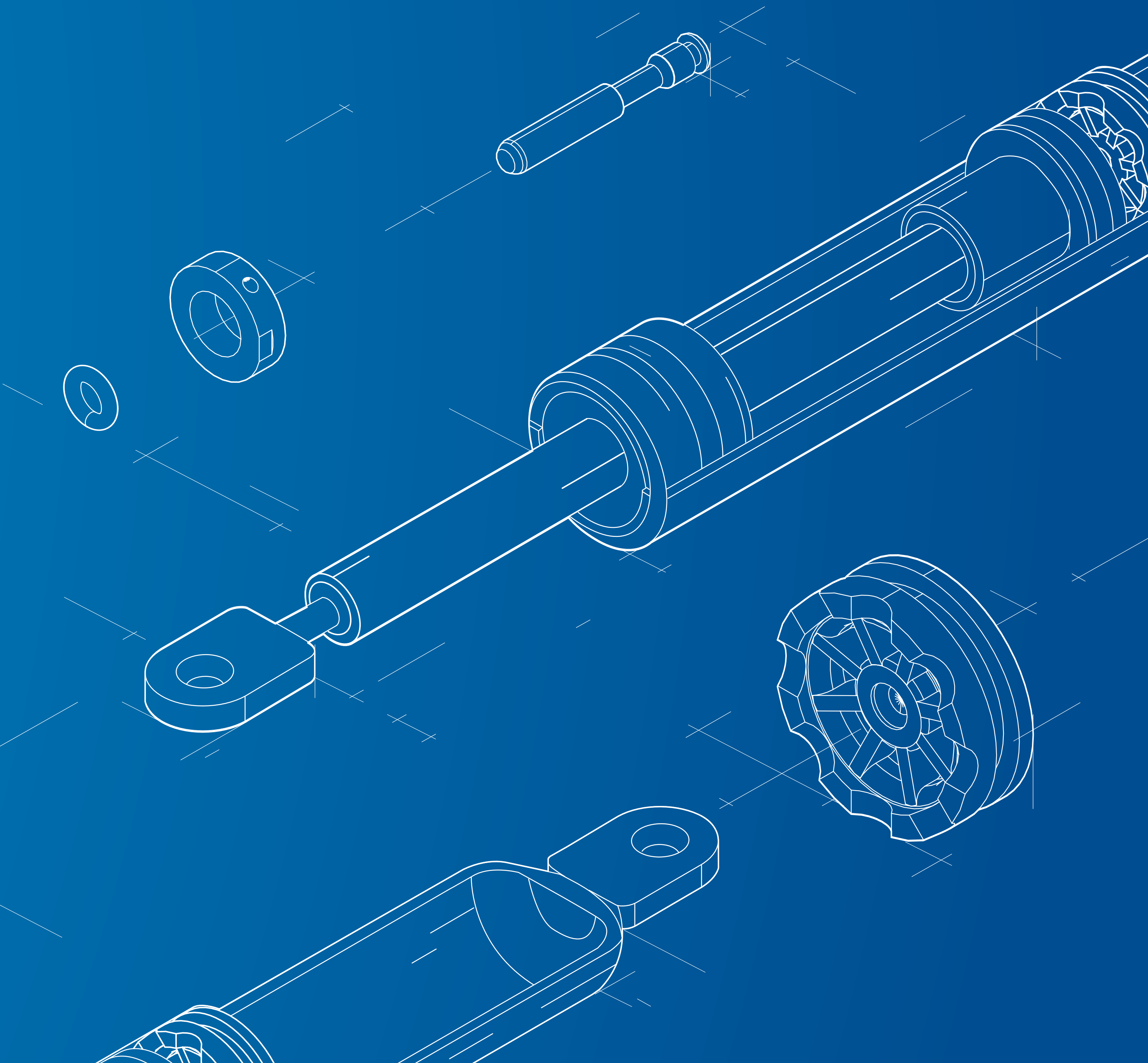
RAISING COMFORT

ANNUAL REPORT 2015

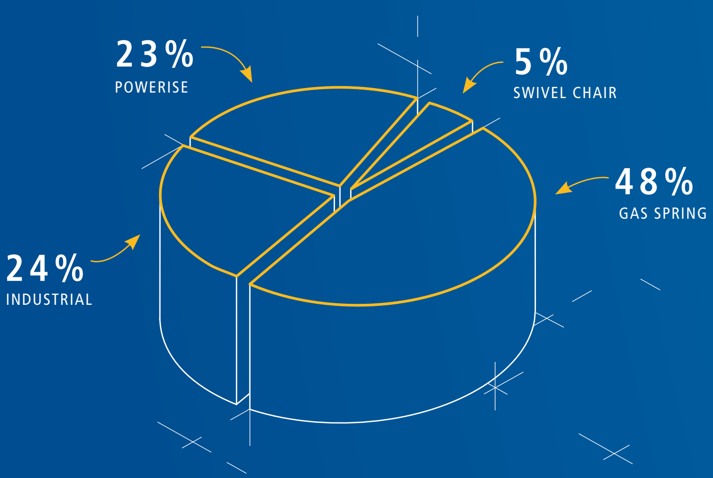


KEY FIGURES

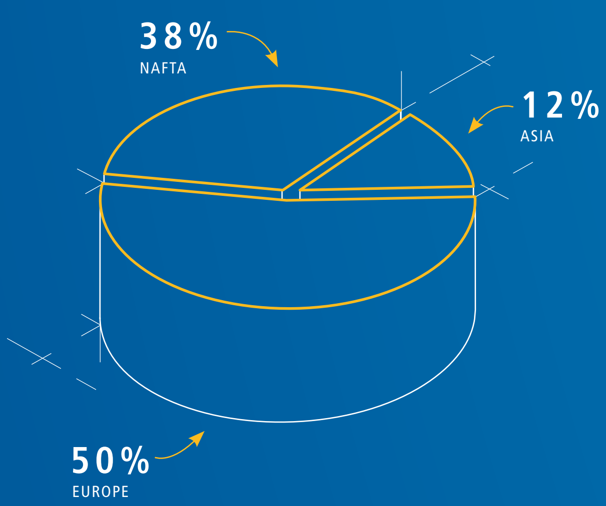
IN € MILLIONS	Year ended Sept 30, 2015	2014	CHANGE	% CHANGE
Revenue	**611.3**	507.3	104.0	20.5%
EBITDA	**99.5**	71.3	28.2	39.6%
Adjusted EBITDA	**107.3**	92.5	14.8	16.0%
EBIT	**55.7**	31.2	24.5	78.5%
Adjusted EBIT	**76.2**	65.1	11.1	17.1%
Capital expenditure	**(51.5)**	(35.6)	(15.9)	44.7%
Free cash flow (FCF)	**2.6**	22.1	(19.5)	(88.2)%

EBITDA as % of revenue	**16.3%**	14.1%
Adjusted EBITDA as % of revenue	**17.6%**	18.2%
EBIT as % of revenue	**9.1%**	6.2%
Adjusted EBIT as % of revenue	**12.5%**	12.8%
Capital expenditure as % of revenue	**8.4%**	7.0%
FCF as % of adjusted EBITDA	**2.4%**	23.9%

Revenue by markets



Revenue by region
(location of Stabilus company)



ENHANCING

SAFETY

ERGONOMICS

CONVENIENCE

As world market leader for gas springs and dampers, we have demonstrated our expertise for eight decades: In the automotive industry, in the furniture sector, in house and building technology as well as a variety of other sectors such as medical products and rehabilitation technology.

Our gas springs, dampers and electromechanical drives allow users to optimize opening, closing, lifting, lowering, damping and adjusting actions.

OUR UNITS

EUROPE
Luxembourg, **Luxembourg**
Koblenz, **Germany**
Derio, **Spain**
Poissy, **France**
Banbury, **Great Britain**
Torino, **Italy**
Brasov, **Romania**
USA
Gastonia, NC
Sterling Heights, MI
Schaumburg, IL
MEXICO
Ramos Arizpe
BRAZIL
Itajubá
LEGEND
OUR UNITS
Production Powerise
Production Gas Spring
Sales Office
Stabilus S.A.


RUSSIA
Moscow
SOUTH KOREA
Busan
Suwon
JAPAN
Yokohama
CHINA
Changzhou City
Shanghai
SINGAPORE
Singapore
NEW ZEALAND
Auckland
AUSTRALIA
Dingley

