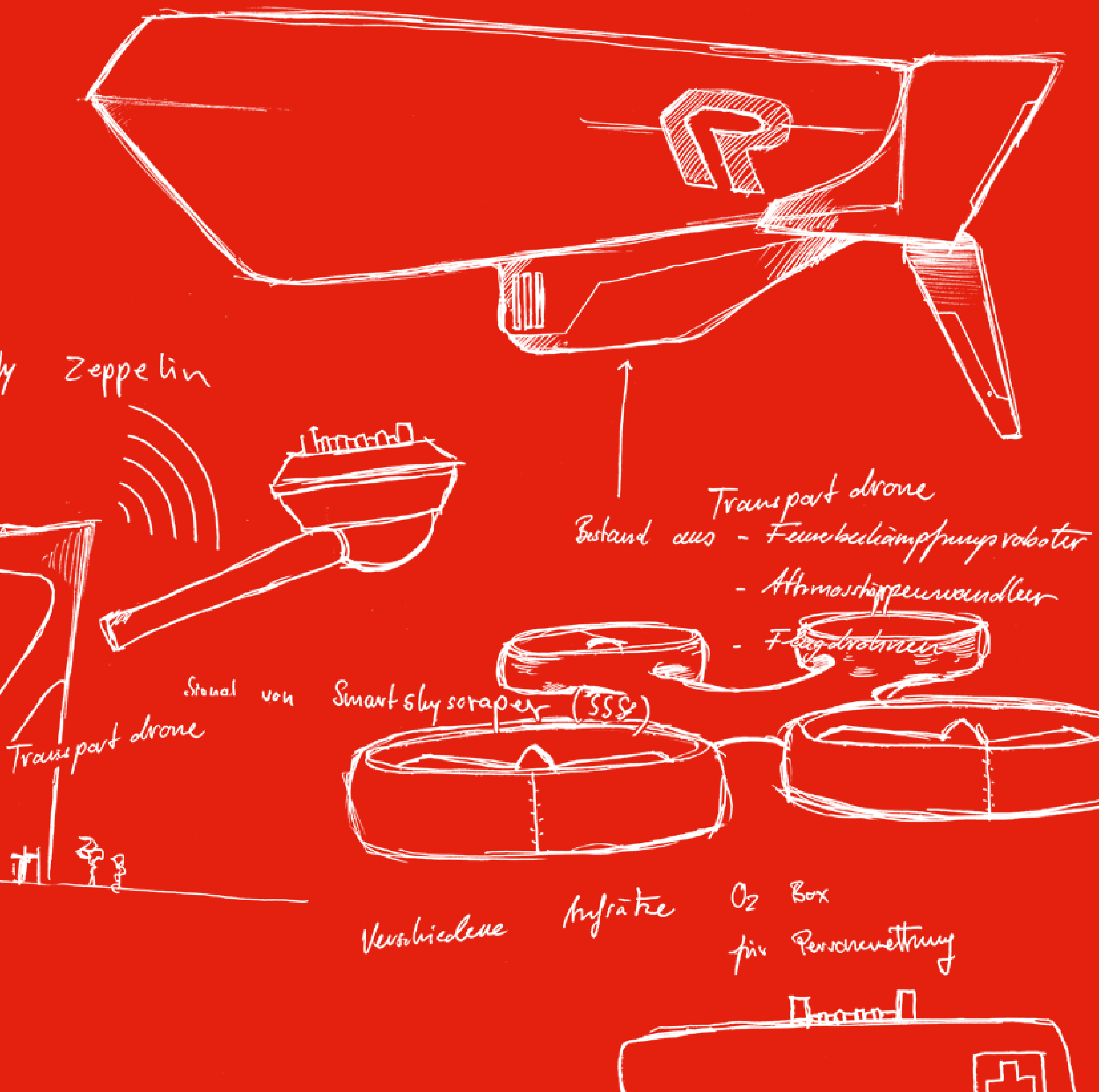
rosenbauer

HALF-YEAR FINANCIAL REPORT 2017



Rosenbauer Group		1–6/2015	1–6/2016	1–6/2017
Revenues	€ million	416.9	383.4	**393.6**
EBITDA	€ million	28.7	26.0	**13.3**
EBIT	€ million	21.9	18.8	**2.7**
EBIT margin		5.3%	4.9%	**0.7%**
EBT	€ million	19.5	17.1	**3.7**
Net profit for the period	€ million	15.9	13.4	**3.4**
Cash flow from operating activities	€ million	(104.3)	(31.2)	**(51.7)**
Investments[1]	€ million	11.0	11.0	**7.7**
Order backlog as of June 30	€ million	835.7	812.9	**812.0**
Order intake	€ million	479.5	376.5	**458.3**
Employees (average)[2]		2,989	3,243	**3,333**
Employees as of June 30		3,016	3,261	**3,315**

Key statement of financial position		1–6/2015	1–6/2016	1–6/2017
Total assets	€ million	711.6	695.0	**685.4**
Equity in % of total assets		28.6%	32.1%	**33.6%**
Capital employed (average)	€ million	473.1	502.4	**497.6**
Return on capital employed		4.6%	3.8%	**0.5%**
Return on equity		9.7%	7.6%	**1.6%**
Net debt	€ million	283.6	261.6	**247.9**
Working capital	€ million	146.6	164.9	**196.7**
Gearing ratio		139.4%	117.1%	**107.6%**

Key stock exchange figures		1–6/2015	1–6/2016	1–6/2017
Closing share price as of June 30	€	75.7	52.8	**57.7**
Number of shares	million units	6.8	6.8	**6.8**
Market capitalization	€ million	514.8	359.0	**392.4**
Earnings per share	€	1.3	1.2	**(0.3)**

[1] Investments relate to rights and property, plant and equipment.

