SCHALTBAU

Group Interim Report
as at 31 March 2015

Schaltbau Group Key Financial Figures for the period ended 31 March

Group key financial figures		**31 March 2015**	**31 December 2014**	**31 March 2014**	**31 December 2013**
Order situation					
Order-intake	€ m.	**127.2**	**449.4**	**112.2**	**390.7**
Order-book	€ m.	**306.6**	**281.9**	**248.4**	**228.1**
Income statement					
Sales	€ m.	**107.4**	**429.6**	**92.0**	**390.7**
Total output	€ m.	**113.2**	**440.3**	**95.0**	**389.9**
EBITDA	€ m.	**11.1**	**38.3**	**8.4**	**45.1**
Profit from operating activities (EBIT)	€ m.	**8.4**	**27.3**	**6.2**	**36.0**
EBIT margin	%	**7.8**	**6.4**	**6.8**	**9.2**
Group net profit for the period	€ m.	**3.8**	**29.1**	**5.3**	**24.7**
Profit attr. to shareholders of the AG	€ m.	**2.4**	**24.8**	**4.3**	**21.4**
Return on capital employed	%	**11.4**	**10.6**	**11.5**	**18.2**
Balance sheet					
Fixed Assets	€ m.	**134.7**	**134.1**	**94.9**	**92.4**
Working capital	€ m.	**159.3**	**122.6**	**121.5**	**105.9**
Capital employed	€ m.	**294.0**	**256.7**	**216.4**	**198.3**
Group equity	€ m.	**114.7**	**112.5**	**91.2**	**89.4**
Net bank liabilities	€ m.	**102.8**	**78.5**	**50.9**	**41.7**
Balance sheet total	€ m.	**389.5**	**361.2**	**289.7**	**267.4**
Personnel					
Employees at end of reporting period	Number	**2,681**	**2,651**	**2,048**	**2,044**
Personnel expense	€ m.	**36.8**	**138.2**	**31.5**	**119.4**
Personnel expense[1] per employee[2]	€ 000	**59.3**	**60.9**	**67.7**	**64.9**
Total output[1] per employee[2]	€ 000	**182.5**	**194**	**204.5**	**212.0**
Earnings per share					
Earnings per share (undiluted)	€	**0.40**	**4.07**	**0.70**	**3.48**
Earnings per share (diluted)	€	**0.40**	**4.07**	**0.70**	**3.48**

[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 Schaltbau Group has got off to a good start in fiscal year 2015. The significant increase of around € 15 million in both order intake and sales is clear affirmation of the new dimensions the Group has now entered as a result of its acquisitions during the previous year. The EBIT margin has climbed from 6.8 to 7.8 per cent year-on-year, very close to our targeted margin for the full year 2015. At € 0.40, earnings per share were slightly better than expected. The decline compared with the previous year is attributable to the project delays in the field of Stationary Transportation Technology and the negative contributions of the Spanish entities ALTE and Albatros already frequently mentioned.

The operations acquired in mobile transportation technology last year are leading to much more than just higher sales and increased earnings. We are now capable of offering a far more attractive and diverse package of technological products and services to our most important customers, the major railway system suppliers. In future, we will be able to provide the platforms of rolling stock manufacturers not only with boarding systems and components, but also a precisely tailored range of interior fittings and windows, on-board communications systems, air conditioning and sanitary systems. We are therefore better positioned than our main competitors and have been able to close important gaps in our portfolio. Our significance for railway system suppliers depends less on sales volume, but more on the breadth and depth of what we have to offer, in terms of both innovation and consistent quality. In other words, we have strengthened our ability to cover the majority of their needs from one single source with increased excellence and efficiency.

For this reason, our strategic focus lies in the integration and interconnecting of our range of products, in the continued development of our system solutions and in supplementing them with digital features. We are investing just as much in enhancing these products as in broadening our value-added chain. In a competitive environment that is consolidating with increasing speed, in which new suppliers from emerging economies are entering the market, and in which the demands on suppliers are continually growing, a range of products and services of this kind is the fundamental prerequisite for forging ahead with future growth and maintaining our competitive edge.

In order to continue expanding our range of products and services as well as our international footprint, we do not exclude the possibility of additional strategic acquistions going forward – always keeping a strict eye on our target figures for debt and equity ratios. With these points in mind, over the course of the year we will be looking to diversify our debt financing and at the same time extend our debt maturity profile over an even longer period. The Schaltbau Group will therefore continue to stand on a solid foundation going into the future and retain the ability to shape growth under its own steam.

Kind regards

Dr Jürgen Cammann
Spokesman of the Executive Board

Group Interim Management Statement as at 31 March 2015

Report on economic position

General economic environment

In April, the International Monetary Fund (IMF) reaffirmed its forecast of 3.5 per cent global economic growth for 2015, after 3.4 per cent last year. The increasing pace of growth in industrialised nations contrasts with a comparative slowdown in emerging and developing economies. Declining economic momentum in China in particular, coupled with geopolitical tensions, is having a dampening impact.