PAGE 18 THE MEGATREND OF DEMOGRAPHIC CHANGE

We help you to stay active

PAGE 22 THE MEGATREND OF COMFORT

We make everyday manual tasks easier

PAGE 26 THE MEGATREND OF OCCUPATIONAL HEALTH AND SAFETY

We make loads manageable

CONTENT

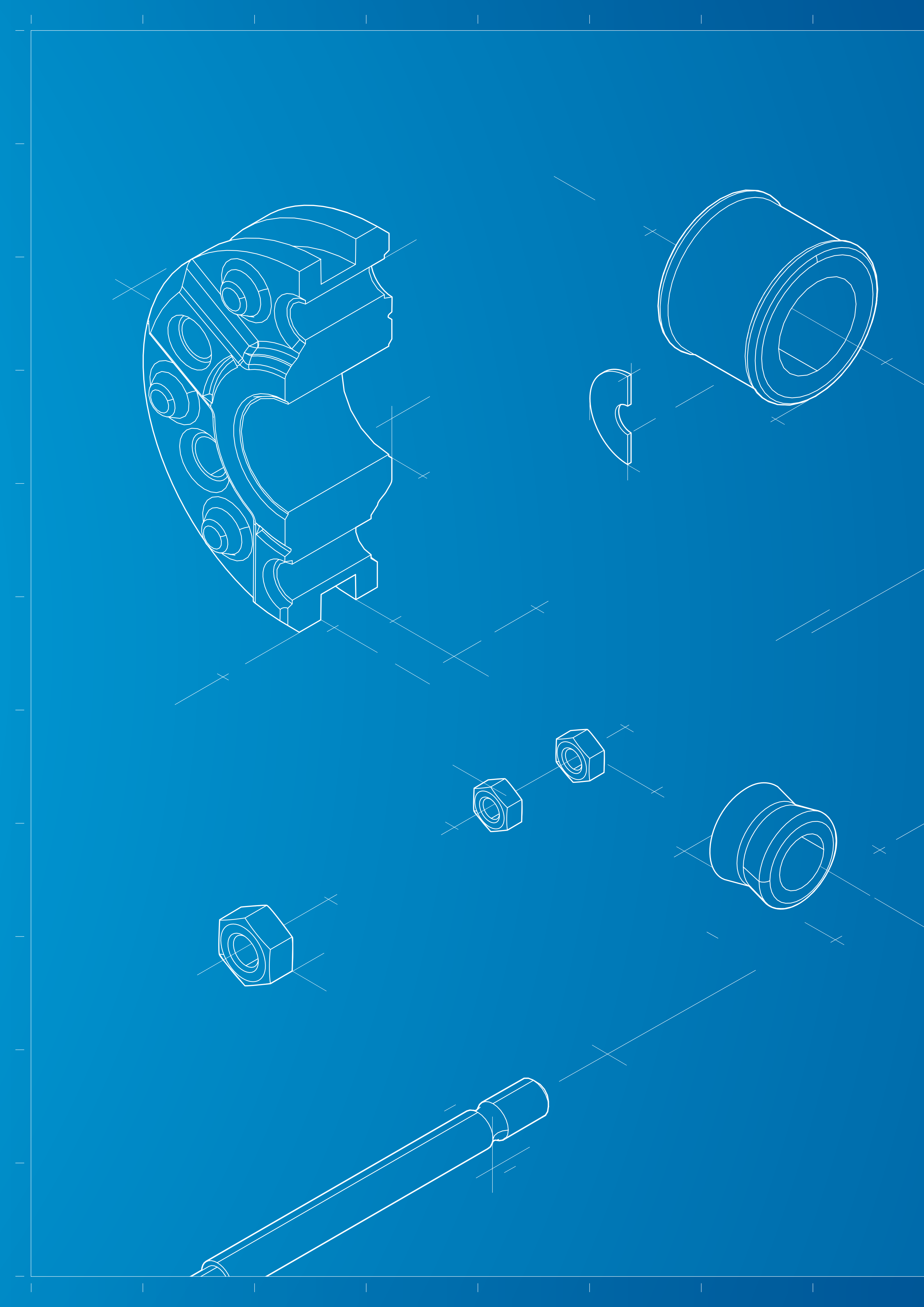
A TO OUR SHAREHOLDERS

B COMBINED MANAGEMENT REPORT

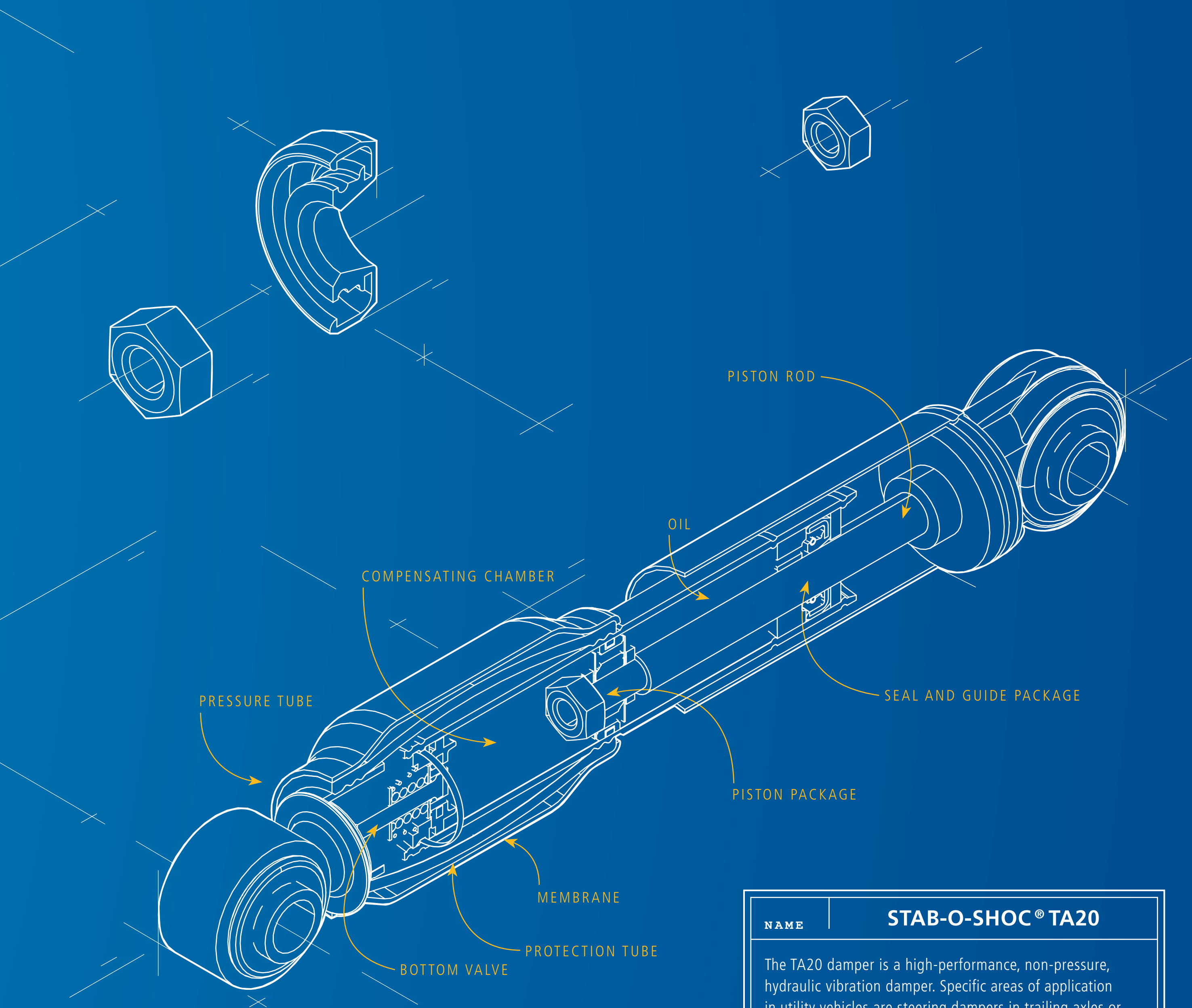
C CONSOLIDATED FINANCIAL STATEMENTS

D ANNUAL ACCOUNTS

E ADDITIONAL INFORMATION



A — TO OUR SHAREHOLDERS



NAME	STAB-O-SHOC® TA20

The TA20 damper is a high-performance, non-pressure, hydraulic vibration damper. Specific areas of application in utility vehicles are steering dampers in trailing axles or medical technology, e.g. backrest adjustments in hospital and nursing beds.

T	0518-055842-0656	N	PR-180

Dietmar Siemssen
Chief Executive Officer

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders, Customers, Business Partners, Employees, Ladies and Gentlemen,

A successful fiscal year 2015 lies behind us, with continued profitable growth and record revenues of more than €600 million. We enjoyed significant growth across all segments and sales markets and, at the same time, kept our operating profitability at the strong level recorded in previous years. Our growth continues to be driven by consistent execution of our long-term strategy STAR which is supported by three megatrends that you will read more about in the course of this report: demographic developments, the growing need for comfort, and rising occupational health and safety standards.

We plan to continue our successful development and have therefore systematically invested an increasing amount of capital into expanding our capacities – in line with rising demand from our customers worldwide and to address the considerable market potential for our gas springs, dampers and electrical drives. To increase our gas springs and dampers production footprint, we started construction of new, fully automated production lines in Germany and the US, expanded our plant in Romania with a new building and new machinery, completed a new semiautomatic production line in Mexico and began setting up two new production lines for automotive and industrial products as well as commissioning new machinery in China. We also strengthened our sales organization in the high-growth Asian market and expanded our capacity to include a new powder coating line in South Korea in order to reflect the sustained high level of potential offered by the market. In the Powerise segment, we expanded our plant in Romania with a new building and a new production line, established an additional Powerise production line in Mexico, and expanded our Chinese plant by adding a new building and a new production line that will start production in summer 2016.

We are also continuously developing new applications for our products as part of our innovation process. An example for this are the innovative wing doors of Tesla Model X which are actuated by our Powerise technology the first time Powerise utilization has been expanded into more than tailgate applications. Even for our more traditional products we continue to find new applications. In solar parks, for example, they are increasingly being used in solar modules that follow the course of the sun – our dampers absorb forces applied by sometimes severe weather conditions protecting the expensive modules against breakages and other damage.

