whole.

Kind regards

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of connected, flowing lines that suggest the name 'Cammann'.

Dr Jürgen Cammann

Spokesman of the Executive Board

Group Interim Management Statement as at 30 September 2015

Report on economic position

Major events during the third quarter

On 15 July, the Schaltbau Group acquired a 65 per cent shareholding in the Italian company SPIL S.p.A., aimed at additionally strengthening the Components segment. The entity has been consolidated in the Group reporting entity with retrospective effect from 1 July. SPIL develops, manufactures and markets a range of innovative systems and components for rolling stock, including master controllers, driver's cab equipment, disconnectors and earthing switches. The acquisition enables the Schaltbau Group to expand its activities in the field of rolling stock and supplements the Electrics for Rolling Stock product group with its integrated drivers' desks. It also helps Schaltbau underpin its regional presence, particularly in Italy and Switzerland.

With effect from 1 September 2015, Schaltbau began the process of concentrating its refurbishment activities throughout the DACH region (Germany, Austria and Switzerland) across all Group entities within a newly created business field known as Schaltbau Refurbishment, which is now part of the Group's Mobile Transportation Technology segment. In a second step, Schaltbau intends to expand this business field by forming Schaltbau Refurbishment GmbH.

Management and control

The Supervisory Board of Schaltbau Holding AG has appointed Mr Ralf Klädtke to the Executive Board with effect from 1 August 2015. Ralf Klädtke is responsible for the Mobile Transportation Technology segment.

General economic environment

The third quarter saw a further slowdown in world economic growth, mainly caused by the generally sluggish performance on emerging markets. In China, both industrial production and levels of capital investment showed a downward trend in the third quarter. The most recently reported official growth rate of 6.9 per cent is the country's lowest in more than six years. In its October forecast, the International Monetary Fund (IMF) expects global economic growth of only 3.1 per cent in the 2015 calendar year, 0.2 percentage points down on the 3.3 per cent predicted in July.

The eurozone, however, continued to recover, bolstered by low oil prices and a weak euro. Spain, Italy and Ireland all performed somewhat better than expected in the third quarter, whereas the growth rate in Germany fell slightly. The leading economic research institutes revised their growth forecast for Germany downwards from 2.1 to 1.8 per cent.

The US economy continued to grow moderately, albeit less strongly than expected. In September, the US Federal Bank decided not to raise its base rate for the time being, against a background of considerable uncertainty on financial markets worldwide.

During the third quarter, the euro gained slightly in value against foreign currencies relevant for the Schaltbau Group. Over the nine-month period, however, the average exchange rate of the euro against the US dollar, Chinese renminbi and British pound was significantly down by 17.7 per cent, 17.4 per cent and 10.4 per cent respectively year-on-year. The resulting exchange rate movements have had a positive impact on the Schaltbau Group's earnings overall.

Sector-specific and regulatory environment

Although demand for rolling stock remained high, the overall level of business in this sector was down slightly, particularly in Europe and Asia, causing a knock-on effect in the Mobile Transportation Technology segment with its broad range of rolling stock products and in the Components segment. German Railways has not yet initiated infrastructure projects of any significant size, consequently holding down domestic demand for railway crossing systems. The comprehensive modernisation programme announced by German Railways is only likely to start seriously impacting order intake and sales in 2016. The market for signal technology is of a more international nature and has been driven in particular by numerous infrastructure projects in the USA and China. The ongoing sanctions have brought deliveries from Europe to the Russian rail market practically to a standstill.

Order volumes coming from bus manufacturers and the automotive industry remained stable, whereas market demand for industrial trucks fell slightly in the third quarter.

Prices in euros on **procurement markets** were subject to heavy fluctuation during the nine-month period under report. Average prices for copper (+0.2%, DEL), aluminium (+7.7%, LME) and gold (+11.2%) were all higher than in the previous year, mainly due to currency factors. The price of silver, however, was 2.4 per cent down year-on-year. Rolled steel and flame-cut steel parts also became somewhat cheaper compared to the previous year. The price of Brent crude oil in euros remained low, which is reflected in the prices of plastics.

Business and earnings position

Overall assessment of financial condition

The Schaltbau Group continued to grow in the third quarter, both organically and through acquisition. On the one hand, the fast-growing business at RAWAG continued to flourish, helped by unbroken brisk demand for brake systems in international container terminal projects. Demand for components also increased, driven by the combined effect of the consolidation of SPII in July

and organic sales growth in China (the latter also partially influenced by favourable currency factors).

Expenses incurred in connection with the integration of SPII and the somewhat slower rate of growth caused the third-quarter EBIT margin to fall slightly. For the nine-month period, however, the EBIT margin remained at the previous year's level. As expected, Group net profit for the period was lower than the high figure reported one year earlier, when earnings had benefited from revaluation gains.

Business and earnings position of the Schaltbau Group

Key performance figures for the Schaltbau Group						
in € million	9 months of 2015	9 months of 2014	Δ	3rd quarter 2015	3rd quarter 2014	Δ
Order intake	392.5	338.2	16.1%	133.1	110.5	20.5%
Sales	360.2	312.5	15.3%	124.7	115.8	7.7%
EBIT	27.5	23.8	15.5%	7.9	11.5	-31.3%

Order intake and order book

At € 392.5 million, order intake for the Schaltbau Group exceeded the previous year's nine-month figure by 16.1 per cent. The increase was mainly driven by positive developments in the Brake Systems and Door Systems business fields throughout the period under report. The third-quarter figures also benefited to a small extent from the first-time consolidation of entities acquired during the current year.

The sharp increase in order-book figures to € 345.4 million (31 December 2014: € 281.9 million) was primarily attributable to the Stationary Transportation Technology segment. Both the Brake Systems and the Rail Infrastructure business fields reported significant growth compared with the end of 2014. SPII and RDS together contributed around € 25 million.

Sales

Sales grew by 15.3 per cent to € 360.2 million, the majority of the additional volume being generated by the Door Systems business field. Alongside this strong performance, the Brake Systems business field surpassed the excellent figures reported one year earlier, while components export business also developed well. Sales of railway crossing systems (Rail Infrastructure), however, remained well down on the previous year. Overall, 43.9 per cent of sales were generated on European markets outside Germany and a further 23.6 per cent outside Europe.

