rosenbauer

HALF-YEAR FINANCIAL REPORT 2014

Rosenbauer Group		1-6/2014	1-6/2013	1-6/2012
Revenues	€ million	**354.3**	338.5	270.7
EBIT	€ million	**20.0**	16.8	11.8
EBIT margin		**5.6%**	5.0%	4.4%
EBT	€ million	**19.6**	17.1	11.9
Net profit for the period	€ million	**15.4**	11.7	9.5
Cash flow from operating activities	€ million	**(85.9)**	(15.5)	(58.0)
Investments	€ million	**14.8**	11.3	7.5
Order backlog (as at June 30)	€ million	**731.8**	682.5	715.8
Order intake	€ million	**438.1**	420.4	280.3
Employees (average)[1]		**2,720**	2,480	2,179
Employees (as at June 30)		**2,761**	2,504	2,230

Key balance sheet data				
Total assets	€ million	**525.8**	474.3	436.8
Equity in % of total assets		**36.2%**	35.7%	31.4%
Capital employed (average)	€ million	**330.8**	311.6	268.7
Return on capital employed		**6.0%**	5.4%	4.4%
Return on equity		**10.3%**	10.1%	8.4%
Net debt	€ million	**161.6**	127.8	135.4
Working capital	€ million	**114.1**	117.3	95.2
Gearing ratio		**84.9%**	75.5%	98.7%

Key stock exchange figures				
Closing price	€	**63.9**	51.2	40.5
Number of shares	m units	**6.8**	6.8	6.8
Market capitalization	€ million	**434.5**	348.2	275.4
Earnings per share	€	**1.7**	1.4	1.2

1) Average number of employees in the first half year.

CONTENTS

INTERIM GROUP SITUATION REPORT

ECONOMIC ENVIRONMENT

The markets for the fire-equipment industry are characterized once again by widely differing challenges in 2014. Overall, 2014 is not expected to bring any marked improvement, although indications of an upturn are starting to make themselves felt in certain markets. After several years of contraction, the world's biggest single market – the USA – is showing the first signs of a return to growth. The European fire-equipment market is nowhere near as homogeneous as the market in the United States, and so the picture differs depending on which country one looks at. The highly industrialized markets appear to have put the downturn behind them, and economic recovery is now in sight. For this reason, public-sector procurement behavior is expected to stabilize, thanks both to economic recovery and to a resumption of capital investments which had been deferred due to austerity policies.

The fire-equipment sector is growing mainly in countries with a heightened awareness of security needs, and in emerging markets that are stepping up their infrastructure investments. In geographical terms, 2014 is expected to see the strongest growth in Asia, led by China. The ongoing urbanization that is underway in Asian countries will require substantial investment in safety systems and fire protection in the years ahead as well.

REVENUE AND RESULTS TRENDS

Revenues

In the first half of 2014, the Rosenbauer Group boosted revenues by 5% to € 354.3 million (1-6/2013: € 338.5 million). Another difference from the first half of 2013 was that the revenues of Rosenbauer Saudi Arabia and the newly acquired company Rosenbauer UK were included in the consolidated financial statements for the first time. The first six months of the year saw increased shipments in Germany, as well as from Spain and the USA to fulfill the major order from Saudi Arabia. Rosenbauer Motors was also successful in lifting revenues, with the new "Commander" US chassis and the chassis for the PANTHER aircraft rescue fire fighting vehicle.

Earnings

At € 20.0 million, EBIT came in 19% higher than last year (1-6/2013: € 16.8 million). This increase is largely due to better earnings in the US segment, and to the improved result of the German segment. In the first half of the year, the EBIT margin of 5.6% (1-6/2013: 5.0%) was still below the long-term target value of over 7% – primarily as a result of the relocation of the PANTHER and AT vehicle production lines to the new Plant II, which is reflected in slightly lower EBIT in the Austrian segment.

The "Finance cost" deteriorated year-on-year to € -1.3 million (1-6/2013: € -1.1 million) owing to the higher financing needs, while the result of joint ventures fell to € 0.9 million (1-6/2013: € 1.4 million) due to reduced earnings from the joint venture in Russia. EBT for the first half of the year came to € 19.6 million (1-6/2013: € 17.1 million).

ORDERS

Although market conditions throughout the world are still subdued, the Rosenbauer Group once again posted record figures for order intake and order-book levels. The volume of new orders taken in the first half of the year reached a record € 438.1 million, well above the level of recent years. This is due in part to a follow-up order from Saudi Arabia. The reserve of unfilled orders at June 30, 2014 amounted to € 731.8 million, 7% above last year's figure (June 30, 2013: € 628.5 million). This gives the Rosenbauer Group assured capacity utilization at all its manufacturing facilities, and a fairly clear view ahead for the next few months.

SEGMENT DEVELOPMENT

The segment statements refer to the revenues and results earned by the individual companies both on their respective local markets and from export sales.

