

zumtobel group

Q1 – Q3 (May 2016 – January 2017)

Report on the 3rd Quarter 2016/17 of Zumtobel Group AG



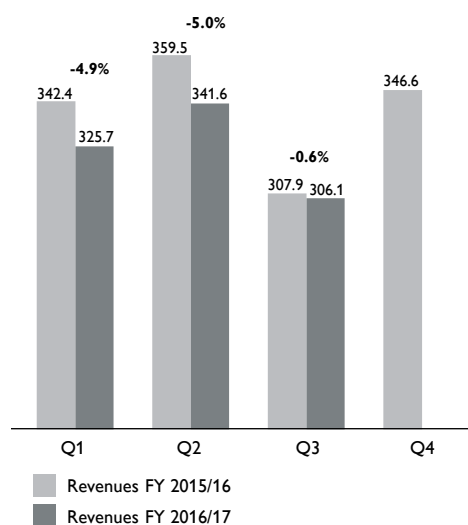
Overview of the Third Quarter 2016/17

- >> FX-adjusted increase of 2.8% in Group revenues during the third quarter
- >> Substantial positive effects from restructuring and cost savings measures
- >> Adjusted EBIT rises by 82.5% to EUR 10.0 million (previous year: EUR 5.5 million)
- >> Continued positive development of working capital and free cash flow

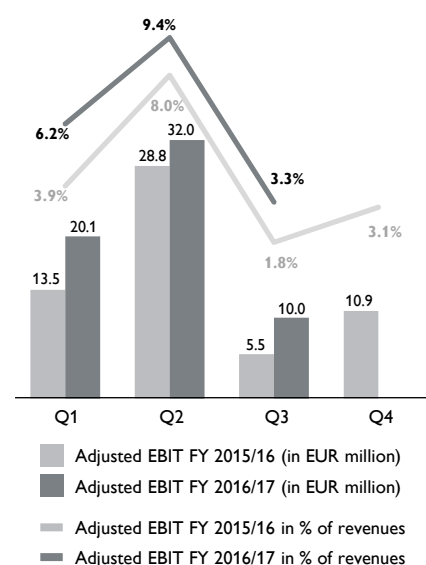
Key Data in EUR million	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Revenues	306.1	307.9	(0.6)	973.4	1,009.9	(3.6)
Adjusted EBIT	10.0	5.5	82.5	62.0	47.8	29.9
<i>as a % of revenues</i>	3.3	1.8		6.4	4.7	
EBIT	5.6	3.3	71.0	49.9	40.2	24.1
<i>as a % of revenues</i>	1.8	1.1		5.1	4.0	
Net profit for the period	2.2	1.7	31.8	29.8	29.2	2.0
<i>as a % of revenues</i>	0.7	0.5		3.1	2.9	
Cash flow from operating results	20.3	17.8	14.1	95.7	82.6	15.8
Investments	11.0	13.5	(18.2)	30.7	43.3	(29.1)
				31 January 2017	30 April 2016	Change in %
Total assets				1,035.5	1,068.6	(3.1)
Equity				341.4	333.2	2.5
<i>Equity ratio in %</i>				33.0	31.2	
Net debt				120.3	134.8	(10.7)
Headcount incl. contract worker (full-time equivalent)				6,615	6,761	(2.2)

Development of Business by Quarter

Revenues (in EUR million)



Adjusted EBIT



Letter to Shareholders

Dear Shareholders,

The third quarter of 2016/17 was characterised by sound operating development and important strategic steps to strengthen the competitive position of our global plant network. We set key milestones and paved the way for further steps to optimise this network by closing the facility in Usingen (Germany) as of 31 December 2016, announcing our intention to evaluate the sale of the Les Andelys plant (France) to the French industrial group Active'Invest and the decision to construct a new lighting plant in Serbia. In particular, the location in Serbia will allow the Zumtobel Group to substantially improve its competitive position and provide our customers with innovative products at optimal costs over the long-term.

Group revenues declined by 3.6% year-on-year to EUR 973.4 million in the first three quarters of 2016/17 (previous year: EUR 1,009.9 million) in an industry environment that remained challenging with high volatility. The development of revenues was influenced by substantial negative foreign exchange effects of EUR 34.6 million as well as the absence of revenues from the signage business which was sold in November 2015. After an adjustment for foreign exchange effects, Group revenues declined by 0.2% in the first three quarters. However, the Zumtobel Group nearly matched the comparable prior period revenues for the first time this year with EUR 306.1 million in the third quarter (previous year: EUR 307.9 million; minus 0.6%) and FX-adjusted growth of 2.8%.

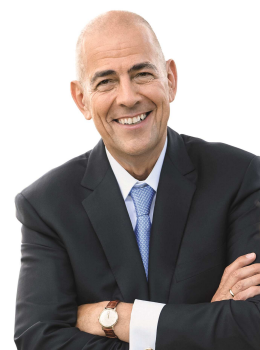
On a very positive note: our efforts to improve cost structures were clearly visible in nearly all functional areas during the reporting period. Group EBIT adjusted for special effects rose by 29.9% from EUR 47.8 million to EUR 62.0 million in spite of the lower revenues. Both the Lighting Segment and the Components Segment clearly exceeded the prior year results. This sound development is attributable, above all, to the improved efficiency of our plants and sales organisation as well as higher earnings contributions from products introduced during the past financial year. A further achievement was the continued increase free cash flow, which was positive at EUR 40.6 million (previous year: minus EUR 10.1 million) in particular due to our strict working capital management.