Group earnings performance

At € 27.5 million, the Schaltbau Group's profit before financial result and taxes (EBIT) was 15.5 per cent up on the previous year's nine-month figure of € 23.8 million and thus in line with sales growth. The EBIT margin of 7.6 per cent matched the previous year's level, although at 6.4 per cent, the third-quarter margin was below the nine-month average, partly due to the majority acquisition of SPII and the related cost of integration. By contrast, profitable growth with door systems and brake systems had a compensating impact.

Cost of materials increased to € 185.9 million (January – September 2014: € 163.1 million) and therefore at a slightly less pronounced rate than sales. As a percentage of total output – including changes in inventories amounting to € 8.7 million (January – September 2014: € 9.1 million) and own work capitalised – the cost of materials ratio stood at 50.0 per cent (January – September 2014: 50.3 per cent).

The increase in personnel expense from € 100.8 million to € 116.1 million was mainly attributable to the higher number of employees resulting from the acquisition of new entities in 2014 and 2015. Staff recruitment, tariff-based pay rises and exchange rate factors also had an impact. Expressed as a percentage of total output (31.2 per cent), personnel expense remained almost identical to the previous year's figure of 31.1 per cent.

Other operating expenses increased to € 37.3 million (January – September 2014: € 32.4 million), principally due to higher selling costs, the consolidation of the entities acquired and the related increase in legal and consulting costs.

At € 18.4 million, Group net profit for the nine-month period was well below the high figure of € 28.1 million reported one year earlier, which had been positively impacted by a revaluation gain of € 11.8 million arising on the acquisition of a majority shareholding in RAWAG. The revaluation of an existing shareholding in RDS during the current year produced a positive effect of € 2.5 million. The negative result from the investment in the Group entity Albatros continued to work in the opposite direction, as did the increased interest expense.

The profit attributable to shareholders of Schaltbau Holding AG totalled € 13.9 million (January – September 2014: € 24.2 million). On this basis, earnings per share amounted to € 2.32 for the first nine months of the current year, compared with € 3.94 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	9 months of 2015	9 months of 2014	Δ	3rd quarter 2015	3rd quarter 2014	Δ
Order intake	168.6	139.5	20.9%	56.1	48.1	16.6%
Sales	165.2	134.5	22.8%	56.1	49.8	12.7%
EBIT	15.9	11.3	40.7%	4.2	5.1	-17.6%

Order intake in the Mobile Transportation Technology segment (Bode Group and ALTE) rose by 20.9 per cent to € 168.6 million and is attributable to the unbroken high demand for door systems for railway vehicles. The Bode subsidiary RAWAG in particular reported strong growth. Included in the Group reporting entity since 1 May, order volume now also includes that of the UK-based subsidiary RDS, mostly generated by rolling stock refurbishment projects. By contrast, demand for door systems for buses and components for the automotive industry was slightly down for the period under report. Order intake for the Sanitary Systems business field (ALTE) rose sharply on a comparable basis.

The excellent order situation for railway vehicle doors was reflected in segment sales, which increased by 22.8 per cent to € 165.2 million, partly due to the completion of a major order in Poland by Bode subsidiary RAWAG and partly for consolidation reasons. Sales in the bus and automotive sectors were marginally lower.

Segment EBIT came in at € 15.9 million and therefore well up on the nine-month figure recorded one year earlier, despite ALTE's continued negative contribution. The EBIT margin improved from 8.4 per cent to 9.7 per cent.

The Stationary Transportation Technology segment

Key performance figures for the Stationary Transportation Technology segment						
in € million	9 months of 2015	9 months of 2014	Δ	3rd quarter 2015	3rd quarter 2014	Δ
Order intake	124.2	111.1	11.8%	42.7	32.2	32.6%
Sales	95.6	96.1	0.0%	34.3	38.5	-10.9%
EBIT	-0.9	0.9		0.7	2.7	-74.1%

At € 124.2 million, order intake for the Stationary Transportation Technology segment was sharply up year-on-year, principally driven by the excellent order situation in the Brake Systems business field. The current marketing success is partially a result of expanding our sales network in Dubai, Singapore and China as well as the broader range of local services now on offer. The high order-intake figure in the third quarter related to the awarding of a major order in Dubai.

Order intake in the Rail Infrastructure business field did not quite manage to meet the previous year's figure. Without taking into account the first order for Platform Screen Doors (PSD), which was received last year and cannot yet be reflected in sales, order volume rose moderately, despite our most important customer, German Railways, not yet placing any notable orders for railway crossing systems. At the nine-month stage, orders for axle counters and other signal technology products were up year-on-year, equally driven by both domestic and foreign demand. On the German market, a major order for a new ICE signal system was received in September. Order intake for warning systems also increased. Demand for point heating systems remained stable, despite the lack of orders from Russian markets.

Segment sales amounted to € 95.6 million and were therefore similar to the previous year. Lower sales of warning systems due to project delays contrasted with the fine performance in the Brake Systems business field and moderate growth in the field of signal technology. The sale of the Maritime Aids product group in April had only a minor impact on order intake and sales.

Segment EBIT totalled a negative amount of € 0.9 million (January – September 2014: positive amount of € 0.9 million) for the first nine months of the year, following the positive figure recorded in the second and third quarters. The EBIT margin came in at a negative 0.9 per cent (January – September 2014: positive 0.9 per cent).

The Components segment

Key performance figures for the Components segment						
in € million	9 months of 2015	9 months of 2014	Δ	3rd quarter 2015	3rd quarter 2014	Δ
Order intake	99.6	87.6	13.7%	34.3	30.1	13.9%
Sales	99.3	81.8	21.4%	34.2	27.6	23.9%
EBIT	17.8	16.6	7.2%	4.9	5.5	-10.9%

Order intake in the Components segment climbed by 13.7 per cent to € 99.6 million, principally due to increases recorded for China and the United Kingdom, a large part of which was attributable to favourable currency factors. The first-time inclusion of SPII in the Group reporting entity as from 1 July also had a positive impact on order-intake figures. In the USA, despite favourable currency effects and growth with industrial customers, order intake did not quite match the very high level achieved one year earlier, which had been significantly influenced by the receipt of one major order. There were no orders from Russian markets, on account of the ongoing sanctions.