Austria

At € 232.1 million, first half-year revenues at the Austrian Group companies in 2014 were slightly below last year's high volume (1-6/2013: € 234.8 million). This also explains the lower EBIT of € 10.4 million (1-6/2013: € 12.9 million).

Following a one-year refitting and adaptation phase, in the second quarter of this year Rosenbauer started up production at the most modern vehicle plant in the fire-equipment industry. At the heart of the new Plant II Leonding are two new synchronized production lines – for the PANTHER aircraft rescue fire fighting vehicle and the AT municipal vehicle. The assembly operations are carried out to automotive- and mechanical-engineering industry standards, and all processes are synchronized. Production in Plant II Leonding successfully commenced in April 2014. The first finished vehicles rolled off the new production lines just a few days after start-up.

The new plant is designed for an annual production capacity of around 150 PANTHER aircraft rescue fire fighting vehicles and 250 AT municipal vehicles, in single-shift working. Over € 12 million has been invested in the new plant in 2013 and 2014, which will be home to a workforce of around 350. Located only 3 km from Group Headquarters, the new facility occupies a 52,000 m² site with approx. 15,000 m² of production building space and approx. 5,000 m² of office space.

USA

First half-year 2014 revenues in the US segment rose to € 93.7 million, from € 86.3 million. This development is mainly due to higher revenues at Rosenbauer Motors, and to stepped-up shipments for the major order from Saudi Arabia. Further improvements to the chassis manufacturing operations enabled EBIT to be increased to € 6.5 million (1-6/2013: € 4.8 million).

Germany

The German segment – comprising Metz Aerials in Karlsruhe and Rosenbauer Deutschland in Luckenwalde – posted higher first half-year 2014 revenues of € 76.8 million (1-6/2013: € 62.8 million). The revenue growth results from the higher operating revenues achieved by Rosenbauer Deutschland. Despite the intensive price competition, it proved possible to improve the German segment's EBIT to € 0.4 million (1-6/2013: € - 2.3 million). It should be remembered that last year's EBIT figure was affected by the launch of the new L32A-XS turntable ladder.

Rest of Europe

The “Rest of Europe” segment consists of the companies Rosenbauer Española S.A., Rosenbauer Schweiz AG, Rosenbauer d.o.o. in Slovenia and the recently acquired company Rosenbauer UK.

Rosenbauer UK was established as part of Rosenbauer’s acquisition of a 75% stake in its British partner firm North Fire plc, based in Holmfirth, near Manchester. The company has annual sales of approx. € 3.5 million and around 10 staff, and has long been the exclusive distribution and service partner for personal protective equipment, components, aerial appliances and municipal vehicles from Rosenbauer. Integrating the firm into Rosenbauer’s worldwide distribution and service network will make it possible to look after customers directly, and to serve another major municipal-vehicle market from an in-situ Rosenbauer branch.

This segment’s revenues came to € 25.8 million in the first half of 2014 (1-6/2013: € 24.1 million), and its EBIT to € 1.8 million (1-6/2013: € 1.2 million). Despite the still dire financial circumstances of Spain’s public sector, the Spanish company managed to compensate for the collapse of its home market with export shipments, and posted increased revenues in the first half of the year. The Group’s Slovenian company also boosted its revenues, mainly with intra-Group deliveries. Revenues at the sales company Rosenbauer Schweiz AG in Zurich decreased due to the timing of certain product shipments.

Asia

The Asian segment posted higher first half-year revenues of € 13.7 million (1-6/2013: € 5.3 million) and EBIT of € 0.7 million (1-6/2013: € 0.3 million) thanks to the increased deliveries made by S.K. Rosenbauer in Singapore and to the fact that Rosenbauer Saudi Arabia was included in the scope of consolidation for the first time this year.

FINANCIAL POSITION AND ASSET SITUATION

For industry-specific reasons, the balance-sheet structure during the financial year is typified by a high level of working capital. This results from the turnaround times, lasting several months, for the vehicle contracts currently under manufacture. Moreover, the increase in the balance-sheet total to € 525.8 million (June 30, 2013: € 474.3 million) is attributable to the high production volumes and to the increase in fixed assets.

Due to the high volume of shipments planned for the current year, inventories rose to € 187.3 million (June 30, 2013: € 184.7 million) and the production contracts to € 82.7 million (June 30, 2013: € 65.8 million). Receivables also reached a new high, of € 133.7 million (June 30, 2013: € 123.0 million), due to increased deliveries made shortly before the end of the quarter.

Due to the continued increase in working capital – especially in the form of production contracts and trade receivables – the cash flow from operating activities deteriorated during the financial year to € -85.9 million (1-6/2013: € -15.5 million). The cash flow from operating activities may be expected to improve by the year-end.

CAPITAL INVESTMENTS

Capital investment outlays in this reporting period came to € 14.8 million (1-6/2013: € 11.3 million). To support fulfillment of the Group’s medium-range strategy and to tackle the high volume of orders, a program of capacity enlargements is being carried out, mainly at its locations in Austria and Germany, entailing an investment volume of over € 20 million during the current financial year.