Outlook: Detailed earnings guidance for the full 2016/17 financial year

We are still seeing widely different regional trends in this generally challenging and volatile industry environment. Revenue development remains weak in Australia, France, Switzerland and, above all, across the Middle East. In contrast, development is sound in the Benelux & East Europe region and in Austria, the USA and Italy. The clearly negative foreign exchange translation effects from the weak British pound and the strong USD dollar will continue to influence revenues and earnings during the fourth quarter. Based on the solid development of business in the first three quarters and the visible improvement in cost structures, the Management Board of the Zumtobel Group is issuing more specific guidance for earnings in the current financial year and now expects operating earnings (adjusted EBIT) of approx. EUR 70 million. The former earnings guidance (adjusted EBIT) indicated a slight improvement over the previous year (previous year: EUR 58.7 million).



Ulrich Schumacher
Chief Executive Officer (CEO)

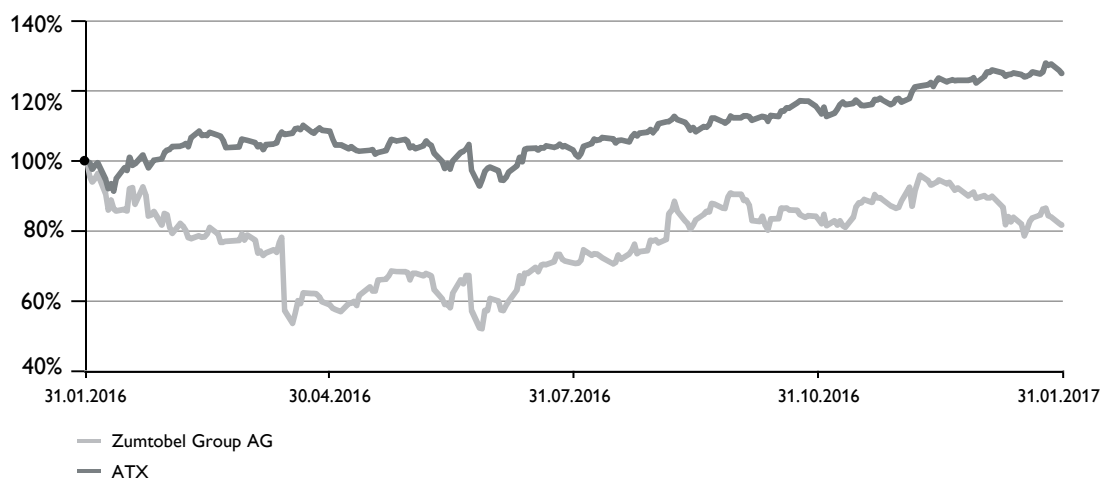


Ulrich Schumacher

The Zumtobel Group Share

Based on an unchanged number of 43.5 million common shares outstanding, the market capitalisation of Zumtobel Group AG totalled EUR 676 million at the end of January 2017. There have been no major changes in the shareholder structure since the end of the 2015/16 financial year. The Zumtobel family has remained the stable core shareholder of Zumtobel Group AG since the initial public offering with a stake of slightly over 35%. As of 31 January 2017, the institutional investors FMR LLC, Lazard Freres Gestion SAS and Erste Asset Management GmbH each held an investment of over 4%. The remainder of the shares is held predominately by other institutional investors. In the ATX, the leading index of the largest listed companies in Austria, the Zumtobel Group share ranked 21st based on market capitalisation and 14th based on trading volume as of 31 January 2017. The average daily turnover on the Vienna Stock Exchange totalled 316,225 during the reporting period compared with 173,053 in the previous year (double-count, as published by the Vienna Stock Exchange). The company held 353,343 treasury shares as of 31 January 2017.

Development of the Zumtobel Group Share



Key Data on the Zumtobel Group Share Q1-Q3 2016/17

Closing price at 29.04.2016	EUR 11.370	Currency	EUR
Closing price at 31.01.2017	EUR 15.540	ISIN	AT0000837307
Performance Q1-Q3 2016/17	36.7%	Ticker symbol/Vienna Stock Exchange (XETRA)	ZAG
Market capitalisation at 31.01.2017	EUR 676 mill.	Market segment	Prime Market
Share price - high at 26.07.2016	EUR 18.235	Reuters symbol	ZUMV.VI
Share price - low at 29.09.2016	EUR 9.900	Bloomberg symbol	ZAG AV
Ø Turnover per day (shares)	316,225	Number of issued shares	43,500,000

Group Management Report

Significant Events since 30 April 2016

The 40th annual general meeting on 22 July 2016 authorised the payment of a EUR 0.20 dividend per share for the 2015/16 financial year. This dividend was distributed to shareholders on 2 August 2016.

Dividend of EUR 0.20 per share for 2015/16

The intensive negotiations between company representatives, the Employees' Council and the trade union IG Metall, over the plant in Usingen were successfully concluded on 26 October 2016. The agreement reached by the negotiating parties covered a social plan as well as the shutdown of operations as of 31 December 2016.