During the first quarter, the eurozone profited from low oil prices and the devaluation of its currency. Based on the latest available information, the German economy picked up speed at the beginning of the year, primarily driven by rising private consumer spending and growing demand from abroad. In their spring reports, German economic research institutes predict 2.1 per cent growth in Germany for the full year, which is far more optimistic than their autumn forecasts.

The expansionary monetary policy of the European Central Bank (ECB) has led to a weakening of the euro against currencies relevant for Schaltbau. During the first quarter, the average exchange rate of the euro to the US dollar, Chinese renminbi and British pound was down by 17.8 per cent, 16 per cent and 10.2 per cent respectively compared to the previous year. The resulting exchange rate movements have had a moderately positive impact on the Schaltbau Group's earnings.

Sector-specific and regulatory environment

Demand for railway vehicles generally remained brisk, providing momentum for the Mobile Transportation Technology segment, which manufactures boarding systems, windows and interior fittings and is involved in various large-scale projects. However, demand for Rail Infrastructure products continued to be held down by general delays in the awarding of orders by German Railways, with a particularly negative impact on the sale of railway crossing systems. By contrast, the market for railway signal technology, which is of a more international nature, showed a moderate upward trend.

First-quarter demand from the bus-manufacturing sector was slightly down on the previous year, which had been positively impacted by the introduction of the new Euro 6 emission standard. Demand from industrial customers continued to grow at a steady rate. Order volumes for industrial trucks rose significantly, particularly in Europe and the USA. Markets for photovoltaic and wind power technology, however, generally remained unsatisfactory.

Euro prices on **procurement markets** went up slightly during the first quarter. Prices for copper (+1.0%, DEL), aluminium (+26.3%, LME) and gold (+14.8%) were above the average levels seen one year earlier, whereas the price of silver remained more or less unchanged. Rolled steel and flame-cut steel parts became somewhat cheaper. The price of Brent crude oil in euros remained low, which is reflected in the prices of plastic components.

Business and earnings position

Overall assessment of financial condition

The Schaltbau Group got off to a good start in fiscal year 2015. Sales rose by more than € 15 million, in line with budget, mainly thanks to the contributions of RAWAG and ALTE Technologies, which had not been part of the Group reporting entity in the previous year's first quarter. Significant organic growth over the course of the year will help Schaltbau reach its ambitious sales target of € 464 million for the full year. Order book figures, which are significantly higher across all segments than at the end of 2014, provide a strong base for achieving this goal. The order book for the Stationary Transportation Technology segment grew on the back of incoming orders for railway signal technology and brake systems. After project delays in the Components segment in the first quarter, we expect to see a sharp upward trend as the year progresses.

The first-quarter EBIT performance also confirms our expectations for the full year 2015. At 7.8 per cent, the EBIT margin came close to our targeted full-year figure of just under 8.0 per cent. In addition to higher sales, positive currency factors also had a mildly favourable impact. The unsatisfactory volume of incoming orders for railway crossing systems, project delays in the Platform Screen Doors (PSD) growth project and the negative contribution made by ALTE all continued to hold down earnings. Group net profit for the period was down on the same quarter one year earlier, in line with expectations for the full year.

Business and earnings position of the Schaltbau Group

Key performance figures for the Schaltbau Group			
in € m.	1st quarter 2015	1st quarter 2014	Δ
Order intake	127.2	112.2	*13.4 %*
Sales	107.4	92.0	*16.7 %*
EBIT	8.4	6.2	*35.5 %*

Order intake and order book

At € 127.2 million, order intake for the Schaltbau Group was 13.4 per cent up on the same period last year. The rise is due to the contributions made by RAWAG and ALTE, which have been consolidated in the Mobile Transportation Technology segment since the second quarter 2014. The Door Systems business field also recorded organic growth. In the Stationary Transportation Technology segment, the sharp decline in order-intake figures for railway crossing systems was compensated by greater demand for brake systems. Order intake in the Components segment was comparable with the level in the previous year.

The order book grew sharply by 23.4 per cent to stand at € 306.6 million at the end of the reporting period (31 March 2014: € 248.4 million), mainly due to developments in the Mobile Transportation Technology segment.

Sales

Sales grew by 16.7 per cent to € 107.4 million, RAWAG and ALTE both playing a major part. The Components segment also reported moderate growth. Overall, 45.6 per cent of sales were generated on European markets outside Germany and a further 21.5 per cent outside Europe.

Group earnings performance

At € 8.4 million, profit before financial result and taxes (EBIT) recorded by the Schaltbau Group was 35.5 per cent up on the previous year’s first-quarter figure of € 6.2 million. The EBIT margin improved from 6.8 to 7.8 per cent.