In addition, it is intended to purchase the premises of Plant II Leonding (which are currently being leased) from their existing owner at the end of 2014. The purchase option has already been exercised, and the purchase negotiations are likely to be concluded in the second half of the financial year. The investment total for 2014 as a whole will thus once again be at a high level, of over € 40 million.

EMPLOYEES

At the end of the first half-year, the Rosenbauer Group employed a total of 2,761 people (June 30, 2013: 2,504). The 10% increase in the headcount is mainly due to the hiring of extra staff in production and in production-related areas at the plants in Austria, the USA and Germany. In part, it is also accounted for by the employees of the new companies in Saudi Arabia and Great Britain, which are reflected in the total for the first time in this reporting period.

OUTLOOK

Based on the overall economic outlook and the prospects for the fire-equipment sector, and on the particular growth prospects for the markets in which Rosenbauer is active, it should be possible for Rosenbauer to sustain the trend of previous years. In view of the healthy state of order books, the favorable outlook for project business and the enlarged production capacity, and thanks to the sales organization's ability to cater to the market's widely differing needs, Management's expectation for the current financial year is for revenues that are at the same high level as last year's.

However, the substantial investments being made in the future, the costs of installing the two new production lines at Plant II Leonding, and the still fierce price competition on the market, will all weigh on earnings. The additions to production space, and an optimization program launched in the main production zones in 2012, will counter this margin trend. Management is aiming for an improvement upon the EBIT margin of 5.7% attained in 2013.

OTHER EVENTS

Since the balance-sheet date and until the time of writing, no other events of any great significance for the Group have occurred which would have led to any change in its asset position, financial status and earnings situation.

MATERIAL RISKS AND UNCERTAINTIES IN THE REMAINING MONTHS OF THE FINANCIAL YEAR, AND RISK MANAGEMENT

Rosenbauer is exposed to various opportunities and risks in the course of its worldwide business activities. Continuous identification, appraisal and controlling of risks are an integral part of the management, planning and controlling process. The risk management system builds on the organizational, reporting and leadership structures that are already in place within the Group and supplements these with specific elements that are needed for proper risk assessment. A detailed statement of the opportunities and risks faced by the Group may be found in the 2013 Annual Report.

Sectoral and company-specific risks

Risks for the fire safety business arising from changes in the overall political or legal conditions are, as a rule, unavoidable. However, owing to the fact that most purchasers are public-sector clients, order cancellations or cases of non-payment only ever occur in exceptional cases. Political crises and embargos may temporarily limit access to certain markets.

Operational risks

Our manufacturing activities necessitate thorough examination of the risks along the entire value chain. In view of today's ever shorter innovation cycles, increasing importance attaches here to research and development work. The production risks which may occur are continually monitored with reference to a series of key metrics (productivity, assembly and throughput times, production numbers etc.).

The central controlling element in the vehicle manufacturing operations is "concurrent costing", whereby target/actual comparisons are made in order to monitor the production costs of every single order. To even out changes in capacity utilization at individual locations, Rosenbauer manufactures on a Group-wide basis and also contracts out production orders to external vendors. In the event of a severe downtrend on the market, this keeps the risk of insufficient capacity utilization within manageable bounds. Thanks to the buoyant order situation, the production facilities will be working to capacity for the rest of 2014.

As a global-playing Group, Rosenbauer is subject to various complex country-specific tax regulations, which are open to differing interpretations. Revised interpretations of, and/or amendments to, local tax laws may affect our business and our earnings in future. Rosenbauer is subject to regular tax audits in the various countries in which it operates.

Legal risks

Rosenbauer International AG and its subsidiaries are confronted with legal proceedings in the course of their business operations. A competition-law action has been filed against a Rosenbauer Group Company. If this legal action were to be upheld, damages and fines might result. Since no concrete assessment of the matter is possible at present, the Group has not set aside any provision. At the present time, however, Rosenbauer does not expect this litigation to have any significant negative consequences on the asset position, financial status and earnings situation.

In connection with the fire fighting vehicle cartel and the turntable-ladder cartel, the settlement proceedings have now been concluded on the basis of an out-of-court agreement. The € 3.4 million provided by Metz Aerials in the second quarter of 2014 made a significant contribution toward implementing the damage-compensation settlement between the municipal fire departments and the manufacturers. The question of whether any other substantive damages claims can be judicially enforced and thus have an impact on the balance sheet, and if so, for what amount, is impossible to judge at the present time.

Financial risks

The international nature of the Group's activities gives rise to interest-rate and currency-related risks which are covered by the use of suitable hedging instruments. A financing directive, which is in force throughout the Group, stipulates which instruments are permitted.

The operational risks are hedged by derivative financial instruments such as foreign-exchange forwards and options, and interest-rate swaps. These transactions are carried out solely to provide hedging against risks, and not for the purposes of trading or speculation. In this connection, we would refer the reader to the explanations in the Notes to the 2013 Annual Report.