[2] Average number of employees in the first half years.

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INTERIM GROUP MANAGEMENT REPORT

Economic environment

A similar development to the previous year is expected on the global firefighting markets in 2017. Above all, demand is currently being driven by countries with continuous procurement or elevated security requirements following natural or terrorist disasters.

The markets of Western Europe should grow slightly again in 2017, while the largest single market, Germany, will continue its positive development. There are no signs of change at this time in Southern and Eastern Europe – demand is still low and the financing of firefighting technology is difficult even though procurement requirements are rising.

The market in North America recovered in the first months of the current year and an increase in the procurement volume is expected again in 2017. How strong this proves to be or whether the trend is reversed will depend on whether the announced stimulation of the US economy will be successful and will also benefit fire departments.

On the other hand, there is little prospect of an improvement in the market situation in the countries with a strong dependence on the price of oil, as the low price is still affecting government budgets.

Development of revenues and earnings

Revenues

The Rosenbauer Group generated revenues of € 393.6 million in the first half of 2017 (1–6/2016: € 383.4 million). While decreases in deliveries were observed in some Middle Eastern countries, deliveries were on the rise in parts of Europe, such as the Netherlands.

Result of operations

EBIT was down on the previous year at € 2.7 million in the first half of the year (1–6/2016: € 18.8 million). The results for the first half of the year were reduced by weak capacity utilization on account of the political situation in the Gulf States and the resulting lower coverage of fixed costs at the plants in Leonding, combined with the significantly higher start-up costs of the platform manufacturer Rosenbauer Rovereto. In addition, one-time costs for the reorganization of the staff structure in Austria, impairment losses on intangible assets and exchange rate effects also led to an unplanned deviation in results for the first half of the year.

Consolidated EBT for the reporting period amounted to € 3.7 million (1–6/2016: € 17.1 million).

Owing to the remeasurement of forward transactions, net finance costs improved year-on-year to € 0.7 million (1–6/2016: € –1.5 million); the results of the companies in Russia and Spain that are accounted for using the equity method amounted to € 0.3 million in the first six months of the current year (1–6/2016: € –0.2 million).

Orders

The Rosenbauer Group enjoyed satisfactory order development in the first six months of the year, with incoming orders of € 458.3 million (1–6/2016: € 376.5 million). While incoming orders decreased significantly in countries that are dependent on oil and commodity prices or that had to restructure their budgets due to conflicts, incoming orders were up in North America and in some parts of Europe. The order backlog as of June 30, 2017 was on par with the previous year's level at € 812.0 million (June 30, 2016: € 812.9 million).

Segment development

In line with the organizational structure, segment reporting is presented based on the five defined areas or sales regions: the CEEU area (Central and Eastern Europe), the NISA area (Northern Europe, Iberia, South America, Africa), the MENA area (Middle East, North Africa), the APAC area (Asia-Pacific) and the NOMA area (North & Middle America). In addition to the segments managed by sales markets, the SFP (Stationary Fire Protection) segment is shown as a further segment in internal reporting.

CEEU area segment

The CEEU area comprises 24 European countries from the Baltic to the Bosporus, including all Eastern European and German-speaking countries, Italy, and Turkey. The CEEU area includes the production locations in Leonding (plants I and II) and Neidling in Austria, Karlsruhe and Luckenwalde in Germany, Radgona in Slovenia, and Rosenbauer Rovereto in Italy. The plants produce products for sale in CEEU, but also deliver products to all other areas. The CEEU area also includes the Oberglatt sales and service location in Switzerland.

Business development

Revenues in the CEEU area segment climbed to € 135.2 million in the period under review after € 132.1 million in the same period of the previous year. This growth was mainly attributable to the positive development on the German market and increased deliveries to Central Europe. The CEEU area segment thus contributed around 34% (1–6/2016: 34%) of consolidated revenues. As a result of low capacity utilization at the beginning of the year, the associated low coverage of fixed costs and the start-up costs for the platform manufacturer in Rovereto, EBIT was still negative at € –1.3 million in the first half of the year (1–6/2016: € 1.4 million).

NISA area segment

The NISA sales area comprises 78 countries, including almost all African, South American, and European countries from the North Cape to Gibraltar. The NISA area includes the Linares production location in Spain and the sales and service locations in Madrid (Spain), Meltham (UK), Chambéry (France) and Johannesburg (South Africa). The plant in Linares supplies its products mainly to the markets of the NISA area and, at the same time, is the center of competence for forest fire and towing vehicles.

Business development

The revenues of the NISA area segment were up at € 43.0 million in the period under review as a result of deliveries (1–6/2016: € 30.7 million). EBIT was still negative at € –0.6 million (1–6/2016: € 0.7 thousand) as a result of non-operational one-time effects.

MENA area segment

The MENA area comprises 13 countries in the Middle East and North Africa. The area includes the KAEC (King Abdullah Economic City) production site in Saudi Arabia and a number of service locations in the region. The vehicles for the MENA area are mostly produced in the plants of the CEEU, NISA and NOMA areas. Direct contact with the customers through an extensive service network is a key success factor in the region.