All of the segment's entities recorded sales growth, in some cases quite considerable, and all of the product groups contributed to the improvement. Again, positive currency effects and the majority takeover of SPII both contributed to the good performance. Overall, segment sales increased by a highly encouraging 21.4 per cent to € 99.3 million.

At the nine-month stage, EBIT stood at € 17.8 million and therefore more than 7 per cent up on the high previous year's figure of € 16.6 million, despite SPII not having yet made a significant contribution to earnings. The EBIT margin for the Components segment still remained at a high 17.9 per cent (30 September 2014: 20.3 per cent).

Financial and net assets position

The consolidated balance sheet grew by € 90.3 million compared with the end of 2014, primarily reflecting increases in intangible assets as well as inventories and receivables, the majority of which was acquisition-related. On the liabilities side of the balance sheet, the placement of a € 70 million promissory note (Schuldscheindarlehen) on the capital market caused an increase in non-current financial liabilities.

Analysis of capital structure

Non-current liabilities increased, mainly due to the placement of the promissory note at the end of June, which is included in other financial liabilities of € 70.7 million (31 December 2014: € 1.1 million). Non-current liabilities to banks decreased as a result of the capital market financing. Despite the majority takeover of SPII in the third quarter, which was essentially financed by borrowing, at € 77.5 million, non-current liabilities to banks were below the figure of € 91.9 million reported at the end of 2014. Overall, non-current liabilities went up to € 148.2 million (31 December 2014: € 93.0 million). Pension provisions went down by € 1.5 million, mainly due to the higher interest rate applied. The total of non-current liabilities stood at € 200.8 million (31 December 2014: € 145.5 million).

Current liabilities rose to € 119.5 million (31 December 2014: € 103.2 million), reflecting an increase in trade accounts payable resulting from the higher volume of business on the one hand and a rise in other liabilities on the other hand, due to payroll and value-added taxes payable.

Net financial liabilities (current and non-current bank liabilities plus other financial liabilities less cash and cash equivalents) amounted to € 142.5 million on 30 September 2015 (31 December 2014: € 79.7 million). The debt ratio (based on annualised EBITDA) was 2.9, compared with 2.1 at 31 December 2014.

In addition to the promissory note, the Group had access to credit lines amounting to € 157.4 million at 30 September 2015 (31 December 2014: € 149.2 million), of which € 41.0 million were drawn down as loans (31 December 2014: € 62.1 million). Current account and fixed-term credit lines available at the end of the reporting period amounted to € 116.4 million (31 December 2014: € 87.1 million), of which € 100.0 million is currently available until August 2020. An amount of € 61.3 million (31 December 2014: € 50.6 million) of these (including guarantee lines) was being utilised at 30 September 2015.

The positive Group net profit for the nine-month period caused equity to rise from € 112.5 million on 31 December 2014 to € 131.2 million on 30 September 2015. The equity ratio of 29.1 per cent (31 December 2014: 31.2 per cent) was slightly below the target range.

Liquidity analysis

The negative cash flow from operating activities totalled € 3.9 million, compared to a negative amount of € 5.7 million for the same period one year earlier.

The net cash outflow primarily stems from the increase in working capital, partly due to the acquisition of a majority shareholding in SPII.

Net cash outflow for investing activities of € 31.1 million (January – September 2014: a negative amount of € 25.8 million) includes payments for the acquisition of SPII and the additional investment in RDS. The previous year's figure includes the payment of the purchase price for ALTE Technologies' operations, the investment in Albatros and the increased investment in RAWAG. Adjusted for the latest acquisitions, capital expenditure on property, plant and equipment was similar to the previous year.

The net cash inflow from financing activities of € 27.0 million (January – September 2014: € 30.0 million) includes proceeds from the issue of the promissory note amounting to € 69.6 million, which was partially used to reduce the syndicated credit. The higher overall volume of liabilities mainly reflects financing for higher working capital requirements and acquisitions. Cash and cash equivalents were reduced by the dividend payment of approximately € 6.0 million resolved at the Annual General Meeting and the acquisition of treasury shares. No further treasury shares were purchased during the third quarter. At 30 September 2015, the total number of treasury shares held stood at 163,728.

Overall, cash and cash equivalents decreased by € 7.3 million to € 18.9 million during the period under report.

Net assets

Non-current assets rose to € 181.8 million, compared with € 149.1 million at 31 December 2014, mainly reflecting the increase in intangible assets and property, plant and equipment recognised in conjunction with the acquisition of SPII and RDS.

Current liabilities rose to € 269.8 million (31 December 2014: € 212.1 million), principally due to the increase in inventories and receivables described above.

Working capital went up by 44.3 per cent to € 176.9 million (31 December 2014: € 122.6 million).

Non-financial performance indicators

Employees

At 30 September 2015, the Schaltbau Group employed a workforce of 2,981 people (31 December 2014: 2,651).

The number of employees working in the Mobile Transportation Technology segment increased from 1,168 to 1,326 during the nine-month period. Additional staff members were recruited to bolster capabilities in production and development. The segment took on an additional 52 employees through the majority acquisition of RDS. In the Stationary Transportation Technology segment, staff numbers rose from 753 to 773, mainly resulting from the expansion of production facilities. Within the segment, around 50 employees switched from Pintsch Bamag's drive technology field to Pintsch Bubenzer. Staff numbers in the Components segment increased, partly due to the majority acquisition of SPII and above all to strengthen development and sales. The total number of employees working in the segment rose from 706 to 856, 117 of whom work for the newly consolidated entity SPII.

Events after the end of the reporting period

With effect from 15 October 2015, Schaltbau Holding AG acquired the remaining 10 per cent of shares in ALTE Technologies from the management of that entity and is now sole shareholder.