Total output includes changes in inventories amounting to € 5.0 million (2014: € 2.2 million). The increase is primarily due to goods and services not yet invoiced for the PSD project and also project delays. At 49.8 per cent, the cost of materials ratio was slightly higher than the previous year's 49.5 per cent, mainly reflecting the inclusion of ALTE and RAWAG. In absolute terms, the cost of materials rose from € 47.1 million to € 56.4 million.

Personnel expense increased from € 31.5 million to € 36.8 million. The significant rise was mainly attributable to the higher number of employees resulting from the integration of ALTE and RAWAG in the second quarter 2014. Staff recruitment, tariff-based pay rises and exchange rate factors also had an impact. Personnel expense was equivalent to 32.5 per cent of total output, a slight improvement on the previous year's ratio of 33.1 per cent.

Other operating expenses rose to € 10.7 million, primarily due to the inclusion of ALTE and RAWAG (2014: € 9.0 million).

At € 3.8 million, Group net profit for the three-month period was well down on the previous year's € 5.3 million. The principal reason was the negative result from investments, which relates to the Group's Spanish entity Albatros. Other contributing factors were additional income tax expense and slightly higher interest expenses.

The profit attributable to shareholders of Schaltbau Holding AG amounted to € 2.4 million (2014: € 4.3 million). On this basis, earnings per share totalled € 0.40 as compared with € 0.70 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 € m.	1st quarter 2015	1st quarter 2014	Δ
Order intake	54.0	38.6	*39.9 %*
Sales	52.2	37.6	*38.8 %*
EBIT	6.2	3.1	*100.0 %*

In the Mobile Transportation Technology segment (Bode Group and ALTE), the previous year's acquisitions caused order intake to rise by 39.9 per cent to € 54.0 million. The order situation for rolling stock developed exceptionally well. Business with door systems for buses did not quite match the previous year's figures, primarily reflecting the fact that the introduction of Euro 6 standards had caused order volumes to grow exceptionally in the first quarter of the previous year. The Automotive product group's order intake was similar to the previous year. The framework agreement signed for the supply of sliding doors and further components for an electric delivery vehicle specially designed for Deutsche Post (German postal services) will drive order volumes upwards over the course of the year.

Segment sales rose by 38.8 per cent to € 52.2 million, due to the inclusion of RAWAG and ALTE. Excluding these two entities, sales equalled the high level seen in the first quarter 2014.

The significant rise in segment EBIT to € 6.2 million reflects the positive performance of the Door Systems business field. The EBIT margin improved from 8.2 per cent to 11.8 per cent year-on-year.

The Stationary Transportation Technology segment

Key performance figures for the Stationary Transportation Technology segment			
In € m.	1st quarter 2015	1st quarter 2014	Δ
Order intake	42,4	42,3	*0,2 %*
Sales	25,0	27,2	*-8,1 %*
EBIT	-2,8	-0,8	*-250,0 %*

Order intake for the Stationary Transportation Technology segment totalled € 42.4 million, similar to the previous year. Whereas order volume in the Brake Systems business field jumped by over 40 per cent, the Rail Infrastructure business field registered a sharp drop in incoming orders compared with one year earlier, largely due to project delays in business with Platform Screen Doors (PSD), for which a major order relating to Sao Paulo, Brazil, had been recorded in the first quarter 2014.

As in 2014, German Railways did not place any major orders for railway crossing systems during the period under report, although the situation is expected to improve slightly over the course of the year. Foreign business grew with increased orders for axle counters and other railway signal technology products, particularly in China, where demand picked up quite considerably.

In the Brake Systems business field, a large-scale order from Singapore contributed to the higher order-intake figure.

Segment sales dropped by 8.1 per cent to € 25.0 million as a result of low order volumes for level crossing systems and project delays for transportation technology. Order growth for brake systems and railway signal technology had very little impact on sales during the first quarter.

The negative segment EBIT for the first quarter deteriorated from € 0.8 million to € 2.8 million. The EBIT margin came in at negative 11.1 per cent (2014: negative 3.0 per cent).

The Components segment

Key performance figures for the Components segment			
In € m.	1st quarter 2015	1st quarter 2014	Δ
Order intake	30,8	31,2	*-1,3 %*
Sales	30,3	27,2	*11,4 %*
EBIT	6,8	5,4	*25,9 %*

At € 30.8 million, order intake in the Components segment came very close to matching the previous year's figure. The negative variance was principally due to project delays in China and Russia and is likely to have been caught up by the end of the second quarter. Despite the sluggish pace of order placement in the rail sector and ongoing problems in the field of solar power, order intake in the USA went up, partly due to business with a number of new major industrial customers. The segment also benefited from currency exchange factors.

Business in Germany and the rest of Europe developed positively and in line with expectations, partially driven by good export figures.

Segment sales grew by 11.4 per cent to € 30.3 million, reflecting the strong order situation.

At € 6.8 million, first-quarter EBIT also surpassed the € 5.4 million registered one year earlier. The EBIT margin came in at a highly satisfactory 22.3 per cent (2014: 20.0 per cent).