Overall risk assessment

Rosenbauer considers that it is still well prepared to continue rising to the demands made of it by its market, by the economic environment and in the competitive international arena. Based on the analysis of currently identifiable risks, there are no indications of any risks which might – either singly or in conjunction with other risks – jeopardize the continuance of the Rosenbauer Group. This applies both to the results of already completed business and to activities that are planned or have already been initiated.

INTERIM GROUP CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

in € thousand	June 30, 2014	Dec 31, 2013	June 30, 2013
ASSETS			
A. Non-current assets			
I. Tangible assets	93,474.7	86,435.7	78,698.2
II. Intangible assets	6,389.2	3,999.4	1,658.5
III. Securities	234.6	235.1	226.0
IV. Equity interests in associates	8,725.6	7,786.7	8,276.6
V. Receivables and other assets	61.4	60.5	239.9
VI. Deferred tax assets	3,508.5	2,806.2	3,105.0
	112,394.0	**101,323.6**	**92,204.2**
B. Current assets			
I. Inventories	187,326.7	167,883.3	184,731.2
II. Production contracts	82,728.6	45,198.1	65,805.7
III. Receivables and other assets	133,742.1	86,799.1	122,980.6
IV. Income-tax receivables	407.6	636.8	0.0
V. Cash on hands and in banks, checks	9,173.5	13,805.8	8,588.5
	413,378.5	**314,323.1**	**382,106.0**
Total assets	**525,772.5**	**415,646.7**	**474,310.2**

in € thousand	June 30, 2014	Dec 31, 2013	June 30, 2013
EQUITY AND LIABILITIES			
A. Equity			
I. Share capital	13,600.0	13,600.0	13,600.0
II. Additional paid-in capital	23,703.4	23,703.4	23,703.4
III. Other reserves	(725.0)	431.1	(1,647.5)
IV. Accumulated results	135,205.5	131,720.2	115,121.2
Equity attributable to shareholders of the parent company	**171,783.9**	**169,454.7**	**150,777.1**
V. Non-controlling interests	18,542.7	18,455.0	18,559.8
	190,326.6	**187,909.7**	**169,336.9**
B. Other non-current liabilities			
I. Non-current interest-bearing liabilities	1,853.3	674.8	10,750.2
II. Other non-current liabilities	3,859.2	3,414.0	3,660.3
III. Non-current provisions	26,513.7	25,934.1	24,175.8
IV. Deferred income tax liabilities	3,965.1	2,829.1	1,536.6
	36,191.3	**32,852.0**	**40,122.9**
C. Current liabilities			
I. Current interest-bearing liabilities	169,192.3	62,127.5	125,872.0
II. Prepayments received	19,526.9	30,937.3	29,835.0
III. Accounts payable-trade	53,926.1	39,885.8	56,768.0
IV. Other current liabilities	47,517.7	46,031.1	40,546.3
V. Provisions for taxes	328.4	1,967.4	2,864.6
VI. Other provisions	8,763.2	13,935.9	8,964.5
	299,254.6	**194,885.0**	**264,850.4**
Total equity and liabilities	**525,772.5**	**415,646.7**	**474,310.2**

CONSOLIDATED INCOME STATEMENT

in € thousand	1-6/2014	1-6/2013	4-6/2014	4-6/2013
1. Revenues	354,284.3	338,548.4	206,407.3	183,738.1
2. Other income	3,266.5	3,417.8	1,020.9	2,151.3
3. Change in inventory, finished products and work in progress	12,756.3	12,149.2	(132.9)	3,492.5
4. Capitalized development costs	1,129.9	0.0	516.2	0.0
5. Costs of goods sold	(239,964.7)	(235,833.6)	(135,070.4)	(123,810.1)
6. Personnel expenses	(76,210.4)	(69,508.1)	(39,472.9)	(36,217.5)
7. Depreciation on intangible and tangible assets	(5,840.2)	(4,828.1)	(3,121.6)	(2,473.9)
8. Other expenses	(29,453.7)	(27,161.4)	(14,880.7)	(13,810.7)
9. Operating result (EBIT) before result of associates	**19,968.0**	**16,784.2**	**15,265.9**	**13,069.7**
10. Financing expenses	(2,351.1)	(2,067.8)	(846.4)	(626.5)
11. Financial income	1,024.2	941.9	(172.6)	721.5
12. Results of associates	913.3	1,403.7	313.3	489.0
13. Profit before income tax (EBT)	**19,554.4**	**17,062.0**	**14,560.2**	**13,653.7**
14. Income taxes	(4,190.1)	(5,356.3)	(3,277.4)	(3,185.8)
15. Net profit before the period	**15,364.3**	**11,705.7**	**11,282.8**	**10,467.9**
thereof:				
– Non-controlling interests	*3,719.0*	*1,978.1*	*2,090.4*	*1,482.0*
– Shareholders of parent company	*11,645.3*	*9,727.6*	*9,192.4*	*8,985.9*
Average number of shares issued	6,800,000.0	6,800,000.0	6,800,000.0	6,800,000.0
Basic earnings per share	1.71 €	1.43 €	1.35 €	1.32 €
Diluted earnings per share	1.71 €	1.43 €	1.35 €	1.32 €

PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

in € thousand	1-6/2014	1-6/2013	4-6/2014	4-6/2013
Net profit for the period	**15,364.3**	**11,705.7**	**11,282.8**	**10,467.9**
Actuarial gains and losses as stipulated by IAS 19	(0.6)	0.0	(0.3)	(446.1)
– thereof deferred income taxes	*0.2*	*0.0*	*0.1*	*112.7*
Total of the value changes recognized in equity that are not then reclassified in the Income Statement	**(0.4)**	**0.0**	**(0.2)**	**(333.4)**
Unrealized profits / losses from foreign currency translation	465.1	9.7	546.3	(909.5)
Unrealized profits / losses from foreign currency translation from associates	25.6	(0.7)	30.5	(10.0)
Unrealized profits / losses from available-for-sale securities				
Change in unrealized profits / losses	6.9	(1.9)	4.0	(3.6)
– thereof deferred income taxes	*(1.7)*	*0.5*	*(1.0)*	*0.9*
Unrealized profits / losses from cash flow hedge				
Change in unrealized profits / losses	(271.2)	(1,697.7)	(406.9)	4,984.0
– thereof deferred income taxes	*67.8*	*424.4*	*101.7*	*(1,246.0)*
Realized profits / losses	(1,858.5)	332.4	(1,248.9)	119.9
– thereof deferred income taxes	*464.6*	*(83.1)*	*312.2*	*(30.0)*
Total of the value changes recognized in equity that are reclassified in the Income Statement, provided that certain conditions are met	**(1,101.4)**	**(1,016.4)**	**(662.1)**	**2,905.7**
Other comprehensive income	**(1,101.8)**	**(1,016.4)**	**(662.3)**	**2,572.3**
Total comprehensive income after income tax	**14,262.5**	**10,689.3**	**10,620.5**	**13,040.2**
thereof:				
– Non-controlling interests	*3,773.3*	*2,134.2*	*2,280.7*	*1,179.2*
– Shareholders of parent company	*10,489.2*	*8,555.1*	*8,339.8*	*11,861.0*

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to shareholders			
			Other reserves	
in € thousand	Share capital	Additional paid-in capital	Currency translation	Actuarial gains and losses as stipulated
As at Jan 1, 2014	**13,600.0**	**23,703.4**	**1,179.7**	**(4,482.6)**
Other comprehensive income			436.4	(0.4)
Net profit for the period				
Total comprehensive income	**0.0**	**0.0**	**436.4**	**(0.4)**
Acquisition of subsidiary				
Dividend	0.0	0.0	0.0	
As at June 30, 2014	**13,600.0**	**23,703.4**	**1,616.1**	**(4,483.0)**
As at Jan 1, 2013	**13,600.0**	**23,703.4**	**2,912.8**	**(4,219.2)**
Other comprehensive income			(147.1)	0.0
Net profit for the period				
Total comprehensive income	**0.0**	**0.0**	**(147.1)**	**0.0**
Acquisition of subsidiary				
Dividend	0.0	0.0	0.0	
As at June 30, 2013	**13,600.0**	**23,703.4**	**2,765.7**	**(4,219.2)**

in parent company

Re-evaluation reserve	Hedging-reserve	Accumulated results	Subtotal	Non-controlling interests	Equity
5.7	**3,728.3**	**131,720.2**	**169,454.7**	**18,455.0**	**187,909.7**
5.2	(1,597.3)	0.0	(1,156.1)	54.3	(1,101.8)
		11,645.3	11,645.3	3,719.0	15,364.3
5.2	**(1,597.3)**	**11,645.3**	**10,489.2**	**3,773.3**	**14,262.5**
				370.9	370.9
0.0	0.0	(8,160.0)	(8,160.0)	(4,056.5)	(12,216.5)
10.9	**2,131.0**	**135,205.5**	**171,783.9**	**18,542.7**	**190,326.6**
5.9	**825.5**	**113,553.6**	**150,382.0**	**17,438.6**	**167,820.6**
(1.4)	(1,024.0)	0.0	(1,172.5)	156.1	(1,016.4)
		9,727.6	9,727.6	1,978.1	11,705.7
(1.4)	**(1,024.0)**	**9,727.6**	**8,555.1**	**2,134.2**	**10,689.3**
				350.2	350.2
0.0	0.0	(8,160.0)	(8,160.0)	(1,363.2)	(9,523.2)
4.5	**(198.5)**	**115,121.2**	**150,777.1**	**18,559.8**	**169,336.9**