In terms of financing, too, we made extensive progress in the past fiscal year in order to prepare our company for further growth. In December 2014, we took advantage of the attractive interest rate environment to complete a long-term refinancing, which we used to redeem our high-yield bond in June 2015. This will improve our future cash flow reducing the interest burden by about €13 million p.a. compared with the previous structure.

Looking at our operational performance figures, in fiscal year 2015 we increased our revenue by 20.5 percent year-on-year, from €507.3 million to €611.3 million. We produced a total of 144 million gas springs and dampers (previous year: 138 million) and 3.2 million Powerise systems (previous year: 2.2 million).

Automotive business accounted for total revenue of €434.2 million, while €149.3 million was attributable to industrial business. The main growth driver in automotive business remained the electromechanical Powerise drive, whose revenue increased from €85.8 million in the previous year to €139.8 million in fiscal year 2015. In geographical terms, our strongest growth was achieved in the NAFTA region, but we also increased our revenue in Asia and Europe. Despite extensive investment and the refinancing of our high-yield bond, our growth was profitable: our adjusted EBIT improved by 17.1 percent, from €65.1 million in the previous year to €76.2 million.

In addition to the positive performance of our automotive business, I would also like to highlight the development of our Swivel Chair unit, which recorded profitable revenue growth of 14.5 percent to a total of €27.7 million in fiscal year 2015. I am personally very happy with this turnaround, which has been achieved by dedicated management after many years of loss making.

We continue to see an unabated trend towards the increased use of gas springs, dampers, and electromechanical drives across a wide range of industries. Consequently, we are planning to systematically press ahead with the implementation of our successful strategy, expand our share of existing markets and develop new sales markets thanks to innovative new solutions and our strong product pipeline. For fiscal year 2016, we are targeting revenues of approximately €660 million – equating to organic growth of 8 percent – and plan for our adjusted EBIT margin to remain at a level of 12–13 percent.

I would like to take this opportunity to thank all shareholders for your confidence in Stabilus. I believe you will join me when I express my gratitude on your behalf to our customers for their loyalty and quality awareness and to our business partners for the close and – in many cases – long-standing working relationships we enjoy. Last but not least I would like to especially thank our more than 4,000 employees around the world for their extraordinary commitment and their valuable contribution to the success of our company.

We all together look forward to the new fiscal year 2016.