Usingen plant closed as of 31.12.2016

On 12 December 2016 the Zumtobel Group announced the evaluation of a long-term strategic partnership with Active'Invest for the plant in Les Andelys (France). This partnership with Active'Invest would transfer the Les Andelys plant to this French industrial group, although the Zumtobel Group would retain a 10% minority interest in the new company.

Zumtobel Group considers sale of Les Andelys plant

An arbitration court issued a decision on 27 December 2016 in the proceedings initiated by LLEDÓ ILUMINACIÓN S.A. against Zumtobel Lighting GmbH, which involved the termination of an official distributor contract from 2008. As expected, the arbitration court awarded the former Spanish distributor Lledó compensation of EUR 0.9 million for the premature termination of the contract by Zumtobel. However, the court also awarded Lledó a settlement payment of EUR 6.2 million, which is based on an extremely questionable legal basis and was therefore not expected.

Arbitration court awards Lledó compensation and settlement payment

On 27 January 2017 the Supervisory Board of the Zumtobel Group approved the construction of a new lighting plant in Serbia. The primary role of this lighting plant will be to handle the additional volumes planned for the coming years at optimal costs. The construction costs for the new plant will amount to a maximum of EUR 30 million. Construction will be carried out in two phases over the next two and one-half years.

New lighting production plant in Serbia

No other significant events occurred after the balance sheet date on 30 April 2016.

Development of revenues in the first three quarters of 2016/17

- >> Group revenues decline by 3.6% (FX-adjusted: minus 0.2%)
- >> LED- share of Group revenues rises to 72.9% (previous year: 62.9%)
- >> FX-adjusted increase of 1.3% in Lighting Segment
- >> Revenues in the Components Segment negatively affected by sale of signage activities (FX-adjusted: minus 6.8%)

Group revenues declined by 3.6% to EUR 973.4 million in the first nine months of 2016/17 (1 May 2016 to 31 January 2017) in an industry environment that remained challenging with high volatility (previous year: EUR 1,009.9 million). Revenue growth was slowed by negative foreign exchange effects of EUR 34.6 million as well as the absence of revenues from the signage business which was sold in November 2015. The negative foreign exchange effects resulted, above all, from the increase in the euro versus the British pound (GBP). After an adjustment for these effects, the revenue decline equalled 0.2% for the reporting period. However, the Zumtobel Group nearly matched the comparable prior period revenues for the first time this year with EUR 306.1 million in the third quarter (previous year: EUR 307.9 million; minus 0.6%) and FX-adjusted growth of 2.8%. The dynamic growth with LED products remains unbroken: revenues from the sale of LED products increased by 11.7% year-on-year to EUR 709.5 million (previous year: EUR 634.9 million) and the LED share of Group revenues rose to 72.9% within 12 months (previous year: 62.9%).

FX-adjusted decline of 0.2% in Group revenues

Segment development in EUR million	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %	FX adjusted in %
Lighting Segment	232.4	231.6	0.3	747.0	762.7	(2.1)	1.3
Components Segment	91.1	96.3	(5.4)	281.8	311.8	(9.6)	(6.8)
Reconciliation	(17.4)	(20.0)	(13.0)	(55.4)	(64.6)	(14.2)	
Zumtobel Group	306.1	307.9	(0.6)	973.4	1,009.9	(3.6)	(0.2)

FX-adjusted revenue growth of 1.3% in Lighting Segment

Business in the Lighting Segment was influenced by substantial regional differences, while the industry development has fallen below original expectations. Segment revenues declined by 2.1% to EUR 747.0 million (previous year: EUR 762.7 million) in this softer environment. However, revenues in the Lighting Segment rose by 1.3% after an adjustment for negative foreign exchange effects.

Sale of signage activities slows growth in Components Segment

The decline in the Components Segment was more pronounced than the Lighting Segment at minus 9.6% (FX-adjusted: minus 6.8%) for the first nine months. It resulted, in particular, from the revenues lost due to the sale of the signage activities in November 2015 and from the continuing sharp drop in the sale of conventional electronic ballasts. However, business development in this segment was supported by continuing sound growth in the demand for intelligent, networkable LED components and Tridonic system solutions. These products were, for the most part, introduced in recent quarters – they provide customers with clear added value and differentiate the Zumtobel Group from the competition. They also demonstrate the increasingly successful results of the high investments in Tridonic's innovative strength during earlier years.

Distribution of regional revenues

	Q3 2016/17		Q1-Q3 2016/17		
	Revenues in EUR million	Change in %	Revenues in EUR million	Change in %	in % of Group
D/A/CH	86.8	1.3	288.9	(2.6)	29.7
Northern Europe	80.1	(4.3)	252.3	(6.9)	25.9
Benelux & Eastern Europe	40.6	16.2	125.7	10.1	12.9
Southern Europe	43.7	(2.2)	138.1	(2.1)	14.2
Asia & Pacific	29.3	(6.9)	94.2	(10.5)	9.7
Middle East & Africa	15.4	(14.8)	44.3	(18.6)	4.6
Americas	10.2	9.8	29.8	8.5	3.1
Total	306.1	(0.6)	973.4	(3.6)	100.0