Financial and net assets position

The Group's balance sheet increased by € 28.3 million compared with the end of fiscal year 2014, primarily reflecting higher inventories and trade receivables on the one side and higher non-current financial liabilities on the other.

Analysis of capital structure

Non-current liabilities increased to € 164.9 million (31 December 2014: € 145.5 million), primarily due to the higher amount drawn down from the Group's credit line, as a result of which non-current financial liabilities went up by € 16.4 million to € 109.4 million (31 December 2014: € 93.0 million). Pension provisions also increased by around € 2.6 million, due to further drops in interest rates.

Current liabilities increased to € 109.9 million (31 December 2014: € 103.2 million), mainly due to a rise in other liabilities.

Net liabilities to banks (current and non-current bank liabilities less cash and cash equivalents) stood at € 102.8 million on 31 March 2015 (31 December 2014: € 78.5 million). The debt ratio (at the level of annualised EBITDA) at the end of the reporting period therefore stood at 2.3, compared with 2.0 at 31 December 2014.

The Group had access to financing facilities amounting to € 170.6 million at 31 March 2015 (31 December 2014: € 149.2 million), € 61.3 million of which were disbursed as loans (31 December 2014: € 62.1 million). Current account credit lines amounted to € 109.3 million (31 December 2014: € 87.1 million), of which € 75.0 million is available until December 2017. At 31 March 2015, € 71.4 million (31 December 2014: € 50.6 million) of these (including guarantee lines) were being utilised.

Equity went up from € 112.5 million at 31 December 2014 to € 114.7 million at 31 March 2015, primarily due to the positive Group net profit for the period. The equity ratio stood at 29.4 per cent, compared with 31.2 per cent on 31 December 2014.

Liquidity analysis

Cash flow from operating activities was a negative amount of € 16.9 million, compared to a negative € 4.4 million one year earlier. The net negative cash flow results primarily from increases in inventories and trade receivables.

The negative cash flow from investing activities of € 3.0 million (Q1 2014: negative € 3.5 million) reflects the slightly lower volume of investments in property, plant and equipment compared with the previous year.

The positive cash flow from financing activities of € 11.0 million (Q1 2014: € 15.6 million) results from higher amounts drawn down from the Syndicated Credit Agreement needed to finance higher working capital requirements, which substantially exceeded cash outflows to buy back own shares and repay debt. The previous year's high figure mainly reflected preparations in advance of the ALTE and Albatros transactions.

Overall, cash and cash equivalents decreased by € 7.4 million to € 18.8 million during the period under report.

Net assets position
Compared with 31 December 2014 (€ 149.1 million), non-current assets changed only slightly to € 150.4 million.

Current assets rose by 12.7 per cent to € 239.1 million (31 December: € 212.1 million), principally due to the aforementioned increase in inventories and trade receivables.

Working capital went up by 29.9 per cent to € 159.3 million (31 December 2014: € 122.6 million).

Non-financial performance indicators

Employees

At 31 March 2015, the Schaltbau Group employed a workforce of 2,681 people (31 December 2014: 2,651). The number of employees working in the **Mobile Transportation Technology** segment increased from 1,168 to 1,182. Additional staff was recruited to expand capabilities in the areas of production and development. In the **Stationary Transportation Technology** segment the number of employees increased from 753 to 760, mainly due to the expansion of the Group's production facilities. Within the segment, around 50 employees switched from Pintsch Bamag's drive technology department to Pintsch Bubenzer. The **Components** segment also took on new staff, mostly for production work. The number of employees in the segment rose from 706 to 715.

Events after the end of the reporting period

No further events or developments of special significance took place subsequent to 31 March 2015.

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). Strong demand in the Mobile Transportation Technology segment, as well as for components, contrasts with a less than satisfactory sales situation in the field of control and safety systems.

The Schaltbau Group continues to target sales of € 464 million for the full year. The expected increase compared with the previous year (€ 429.6 million) is due on the one hand to growing contributions from ALTE Technologies and RAWAG (which are being consolidated the first time for a full twelve-month period) and on the other to organic sales growth across all of our segments.

In line with budget, profit before financial result and taxes (EBIT) is forecast to reach € 37.0 million, a significant improvement on 2014. Group net profit is therefore expected to come in at € 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 31.03.2015

Consolidated Income Statement for the period from 1 January to 31 March 2015

€000	1.1.-31.03.2015	1.1.-31.03.2014
1. Sales	107,448	92,003
2. Change in inventories of finished and work in progress	4,990	2,195
3. Own work capitalised	758	836
4. Total output	**113,196**	**95,034**
5. Other operating income	2,028	1,094
6. Cost of materials	56.364	47,080
7. Personnel expense	36,801	31,463
8. Amortisation and depreciation	2,673	2,199
9. Other operating expenses	10,997	9,168
10. Profit from operating activities (EBIT)	**8,389**	**6,218**
a) Result from at-equity accounted investments	-1,117	1,364
b) Other results from investments	0	325
11. Results from investments	-1,117	1,689
a) Interest income	73	18
b) Interest expense	1,057	909
12. Finance result	-984	-891
13. Profit before tax	**6,288**	**7,016**
14. Income taxes	2,475	1,712
15. Group net profit for the period	**3,813**	**5,304**
Analysis of group net profit		
attributable to minority shareholders	1,421	1,027
attributable to the shareholders of Schaltbau Holding AG	2,392	4,277
Group net profit for the period	**3,813**	**5,304**
Earnings per share – undiluted:	**0.40 €**	**0.70 €**
Earnings per share – diluted:	**0.40 €**	**0.70 €**