Yours sincerely,

Dietmar Siemssen
Chief Executive Officer

Udo Stark
Chairman of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

During the reporting period, i.e. the period since October 1, 2014, to September 30, 2015, two changes occurred within the Supervisory Board: Mr. Andi Klein left the Board on May 12, 2015 and was succeeded by Dr. Joachim Rauhut; Mr. Nizar Ghoussaini left the Board as per September 30, 2015 and was succeeded by Dr. Ralf-Michael Fuchs. Dr. Joachim Rauhut was also elected as Chairman of the Audit Committee of Stabilus, effective May 12, 2015.

The Supervisory Board is very grateful to Messrs. Klein and Ghoussaini for their valuable contributions to the development of our Group. The Supervisory Board of Stabilus S.A. performed its tasks and monitored the management activities of the Board of Management in accordance with legal requirements and the Articles of Association of Stabilus S.A. The Board of Management and the Supervisory Board maintained close and regular contacts. The Supervisory Board advised the Board of Management in regard to strategic and operational decisions as well as governance topics and decided on matters requiring supervisory approval.

COOPERATION WITH THE BOARD OF MANAGEMENT

The Board of Management reported regularly, promptly and extensively in verbal and written form to the Supervisory Board regarding the position and performance of the Company and the Stabilus Group. Furthermore, the Board of Management informed the Supervisory Board on a regular basis concerning the future business policy, including the strategic and organizational direction of the Group. Between Supervisory Board meetings, Stabilus' management kept the Chairman of the Supervisory Board informed about new developments.

In each of the Supervisory Board meetings, of which there were six in total during the last fiscal year and so far one in the current fiscal year, the Board of Management reported on the commercial position of the Company as well as key financial data.

The Board of Management also regularly provided reports about Stabilus' business performance in the various geographic markets (operating segments) and about the development of Stabilus' four business units, namely Automotive, Powerise, Industrial and Swivel Chair. Major investments of the Group companies, in particular investments for capacity extensions in key markets, were presented to and approved by the Supervisory Board.

The Board of Management reported about cost and quality matters as well as other operational topics related to Stabilus' products. The Supervisory Board and the Audit Committee examined the risk position of the Stabilus Group and the development of systems and procedures for internal controls and risk management. The Supervisory Board and the Audit Committee also reviewed the Group's compliance organization.

The Supervisory Board was closely involved in Stabilus' refinancing in fiscal year 2015. This refinancing resulted in a significant reduction of interest to be paid by Stabilus for its credits.

DRAWING UP OF THE FINANCIAL STATEMENTS

The Supervisory Board examined the Company's stand-alone annual accounts, the consolidated financial statements and the management report for the financial year ending on September 30, 2015. Representatives of the auditor KPMG Luxembourg Société coopérative attended the meeting of the Audit Committee on December 18, 2015 at which the financial statements were examined. The representatives of the auditor reported extensively on their findings, provided a written presentation and were available to give additional explanations and opinions.

The Supervisory Board did not raise objections to the Company's stand-alone annual accounts or to the consolidated financial statements drawn up by the Board of Management for the financial year ending on September 30, 2015 and to the auditors' presentation. According to the recommendation of the Audit Committee, the Supervisory Board agreed to the proposal of the Board of Management to approve both the Company's stand-alone annual accounts and the consolidated financial statements for fiscal year 2015. The auditor issued unqualified audit opinions on December 18, 2015.

On behalf of the Supervisory Board, I want to thank the Board of Management for the open and effective collaboration during the year, the Stabilus employees for their excellent contributions to the Company's success as well as our shareholders for the trust they place in Stabilus.

Luxembourg, December 18, 2015

On behalf of the Supervisory Board of Stabilus S.A

Udo Stark
Chairman of the Supervisory Board

INTERNATIONAL MANAGEMENT TEAM

01 HÄRING, FRED
Vice President
Business Unit Swivel Chair

02 HUBER, RALPH
Vice President
Business Unit Industrial

03 SANDER, KARSTEN
Vice President
Business Unit Automotive

04 WIDMER, MARTINA
Vice President
Global HR

05 KADENBACH, EKKEHARD
Vice President
Global Purchasing

06 BALMERT, JOACHIM
Vice President
Quality Management

07 LEE, JOONG-HO (JAMES)
Country Head Korea

08 SIEMSSEN, DIETMAR
Chief Executive Officer

09 TIAN, XUEFENG (ALEX)
Country Head China

10 PINK, JOHANNES
Vice President
Global Operations

11 HABA, ANTHONY
Regional Head NAFTA

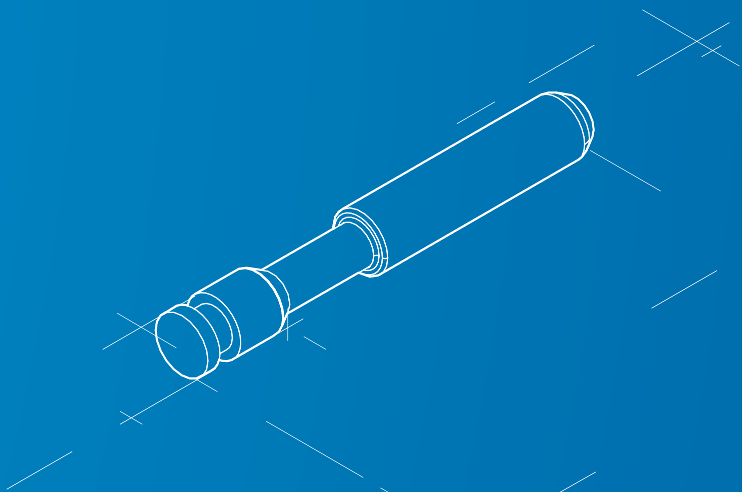
12 HINCK, MICHAEL
Country Head Japan

13 SABET, DAVID
Vice President
Business Unit Powerise

14 WILHELMS, MARK
Chief Financial Officer

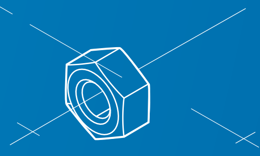
THREE MEGATRENDS AS GROWTH DRIVERS

A growing, comfort-loving middle class in developed countries and emerging nations, a global population that is both growing and aging, and global progress in occupational health and safety standards: These three megatrends represent important developments and thus also set the direction for the future of the global economy.