Business development

After extensive deliveries in the previous years, revenues in the MENA area segment were still down year-on-year at € 27.5 million in the first half of 2017 (1–6/2016: € 32.6 million). The reasons for this were the decline in the price of oil and rising political tension in the region. EBIT decreased to € –2.8 million (1–6/2016: € 3.0 million).

APAC area segment

The APAC area comprises 71 countries, including the entire ASEAN-Pacific region, several countries of the Middle East, China, India, and Russia. APAC's production facilities are located in Singapore and Moscow. It has its own sales and service locations in China, Brunei, and the Philippines and the area has a wide partner sales network.

Business development

Revenues in the APAC area segment increased to € 76.7 million in the period under review (1–6/2016: € 73.6 million). Segment EBIT for the first half of 2017 fell to € 3.2 million after € 6.0 million on account of deliveries of less profitable orders compared to the previous year and non-operational one-time effects.

NOMA area segment

The NOMA area comprises primarily the US, Canada, and countries in Central America and the Caribbean. The area's production facilities are located in Lyons (SD), Wyoming (MN), and Fremont (NE). The fire service vehicles are manufactured to US standards and most of them are delivered to the NOMA sales area, but also to customers in the MENA, NISA, and APAC areas.

Business development

Revenues in the NOMA area segment were in line with the previous year's level at € 101.6 million in the first six months of 2017 (1–6/2016: € 105.5 million). Segment EBIT was down on the previous year at € 5.7 million (1–6/2016: € 7.9 million) on account of the change in the product mix.

Stationary Fire Protection (SFP) segment

The Stationary Fire Protection segment handles the planning, installation, and servicing of stationary firefighting and alarm systems, and thus covers a broad field of fire protection technology. With the German G&S group has become a full-service provider in the field of preventive firefighting systems. Preventive firefighting is mainly ensured by structural measures in addition to stationary fire detection and extinguishing systems.

Business development

Revenues in the SFP segment climbed to € 9.6 million in the first six months of 2017 after € 8.9 million in the same period of the previous year. Segment EBIT was still negative in the period under review at € –1.4 million (1–6/2016: € –0.2 million) due to lead times lasting several months.

Financial and net assets position

For reasons specific to the industry, the structure of the statements of financial position during the year is characterized by high working capital. This is due to the turnaround times of several months for vehicles in production. Total assets are therefore relatively high during the year at € 685.4 million (June 30, 2016: € 695.0 million).

As a result of the delivery volume in the second half of the year, inventories were up in the reporting period at € 224.7 million (June 30, 2016: € 208.4 million), while construction contracts were down slightly on the previous year on account of deliveries at € 98.5 million (June 30, 2016: € 101.8 million). Current receivables were reduced to € 165.2 million (June 30, 2016: € 181.3 million). The Group's net debt (the net amount of interest-bearing liabilities less cash and cash equivalents and securities) decreased year-on-year to € 247.9 million (June 30, 2016: € 261.6 million).

Owing to the high level of working capital, especially in inventories, the intra-year cash flow from operating activities is still negative compared to the end of 2016 at € –51.7 million (1–6/2016: € –31.2 million). An improvement in the cash flow from operating activities is expected by the end of the year.

Investments

Capital expenditure amounted to € 7.7 million in the reporting period (1–6/2016: € 11.0 million). The completion of ongoing investment projects is particularly important. Above all, this includes the modernization of Plant I in Leonding, which is undergoing reorganization with a view to increasing efficiency and profitability.

Outlook

The uncertainty regarding the development of the firefighting markets has increased tangibly in recent months. Political tension and the low price of oil could affect growth on certain markets in 2017 as well. Overall, however, stable development in global demand for firefighting technology is assumed.

The Group will continue to focus on efficiency enhancement and cost reduction to ensure that the intended growth can be implemented on a solid financial basis. In addition, far-reaching changes have been made in Rosenbauer's management and organizational structure that led to non-recurring expenses.

Owing to project-related lower capacity utilization and the change in the production program, the one-time effects described above and the limited visibility with regard to currency developments, the Executive Board has revised its outlook for 2017 and is now forecasting an EBIT margin after extraordinary effects of around 3% with consolidated revenues at a consistent level.

Significant events after the end of the reporting period

At its meeting on July 14, 2017, the Supervisory Board of Rosenbauer International AG appointed Sebastian Wolf (34) as Chief Financial Officer (CFO) with effect from February 1, 2018. Sebastian Wolf will succeed Günter Kitzmüller, whose term of office on the Executive Board expires on January 31, 2018. Sebastian Wolf has been working for the company since 2008 and has held significant management positions in various areas.

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 global business activities. The ongoing identification, appraisal, and controlling of these risks are an integral part of the management, planning, and controlling process. The risk management system builds on the organizational, reporting, and leadership structures in place within the Group and supplements these with specific elements needed for proper risk assessment. A detailed presentation of the opportunities and risks faced by the Group can be found in the 2016 annual report.

Sector and company-specific risks

Risks to the fire safety business arising from changes in overall political or legal conditions are very difficult to protect against. However, given that most customers operate in the public sector, it is rare that they cancel orders. Political crises and embargoes can temporarily limit access to certain markets.

Operating risks

Manufacturing activities necessitate a thorough examination of risks along the entire value chain. In view of today's ever shorter innovation cycles, research and development work is becoming increasingly significant. The production risks that occur are monitored on an ongoing basis using a series of key performance indicators.