Statement of Income and Expenses recognised in equity for the period from 1 Jan. to 31 March 2015

€000	1.1.-31.03.2015			1.1.-31.03.2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Group net profit for the period			**3,813**			**5,304**
Actuarial gains/losses relating to pensions	-2,794	838	-1,956	-1,800	540	-1,260
Acquisition of minority interests			0			0
Unrealised gains/losses arising on currency translations						
- from fully consolidated companies			6,140			-500
- from at-equity accounted companies			29			-64
Derivative financial instruments						
- Change in unrealised gains / losses	-523	157	-366	-223	67	-156
- Realised gains / losses	243	-73	170	102	-31	71
	-280	84	5,973	-121	36	-649
Other comprehensive income			**4,017**			**-1,909**
Group comprehensive income			**7,830**			**3,395**
of which attributable to minority shareholders			3,203			772
of which attributable to the shareholders of Schaltbau			4,627			2,623

Consolidated Cash Flow Statement for the period from 1 January to 31 March 2015

€ 000	1.1.-31.03.2015	1.1.-31.03.2014
Profit before financial result and taxes (EBIT)	**8,389**	**6,218**
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	2,672	2,199
Gains/losses on the disposal of intangible assets and property, plant and equipment	9	-8
Change in current assets	-27,038	-13,064
Change in provisions	4,049	2,762
Change in current liabilities	-2,495	-1,440
Dividends received	0	379
Income tax paid	-2,486	-1,444
Other non-cash income / expenses	-6	-12
Cash flow from operating activities	**-16,906**	**-4,410**
Payments for investments in:		
- intangible assets and property, plant and equipment	-2,988	-3,495
- Acquisitions of minority interests	-3	0
Proceeds from disposal of:		
- property, plant and equipment	18	18
Cash flow from investing activities	**-2,973**	**-3,477**
Share buyback programme	-3,720	0
Distribution to minority interests	-973	-161
Loan repayments	-1,413	-371
Interest paid	-812	-572
Interest received	72	18
Change in current financial liabilities	17,883	16,698
Cash flow from financing activities	**11,037**	**15,612**
Change in cash funds due to exchange rate fluctuations	1,448	-224
Changes in cash funds	**-7,394**	**7,501**
Cash funds at the end of the period	18,810	20,658
Cash funds at the beginning of the period	26,204	13,157
	-7,394	**7,501**

Consolidated Balance Sheet as at 31 March 2015

ASSETS	€ 000 31.03.2015	€ 000 31.12.2014
A. NON-CURRENT ASSETS		
I. Intangible assets	53,975	52,452
II. Property, plant and equipment	69,189	68,659
III. At-equity accounted investments	4,892	5,979
IV. Other investments	6,604	7,003
V. Deferred tax assets*	15,700	15,006
	150,360	**149,099**
B.CURRENT ASSETS		
I. Inventories	96,530	85,657
II. Trade accounts receivable	102,671	80,265
III. Income tax receivables	731	522
IV. Other receivables and assets	21,102	20,051
V. Cash and cash equivalents	18,110	25,654
	239,144	**212,149**
Total assets	**389,504**	**361,248**

EQUITY AND LIABILITIES	€ 000 31.03.2015	€ 000 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*	59,610	40,688
V. Income/expense recognised directly in equity	5,595	1,208
VI. Revaluation reserve	3,041	3,041
VII. Group net profit attributable to shareholders of Schaltbau Holding AG	2,392	24,780
VIII. Equity attributable to shareholders of Schaltbau Holding AG	94,247	93,326
IX. Minority interests	20,410	19,213
	114,657	**112,539**
B. NON-CURRENT LIABILITIES		
I. Pension provisions	41,712	39,072
II. Personnel-related accruals	4,032	3,924
III. Other provisions	642	535
IV. Financial liabilities	109,382	92,989
V. Other liabilities	18	160
VI. Deferred tax liabilities	9,151	8,823
	164,937	**145,503**
C. CURRENT LIABILITIES		
I. Personnel-related accruals	9,084	7,708
II. Other provisions	25,295	22,325
III. Income taxes payable	880	965
IV. Financial liabilities	12,766	12,366
V. Trade accounts payable	27,806	31,508
VI. Advance payments received	12,091	11,827
VII. Other liabilities	21,988	16,507
	109,910	**103,206**
Total equity and liabilities	**389,504**	**361,248**