SEGMENT OVERVIEW

in € thousand	**Revenues 1-6/2014**	Revenues 1-6/2013	**EBIT 1-6/2014**	EBIT 1-6/2013
Austria	232,087.4	234,766.4	10,416.7	12,915.6
USA	93,748.0	86,274.3	6,538.4	4,757.7
Germany	76,840.4	62,836.2	446.9	(2,328.9)
Rest of Europe	25,816.9	24,069.3	1,836.6	1,164.2
Asia	13,652.4	5,261.5	729.4	275.6
Consolidation	(87,860.8)	(74,659.3)	0.0	0.0
Group	**354,284.3**	**338,548.4**	**19,968.0**	**16,784.2**

in € thousand	**External Revenues 1-6/2014**	External Revenues 1-6/2013	**Internal Revenues 1-6/2014**	Internal Revenues 1-6/2013
Austria	201,049.4	208,491.9	31,038.0	26,274.5
USA	69,121.4	64,013.1	24,626.6	22,261.2
Germany	62,631.6	44,716.0	14,208.8	18,120.2
Rest of Europe	11,205.3	16,105.0	14,611.6	7,964.3
Asia	10,276.6	5,222.4	3,375.8	39.1
Consolidation	0.0	0.0	(87,860.8)	(74,659.3)
Group	**354,284.3**	**338,548.4**	**0.0**	**0.0**

CONSOLIDATED CASH FLOW STATEMENT

in € thousand	**1-6/2014**	**1-6/2013**
Net cash flow from operating activities	(85,856.7)	(15,535.6)
Net cash flow from investing activities	(14,848.8)	(11,325.6)
Net cash flow from financing activities	96,026.8	21,917.3
Net change in cash on hands and in banks, checks	**(4,678.7)**	**(4,943.9)**
+ Cash on hands and in banks. checks at the beginning of the period	13,805.8	13,608.7
-/+ Adjustment from currency translation	46.4	(76.3)
Cash on hands and in banks, checks at the end of the period	**9,173.5**	**8,588.5**

NOTES TO THE HALF-YEAR FINANCIAL REPORT 2014

1. Information on the company, and basis of preparation

The Rosenbauer Group is an internationally active corporate group with an Austria-based parent company, Rosenbauer International AG. Its main focus is on the production of fire fighting vehicles, the development and manufacture of fire fighting components and the equipping of both vehicles and their crews. The Group's head office is at Paschinger Strasse 90, 4060 Leonding, Austria.

These unaudited interim group financial statements as at June 30, 2014 have been drawn up in conformity with International Financial Reporting Standards (IFRS), notably with IAS 34 "Interim Financial Reporting", as adopted for use in the EU, and are based on the same reporting and valuation methods as those underlying the consolidated financial statements for 2013. Hence the condensed interim group financial statements do not contain all the information and explanatory notes stipulated by IFRS for an end-of-financial-year set of consolidated financial statements, but should be read in conjunction with the IFRS-compliant consolidated financial statements published by the Company for the financial year 2013. With the exception of standards that have since come into force, the interim group financial statements have been prepared on the basis of the same reporting and valuation methods as those applied at December 31, 2013. In the current financial year, the Group has for the first time applied the following standards that are mandatorily applicable in the European Union from January 1, 2014: IAS 32 "Financial Instruments: Disclosure and Presentation", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities".

The amendments to IAS 32 contain additional rules for offsetting financial assets and financial liabilities.

IFRS 10 "Consolidated Financial Statements" outlines the requirements for the preparation and presentation of consolidated accounts, and supersedes the corresponding rules of IAS 27 and SIC 12. In particular, it redefines the principle of control more comprehensively, with the intention of creating a uniform basis for determining whether an entity should be included within the consolidated financial statements of the parent company. Under this new concept, an entity is deemed to have control if it possesses decision-making powers over the relevant processes, if it generates variable returns from the subsidiary, and if it has the ability to affect these returns by the exercise of its decision-making powers. What remains in IAS 27 is limited to rules on how to account for interests held in subsidiaries in separate financial statements. IFRS 10 has been applied retrospectively, having regard to the transitional provisions.

The new Standard IFRS 11 "Joint Arrangements" supersedes IAS 31. It governs the accounting treatment of joint operations and joint ventures. Under IFRS 11 it is now mandatory to include joint ventures in the consolidated financial statements using the equity method in accordance with IAS 28; the option for proportionate consolidation allowed in IAS 31 is no longer available. Even under IAS 31, Rosenbauer already recognized joint ventures with reference to the equity accounting method. IFRS 11 has been applied retrospectively, having regard to the transitional provisions.

IFRS 12 contains the disclosure requirements relating to an entity's interests in subsidiaries, joint arrangements and associates, which continue to be accounted for in accordance with IAS 28. Additional disclosures on non-consolidated structured entities are also required. The new disclosure requirements of IFRS 12 are considerably more extensive than those hitherto prescribed by IAS 27, 28 and 31.

These new standards do not have any material impact upon the interim financial statement of Rosenbauer International AG at June 30, 2014. The additional disclosures in the Notes required in IFRS 12 are not applicable to abbreviated interim financial statements unless material circumstances result in a disclosure requirement. No such disclosures have been made in the Notes to the abbreviated interim financial statements.

These interim Group financial statements are prepared in thousand euros (€) and unless expressly stated, this also applies to the figures quoted in the Notes.