Report on outlook, opportunities and risks

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

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

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

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

Condensed Interim Consolidated Financial Statements as at 30.09.2015

Consolidated Income Statement for the period from 1 January to 30 Sept. 2015

€000	1.1.-30.09.2015	1.1.-30.09.2014
1. Sales	360,247	312,538
2. Change in inventories of finished and work in progress	8,690	9,068
3. Own work capitalised	2,710	2,467
4. Total output	371,647	324,073
5. Other operating income	4,260	2,964
6. Cost of materials	185,885	163,092
7. Personnel expense	116,077	100,771
8. Amortisation and depreciation	9,125	6,968
9. Other operating expenses	37,344	32,412
10. Profit from operating activities (EBIT)	27,476	23,794
a) Result from at-equity accounted investments	-1,256	2,095
b) Other results from investments	2,465	10,979
11. Results from investments	1,209	13,074
a) Interest income	169	77
b) Interest expense	3,892	3,045
12. Finance result	-3,723	-2,968
13. Profit before tax	24,962	33,900
14. Income taxes	6,587	5,836
15. Group net profit for the period	18,375	28,064
Analysis of group net profit		
attributable to minority shareholders	4,431	3,854
attributable to the shareholders of Schaltbau Holding AG	13,944	24,210
Group net profit for the period	18,375	28,064
Earnings per share – undiluted:	2.32 €	3.94 €
Earnings per share – diluted:	2.32 €	3.94 €

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

€000	1.1.-30.09.2015			1.1.-30.09.2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			18,375			28,064
Actuarial gains/losses relating to pensions	2,474	-742	1,732	-5,534	1,660	-3,874
Items which may subsequently be reclassified to profit or loss						
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			1,969			2,804
- from at-equity accounted companies			-477			50
Derivative financial instruments						
- Change in unrealised gains / losses	-195	58	-137	-651	195	-456
- Realised gains / losses	524	-157	367	261	-78	183
	329	-99	1,722	-390	117	2,581
Other comprehensive income			3,454			-1,293
Group comprehensive income			21,829			26,771
of which attributable to minority shareholders			4,970			4,825
of which attributable to the shareholders of Schaltbau			16,859			21,946

Consolidated Income Statement for the third quarter 2015

€000	1.7.-30.09.2015	1.7.-30.09.2014
1. Sales	124,668	115,828
2. Change in inventories of finished and work in progress	1,163	5,572
3. Own work capitalised	1,086	724
4. Total output	126,917	122,124
5. Other operating income	1,051	1,209
6. Cost of materials	63,871	62,118
7. Personnel expense	40,246	35,448
8. Amortisation and depreciation	3,690	2,465
9. Other operating expenses	12,243	11,806
10. Profit from operating activities (EBIT)	7,918	11,496
a) Result from at-equity accounted investments	77	280
b) Other results from investments	0	19
11. Results from investments	77	299
a) Interest income	58	25
b) Interest expense	1,704	1,111
12. Finance result	-1,646	-1,086
13. Profit before tax	6,349	10,709
14. Income taxes	1,887	2,898
15. Group net profit for the period	4,462	7,811
Analysis of group net profit		
attributable to minority shareholders	1,391	1,564
attributable to the shareholders of Schaltbau Holding AG	3,071	6,247
Group net profit for the period	4,462	7,811
Earnings per share – undiluted:	0.52 €	1.01 €
Earnings per share – diluted:	0.52 €	1.01 €

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

€000	1.7.-30.09.2015			1.7.-30.09.2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			4,462			7,811
Actuarial gains/losses relating to pensions	280	-84	196	-1,934	580	-1,354
Items which may subsequently be reclassified to profit or loss						
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			-1,705			2,896
- from at-equity accounted companies			-326			15
Derivative financial instruments						
- Change in unrealised gains / losses	70	-21	49	-234	70	-164
- Realised gains / losses	58	-17	41	154	-46	108
	128	-38	-1,941	-80	24	2,855
Other comprehensive income			-1,745			1,501
Group comprehensive income			2,717			9,312
of which attributable to minority shareholders			807			2,669
of which attributable to the shareholders of Schaltbau			1,910			6,643

Consolidated Cash Flow Statement for the period from 1 January to 30 Sept. 2015

€ 000	1.1.-30.09.2015	1.1.-30.09.2014
Profit before financial result and taxes (EBIT)	27,476	23,794
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	9,093	6,966
Gains/losses on the disposal of intangible assets and property, plant and equipment	3	-12
Change in current assets	-38,571	-37,716
Change in provisions	-1,285	442
Change in current liabilities	5,558	4,009
Dividends received	0	704
Income tax paid	-6,110	-3,895
Other non-cash income / expenses	-83	-6
Cash flow from operating activities	-3,919	-5,714
Payments for investments in:		
- intangible assets and property, plant and equipment	-13,920	-13,677
- non-current financial assets	-4,011	-2,556
- Acquisitions of minority interests	-13,276	-9,779
Proceeds from disposal of:		
- property, plant and equipment	75	27
- non-current financial assets	0	149
Cash flow from investing activities	-31,132	-25,836
Share buyback programme	-5,086	0
Shares sold in conjunction with share purchase programme	-	84
Dividend payment by Schaltbau Holding AG	-5,988	-5,892
Distribution to minority interests	-2,797	-2,054
Repayment of participation rights capital	0	-7,255
Promissory note issued	69,619	0
Repayment in conjunction with restructuring of financing	-47,032	0
New debt in conjunction with restructuring of financing	47,032	0
Loan repayments	-6,099	-3,181
Loans rised	0	8,500
Interest paid	-2,780	-3,118
Interest received	164	77
Change in current financial liabilities	-20,083	42,841
Cash flow from financing activities	26,950	30,002
Change in cash funds due to exchange rate fluctuations	793	516
Changes in cash funds	-7,308	-1,032
Cash funds at the end of the period	18,896	12,125
Cash funds at the beginning of the period	26,204	13,157
	-7,308	-1,032