Consolidated Statement of Changes in Equity as at 31 March 2015

	Equity attributable to shareholders of Schaltbau Holding AG					
	Subscribed capital	Capital reserves	Statutory reserves	Revenue Reserves Other	Revenue Reserves Derivate financial Instruments	Revaluation reserve
Balance at 1.1.2014	**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	0	0	0
Other changes	0	0	0	-4	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-1,260	-85	0
Group comprehensive income	0	0	0	-1,260	-85	0
Balance at 31.03.2014	**7,506**	**15,805**	**231**	**53,051**	**-1,196**	**3,041**
Balance at 31.03.2014	**7,506**	**15,805**	**231**	**53,051**	**-1,196**	**3,041**
Dividends	0	0	0	-5,892	0	0
Change in Group reporting entity	0	0	0	0	0	0
Other changes	0	67	0	-1,740	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-3,422	-113	0
Group comprehensive income	0	0	0	-3,422	-113	0
Balance at 31.12.2014	**7,506**	**15,872**	**231**	**41,997**	**-1,309**	**3,041**
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	0	0	0
Other changes	0	0	0	-3,706	0	0
Group net profit for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	-1,956	-196	0
Group comprehensive income	0	0	0	-1,956	-196	0
Balance at 31.03.2015	**7,506**	**15,872**	**231**	**61,115**	**-1,505**	**3,041**

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

Income/expenses recognised directly in equity: from fully consolidation	from at-equity consolidation	Net profit for the period	Total	Minority interests in equity: in capital and reserves	in net profit for the period	Total	Group equity
-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	0	-1,617	0	-1,617	-1,617
0	0	0	-4	0	0	0	-4
0	0	4,277	4,277	0	1,027	1,027	5,304
-245	-64	0	-1,654	-255	0	-255	-1,909
-245	-64	4,277	2,623	-255	1,027	772	3,395
-348	**-647**	**4,277**	**81,720**	**8,445**	**1,027**	**9,472**	**91,192**
-348	**-647**	**4,277**	**81,720**	**8,445**	**1,027**	**9,472**	**91,192**
0	0	0	-5,892	-81	0	-81	-5,973
0	0	0	0	5,046	0	5,046	5,046
0	0	0	-1,673	0	0	0	-1,673
0	0	20,503	20,503	0	3,321	3,321	23,824
2,070	133	0	-1,332	1,455	0	1,455	123
2,070	133	20,503	19,171	1,455	3,321	4,776	23,947
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	0	-1,990	0	-1,990	-1,990
0	0	0	-3,706	-16	0	-16	-3,722
0	0	2,392	2,392	0	1,421	1,421	3,813
4,358	29	0	2,235	1,782	0	1,782	4,017
4,358	29	2,392	4,627	1,782	1,421	3,203	7,830
6,080	**-485**	**2,392**	**94,247**	**18,989**	**1,421**	**20,410**	**114,657**

Explanatory Notes and segment information as at 31 March 2015

DESCRIPTION OF BUSINESS

The Schaltbau Group is one of the leading supplieers 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, toilet modules, air conditioning units, 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 2014.
In addition to the figures reported in the financial statements, the interim report also includes explanatory notes to selected financial statement items.

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**	
	31.03.2015	**31.12.2014**	**1.1. bis 31.03.2015**	**1.1. bis 31.03.2014**
Chinese renminbi yuan	6.6710	7.5358	6.9339	8.3836
US dollar	1.0759	1.2141	1.1285	1.3704
British pound	0.7273	0.7789	0.7444	0.8280
New Turkish lire	2.8131	2.8320	2.7743	3.0346
Polish Zloty	4.0854	4.2732	4.1944	4.1828

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. – 31.03.	2015	2014
Wages and salaries	**30,828**	**26,462**
Social security, pension and welfare expenses	**5,973**	**5,001**
	36,801	**31,463**

EMPLOYEES

	2015	2014
Employees	**2,480**	**1,859**

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

Results from investments

The result from equity-accounted investments includes the Group share of the results of the operating activities of the following entities: BoDo Bode-Dogrusan A.S., Rail Door Solutions Ltd. and Albatros S.L. (last year: RAWAG Sp.z.o.o., BoDo Bode-Dogrusan A.S. and Rail Door Solutions Ltd.).

FINANCIAL RESULT

in € 000 **1.1. – 31.03.**	**2015**	**2014**
Other interest and similar income	**73**	**18**
(of which from affiliated companies)	**(10)**	**(-)**
Interest and similar expenses	**-1,057**	**-909**
(of which to affiliated companies)	**(-)**	**(-5)**
	-984	**-891**

Interest expenses include €203,000 (1.1. – 31.03.2014: € 295,000) relating to the interest component of the allocation to the pension provision.