Very different regional trends

The reporting period was characterised by widely different regional developments in a generally challenging industry environment, with individual trends that were generally unchanged during the past three quarters. The D/A/CH region, the strongest market in the Zumtobel Group, recorded a 2.6% decline (FX-adjusted: minus 2.2%) in revenues to EUR 288.9 million. It resulted primarily from substantially weaker demand on the Swiss market, in particular for office and industrial applications. Revenues in Northern Europe fell by 6.9% to EUR 252.3 million, while this development was influenced by strong negative foreign exchange effects from the British pound. An adjustment for these foreign exchange effects results in an increase of 5.0% in regional revenues. In Great Britain revenue growth has remained stable since the BREXIT referendum. The Benelux & Eastern Europe region also continued the sound prior year trend during the reporting period, with an increase of 10.1% in revenues to EUR 125.7 million (FX-adjusted: 11.2%). The Southern European region consists primarily of Italy and France. Italy recorded sound revenue growth in the first nine months, but business development in France remains disappointing. Revenues in this region fell by 2.1% to EUR 138.1 million. In the Asia & Pacific region, continued weakness on the Australian market led to a 10.5% decline in revenues (FX-adjusted: minus 10.5%). Business development in the Middle East & Africa region

was influenced by the increasing tensions in the political and economic environment of several Middle East countries during recent quarters (e. g. Saudi Arabia.). Revenues in this region fell by 18.6% (FX-adjusted: minus 18.5%). The America region reported an increase of 8.5% in revenues (FX-adjusted: 8.2%) to EUR 29.8 million, which was supported by measures implemented in the previous year.

Development of earnings in the first three quarters of 2016/17

- >> Adjusted Group EBIT rises by 29.9% to EUR 62.0 million (previous year: EUR 47.8 million)
- >> Significant efficiency improvement in production
- >> Selling expenses below previous year
- >> Negative special effects from transformation process
- >> Net profit totals EUR 29.8 million (previous year: EUR 29.2 million)

Income statement in EUR million	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Revenues	306.1	307.9	(0.6)	973.4	1,009.9	(3.6)
Cost of goods sold	(205.5)	(212.3)	(3.2)	(641.3)	(686.9)	(6.6)
Gross profit	100.6	95.6	5.2	332.1	323.0	2.8
<i>as a % of revenues</i>	32.9	31.0		34.1	32.0	
SG&A expenses adjusted for special effects	(90.6)	(90.1)	0.5	(270.1)	(275.2)	(1.9)
Adjusted EBIT	10.0	5.5	82.5	62.0	47.8	29.9
<i>as a % of revenues</i>	3.3	1.8		6.4	4.7	
Special effects	(4.4)	(2.2)	99.7	(12.1)	(7.6)	60.5
EBIT	5.6	3.3	71.0	49.9	40.2	24.1
<i>as a % of revenues</i>	1.8	1.1		5.1	4.0	
Financial results	(6.2)	(1.0)	<(100)	(14.5)	(2.2)	<(100)
Profit/loss before tax	(0.6)	2.2	<(100)	35.4	38.0	(6.8)
Income taxes	0.1	(0.6)	>100	(8.3)	(8.8)	(5.7)
Net profit from discontinued operations	2.7	0.0	>100	2.7	0.0	>100
Net profit for the period	2.2	1.7	31.8	29.8	29.2	2.0
Earnings per share (in EUR)	0.05	0.04	31.8	0.69	0.68	2.0

Note: EBITDA (plus depreciation and amortisation) amounted to EUR 95.4 million in the first three quarters of 2016/17.

Group EBIT adjusted for special effects rose from EUR 47.8 million to EUR 62.0 million, or by 29.9% year-on-year, despite the decline in revenues. Consequently, the return on sales improved from 4.7% to 6.4%. Both segments clearly exceeded the prior year results in the first three quarters. The Lighting Segment, which was also the focus of restructuring efforts in the previous year, reported a 19.0% improvement in adjusted EBIT to EUR 46.4 million (previous year: EUR 39.0 million), while the Components Segment recorded an 8.6% increase to EUR 30.8 million (previous year: EUR 28.4 million).

The gross profit margin (after development costs) for the Zumtobel Group rose to 34.1% in the reporting period despite the continuing pressure on prices (previous year: 32.0%). This increase resulted, above all, from efficiency improvements in the plants and the better cost structure of products introduced during the previous financial year. Development costs included in the cost of goods sold amounted to EUR 57.5 million in the first three quarters of 2016/17 and were slightly lower than the high prior year level (previous year: EUR 62.8 million). This represents the first positive effects from the central bundling of R&D activities.

**Adjusted Group EBIT
rises by 29.9%**

**Significant efficiency
improvements in
production**

**Selling expenses
below previous year**

Selling expenses declined from EUR 243.1 million to EUR 240.1 million in the first three quarters of 2016/17 despite wage and salary increases mandated by collective negotiations. This is a consequence of the extensive restructuring and cost savings measures implemented in recent quarters. Administrative expenses were slightly higher than the previous year at EUR 38.1 million (previous year: EUR 37.2 million). Other operating results, excluding special effects, amounted to EUR 8.1 million (previous year: EUR 5.1 million) and included, among others, license income from the LED business and government grants.