ERGONOMIC SOLUTIONS FOR EVERYDAY MANUAL TASKS

As global market leader for gas springs and dampers, and with its electromechanical Powerise drives, Stabilus benefits directly from these three global megatrends because the Company's products provide ergonomic solutions for virtually all the challenges involved in opening, closing, lifting, lowering, damping and adjusting actions.



144 M

gas springs and dampers produced by Stabilus in fiscal year 2015 (previous year: 138 million).

3.2 M

Powerise systems produced by Stabilus in fiscal year 2015 (previous year: 2.2 million).

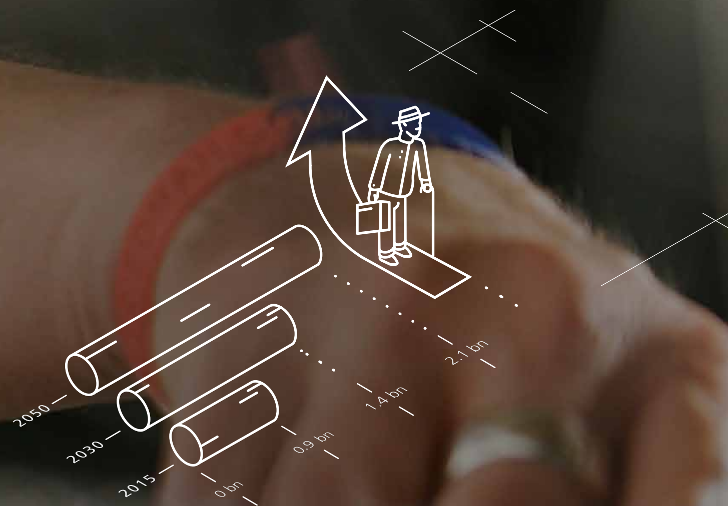
A LEADER IN MOTION CONTROL

People are living to an ever older age and want to stay active longer. One of the requirements for achieving this aim is to improve the ergonomics of recurring motion sequences on a long-term basis. Consequently, Stabilus products are an integral part of daily life in many commercial applications and private households, where they help to make everyday manual tasks easier and more enjoyable to perform. Even today, the possibilities extend way beyond the automotive business and cover a wide range of uses in industry, in air and rail transport, in nursing professions and in private households – and the trend is continuing upward.

The following pages illustrate the role that the megatrends play for the global business of Stabilus in the automotive and industrial sectors. But above all, they highlight the opportunities for significant global growth that these megatrends continue to offer the Company. The automotive business, for example, is expected to grow significantly faster than the automotive market as a whole.

»WHAT HELPS PEOPLE STAY FIT LONGER?«

The megatrend of demographic change:
Half a century ago, 50-year-olds were considered to be old even in Europe and North America, whereas nowadays, more and more people make a fresh start at this age.



Forecasted rise in world population over the age of 60

2015: around 0.9 billion people
2030: around 1.4 billion people
2050: around 2.1 billion people

WE HELP TO STAY ACTIVE!

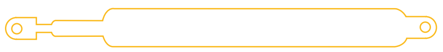
Gas springs, dampers and electromechanical drives from Stabilus serve as reliable helpers.

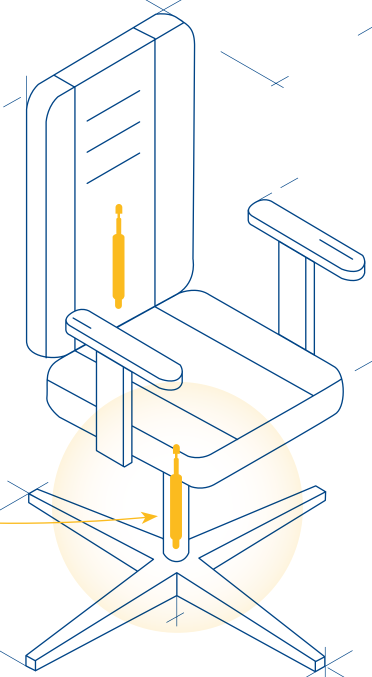
While the world population was 5.3 billion in 1990, it had already increased to almost 7 billion by 2010. The United Nations expects a further increase in the world population to some 8.4 billion by 2030 and further unstoppable growth even after that. Besides the industrialization of agriculture and progress in the medical sector, a key factor for this development is the decrease in poverty.

Life expectancy and the percentage of older people in the overall population are increasing around the globe, almost in line with the world population. According to the United Nations, almost 901 million people around the world are over 60, and this number is expected to rise to 1.4 billion by 2030 and to roughly 2.1 billion by 2050. Progress in the medical sector will enable people to remain both active and fit for work longer in the future.