INCOME TAXES

in € 000 **1.1. – 31.03.**	**2015**	**2014**
Income tax expense	**-1,882**	**-1,131**
Deferred tax expense	**-593**	**-581**
	-2,475	**-1,712**

EUR 485,000 (January – March 2014: EUR 514,000) 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.

INVENTORIES

in € 000	31.03.2015	31.12.2014
Raw materials, consumables and supplies	**41,087**	**38,104**
Work in progress	**40,970**	**33,870**
Finished products, goods for resale	**13,878**	**12,969**
Advance payments to suppliers	**595**	**714**
	96,530	**85,657**

Write-downs totalling € 1,018,000 (January – March 2014: € 250,000) and reversals of impairment losses totalling € 0 (January – March 2014: € 68,000) were recognised on inventories during the period under report. Write-downs on inventories at the end of the reporting period totalled € 17,704,000 (2014: € 16,582,000).

RECEIVABLES AND OTHER ASSETS

in € 000	31.03.2015	31.12.2014
Trade accounts receivable	**102,671**	**80,265**
Receivables from affiliated companies	**11,879**	**10,576**
Receivables from associated companies	**929**	**1,291**
Income tax receivables	**731**	**522**
Other assets	**8,294**	**8,184**
	124,504	**100,838**

Allowances on trade accounts receivable amount to € 4,234,000 (31 March 2014: € 3,878,000). Write-downs amounting to € 246,000 (January – March 2014: € 74,000) and reversals of write-downs amounting to € 123,000 (January – March 2014: € 24,000) were recorded against receivables and other assets.

CASH AND CASH EQUIVALENTS

in € 000	31.03.2015	31.12.2014
Cheques and cash on hand	**60**	**36**
Cash at bank	**18,050**	**25,618**
	18,110	**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	31.03.2015	31.12.2014
Non-current provisions		
Pension provision*	**41,712**	**39,072**
Personnel-related accruals	4,032	**3,924**
Warranties	391	**284**
Other provisions	251	**251**
Other non-current provisions	**4,674**	**4,459**
	46,386	**43,531**
Current provisions		
Personnel-related accruals	**9,084**	**7,708**
Current tax	2,656	2,927
Warranties	8,500	8,423
Outstanding costs and material	9,928	7,387
Other provisions	4,211	3,588
Other current provisions	**25,295**	**22,325**
	34,379	**30,033**
Total provisions*	**80,765**	**73,564**

A discount rate of 1.3% (2014: 1.8%) was used to calculate the pension provision. The resulting EUR 2,790,000 increase in the pension provision was recognised directly in equity.

LIABILITIES

in € 000		31.03.2015	31.12.2014
Non-current liabilities	108,244		91,853
Liabilities to banks	53		51
Finance lease liabilities	1,085		1,085
Other financial liabilities		**109,382**	**92,989**
Financial liabilities		**18**	**160**
Other liabilities		**109,400**	**93,149**
Current liabilities			
Current income tax liabilities		**880**	**965**
Liabilities to banks	12,711		12,285
Finance lease liabilities	27		35
Other financial liabilities	28		46
Financial liabilities		**12,766**	**12,366**
Trade accounts payable		**27,806**	**31,508**
Advance payments received		**12,091**	**11,827**
Payables to affiliated companies	261		388
Liabilities to other group entities	304		311
Negative fair values of derivatives	2,220		2,187
Sundry other liabilities	19,203		13,621
Other liabilities		**21,988**	**16,507**
		75,531	**73,173**
Total liabilities		**184,931**	**166,322**

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. – 31.03.**	Mobile Transportation Technology		Stationary Transportation Technology	
	2015	**2014**	**2015**	**2014**
Order-intake (external)	53,991	38,646	42,405	42,336
Sales	52,330	37,640	25,073	27,256
- of which external	52,172	37,606	24,957	27,194
- of which with other segment	158	34	116	62
External order-book	149,980	104,095	93,129	91,230
EBITDA	7,056	3,576	-1,896	66
Result from operating activities (EBIT)	6,174	3,080	-2,768	-817
Result from at-equity accounted investments	-1,117	1,364	0	0
Other results from investments	0	0	0	0
Interest income	32	47	40	23
Interest expense	-282	-171	-555	-628
Income taxes	-1,074	-412	-306	-275
Segment result / Group result	3,733	3,908	-3,589	-1,697
Changes in group reporting entity	0	0	0	0
Capital expenditure on investments	0	0	0	0
Impairment losses on investments	0	0	0	0
Capital expenditure [1)]	925	752	1,320	1,660
Amortisation and depreciation [1)]	-882	-496	-872	-883
Impairment losses	0	0	-350	-172
Reversal of impairment losses	116	0	7	24
Other significant non-cash expenses	-2,695	-2,587	-2,446	-1,758
Segment assets [2)]	156,268	92,020	122,057	109,369
Investments accounted for at-equity	4,892	11,742	0	0
Capital employed [3)]	119,104	69,878	88,999	81,774
Segment liabilities [4)]	77,801	38,508	101,628	90,518
Employees (average as per HGB)	1,117	587	687	656
EBIT margin [5)]	11.8 %	8.2 %	-11.1 %	-3.0 %
Return on capital employed [6)]	20.7 %	17.6 %	-12.4 %	-4.0 %