**Negative special
effects from
transformation
process**

Negative special effects of EUR 12.1 million (previous year: EUR 7.6 million) were recorded during the first nine months of 2016/17. These effects are related, above all, to the shutdown of the plant in Usingen (Germany), the ongoing restructuring of the global sales organisation and payments resulting from the arbitration decision in the proceedings initiated by LLEDÓ ILUMINACIÓN S.A. against Zumtobel Lighting GmbH (EUR 5.9 million) as well as positive results of EUR 2.5 million from the sale of the former plant location in Ennenda (Switzerland).

Adjusted EBIT in EUR million	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Reported EBIT	5.6	3.3	71.0	49.9	40.2	24.1
thereof special effects	(4.4)	(2.2)	99.7	(12.1)	(7.6)	60.5
Adjusted EBIT	10.0	5.5	82.5	62.0	47.8	29.9
<i>as a % of revenues</i>	3.3	1.8		6.4	4.7	

**Financial results
below prior year**

Financial results declined by EUR 12.3 million year-on-year to minus EUR 14.5 million (previous year: minus EUR 2.2 million). Interest expense is attributable primarily to the current credit agreement and to a finance lease. Other financial income and expenses totalled minus EUR 8.7 million (previous year: plus EUR 4.5 million). The substantial fluctuations in the fair value measurement of financial instruments reflected the high volatility on the foreign exchange market, above all as a result of the BREXIT referendum. The negative effect in comparison with the previous year resulted primarily from the realisation of foreign exchanges transaction with a previously positive market value.

Financial result in EUR million	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Interest expense	(2.0)	(2.4)	(15.6)	(5.7)	(7.0)	(19.1)
Interest income	0.1	0.2	(38.2)	0.3	0.4	(29.6)
Net financing costs	(1.9)	(2.2)	13.5	(5.4)	(6.6)	18.5
Other financial income and expenses	(4.1)	1.3	<(100)	(8.7)	4.5	<(100)
Result from companies accounted for at-equity	(0.2)	(0.2)	(4.4)	(0.3)	(0.1)	<(100)
Financial results	(6.2)	(1.0)	<(100)	(14.5)	(2.2)	<(100)

**Net profit totals
EUR 29.8 million**

Profit before tax amounted to EUR 35.4 million for the reporting period (previous year: EUR 38.0 million), and income taxes totalled EUR 8.3 million (previous year: EUR 8.8 million). The results of discontinued operations equalled EUR 2.7 million and reflected the release of a provision from the discontinuation of the event lighting business (Space Cannon VH SRL) in the second quarter of 2010/11. Net profit for the first three quarters of 2016/17 was therefore slightly higher than the previous year at EUR 29.8 million (previous year: EUR 29.2 million) in spite of higher negative special effects and lower financial results. Earnings per share for the shareholders of Zumtobel Group AG (basic EPS based on 43.1 million shares) equalled EUR 0.69 (previous year: EUR 0.68).

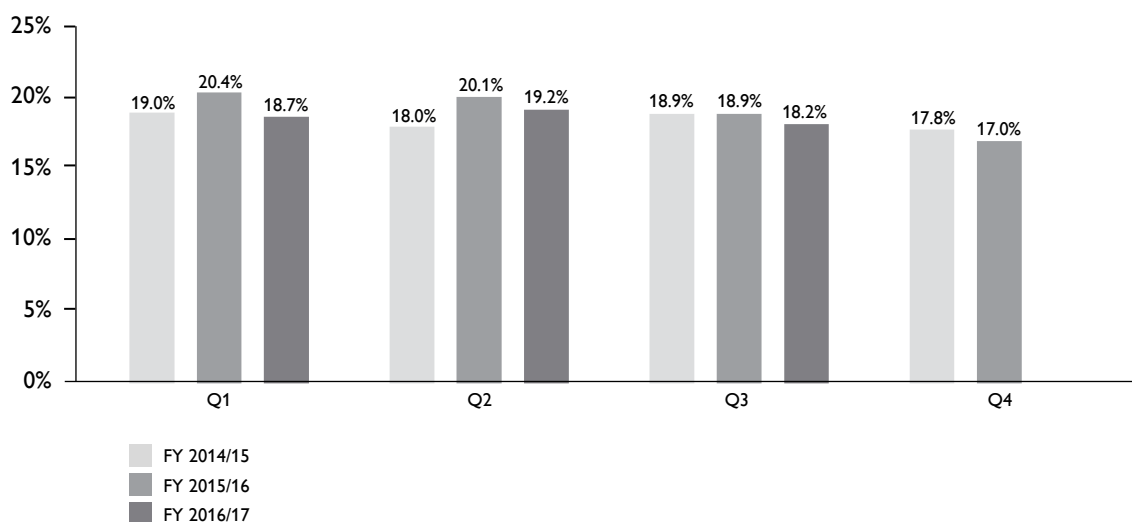
Cash flow and asset position

- >> Further positive development of working capital
- >> Substantial improvement in free cash flow to EUR 40.6 million (previous year: minus EUR 10.1 million)
- >> Continued solid balance sheet structure

Working capital totalled EUR 240.0 million as of 31 January 2017 and was EUR 16.5 million lower than on 31 January 2016. That represents a year-on-year decline from 18.9% to 18.2% of rolling 12-month revenues. The seasonal increase in working capital was substantially lower than the previous year, above all due to strict receivables and payables management. Cash outflows from restructuring provisions created in connection with the plant shutdown in Usingen (Germany) are reported as part of the position "current provisions". Cash flow from operating activities rose substantially by EUR 42.9 million to EUR 63.2 million during the reporting period (previous year: plus EUR 20.3 million).