To even out changes in capacity utilization at individual locations, Rosenbauer's manufacturing processes operate on a Group-wide basis and the company also outsources construction contracts to external partners. In the event of a severe downtrend on the market, this keeps the risk of insufficient capacity utilization within manageable bounds.

Legal risks

In Canada, legal proceedings are pending against a number of Rosenbauer Group companies due to an alleged product defect. As a realistic assessment of the outcome of the proceedings is yet not possible at the present time, the Group has not taken any accounting measures.

A civil antitrust lawsuit has been filed against a company of the Rosenbauer Group. An appropriate provision was recognized as of December 31, 2016.

In the first half of the year, Rosenbauer International AG was subjected to official inquiries and investigations relating to the handling of an order placed by the Croatian Ministry of the Interior in 2003. Charges were brought against Rosenbauer International AG after the end of the first half of the year. Rosenbauer cannot comment on the outcome of these investigations or proceedings at this time.

Financial risks

The international nature of the Group's activities gives rise to interest and currency-related risks that are hedged by the use of suitable instruments. A financial and treasury policy that applies throughout the Group stipulates which instruments are permitted.

Operating risks are hedged with derivative financial instruments. These transactions are conducted solely to hedge risks and not for the purposes of trading or speculation. For deliveries to countries with increased political or economic risk, public and private export insurance is generally taken out for the purpose of protection.

Assessment of overall risk

Rosenbauer feels that it is still well positioned to meet the demands made of it by the market, the economic environment, and international competition. Based on the analysis of currently discernible risks, there are no indications of any risks that – either singly or in conjunction with other risks – might jeopardize the Rosenbauer Group's continued existence.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in € thousand	Jun 30, 2016	Dec 31, 2016	Jun 30, 2017
ASSETS			
A. Non-current assets			
I. Property, plant and equipment	140,344.6	146,646.1	145,213.7
II. Intangible assets	25,451.1	31,639.0	29,405.4
III. Securities	425.4	647.3	651.3
IV. Investments in companies accounted for using the equity method	5,170.3	6,946.5	7,028.2
V. Receivables and other assets	51.3	51.9	170.2
VI. Deferred tax assets	991.6	3,387.8	1,053.5
	172,434.3	**189,318.6**	**183,522.3**
B. Current assets			
I. Inventories	208,407.7	199,131.5	224,674.5
II. Construction contracts	101,835.1	67,741.2	98,478.3
III. Receivables and other assets	181,300.4	162,507.2	165,235.0
IV. Income-tax receivables	10,066.3	1,692.8	623.1
V. Cash and cash equivalents	20,979.7	30,209.7	12,853.8
	522,589.2	**461,282.4**	**501,864.7**
Total assets	**695,023.5**	**650,601.0**	**685,387.0**

in € thousand	Jun 30, 2016	Dec 31, 2016	Jun 30, 2017
EQUITY AND LIABILITIES			
A. Equity			
I. Share capital	13,600.0	13,600.0	13,600.0
II. Capital reserves	23,703.4	23,703.4	23,703.4
III. Other reserves	(4,645.0)	(6,554.1)	(3,973.2)
IV. Accumulated results	163,216.7	178,308.7	168,005.9
Equity attributable to shareholders of the parent company	**195,875.1**	**209,058.0**	**201,336.1**
V. Non-controlling interests	27,541.2	32,933.5	28,982.0
	223,416.3	**241,991.5**	**230,318.1**
B. Non-current liabilities			
I. Non-current interest-bearing liabilities	76,659.8	99,709.6	112,434.7
II. Other non-current liabilities	1,384.2	1,073.3	1,009.9
III. Non-current provisions	30,931.2	32,596.0	33,406.5
IV. Deferred tax liabilities	4,950.4	3,503.3	3,072.6
	113,925.6	**136,882.2**	**149,923.7**
C. Current liabilities			
I. Current interest-bearing liabilities	206,343.0	102,403.4	148,975.5
II. Advance payments received	21,790.6	22,640.9	22,269.3
III. Trade payables	41,014.1	52,193.6	41,933.3
IV. Other current liabilities	66,985.8	67,620.4	67,655.2
V. Provisions for taxes	3,384.2	6,041.7	3,955.6
VI. Other provisions	18,163.9	20,827.3	20,356.3
	357,681.6	**271,727.3**	**305,145.2**
Total equity and liabilities	**695,023.5**	**650,601.0**	**685,387.0**