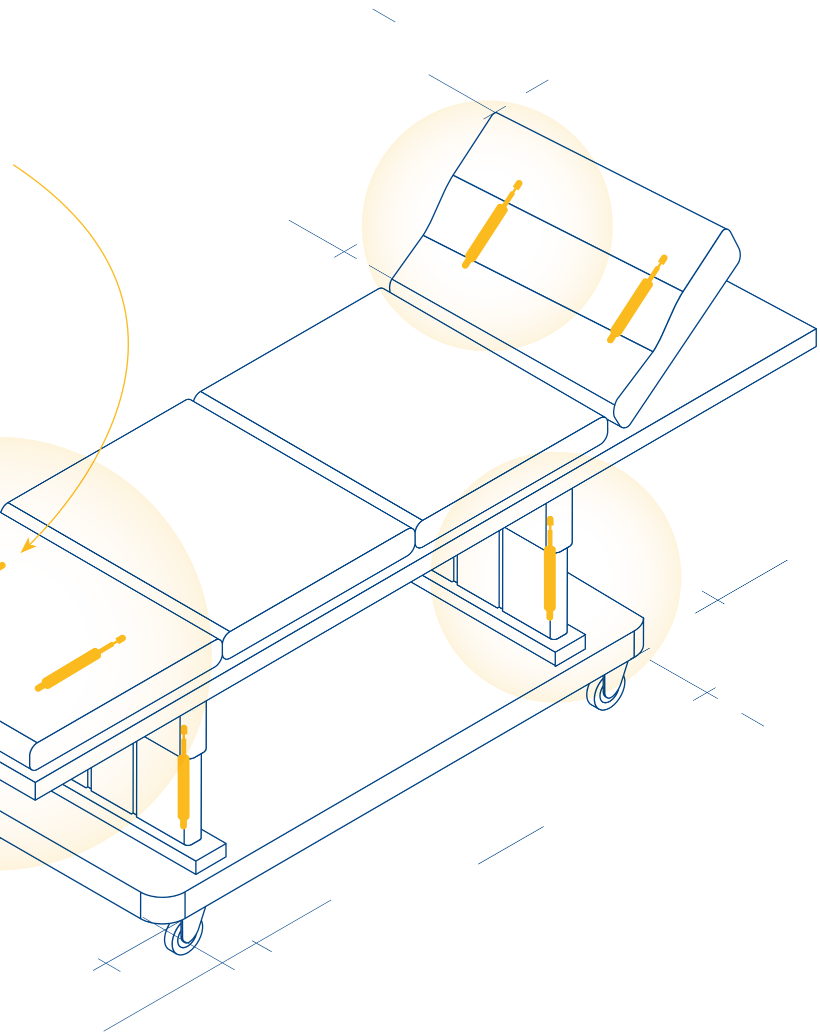
STABILUS PRODUCTS HELP TO HANDLE DEMOGRAPHIC CHANGE

Solutions that relieve the human musculoskeletal system from challenging tasks and make everyday motion sequences more ergonomic help to maintain people's abilities to move and work. With a large number of possible applications, gas springs, dampers and electromechanical drives from Stabilus offer a broad spectrum of use in industrial and private contexts. In its role as a component and system supplier to leading providers in the automotive, furniture and kitchen industries, in aircraft construction, mechanical engineering and medical and commercial vehicle technology, Stabilus guarantees ergonomically optimized applications.





Swivel chairs with STAB-O-MAT gas springs make working comfortable. Pleasantly dampened, they feature variable height adjustment and gently absorb the weight of the occupant.



Sick or injured people often have to stay in bed for a long time. Our locking gas springs have proven themselves for smooth and safe adjustment of the various hospital bed segments for many years. Oil-hydraulic dampers from Stabilus ensure safe lowering of the side rails.

One of the important trends of the future is the creation of combined standing / sitting workstations with height-adjustable office desks. This type of desk is already in use in many companies. These desks are designed to actively prevent back problems during working hours and thus to ensure the employees' ability to work. Useful side effects of switching between a sitting and standing position at work include an improved ability to concentrate and react quickly as well as a lower likelihood of getting tired.

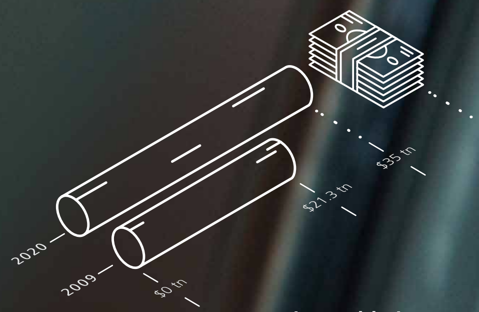
At the moment, Scandinavia and Switzerland are the trend-setters when it comes to standing / sitting workstations, but more and more companies in other countries as well are deciding to introduce this future-oriented workstation design. The height is usually adjusted by means of an electric motor with power assistance provided by a gas spring. Stabilus supplies gas springs to the market leaders among the furniture manufacturers in this growing market segment.

NUMEROUS POSSIBILITIES FOR USE ON THE GROWTH MARKET OF MEDICAL TECHNOLOGY

The implications of aging societies are not only that longer active participation in professional life must be ensured through improved ergonomics, but also that more and more people will require more intensive medical care including the need for nursing care in their later stages of life. The use of gas springs, dampers and electromechanical drives in medical products is increasing as a result of this development. For example, Stabilus products support the adjustment mechanism of sickbeds, help to make it easier to operate height-adjustable side tables, and lift treatment chairs or operating tables to the optimum height for the attending physician.