Consolidated Balance Sheet as at 30 Sept. 2015

ASSETS	€ 000	€ 000
	30.09.2015	31.12.2014
A. NON-CURRENT ASSETS		
I. Intangible assets	80,865	52,452
II. Property, plant and equipment	73,544	68,659
III. At-equity accounted investments	2,765	5,979
IV. Other investments	10,518	7,003
V. Deferred tax assets*	14,080	15,006
	181,772	149,099
B. CURRENT ASSETS		
I. Inventories	106,057	85,657
II. Trade accounts receivable	122,561	80,265
III. Income tax receivables	491	522
IV. Other receivables and assets	22,686	20,051
V. Cash and cash equivalents	17,997	25,654
	269,792	212,149
Total assets	451,564	361,248
EQUITY AND LIABILITIES		
	€ 000	€ 000
	30.09.2015	31.12.2014
A. EQUITY		
I. Subscribed capital	7,506	7,506
II. Capital reserves	15,872	15,872
III. Statutory reserves	231	231
IV. Revenues reserves*	56,370	40,688
V. Income/expense recognised directly in equity	2,160	1,208
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	13,944	24,780
VIII. Equity attributable to shareholders of Schaltbau Holding AG	99,124	93,326
IX. Minority interests	32,110	19,213
	131,234	112,539
B. NON-CURRENT LIABILITIES		
I. Pension provisions	37,557	39,072
II. Personnel-related accruals	3,907	3,924
III. Other provisions	734	535
IV. Financial liabilities	148,231	92,989
V. Other liabilities	107	160
VI. Deferred tax liabilities	10,273	8,823
	200,809	145,503
C. CURRENT LIABILITIES		
I. Personnel-related accruals	7,823	7,708
II. Other provisions	23,477	22,325
III. Income taxes payable	736	965
IV. Financial liabilities	12,245	12,366
V. Trade accounts payable	39,535	31,508
VI. Advance payments received	12,193	11,827
VII. Other liabilities	23,512	16,507
	119,521	103,206
Total equity and liabilities	451,564	361,248

Consolidated Statement of Changes in Equity as at 30 Sept. 2015

	Equity attributable to shareholders of Schaltbau Holding AG					
	Subscribed capital	Capital reserves	Statutory reserves	Revenue	Reserves	Revaluation reserve
				Other	Derivate financial Instruments	
Balance at 1.01.2014	7,506	15,805	231	32,944	-1,111	3,041
Profit brought forward	0	0	0	21,371	0	0
Dividends	0	0	0	-5,892	0	0
Change in Group reporting entity	0	0	0	0	0	0
Other changes	0	67	0	17	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-3,874	-273	0
Group comprehensive income	0	0	0	-3,874	-273	0
Balance at 30.09.2014	7,506	15,872	231	44,566	-1,384	3,041
Balance at 30.09.2014	7,506	15,872	231	44,566	-1,384	3,041
Dividends	0	0	0	0	0	0
Change in Group reporting entity	0	0	0	0	0	0
Other changes	0	0	0	-1,761	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-808	75	0
Group comprehensive income	0	0	0	-808	75	0
Balance at 31.12.2014	7,506	15,872	231	41,997	-1,309	3,041
Balance at 1.01.2015	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
Other changes	0	0	0	-5,073	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	1,732	231	0
Group comprehensive income	0	0	0	1,732	231	0
Balance at 30.09.2015	7,506	15,872	231	57,448	-1,078	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	
-103	-583	21,371	79,101	6,940	3,377	10,317	89,418	
0	0	-21,371	0	3,377	-3,377	0	0	
0	0	0	-5,892	-1,698	0	-1,698	-7,590	
0	0	0	0	4,795	0	4,795	4,795	
0	0	0	84	0	0	0	84	
0	0	24,210	24,210	0	3,854	3,854	28,064	
1,833	50	0	-2,264	971	0	971	-1,293	
1,833	50	24,210	21,946	971	3,854	4,825	26,771	
1,730	-533	24,210	95,239	14,385	3,854	18,239	113,478	
1,730	-533	24,210	95,239	14,385	3,854	18,239	113,478	
0	0	0	0	0	0	0	0	
0	0	0	0	251	0	251	251	
0	0	0	-1,761	0	0	0	-1,761	
0	0	570	570	0	494	494	1,064	
-8	19	0	-722	229	0	229	-493	
-8	19	570	-152	229	494	723	571	
1,722	-514	24,780	93,326	14,865	4,348	19,213	112,539	
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	-5,073	10,096	0	10,096	5,023	
0	0	13,944	13,944	0	4,431	4,431	18,375	
1,429	-477	0	2,915	539	0	539	3,454	
1,429	-477	13,944	16,859	539	4,431	4,970	21,829	
3,151	-991	13,944	99,124	27,679	4,431	32,110	131,234	

Explanatory Notes and segment information as at 30 Sept. 2015

DESCRIPTION OF BUSINESS

The Schaltbau Group is one of the leading suppliers of components and systems 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 turbines as well as high- and low-voltage components for railway vehicles and other applications. Its innovative and future-oriented products make Schaltbau a key business partner for a variety of industrial sectors, in particular transportation technology.

BASIS OF PREPARATION

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

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

BUSINESS COMBINATIONS / GROUP REPORTING ENTITY

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

On 15 July 2015 Schaltbau GmbH, Munich, a wholly owned subsidiary of Schaltbau Holding AG, acquired 65% of the shares of SPII S.p.A., Saronno, Italy, which specialises in railway and

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

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

Balance Sheet at 30 Sept. 2015			
	€ 000		€ 000
Intangible assets and property, plant and equipment	27,296	Revenue reserves including translation differences	-32
At-equity accounted investments	-1,566	Group net profit after minority interests	2,094
Other investments	157	Minority interests in equity	10,106
Deferred tax assets	671	Deferred tax liabilities	645
Inventories	5,080	Pension provisions	1,270
Trade accounts receivable	14,380	Provisions	2,009
Receivables from associated companies	-35	Liabilities to banks	24,379
Other assets	1,211	Trade accounts payable	5,534
Cash and cash equivalents	771	Sundry other liabilities	1,960
	47,965		47,965

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

Income statement 1 Jan. – 30 Sept. 2015	€ 000	Income statement 1 April – 30 Sept. 2015	€ 000
Sales	8,470	Sales	7,068
Change in inventories	165	Change in inventories	146
Cost of materials	4,011	Cost of materials	3,594
Personnel expense	3,053	Personnel expense	2,330
Amortisation and depreciation	715	Amortisation and depreciation	710
Other operating expenses	1,148	Other operating expenses	1,005
Result from investments	2,380	Result from investments	-34
Net interest result	-146	Net interest result	-133
Income taxes	-187	Income taxes	-213
Group net profit for the period	2,129	Group net profit for the period	-379
Attributable to minority interests	35	Attributable to minority interests	0
Attributable to Schaltbau Holding AG	2,094	Attributable to Schaltbau Holding AG	-379
Group net profit for the period	2,129	Group net profit for the period	-379