CONSOLIDATED INCOME STATEMENT

	in € thousand	1–6/2016	1–6/2017	4–6/2016	4–6/2017
1.	Revenues	383,356.1	393,610.9	211,313.3	211,670.5
2.	Other income	3,870.7	632.3	2,089.9	354.3
3.	Change in inventory of finished goods and work in progress	18,581.7	26,715.2	6,178.9	23,781.8
4.	Capitalized development costs	1,155.0	851.4	595.5	440.5
5.	Costs of goods sold	(239,166.1)	(250,591.2)	(127,731.4)	(143,722.4)
6.	Staff costs	(96,948.9)	(105,874.5)	(49,849.6)	(53,811.4)
7.	Depreciation and amortization expense on property, plant and equipment and intangible assets	(7,167.3)	(10,585.5)	(3,647.1)	(6,121.7)
8.	Other expenses	(44,842.1)	(52,025.5)	(23,495.9)	(26,760.0)
9.	**Operating result (EBIT) before share in results of companies accounted for using the equity method**	**18,839.1**	**2,733.1**	**15,453.6**	**5,831.6**
10.	Financing expenses	(4,088.8)	(2,199.3)	(3,059.4)	(1,045.9)
11.	Financing income	2,582.2	2,868.0	1,147.8	1,535.3
12.	Share in results of companies accounted for using the equity method	(208.0)	313.3	(38.4)	189.0
13.	**Profit before income tax (EBT)**	**17,124.5**	**3,715.1**	**13,503.6**	**6,510.0**
14.	Income tax	(3,752.2)	(270.8)	(2,919.4)	(514.9)
15.	**Net profit for the period**	**13,372.3**	**3,444.3**	**10,584.2**	**5,995.1**
	thereof:				
	– Non-controlling interests	*4,950.5*	*5,319.0*	*2,479.8*	*3,038.3*
	– Shareholders of parent company	*8,421.8*	*(1,874.7)*	*8,104.4*	*2,956.8*
	Average number of shares outstanding	6,800,000.0	6,800,000	6,800,000	6,800,000
	Basic earnings per share	€ 1.24	(€ 0.28)	€ 1.19	€ 0.43
	Diluted earnings per share	€ 1.24	(€ 0.28)	€ 1.19	€ 0.43

PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	1–6/2016	1–6/2017	4–6/2016	4–6/2017
Net profit for the period	**13,372.3**	**3,444.3**	**10,584.2**	**5,995.1**
Restatements as required by IAS 19	(29.7)	(53.4)	(14.9)	(26.7)
– thereof deferred taxes	*7.4*	*13.4*	*3.7*	*6.7*
Total of changes in value recognized in equity that cannot be subsequently reclassified into profit or loss	**(22.3)**	**(40.0)**	**(11.2)**	**(20.0)**
Gains/losses from foreign currency translation	(1,247.6)	(4,606.2)	(1,191.2)	(4,237.4)
Gains/losses from foreign currency translation of companies accounted for using the equity method	424.4	(231.6)	469.1	(658.4)
Gains/losses from available-for-sale-securities				
Change in unrealized gains/losses	12.8	67.1	5.7	23.0
– thereof deferred tax	*(3.2)*	*(16.8)*	*(1.4)*	*(5.8)*
Gains/losses from cash flow hedge				
Change in unrealized gains/losses	1,970.3	4,154.6	(3,837.7)	3,386.1
– thereof deferred tax	*(492.6)*	*(1,038.7)*	*959.4*	*(846.6)*
Realized gains/losses	1,018.9	2,846.2	1,010.9	2,529.6
– thereof deferred tax	*(254.7)*	*(711.5)*	*(252.7)*	*(632.3)*
Total changes in value recognized in equity subsequently reclassified into profit or loss when certain conditions are met	**1,428.3**	**463.1**	**(2,837.9)**	**(441.8)**
Other comprehensive income	**1,406.0**	**423.1**	**(2,849.1)**	**(461.8)**
Total comprehensive income after income taxes	**14,778.3**	**3,867.4**	**7,735.1**	**5,533.3**
thereof:				
– Non-controlling interests	*4,284.4*	*3,161.2*	*1,822.5*	*1,180.5*
– Shareholders of parent company	*10,493.9*	*706.2*	*5,912.6*	*4,352.8*

CHANGES IN CONSOLIDATED EQUITY

	Attributable to shareholders			
			Other reserves	
in € thousand	Share capital	Capital reserve	Currency translation	Restatement as required by IAS 19
1-6/2017				
As of Jan 1, 2017	**13,600.0**	**23,703.4**	**5,843.0**	**(6,459.2)**
Other comprehensive income	0.0	0.0	(2,680.0)	(40.0)
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**(2,680.0)**	**(40.0)**
Disposal of non-controlling interests	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0
As of Jun 30, 2017	**13,600.0**	**23,703.4**	**3,163.0**	**(6,499.2)**
1-6/2016				
As of Jan 1, 2016	**13,600.0**	**23,703.4**	**5,055.5**	**(5,625.5)**
Other comprehensive income	0.0	0.0	(157.1)	(22.3)
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**(157.1)**	**(22.3)**
Disposal of non-controlling interests	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0
As of Jun 30, 2016	**13,600.0**	**23,703.4**	**4,898.4**	**(5,647.8)**

in the parent company

Revaluation reserve	Hedging reserve	Accumulated results	Subtotal	Non-controlling interests	Group equity
50.3	**(5,988.2)**	**178,308.7**	**209,058.0**	**32,933.5**	**241,991.5**
50.3	5,250.6	0.0	2,580.9	(2,157.8)	423.1
0.0	0.0	(1,874.7)	(1,874.7)	5,319.0	3,444.3
50.3	**5,250.6**	**(1,874.7)**	**706.2**	**3,161.2**	**3,867.4**
0.0	0.0	(268.1)	(268.1)	(235.7)	(503.8)
0.0	0.0	(8,160.0)	(8,160.0)	(6,877.0)	(15,037.0)
100.6	**(737.6)**	**168,005.9**	**201,336.1**	**28,982.0**	**230,318.1**
17.7	**(6,164.8)**	**165,113.5**	**195,699.8**	**30,902.5**	**226,602.3**
9.6	2,241.9	0.0	2,072.1	(666.1)	1,406.0
0.0	0.0	8,421.8	8,421.8	4,950.5	13,372.3
9.6	**2,241.9**	**8,421.8**	**10,493.9**	**4,284.4**	**14,778.3**
0.0	0.0	(118.6)	(118.6)	118.6	0.0
0.0	0.0	(10,200.0)	(10,200.0)	(7,764.3)	(17,964.3)
27.3	**(3,922.9)**	**163,216.7**	**195,875.1**	**27,541.2**	**223,416.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