2. Main effects of new accounting standards

No use has been made of new standards prior to their coming into force, nor, from today's perspective, are these expected to have any significant effect upon the consolidated financial statements.

3. Scope of consolidation

A new company was included in the scope of consolidation in the second quarter of 2014. On April 24, 2014, Rosenbauer International AG signed an agreement to acquire a 24% stake in the British partner firm North Fire plc, which is based in Holmfirth in West Yorkshire. The company now trades under the name of Rosenbauer UK. The payments made by June 30, 2014 for the acquisition of this stake amount to € 991.7 thousand. The purchase price allocation is still only provisional, as the intangible assets have not all yet been identified and valued. Based on the interim purchase price allocation, a customer base totaling € 1,180.7 thousand has been ascertained.

The provisional purchase price allocation at the acquisition date is made up as follows:

in € thousand	**2014**
Purchase price paid in cash	991.7
Deferred purchase-price consideration	120.9
Total purchase price	**1,112.6**
Total net assets acquired	1,483.5
Pro-rated net assets	1,112.6
Non-controlling interests (25%) valued with reference to the pro-rated net assets	370.9
Purchase price surplus	**0.0**

The net assets acquired, totaling € 1,483.5 thousand, break down as follows:

in € thousand	**2014**
Non-current assets	
Tangible assets	60.2
Intangible assets	1,180.7
	1,240.9
Current assets	
Inventories	361.1
Receivables	465.8
Cash on hand and in banks, checks	238.6
	1,065.5
Non-current liabilities	
Non-current provisions	**0.0**
Current liabilities	
Current interest-paying liabilities	0.0
Trade accounts payable	818.3
Other current liabilities	4.6
	822.9
Total net assets acquired	**1,483.5**

The fair value of the receivables totals € 465.8 thousand. The gross amount of the receivables also comes to € 465.8 thousand. None of the "Trade accounts receivable" was impaired, and all contractually defined receivables are expected to be collectible.

The net cash-flow from the acquisition breaks down as follows:

Net cash flow from investment activity (in € thousand)	**2014**
Purchase price paid in cash	991.7
Minus cash on hand and in banks, checks	(238.6)
Net cash flow from the acquisition	**753.1**

The company has annual revenues of approx. € 3.5 million and around 10 staff, and has long been the exclusive distribution and service partner for personal protective equipment, components, aerial appliances and municipal vehicles from Rosenbauer.

Pursuant to IAS 10, the scope of consolidation includes the same 2 domestic and 19 foreign subsidiaries as at June 30, 2014, all of which are under the legal and actual control of Rosenbauer International AG and are thus fully consolidated. The Russian production joint venture (PA "Fire-fighting special technics", Rosenbauer share 49%) and Rosenbauer Ciansa S.L. – established with the co-owner and Managing Director of Rosenbauer Española (50%) – are consolidated at equity.

4. Seasonal fluctuations

Due to the high degree of dependency on public-sector clients, the usual pattern in the fire equipment sector is for a very high proportion of its shipments to be made in the second half of the year, and especially in the last quarter. This may give rise to very considerable differences – in terms of revenues and results – between interim reporting periods. In the period under review, there were no unusual developments over and above the seasonal fluctuation that is characteristic of the industry. More information on developments in the period under review may be found in the interim Group situation report.

5. Main effects of estimates

In preparing the interim group financial statements, the Executive Board made certain assumptions and estimates which have influenced the figures and recognition methods for assets, debts, income and expenses in the period under review. The actual figures may deviate from these estimates. Estimation errors had no significant effect on the financial statements in the reporting period.

6. Related party disclosures

There has been no change in the composition of the related parties since December 31, 2013. The following transactions were conducted with related parties in the period under review:

in € thousand	**Joint Ventures 1-6/2014**	**Joint Ventures 1-6/2013**	**Management 1-6/2014**	**Management 1-6/2013**
Sales of goods	0.1	3.5		
Purchase of goods	2,271.2	1,525.3		
Receivables	0.0	0.0	659.7	673.3
Liabilities	1,014.9	1,170.1		
Rental agreement for land			147.9	154.8

7. Income taxes

Income taxes for the period under review have been recognized on the basis of the best available estimate of the weighted average annual income tax rate expected for the financial year as a whole. Taxes on income for 1-6/2014 break down into € 3,224.6 thousand (1-6/2013: € 4,925.3 thousand) of expense for current income taxes, and € 965.5 thousand (1-6/2013: € 431.0 thousand) of changes in deferred income taxes. The comparatively high taxation expense, relative to earnings, in the 1st quarter of 2013 results from the payment of tax arrears on non-deductible outlays in the amount of € 855.3 thousand made by the Spanish company Rosenbauer Española S.A. in the years 2000 and 2001.

8. Segment reports

IFRS 8 (Operating Segments) requires operating segments to be identified, and segment information to be disclosed, on the same basis as that used in the entities' internal controlling and management reporting. This results in information being presented in a manner which corresponds to the entity's internal reporting, as required by the "management approach" principle.