Based on the fair value of assets and liabilities measured at the date of first-time consolidation, acquiring control in RDS (by purchasing the additional shares) and in SPII (by acquiring shares) had the following impact:

Disclosures in €000	Carrying amounts at acquisition date	Fair value adjust- ments	Fair values at acquisition date
Intangible assets	266	3,113	3,379
Property, plant and equipment	524		524
Investments	171		171
Deferred tax assets	643		643
Inventories	5,013		5,013
Trade accounts receivable	16,273		16,273
Other assets	1,146		1,146
Cash and cash equivalents	1,099		1,099
Total assets acquired	25,135		28,248
Deferred tax liabilities	0	796	796
Provisions	1,290		1,290
Liabilities to banks	2,576		2,576
Other financial liabilities	9,738		9,738
Trade accounts payable	7,038		7,038
Sundry other liabilities	2,376		2,376
Total liabilities acquired	23,018		23,814
Net assets acquired			4,434
Acquisition cost	14,387		
Fair value of own shares of acquired entities	3,946		
Fair value attributable to minority interests	10,112		
			28,445
Goodwill			24,011

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

If the business acquisitions had taken place with effect from 1 January, Group sales would have been € 18,755,000 higher and Group net profit would have increased by € 2,498,000 (of which € 871,000 attributable to minority shareholders). The additional impact of eliminating intra-group receivables and payables and intragroup profit cannot be quantified.

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

Discontinued operations

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

USE OF ESTIMATES

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

FOREIGN CURRENCY TRANSLATION

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

	Closing rate		Average rate	
	30.09.2015	31.12.2014	1.1. bis 30.09.2015	1.1. bis 30.09.2014
Chinese renminbi yuan	7.1206	7.5358	6.8875	8.3373
US dollar	1.1203	1.2141	1.1156	1.3561
British pound	0.7385	0.7789	0.7281	0.8123
New Turkish lire	3.3903	2.8320	2.9657	2.9321
Polish Zloty	4.2448	4.2732	4.1566	4.1750

ACCOUNTING PRINCIPLES AND POLICIES

Provisions

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

Contingent liabilities

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

Consolidated cash flow statement

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

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

ANALYSIS OF SELECTED ITEMS REPORTED IN THE FINANCIAL STATEMENTS

PERSONNEL EXPENSE / EMPLOYEES

in € 000	1.1. – 30.09.	2015	2014
Wages and salaries		97,291	84,336
Social security, pension and welfare expenses		18,786	16,435
		116,077	100,771
EMPLOYEES			
		2015	2014
Employees		2,592	2,213

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

Results from investments

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

Other results from investments include the gains arising on the fair value measurement of the shares held in Rail Door Solutions Ltd. (current year) and RAWAG Sp.z.o.o. (previous year) prior to first-time full consolidation. In the previous year, this line item also included In addition, the previous year included impairment losses on the cost of investment in two non-consolidated foreign subsidiaries.

FINANCIAL RESULT

in € 000	1.1. – 30.09.	2015	2014
Other interest and similar income (of which from affiliated companies)		169 (41)	77 (-)
Interest and similar expenses (of which to affiliated companies)		-3,892 (-)	- 3,045 (-11)
		-3,723	- 2,968

Interest expenses include €603,000 (1.1. – 30.09.2014: € 885,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000	1.1. – 30.09.	2015	2014
Income tax expense		-5,170	- 4,292
Deferred tax expense		-1,417	- 1,544
		-6,587	- 5,836

EUR 801,000 (January – Sept. 2014: EUR 1,684,000) of deferred tax assets, recognised in previous accounting periods on tax losses available for carryforward in Germany, were derecognised.

NOTES TO THE CONSOLIDATED BALANCE SHEET

INTANGIBLE ASSETS, PLANT PROPERTY AND EQUIPMENT AND INVESTMENTS

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

Negative **at-equity values** are not recognised in the consolidated balance sheet. The only entity in the Schaltbau Group with a negative at-equity value (€ 1,034,000) is Albatros S.L., which has arisen for the first time during the period under report. This amount is not recognised in the result from investments. It is expected that the negative amount will reverse in the coming years.

INVENTORIES

in € 000	30.09.2015	31.12.2014
Raw materials, consumables and supplies	47,218	38,104
Work in progress	43,781	33,870
Finished products, goods for resale	14,524	12,969
Advance payments to suppliers	534	714
	106,057	85,657

Write-downs totalling € 937,000 (January – Sept. 2014: € 443,000) and reversals of impairment losses totalling € 137,000 (January – Sept. 2014: € 237,000) were recognised on inventories during the period under report. Write-downs on inventories at the end of the reporting period totalled € 17,078,000 (2014: € 16,582,000).

RECEIVABLES AND OTHER ASSETS

in € 000	30.09.2015	31.12.2014
Trade accounts receivable	122,561	80,265
Receivables from affiliated companies	13,943	10,576
Receivables from associated companies	0	1,291
Receivables from entities with which an investment relationship exists	377	0
Income tax receivables	491	522
Other assets	8,366	8,184
	145,738	100,838

Allowances on trade accounts receivable amount to € 6,645,000 (30 Sept. 2014: € 3,874,000).

Write-downs amounting to € 1,256,000 (January – Sept. 2014: € 973,000) and reversals of write-

downs amounting to € 126,000 (January – Sept. 2014: € 29,000) were recorded against receivables and other assets.