	in € thousand	1–6/2016	1–6/2017
	Profit before income tax	17,124.5	3,715.1
+	Depreciation	7,167.3	10,585.5
±	Gains/losses of companies accounted for using the equity method	(208.0)	(313.3)
+	Interest expenses	3,799.4	1,992.9
–	Interest and securities income	(2,582.2)	(2,868.0)
±	Unrealized gains/losses from currency translation	(638.4)	(2,415.1)
±	Change in inventories	(18,176.3)	(25,543.0)
±	Change in receivables and other assets and construction contracts	(46,080.1)	(29,099.5)
±	Change in trade payables and advance payments received	856.6	(10,317.6)
±	Change in other liabilities	7,888.0	5,600.8
±	Change in provisions (excluding income tax deferrals)	3,728.9	339.5
	Cash earnings	**(27,120.3)**	**(48,322.7)**
–	Interest paid	(1,754.3)	(1,623.8)
+	Interest received and income of securities	1,506.0	436.1
+	Dividends received from companies accounted for using the equity method	0.0	0.0
–	Income tax paid	(3,837.5)	(2,234.0)
	Net cash flow from operating activities	**(31,206.1)**	**(51,744.4)**
–	Payments from the acquisition of a subsidiary less acquired cash and cash equivalents	(8,727.5)	0.0
–	Payments/proceeds from the purchase/sale of property, plant and equipment, intangible assets and securitiesren	(10,986.9)	(7,999.4)
–	Income from capitalized development costs	(1,282.8)	(851.4)
	Net cash flow from investing activities	**(20,997.2)**	**(8,850.8)**
–	Payment of equity	0.0	(503.8)
–	Dividends paid	(10,200.0)	(8,160.0)
–	Dividends paid to non-controlling interests	(7,764.3)	(6,877.0)
+	Increase from interest-bearing liabilities	168,028.8	130,979.6
–	Repayment of interest-bearing liabilities	(94,651.5)	(71,682.4)
	Net cash flow from financing liabilities	**55,413.0**	**43,756.4**
	Net change in cash and cash equivalents	3,209.7	(16,838.8)
+	Cash and cash equivalents at the beginning of the period	17,877.8	30,209.7
±	Adjustment from currency translation	(107.8)	(517.1)
	Cash and cash equivalents at the end of the period	**20,979.7**	**12,853.8**

SEGMENT REPORTING

in € thousand	External revenues	Segment revenues	Total revenues
1–6/2017			
CEEU area	135,218.5	113,652.6	248,871.1
NISA area	43,018.3	341.9	43,360.2
MENA area	27,540.6	0.0	27,540.6
APAC area	76,695.9	0.0	76,695.9
NOMA area	101,561.1	2,074.4	103,635.5
SFP[1]	9,576.5	0.0	9,576.5
Consolidation	0.0	(116,068.9)	(116,068.9)
Group	**393,610.9**	**0.0**	**393,610.9**
1–6/2016			
CEEU area	132,088.7	98,830.2	230,918.9
NISA area	30,668.6	82.0	30,750.6
MENA area	32,592.8	0.0	32,592.8
APAC area	73,613.5	0.0	73,613.5
NOMA area	105,462.2	1,899.8	107,362.0
SFP[1]	8,930.3	0.0	8,930.3
Consolidation	0.0	(100,812.0)	(100,812.0)
Group	**383,356.1**	**0.0**	**383,356.1**

in € thousand	1–6/2016	1–6/2017
CEEU area	1,433.0	(1,318.5)
NISA area	692.8	(622.2)
MENA area	3,026.4	(2,787.3)
APAC area	6,055.0	3,221.8
NOMA area	7,855.2	5,685.1
SFP[1]	(223.3)	(1,445.8)
EBIT before share of results of companies accounted for using the equity method	**18,839.1**	**2,733.1**
Finance expenses	(4,088.8)	(2,199.3)
Financial income	2,582.2	2,868.0
Share in results of companies accounted for using the equity method	(208.0)	313.3
Profit before income tax (EBT)	**17,124.5**	**3,715.1**

[1] Stationary Fire Protection

EXPLANATORY NOTES

1. Information on the company and the basis of preparation

The Rosenbauer Group is an international group of companies whose parent company is Rosenbauer International AG, Austria. Its main focus is on the production of firefighting vehicles, the development and manufacture of firefighting systems, equipping vehicles and their crews and preventive firefighting. The Group's head office is located at Paschinger Strasse 90, 4060 Leonding, Austria.

These unaudited interim consolidated financial statements as of June 30, 2017 were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) as endorsed in the EU, notably IAS 34 (Interim Financial Reporting). The condensed interim consolidated financial statements therefore do not contain all the information or explanatory notes stipulated by IFRS for consolidated financial statements as of the end of the fiscal year, and should instead be read in conjunction with the IFRS consolidated financial statements published by the company for fiscal year 2016. With the exception of standards that have come into effect in the interim, the interim consolidated financial statements have been prepared on the basis of the same accounting policies as those applied as of December 31, 2016.

The interim consolidated financial statements have been prepared in thousands of euro (€ thousand) and, unless expressly stated, this also applies to the figures shown in the notes.