**Positive development
of working capital**

Working Capital in % of rolling 12-month revenues



Investments in non-current assets for various production facilities were substantially lower during the first three quarters of 2016/17 at EUR 30.7 million (previous year: EUR 43.3 million). These expenditures consisted mainly of tools for new products, expansion and maintenance investments as well as capitalised R&D costs (EUR 10.0 million). The positive effect reported under "proceeds from the sale of non-current assets" resulted from the sale of the plant location in Ennenda (Switzerland) following the termination of production in 2014/15. The improvement in cash flow from operating activities and the decline in investments led to an improvement in free cash flow, which rose by EUR 50.7 million to EUR 40.6 million in the first three quarters of 2016/17 (previous year: minus EUR 10.1 million).

**Free cash flow rises
to EUR 40.6 million**

Balance sheet data in EUR million	31 January 2017	30 April 2016
Total assets	1,035.5	1,068.6
Net debt	120.3	134.8
Equity	341.4	333.2
Equity ratio in %	33.0	31.2
Gearing in %	35.2	40.5
Investments	30.7	58.4
Working capital	240.0	231.2
As a % of rolling 12 month revenues	18.2	17.0

Continued solid balance sheet structure

The quality of the balance sheet structure remains nearly unchanged. The equity ratio rose slightly from 31.2% on 30 April 2016 to 33.0% as of 31 January 2017. Net debt declined EUR 14.5 million below the level on 30 April 2016 to EUR 120.3 million (31 January 2016: EUR 186.4 million). This reduction contrasted the normal seasonal pattern and was based on the sound development of cash flow. Accordingly, gearing – the ratio of net debt to equity – improved from 40.5% to 35.2%.

Outlook: Detailed earnings guidance for the full 2016/17 financial year

We are still seeing widely different regional trends in this generally challenging and volatile industry environment. Revenue development remains weak in Australia, France, Switzerland and, above all, across the Middle East. In contrast, development is sound in the Benelux & East Europe region and in Austria, the USA and Italy. The clearly negative foreign exchange translation effects from the weak British pound and the strong USD dollar will continue to influence revenues and earnings during the fourth quarter. Based on the solid development of business in the first three quarters and the visible improvement in cost structures, the Management Board of the Zumtobel Group is issuing more specific guidance for earnings in the current financial year and now expects operating earnings (adjusted EBIT) of approx. EUR 70 million. The former earnings guidance (adjusted EBIT) indicated a slight improvement over the previous year (previous year: EUR 58.7 million).

Dornbirn, 7 March 2017

Ulrich Schumacher
Chief Executive Officer (CEO)

Karin Sonnenmoser
Chief Financial Officer (CFO)

Alfred Felder
Chief Operating Officer (COO)

Zumtobel Group AG has adjusted the scope of the interim reports due to the changed requirements of the “Prime Market Rules“ of the Vienna Stock Exchange for first and third quarter interim reporting. The adjustment particularly relates to the notes to the consolidated financial statements as required by IAS 34. Financial information presented in the interim report for the first three quarters of 2016/17 is fundamentally based on the same accounting and valuation methods underlying the consolidated financial statements of the Zumtobel Group AG for the 2015/16 financial year.

Income Statement

in TEUR	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Revenues	306,112	307,911	(0.6)	973,379	1,009,902	(3.6)
Cost of goods sold	(205,533)	(212,307)	(3.2)	(641,270)	(686,920)	(6.6)
Gross profit	100,579	95,604	5.2	332,109	322,982	2.8
<i>as a % of revenues</i>	32.9	31.0		34.1	32.0	
Selling expenses	(81,925)	(79,357)	3.2	(240,080)	(243,097)	(1.2)
Administrative expenses	(11,409)	(12,243)	(6.8)	(38,113)	(37,185)	2.5
Other operating results	(1,638)	(725)	<(100)	(4,012)	(2,482)	61.6
<i>thereof special effects</i>	(4,413)	(2,210)	99.7	(12,140)	(7,563)	60.5
Operating profit	5,607	3,279	71.0	49,904	40,218	24.1
<i>as a % of revenues</i>	1.8	1.1		5.1	4.0	
Interest expense	(1,986)	(2,352)	(15.6)	(5,696)	(7,040)	(19.1)
Interest income	118	191	(38.2)	282	400	(29.6)
Other financial income and expenses	(4,121)	1,317	<(100)	(8,747)	4,485	<(100)
Result from companies accounted for at-equity	(194)	(186)	4.3	(310)	(55)	<(100)
Financial results	(6,183)	(1,030)	<(100)	(14,471)	(2,210)	<(100)
<i>as a % of revenues</i>	(2.0)	(0.3)		(1.5)	(0.2)	
Profit/loss before tax	(576)	2,249	<(100)	35,433	38,008	(6.8)
Income taxes	132	(566)	>100	(8,317)	(8,817)	(5.7)
Net profit/loss from continuing operations	(444)	1,683	<(100)	27,116	29,191	(7.1)
Net profit from discontinued operations	2,662	0		2,662	0	
Net profit for the period	2,218	1,683	31.8	29,778	29,191	2.0
<i>as a % of revenues</i>	0.7	0.5		3.1	2.9	
<i>thereof due to non-controlling interests</i>	(41)	115	<(100)	(42)	280	<(100)
<i>thereof due to shareholders of the parent company</i>	2,259	1,568	44.1	29,820	28,911	3.1
Average number of shares outstanding – basic (in 1,000 pcs.)	43,147	43,146		43,147	43,146	
Average diluting effect (stock options) (in 1,000 pcs.)	0	0		0	0	
Average number of shares outstanding – diluted (in 1,000 pcs.)	43,147	43,146		43,147	43,146	
Earnings per share (in EUR)						
Basic earnings per share	0.05	0.04		0.69	0.68	
Diluted earnings per share	0.05	0.04		0.69	0.68	
Earnings per share from continuing operations (in EUR)						
Basic earnings per share	(0.01)	0.04		0.63	0.68	
Diluted earnings per share	(0.01)	0.04		0.63	0.68	
Earnings per share from discontinued operations (in EUR)						
Basic earnings per share	0.06	0.00		0.06	0.00	
Diluted earnings per share	0.06	0.00		0.06	0.00	