CASH AND CASH EQUIVALENTS

in € 000	30.09.2015	31.12.2014
Cheques and cash on hand	232	36
Cash at bank	17,765	25,618
	17,997	25,654

CHANGES IN GROUP EQUITY

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

PROVISIONS

in € 000	30.09.2015	31.12.2014
Non-current provisions		
Pension provision*	37,557	39,072
Personnel-related accruals	3,907	3,924
Warranties	333	284
Other provisions	401	251
Other non-current provisions	4,641	4,459
	42,198	43,531
Current provisions		
Personnel-related accruals	7,823	7,708
Current tax	3,603	2,927
Warranties	8,372	8,423
Outstanding costs and material	8,863	7,387
Other provisions	2,639	3,588
Other current provisions	23,477	22,325
	31,300	30,033
Total provisions*	73,498	73,564

A discount rate of 2.25 % (2014: 1.8 %) was used to compute the pension provision. The resulting € 2,411,000 decrease in the pension provision was recognised directly in equity.

LIABILITIES

in € 000	30.09.2015	31.12.2014
Non-current liabilities		
Liabilities to banks	77,482	91,853
Finance lease liabilities	51	51
Other financial liabilities	70,698	1,085
Financial liabilities	148,231	92,989
Other liabilities	107	160
	148,338	93,149
Current liabilities		
Current income tax liabilities	736	965
Liabilities to banks	11,811	12,285
Finance lease liabilities	9	35
Other financial liabilities	425	46
Financial liabilities	12,245	12,366
Trade accounts payable	39,535	31,508
Advance payments received	12,193	11,827
Payables to affiliated companies	275	388
Liabilities to other group entities	293	311
Negative fair values of derivatives	<u>1,807</u>	2,187
Sundry other liabilities	21,137	<u>13,621</u>
Other liabilities	23,512	16,507
	88,221	73,173
Total liabilities	236,559	166,322

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

SEGMENTS

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

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

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

Reconciliations

€ 000	Sales		€ 000	EBIT	
1.1.-30.09.	2015	2014	1.1.-30.09.	2015	2014
Total sales of segments	361,326	313,717	Total EBIT of segments	32,869	28,801
Other sales	2,598	1,762	Other EBIT	-5,409	-5,056
Consolidation	-3,677	-2,941	Consolidation	16	49
Sales as per income statement	360,247	312,538	EBIT as per income statement	27,476	23,794

€ 000	Assets		€ 000	Liabilities	
30.09.	2015	2014	30.09.	2015	2014
Total segment assets	456,089	373,079	Total segment liabilities	282,468	229,360
Other assets excluding deferred tax assets	101,349	71,057	Other liabilities excluding deferred tax liabilities	135,323	93,347
Deferred taxes	3,764	3,920	Deferred taxes	215	-78
Consolidation	-109,638	-89,095	Consolidation	-97,676	-77,145
Group assets as per balance sheet	451,564	358,961	Group liabilities as per balance sheet	320,330	245,484

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

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

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

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

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.1. – 30.09.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2015	2014	2015	2014
Order-intake (external)	168,610	139,486	124,244	111,063
Sales	165,583	134,907	95,804	96,444
- of which external	165,233	134,523	95,634	96,109
- of which with other segment	350	384	170	335
External order-book	160,268	140,262	104,285	90,948
EBITDA	19,093	13,141	1,812	3,496
Result from operating activities (EBIT)	15,945	11,285	-883	881
Result from at-equity accounted investments	-1,256	2,095	0	0
Other results from investments	2,465	11,076	0	-422
Interest income	81	128	43	51
Interest expense	-940	-745	-1,806	-2,027
Income taxes	-2,882	-1,989	-922	-710
Segment result / Group result	13,413	21,850	-3,568	-2,227
Changes in group reporting entity	5,737	21,135	0	0
Capital expenditure on investments	10	1,802	0	0
Impairment losses on investments	0	-720	0	-422
Capital expenditure ¹⁾	3,896	4,843	5,522	4,477
Amortisation and depreciation ¹⁾	-3,148	-1,856	-2,695	-2,615
Impairment losses	-252	0	-98	-255
Reversal of impairment losses	118	25	80	28
Other significant non-cash expenses	-4,501	-5,519	-5,094	-4,011
Segment assets ²⁾	165,853	146,272	128,505	114,775
Investments accounted for at-equity	2,765	5,354	0	0
Capital employed ³⁾	121,376	111,889	99,569	90,401
Segment liabilities ⁴⁾	82,789	71,902	106,493	97,467
Employees (average as per HGB)	1,173	917	693	667
EBIT margin ⁵⁾	9.7 %	8.4 %	-0.9 %	0.9 %
Return on capital employed ⁶⁾	17.5 %	13.4 %	-1.2 %	1.3 %

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	
2015	2014	2015	2014	2015	2014	2015	2014
99,585	87,554	392,439	338,103	58	65	392,497	338,168
99,939	82,366	361,326	313,717	-1,079	-1,179		
99,321	81,840	360,188	312,472	59	66	360,247	312,538
618	526	1,138	1,245	-1,138	-1,245		
80,858	54,725	345,411	285,935			345,411	285,935
20,791	18,907	41,696	35,544	-5,095	-4,782	36,601	30,762
17,807	16,635	32,869	28,801	-5,393	-5,007	27,476	23,794
0	0	-1,256	2,095	0	0	-1,256	2,095
0	325	2,465	10,979	0	0	2,465	10,979
31	59	155	238	14	-161	169	77
-1,186	-1,061	-3,932	-3,833	40	788	-3,892	-3,045
-2,147	-1,475	-5,951	-4,174	-636	-1,662	-6,587	-5,836
14,505	14,483	24,350	34,106	-5,975	-6,042	18,375	28,064
20,854	0	26,591	21,135	0	0	26,591	21,135
0	305	10	2,107	4,007	450	4,017	2,557
0	0	0	-1,142	0	0	0	-1,142
3,501	4,036	12,919	13,356	1,001	322	13,920	13,678
-2,953	-2,270	-8,796	-6,741	-297	-225	-9,093	-6,966
-1,839	-1,161	-2,189	-1,416	0	0	-2,189	-1,416
64	213	262	266	0	0	262	266
-4,478	-6,406	-14,073	-15,936	-2,395	-2,272	-16,468	-18,208
161,731	112,032	456,089	373,079	-4,525	-14,118	451,564	358,961
0	0	2,765	5,354	0	0	2,765	5,354
129,103	87,813	350,048	290,103	-5,466	-11,177	344,582	278,926
93,186	59,991	282,468	229,360	37,862	16,124	320,330	245,484
702	607	2,568	2,192	24	21	2,592	2,213
17.9 %	20.3 %					7.6 %	7.6 %
18.4 %	25.3 %					10.6 %	11.4 %

PRODUCT-BASED SEGMENT INFORMATION

Disclosures in € 000

1.7. – 30.09.