2. New accounting standards

No new standards have been applied early. The following new standards that are required to be applied in the interim reporting period do not have any effect on the interim consolidated financial statements of Rosenbauer International AG:

	Effective date	
Standards/Interpretations	**according to IASB**	**according to EU-endorsement**
Amendments to IAS 7: Disclosure Initiative (published January 2016)	Jan 1, 2017	Not yet applied
IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses" (published January 2016)	Jan 1, 2017	Not yet applied
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (published June 2016)	Jan 1, 2018	Not yet applied
Amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (published September 2016)	Jan 1, 2018	Not yet applied
Improvements to IFRS (2014–2016) (published December 2016)	Jan 1, 2017/ Jan 1, 2018	Not yet applied

Standards/Interpretations	Effective date according to IASB	Effective date according to EU-endorsement
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate (published September 2014)	Not yet applied	Not yet applied
IFRIC Interpretation 22: Foreign Currency Transaction and Advance Consideration (published December 2016)	Jan 1, 2018	Not yet applied
Amendments to IAS 40: Transfer of Investmenty Property (published December 2016)	Jan 1, 2018	Not yet applied

3. Companies included in consolidation

In March 2017, the remaining shares (25%) in Rosenbauer UK plc (United Kingdom) were taken over by the former co-owner. Rosenbauer International AG therefore holds 100% of this company.

In accordance with IFRS 10, the consolidated financial statements as of June 30, 2017 include two Austrian and 24 foreign subsidiaries, all of which are legally and actually controlled by Rosenbauer International AG and therefore included in consolidation. The shares in the associate in Russia (PA "Fire-fighting special technics", Rosenbauer share: 49%) and the shares in the joint venture in Spain (Rosenbauer Ciansa S.L., Rosenbauer share: 50%) – established with the co-owner and Managing Director of Rosenbauer Española – are accounted for using the equity method.

4. Seasonal fluctuations

Owing 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 deliveries to be made in the second half of the year, especially in the final quarter. There can therefore be considerable differences – in terms of revenues and earnings – between the respective interim reporting periods. In the period under review there were no unusual developments over and above the seasonal fluctuations characteristic of the industry. Further information on developments in the period under review can be found in the interim Group management report.

5. Significant effect of estimates

The preparation of the interim consolidated financial statements requires the Executive Board to make assumptions and estimates that affect the amounts and reporting of assets, liabilities, income and expenses in the period under review. The actual amounts incurred can deviate from these estimates. Deviations from estimates 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 related parties since December 31, 2016. The following transactions were conducted with related parties in the period under review:

	Joint venture		Management	
	1–6/2016	1–6/2017	1–6/2016	1–6/2017
Sales of goods	1.8	0.4	0.0	0.0
Purchase of goods	508.0	1,073.2	0.0	0.0
Receivables	0.0	0.0	1,049.6	698.2
Liabilities	178.1	916.8	0.0	0.0
Rental agreement for land	0.0	0.0	258.5	265.6

7. Dividends

At the Annual General Meeting held on May 18, 2017, the distribution of the dividend for 2016 proposed in the consolidated financial statements in the amount of € 1.2 per share (2015: € 1.5 per share) was resolved. The dividend was paid out on May 26, 2017.

8. Income tax

Income tax for the period under review have been recognized on the basis of the best possible estimate of the weighted average annual income tax rate expected for the fiscal year as a whole. Tax on income for the first half of 2017 break down into € 1,367.7 thousand (1–6/2016: € 1,683.2 thousand) in current income tax expenses and € –1,096.9 thousand (1–6/2016: € 2,069.0 thousand) in changes in deferred income tax.

9. Segment reporting

In accordance with IFRS 8 (Operating Segments), segments must be defined and segment information disclosed on the basis of internal controlling and reporting. This results in segment reporting presented in line with the management approach of internal reporting.

The Group is managed by the chief operating decision makers on the basis of sales markets. The development of the market segments is particularly significant in internal reporting. Segmentation is based on the division of the sales regions (areas) defined by the chief operating decision makers. In addition to the segments managed by sales markets (areas), the SFP (Stationary Fire Production) segment is shown as a further segment in internal reporting.

The following reportable segments have been defined in line with the internal management information system: The CEEU area (Central and Eastern Europe), the NISA area (Northern Europe, Iberia, South America, Africa), the MENA area (Middle East, North Africa), the APAC area (Asia-Pacific), the NOMA area (North & Middle America) and SFP (Stationary Fire Production).

The chief operating decision makers monitor the EBIT of the areas separately in order to make decisions on the allocation of resources and to determine the units' earnings power. Segment performance is assessed on the basis of EBIT using the same definition as in the consolidated financial statements. However, income taxes are managed on a uniform Group basis and are not allocated to the individual segments. Transfer prices between the segments are at arm's length. A condensed presentation of the segments in accordance with IAS 34 and further information on their composition and development can be found in the interim Group management report.

10. Events after the end of the reporting period

No significant events occured by the time of the preperation of the Half-year Financial Report.

11. Contingent claims and contingent liabilities

Rosenbauer International AG has not issued any liability statements for the benefit of non-Group companies. Also, as was the case at the end of the year, there are no contingent assets or liabilities from which material receivables or liabilities will result.