State of Comprehensive Income

in TEUR	Q3 2016/17	Q3 2015/16	Change in %	Q1-Q3 2016/17	Q1-Q3 2015/16	Change in %
Net profit for the period	2,218	1,683	31.8	29,778	29,191	2.0
Actuarial gain/loss	0	0		(20,672)	0	
Deferred taxes due to actuarial loss	0	0		1,890	0	
Total of items that will not be reclassified ("recycled") subsequently to the income statement	0	0		(18,782)	0	
Currency differences	(1,427)	3,917	<(100)	11,449	(2,481)	>100
Currency differences arising from loans	2,665	(4,003)	>100	(6,397)	(3,178)	<(100)
Hedge accounting	425	103	>100	1,026	564	82.1
Deferred taxes due to hedge accounting	(106)	(26)	<(100)	(257)	(137)	87.5
Total of items that will be reclassified ("recycled") subsequently to the income statement	1,557	(9)	>100	5,821	(5,232)	>100
Subtotal other comprehensive income	1,557	(9)	>100	(12,961)	(5,232)	<(100)
<i>thereof due to non-controlling interests</i>	47	18	>100	144	61	>100
<i>thereof due to shareholders of the parent company</i>	1,510	(27)	>100	(13,105)	(5,293)	<(100)
Total comprehensive income	3,775	1,674	>100	16,817	23,959	(29.8)
<i>thereof due to non-controlling interests</i>	6	134	(95.4)	102	342	(70.0)
<i>thereof due to shareholders of the parent company</i>	3,769	1,540	>100	16,715	23,617	(29.2)

Balance Sheet

in TEUR	31 January 2017	in %	30 April 2016	in %
Goodwill	198,378	19.2	209,090	19.6
Other intangible assets	54,453	5.3	58,353	5.5
Property, plant and equipment	206,892	20.0	223,808	20.9
Financial assets accounted for at equity	1,924	0.2	2,234	0.2
Financial assets	1,277	0.1	1,203	0.1
Other assets	4,710	0.5	4,434	0.4
Deferred taxes	43,623	4.2	44,883	4.2
Non-current assets	511,257	49.4	544,005	50.9
Inventories	209,520	20.2	187,437	17.5
Trade receivables	189,171	18.3	220,869	20.7
Financial assets	288	0.0	2,309	0.2
Other assets	36,845	3.6	32,633	3.1
Liquid funds	88,415	8.5	81,394	7.6
Current assets	524,239	50.6	524,642	49.1
ASSETS	1,035,496	100.0	1,068,647	100.0
Share capital	108,750	10.5	108,750	10.2
Additional paid-in capital	335,316	32.4	335,316	31.4
Reserves	(138,159)	(13.3)	(127,161)	(11.9)
Net profit/loss for the period	29,820	2.9	11,367	1.1
Capital attributed to shareholders of the parent company	335,727	32.5	328,272	30.8
Capital attributed to non-controlling interests	5,707	0.5	4,973	0.4
Equity	341,434	33.0	333,245	31.2
Provisions for pensions	92,266	8.9	79,740	7.5
Provisions for severance compensation	53,936	5.2	48,717	4.6
Provisions for other employee benefits	11,541	1.1	11,527	1.1
Other provisions	636	0.1	744	0.1
Borrowings	194,983	18.8	209,438	19.5
Other liabilities	4,056	0.4	12,137	1.1
Deferred taxes	1,770	0.2	1,624	0.2
Non-current liabilities	359,188	34.7	363,927	34.1
Provisions for taxes	22,846	2.2	21,182	2.0
Other provisions	37,760	3.6	54,707	5.1
Borrowings	13,077	1.3	6,758	0.6
Trade payables	138,256	13.4	147,062	13.7
Other liabilities	122,935	11.9	141,766	13.3
Current liabilities	334,874	32.3	371,475	34.7
EQUITY AND LIABILITIES	1,035,496	100.0	1,068,647	100.0