	Mobile Transportation Technology		Stationary Transportation Technology	
	2015	2014	2015	2014
Order-intake (external)	56,054	48,089	42,719	32,219
Sales	56,201	49,913	34,331	38,488
- of which external	56,140	49,772	34,281	38,480
- of which with other segment	61	141	50	8
External order-book	160,268	140,262	104,285	90,948
EBITDA	5,520	5,828	1,631	3,569
Result from operating activities (EBIT)	4,239	5,109	663	2,677
Result from at-equity accounted investments	78	280	0	0
Other results from investments	-1	19	0	0
Interest income	19	34	15	7
Interest expense	-352	-293	-692	-722
Income taxes	-849	-1,113	-200	-249
Segment result / Group result	3,134	4,036	-214	1,713
Changes in group reporting entity	159	-63	0	0
Capital expenditure on investments	10	99	0	2
Impairment losses on investments	0	0	0	0
Capital expenditure ¹⁾	1,638	2,056	2,546	1,402
Amortisation and depreciation ¹⁾	-1,281	-719	-968	-892
Impairment losses	-115	0	0	-83
Reversal of impairment losses	0	0	73	4
Other significant non-cash expenses	-1,004	-1,762	-1,570	-816
Segment assets ²⁾	165,853	146,272	128,505	114,775
Investments accounted for at-equity	2,765	5,354	0	0
Capital employed ³⁾	121,376	111,889	99,569	90,401
Segment liabilities ⁴⁾	82,789	71,902	106,493	97,467
Employees (average as per HGB)	1,173	917	693	667
EBIT margin ⁵⁾	7.6 %	10.3%	1.9 %	7.0%
Return on capital employed ⁶⁾	14.0 %	18.3%	2.7 %	11.8%

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	
2015	2014	2015	2014	2015	2014	2015	2014
34,327	30,130	133,100	110,438	19	19	133,119	110,457
34,455	27,716	124,987	116,117	319	289		
34,227	27,556	124,648	115,808	20	20	124,668	115,828
228	160	339	309	-339	-309		
80,858	54,725	345,411	285,935			345,411	285,935
6,282	6,286	13,433	15,683	-1,826	-1,719	11,607	13,964
4,949	5,516	9,851	13,302	-1,934	-1,804	7,917	11,498
0	0	78	280	-1	-1	77	279
0	0	-1	19	1	0	0	19
9	19	43	60	15	-35	58	25
-482	-340	-1,526	-1,355	-177	245	-1,703	-1,110
-471	-455	-1,520	-1,817	-367	-1,082	-1,887	-2,899
4,005	4,740	6,925	10,489	-2,463	-2,677	4,462	7,812
20,854	0	21,013	-63	0	0	21,013	-63
0	305	10	406	3,003	0	3,013	406
0	0	0	0	0	0	0	0
1,830	1,511	6,014	4,969	650	294	6,664	5,263
-1,309	-770	-3,558	-2,381	-107	-84	-3,665	-2,465
0	-365	-115	-448	0	0	-115	-448
0	1	73	5	0	0	73	5
-175	-856	-2,749	-3,434	-1,168	-957	-3,917	-4,391
161,731	112,032	456,089	373,079	-4,525	-14,118	451,564	358,961
0	0	2,765	5,354	0	0	2,765	5,354
129,103	87,813	350,048	290,103	-5,466	-11,177	344,582	278,926
93,186	59,991	282,468	229,360	37,862	16,124	320,330	245,484
702	607	2,568	2,192	24	21	2,592	2,213
14.5 %	20.0%					6.4 %	9.9%
15.3 %	25.1%					9.2 %	16.5%

CONSOLIDATED CASH FLOW STATEMENT

Composition of cash funds

Cash funds comprise:

€ 000	30.09.2015	31.12.2014
Cash and cash equivalents	17,997	25,654
Balance on cash management accounts	899	550
	18,896	26,204

€ 000	30.09.2014	31.12.2013
Cash and cash equivalents	13,060	14,392
Balance on cash management accounts	-935	-1,235
	12,125	13,157

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	30.09.2015	31.12.2014
Other financial obligations		
Rental and lease expenses	12,095	9,445
Other commitments	2,796	4,895

Contingent liabilities amounted to € 4,450,000 at 30 Sept. 2015 (31 December 2014: € 3,436,000). The risk of incurring costs in connection with these contingent liabilities is considered small. The rental and leasing expenses shown under **other financial obligations** have been calculated on the basis of the earliest possible cancellation dates.

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

Related party relationships

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

	Volume of services performed		Volume of services received	
	1.1.-30.9.2015	1.1.-30.9.2014	1.1.-30.9.2015	1.1.-30.9.2014
	€ 000	€ 000	€ 000	€ 000
Associated companies				
goods and services	124	1,397	937	2,854
other relationships	2	-	42	5
Non-consolidated companies				
goods and services	8,965	8,756	1,982	4,326
other relationships	309	175	1,634	1,092

The following receivables and payables existed at the balance sheet date from the perspective of the fully consolidated companies (mostly relating to the supply of goods). In addition, there was a non-current loan receivable from Albatros S.L. amounting to € 4,000,000.

	Receivables		Payables	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	€ 000	€ 000	€ 000	€ 000
Associated companies	0	1,291	293	311
Non-consolidated companies	14,320	10,576	275	388

Events after the end of the reporting period

With effect from 15 October 2015 and for a purchase price of TEUR 307, Schaltbau Holding AG acquired the remaining 10.0 % of the shares of ALTE Technologies S.L. from that entity's management and therefore now holds 100.0 % of the shares.

Munich, 30 October 2015

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Elisabeth Prigge



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, 30 October 2015

Schaltbau Holding AG
The Executive Board



Dr. Jürgen Cammann



Elisabeth Prigge



Ralf Klädtke

Comment on unaudited status

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

Schaltbau Holding AG

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