12. Disclosures on financial instruments

Interest rate and FX risks are hedged using derivative financial instruments such as FX forwards and interest rate caps. While some of these transactions are hedges from a business perspective, they do not meet the hedge accounting requirements of IAS 39. The changes in the fair value of these financial instruments are recognized immediately in profit or loss in the consolidated income statement. Derivatives that meet the hedge accounting requirements of IAS 39 are used solely to hedge future cash flows (i.e. cash flow hedges) and are presented separately in other comprehensive income in the consolidated statement of comprehensive income. As of June 30, 2017 the fair value of hedges recognized in the income statement was € 336.9 thousand (June 30, 2016: € –1,249.9 thousand), and that of the hedges recognized in other comprehensive income was € –983.4 thousand (June 30, 2016: € –5,230.5 thousand).

The following hierarchy is used in the consolidated financial statements to determine and report the fair values of financial instruments by measurement method:

- Level 1: quoted (unadjusted) prices on active markets for identical assets or liabilities.
- Level 2: methods in which all input parameters with a significant effect on the recognized fair value are either directly or indirectly observable.
- Level 3: methods that use input parameters with a significant effect on the recognized fair value that are not based on observable market data.

For all classes of financial instruments other than non-current interest-bearing loan liabilities, the carrying amount is equal to the fair value. The inputs for calculating the fair value of non-current loan liabilities bearing interest at fixed rates are assigned to level 2 of the IFRS 13 fair value hierarchy. The fair value is calculated using a DCF method, applying a discount rate that reflects the Group's interest rate on borrowed capital as of the end of the reporting period.

The financial investments available for sale shown as level 1 include listed equities and units in funds. The fair value of currency forwards and interest rate swaps, which are shown as level 2, is determined by reference to bank valuations based on recognized mathematical measurement models (discounted cash flow method on the basis of current interest and FX future yields based on interbank mid-rates as of the end of the reporting period).

	Level 1		**Level 2**	
in € thousand	**Jun 30, 2016**	**Jun 30, 2017**	**Jun 30, 2016**	**Jun 30, 2017**
Derivative financial instruments without securement				
Positive fair value	0.0	0.0	341.3	558.4
Negative fair value	0.0	0.0	1,592.6	221.8
Derivative financial instruments with securement				
Positive fair value	0.0	0.0	1,171.3	1,002.3
Negative fair value	0.0	0.0	6,401.8	1,985.7
Interest rate hedges without hedge				
Positive fair value	0.0	0.0	1.4	0.3
Negative fair value	0.0	0.0	0.0	0.0
Available-for-sale instruments				
Positive fair value	425.4	651.3	0.0	0.0
Negative fair value	0.0	0.0	0.0	0.0

The carrying amounts of cash and cash equivalents, trade receivables, trade payables, other financial assets and liabilities and current interest-bearing loan liabilities correspond to their fair values, which is why no further information of classification in a fair value hierarchy is included.

in € thousand	Carrying amount	At amortized cost	At fair value: Other comprehensive income	At fair value: Through profit and loss
June 30, 2016				
Securities	425.4	0.0	425.4	0.0
Receivables	181,351.7	179,837.7	1,171.3	342.7
Cash and cash equivalents	20,979.7	20,979.7	0.0	0.0
Interest-bearing liabilities	283,002.8	283,002.8	0.0	0.0
Trade payables	41,014.1	41,014.1	0.0	0.0
Other liabilties	68,370.0	60,375.6	6,401.8	1,592.6
June 30, 2017				
Securities	651.3	0.0	651.3	0.0
Receivables	165,405.2	163,844.2	1,002.3	558.7
Cash and cash equivalents	12,853.8	12,853.8	0.0	0.0
Interest-bearing liabilities	261,410.2	261,410.2	0.0	0.0
Trade payables	41,933.3	41,933.3	0.0	0.0
Other liabilties	68,665.1	66,457.6	1,985.7	221.8

13. Other disclosures

In Canada, legal proceedings are pending against a number of Rosenbauer Group companies due to an alleged product defect. As a realistic assessment of the outcome of the proceedings is yet not possible at the present time, the Group has not taken any accounting measures.

A civil antitrust lawsuit has been filed against a company of the Rosenbauer Group. An appropriate provision was recognized as of December 31, 2016.

In the first half of the year, Rosenbauer International AG was subjected to official inquiries and investigations relating to the handling of an order placed by the Croatian Ministry of the Interior in 2003. Charges were brought against Rosenbauer International AG after the end of the first half of the year. Rosenbauer cannot comment on the outcome of these investigations or proceedings at this time.

RESPONSIBILITY STATEMENT

These condensed interim consolidated financial statements of Rosenbauer International AG as of June 30, 2017 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 net asset, financial position and result of operations of all the enterprises included in the consolidation.

The interim group management report gives a true and fair view of the net asset, financial position and result of operations in terms of the information required pursuant to Section 87 (2) and (4) of the Börsegesetz (Austrian Stock Exchange Act).

In the case of this Half-year Financial Report it was decided to dispense with an audit or review by an external auditor.

Leonding, August 11, 2017

Dieter Siegel	Andreas Zeller	Günter Kitzmüller	Daniel Tomaschko
Chairman of the Executive Board, CEO	Member of the Executive Board, CSO	Member of the Executive Board, CFO	Member of the Executive Board, CTO

CAPITAL MARKET CALENDAR 2017/18

November 14, 2017	Publication of Quarterly Report 3/2017
May 18, 2018	Annual General Meeting

ROSENBAUER SHARE DETAILS

ISIN	AT0000922554
Reuters	RBAV.VI
Bloomberg	ROS AV
Share class	No-par-value shares, bearer or registered
ATX prime weighting	0.35%

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