Cash Flow Statement

in TEUR	Q1-Q3 2016/17	Q1-Q3 2015/16
Profit/loss before tax	35,433	38,008
Depreciation and amortisation	45,515	46,728
Gain/loss from disposal of fixed assets	(2,397)	(4,300)
Interest income/ Interest expense	5,450	6,676
Other financial income and expenses	9,021	(4,465)
Results from discontinued operations	2,662	0
Cash flow from operating results	95,684	82,647
Inventories	(25,111)	(14,867)
Trade receivables	31,546	16,047
Trade payables	(6,768)	(34,517)
Prepayments received	(10,293)	2,826
Change in working capital	(10,626)	(30,511)
Non-current provisions	(3,572)	(7,543)
Current provisions	(16,736)	866
Other current and non-current assets and liabilities	2,107	(23,127)
Change in other operating items	(18,201)	(29,804)
Taxes paid	(3,657)	(2,024)
Cash flow from operating activities	63,200	20,308
Proceeds from the sale of non-current assets	4,451	6,532
Capital expenditures on non-current assets	(30,702)	(43,286)
Change in non-current and current financial assets	3,687	3,182
Change in liquid funds from changes in the consolidation range	0	(280)
Assets/Liabilities held for Sale	0	3,494
Cash flow from investing activities	(22,564)	(30,358)
FREE CASH FLOW	40,636	(10,050)
Change in net borrowings	(26,190)	55,957
<i>thereof restricted cash</i>	(76)	(3)
Loss absorption for non-controlling interests	(631)	(1,366)
Capital increases	631	733
Dividends	(8,629)	(9,866)
Interest paid	(5,640)	(6,858)
Interest received	282	400
Cash flow from financing activities	(40,177)	39,000
Effects of exchange rate changes on cash and cash equivalents	(105)	(2,638)
CHANGE IN CASH AND CASH EQUIVALENTS	354	26,312
Cash and cash equivalents at the beginning of the period	75,305	43,150
Cash and cash equivalents at the end of the period	75,659	69,462
Change absolute	354	26,312

Statement of Changes in Equity

Q1 – Q3 2016/17

in TEUR	Attributed to shareholders of the parent company								Total	Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19	Net profit/loss for the period			
30 April 2016	108,750	335,316	(636)	(23,167)	(2,046)	19,479	(120,791)	11,367	328,272	4,973	333,245
+/- Additions to reserves	0	0	11,367	0	0	0	0	(11,367)	0	0	0
+/- Total comprehensive income	0	0	0	4,908	769	0	(18,782)	29,820	16,715	102	16,817
+/- Capital increases	0	0	0	0	0	0	0	0	0	631	631
+/- Dividends	0	0	(8,629)	0	0	0	0	0	(8,629)	0	(8,629)
+/- Loss absorption for non-controlling interests	0	0	(631)	0	0	0	0	0	(631)	0	(631)
31 January 2017	108,750	335,316	1,471	(18,259)	(1,277)	19,479	(139,573)	29,820	335,727	5,707	341,434

Q1 – Q3 2015/16

in TEUR	Attributed to shareholders of the parent company								Total	Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Other Reserves	Currency reserve	Hedge accounting	Reserve for stock options	Reserve IAS 19	Net profit/loss for the period			
30 April 2015	108,750	335,316	(2,013)	(9,782)	(2,814)	19,479	(142,718)	12,231	318,449	4,152	322,601
+/- Additions to reserves	0	0	12,231	0	0	0	0	(12,231)	0	0	0
+/- Total comprehensive income	0	0	0	(5,718)	426	0	0	28,911	23,619	342	23,961
+/- Capital increases	0	0	0	0	0	0	0	0	0	733	733
+/- Dividends	0	0	(9,492)	0	0	0	0	0	(9,492)	(396)	(9,888)
+/- Loss absorption for non-controlling interests	0	0	(1,366)	0	0	0	0	0	(1,366)	0	(1,366)
31 January 2016	108,750	335,316	(640)	(15,500)	(2,388)	19,479	(142,718)	28,911	331,210	4,831	336,041

The balance sheet position "reserves" comprises other reserves as well as the currency reserve, the reserve for hedge accounting, the reserve for stock options and the IAS 19 reserve for "employee benefits".

Service

Financial Terms

Adjusted EBIT	EBIT adjusted for special effects
Adjusted EBIT margin	= Adjusted EBIT as a percentage of revenues
CAPEX	Capital expenditure
Debt coverage ratio	Net debt divided by EBITDA
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Equity ratio	= Equity as a percentage of assets
Gearing	= Net debt as a percentage of equity
Net debt	= Non-current borrowings + current borrowings - liquid funds - current financial receivables from associated companies
SG&A	Selling expenses, administration expenses and other operating results
WACC	Weighted average cost of capital (debt and equity)
Working capital	= Inventories + trade receivables - trade payables - prepayments received

Financial Calendar

Annual Results 2016/17	23 June 2017
Record Date Annual General Meeting	11 July 2017
41 st Annual General Meeting	21 July 2017
Ex-Dividend Day	31 July 2017
Record Date Dividend	01 August 2017
Dividend Payout Day	02 August 2017
Report on the First Quarter 2017/18 (1 May 2017 – 31 July 2017)	05 September 2017
Report on the First Half-year 2017/18 (1 May 2017 – 31 October 2017)	05 December 2017
Report on the First Three Quarters 2017/18 (1 May 2017 – 31 January 2018)	06 March 2018

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