The development of Group companies takes particularly high priority in internal reporting. For this reason, the presentation of the operating segment reporting is in terms of where the assets of the Rosenbauer Group companies concerned are located. The following areas have been defined, in line with the internal Management Information System: Austria, USA, Germany, Slovenia, Spain, United Kingdom, Switzerland, Singapore, Brunei, Saudi Arabia and South Africa. In order to create the mandatorily reportable operating segments referred to above, the operating segments Slovenia, Spain, United Kingdom and Switzerland have been amalgamated in the Operating Segment "Rest of Europe", the operating segments Singapore, Brunei and Saudi Arabia have been amalgamated in the new Operating Segment "Asia". Owing to its insignificant size, the company in South Africa has been assigned to the Operating Segment "Austria". Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income tax are managed on a group basis and are not allocated to operating segments. Transfer prices between the segments are at arm's length.

An outline of these segments, condensed in accordance with IAS 34, and explanations on the composition of, and developments in, the segments may be found in the interim Group situation report.

9. Events after the reporting date

No events of any consequence occurred prior to the drawing up of the Half-year Financial Report.

10. Contingent claims and contingent liabilities

Rosenbauer International AG issued no letters of indemnity in favor of third parties outside the Group. Moreover, in the same way as at the year-end, there are no contingent claims and liabilities from which material claims and liabilities will result.

11. Other notes

It is intended to purchase the currently leased premises of a production building in Leonding, Austria, from the existing owner at the end of 2014. The purchase option has already been exercised, and the purchase negotiations are likely to be concluded in the 2nd half of the financial year.

Interest-rate and foreign-exchange risks are hedged by means of derivative financial instruments such as foreign-exchange forwards and interest-rate cap instruments. In terms of their economic effect, several transactions would constitute hedges, but fail to meet the hedge accounting requirements of IAS 39. The fair-value changes in these financial instruments are recognized immediately in profit or loss in the consolidated income statement. Derivatives which meet the hedge-accounting requirements of IAS 39 are employed solely as hedging instruments for safeguarding future cash-flows (i.e. as cash-flow hedges) and are stated separately under "Other comprehensive income" in the consolidated statement of comprehensive income. At June 30, 2014, the fair value of the hedging transactions recognized in the income statement was € 344.2 thousand (June 30, 2013: € 455,9 thousand), and that of the hedges recognized under equity was € 2,841.3 thousand (June 30, 2013: € -264.6 thousand).

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The financial investments available for sale and shown as Level 1 contain exchange-listed shares and fund units. The fair value of the forward exchange operations and interest-rate swaps, which are shown as Level 2, is determined with reference to bank valuations based on recognized financial mathematical valuation models (discounted cash flow method on the basis of current interest-rate and foreign-exchange forward curves based on interbank mid-rates on the closing date).

	Level 1		**Level 2**	
in € thousand	**June 30, 2014**	**June 30, 2013**	**June 30, 2014**	**June 30, 2013**
Derivative financial instruments without securement				
Positive fair value			569.6	574.5
Negative fair value			266.0	120.2
Derivative financial instruments with securement				
Positive fair value			2,879.5	1,213.3
Negative fair value			38.2	1,477.9
Interest instruments				
Positive fair value			40.6	1.6
Negative fair value			0.0	0.0
Available-for-sale instruments				
Positive fair value	234.6	226.0		
Negative fair value				

DECLARATION BY THE LEGAL REPRESENTATIVES

These condensed interim consolidated financial statements of Rosenbauer International AG as at June 30, 2014 have been drawn up in accordance with IFRS (as adopted in the European Union) and, to the best of our knowledge, convey a true and fair view of the asset, financial and income situation of all the enterprises included in the consolidation.

The situation report gives a true and fair view of the asset, financial and income situation in terms of the information required pursuant to §87 Sects. 2 and 4 of the Austrian Stock Exchange Act ("Börsegesetz").

In the case of the present report, it was decided to dispense with audit or review by an external auditor.

Leonding, August 26, 2014
Rosenbauer International AG

Dieter Siegel
CEO
Global product division:
Product Management,
Customer Service

Gottfried Brunbauer
CTO
Global product division:
Fire Fighting & Body Components

Günter Kitzmüller
CFO
Global product division:
Fire & Safety Equipment,
Stationery Fire Protection

CORPORATE CALENDAR 2014

October 9, 2014	Shareholder day
November 20, 2014	Publication of the Quarterly Report 3/2014

DETAILS OF THE SHARE

ISIN	AT0000922554
Reuters	RBAV.VI
Bloomberg	ROS AV
Class of shares	Non-par-value shares made out to bearer
ATX prime weighting	0.45%

Rosenbauer International AG does not guarantee in any way that the forward-looking assumptions and estimates contained in this Half-year Financal Report will prove correct, nor does it accept any liability for loss or damages that may result from any use of or reliance on this Report

Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages in the Half-year Financal Report.

The English translation of the Rosenbauer Half-year Financal Report is for convenience. Only the German text is binding.

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