[*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	
2015	2014	2015	2014	2015	2014	2015	2014
30,820	31,228	127,216	112,210	19	25	127,235	112,235
30,497	27,368	107,900	92,264	-452	-261		
30,299	27,178	107,428	91,978	20	25	107,448	92,003
198	190	472	286	-472	-286		
63,442	53,065	306,551	248,390			306,551	248,390
7,585	6,198	12,745	9,840	-1,683	-1,423	11,062	8,417
6,760	5,449	10,166	7,712	-1,777	-1,494	8,389	6,218
0	0	-1,117	1,364	0	0	-1,117	1,364
0	325	0	325	0	0	0	325
13	20	85	90	-12	-72	73	18
-364	-350	-1,201	-1,149	144	240	-1,057	-909
-902	-633	-2,282	-1,320	-193	-392	-2,475	-1,712
5,507	4,811	5,651	7,022	-1,838	-1,718	3,813	5,304
0	0	0	0	0	3	0	3
0	0	0	0	2	0	2	0
0	0	0	0	0	0	0	0
561	1,077	2,806	3,489	182	6	2,988	3,495
-824	-749	-2,578	-2,128	-94	-71	-2,672	-2,199
-914	-152	-1,264	-324	0	0	-1,264	-324
0	68	123	92	0	0	123	92
-5,136	-4,607	-10,277	-8,952	-899	-790	-11,176	-9,742
126,945	101,637	405,270	303,026	-15,766	13,320	389,504	289,706
0	0	4,892	11,742	0	0	4,892	11,742
95,436	76,345	303,539	227,997	-9,576	-11,588	293,963	216,409
76,110	61,632	255,539	190,658	19,308	7,856	274,847	198,514
653	595	2,457	1,838	25	21	2,481	1,859
22.3 %	20.0 %					7.8 %	6.8 %
28.3 %	28.5 %					11.4 %	11.5 %

Reconciliations

€ 000	Sales	
1.1.-31.03.	2015	2014
Total sales of segments	107,900	92,264
Other sales	882	521
Consolidation	-1,334	-782
Sales as per income statement	**107,448**	**92,003**

€ 000	EBIT	
1.1.-31.03.	2015	2014
Total EBIT of segments	10,166	7,712
Other EBIT	-1,712	-1,525
Consolidation	-65	31
EBIT as per income statement	**8,389**	**6,218**

€ 000	Assets	
31.03.	2015	2014
Total segment assets	405,270	303,026
Other assets excluding deferred tax asstes	85,881	70,190
Deferred taxes	3,956	5,128
Consolidation	-105,603	-88,638
Group assets as per balance sheet	**389,504**	**289,706**

€ 000	Liabilities	
31.03.	2015	2014
Total segment liabilities	255,539	190,658
Other liabilities excluding deferred tax liabilities	112,950	83,757
Deferred taxes	-84	769
Consolidation	-93,558	-76,670
Group liabilities as per balance sheet	**274,847**	**198,514**

"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	31.03.2015	31.12.2014
Cash and cash equivalents	18,110	25,654
Balance on cash management accounts	700	550
	18,810	26,204

€ 000	31.03.2014	31.12.2013
Cash and cash equivalents	21,707	14,392
Balance on cash management accounts	-1,049	-1,235
	20,658	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	31.03.2015	31.12.2014
Other financial obligations		
Rental and lease expenses	9,152	9,445
Other commitments	4,696	4,895

Contingent liabilities amounted to € 3,928,000 at 31 March 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.-31.3.2015 € 000	1.1.-31.3.2014 € 000	1.1.-31.3.2015 € 000	1.1.-31.3.2014 € 000
Associated companies				
goods and services	48	1,120	338	1,727
other relationships	2	0	85	5
Non-consolidated companies				
goods and services	2,659	1,943	939	1,653
other relationships	309	14	353	278

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).

	Receivables		Payables	
	31.03.2015	**31.12.2014**	**31.03.2015**	**31.12.2014**
	€ 000	**€ 000**	**€ 000**	**€ 000**
Associated companies	929	**1,291**	304	**311**
Non-consolidated companies	11,879	**10,576**	261	**388**

Munich, 30 April 2015

Schaltbau Holding AG
The Executive Board

Dr. Jürgen Cammann	Elisabeth Prigge	Dirk Christian Löchner

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 profi.t 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 April 2015

Schaltbau Holding AG
The Executive Board

Dr. Jürgen Cammann	Elisabeth Prigge	Dirk Christian Löchner

Comment on unaudited status

The Interim Consolidated Financial Statements and Interim Group Management Report as at 31 March 2015 have neither been audited in accordance with § 317 HGB nor subject to a limited review by the group auditor.

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