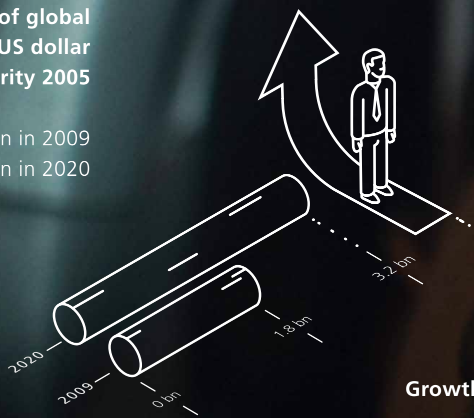
»HOW CAN WE MAKE EVERYDAY LIFE MORE COMFORTABLE?«

The megatrend of comfort:
An increasing number of people can afford amenities that make life noticeably easier; soon, we will not be able to imagine life without many of these comfort-enhancing functions in our cars and households.



Disposable income of global middle class in US dollar purchasing power parity 2005

Worldwide: approx. $21.3 trillion in 2009
approx. $35.0 trillion in 2020



Growth in middle class by 2020

In 2009, around 1.8 billion people belonged to the middle class. In 2020, it will be around 3.2 billion people.

WE MAKE EVERYDAY MANUAL TASKS EASIER!

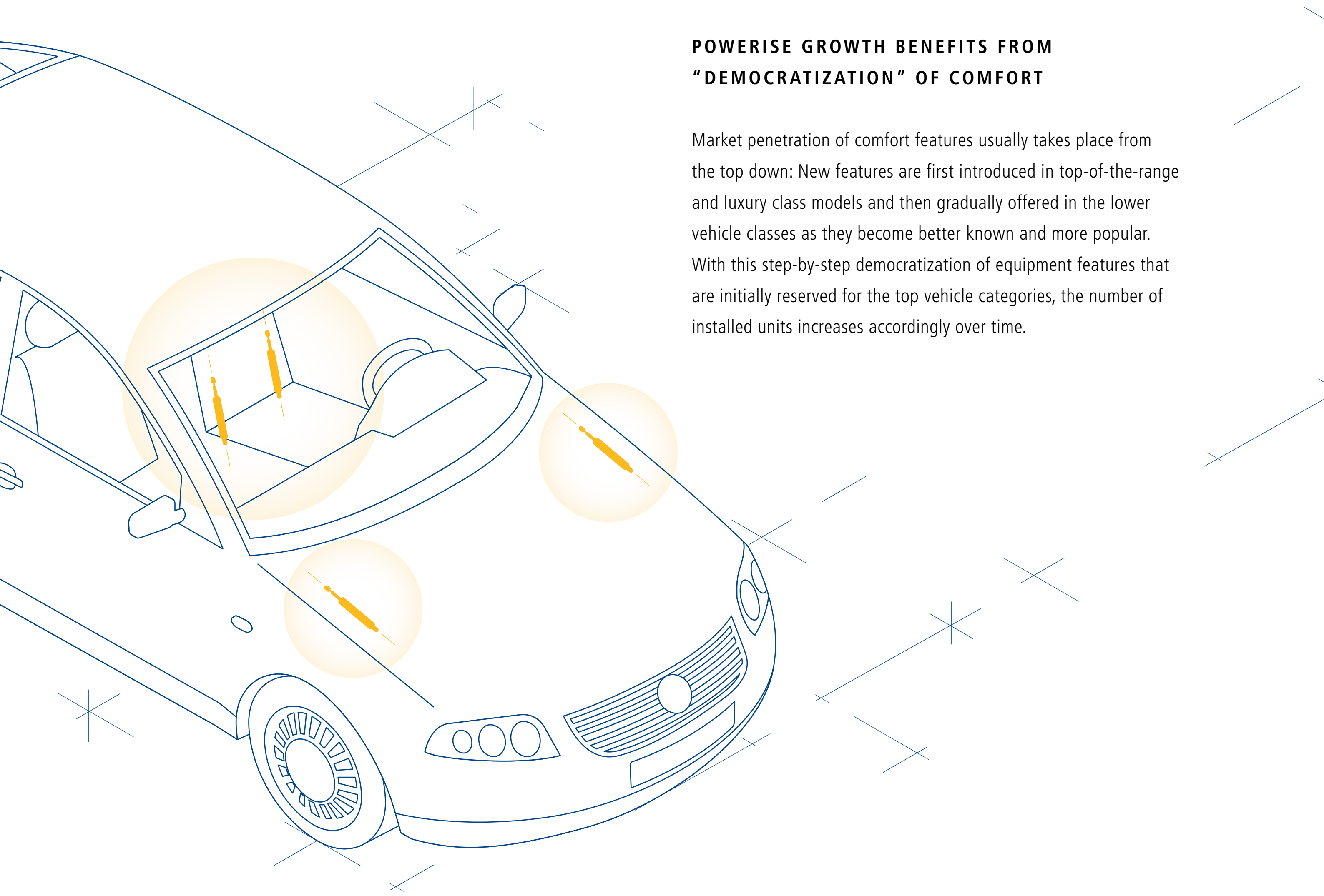
Stabilus products increase the comfort in handling items.

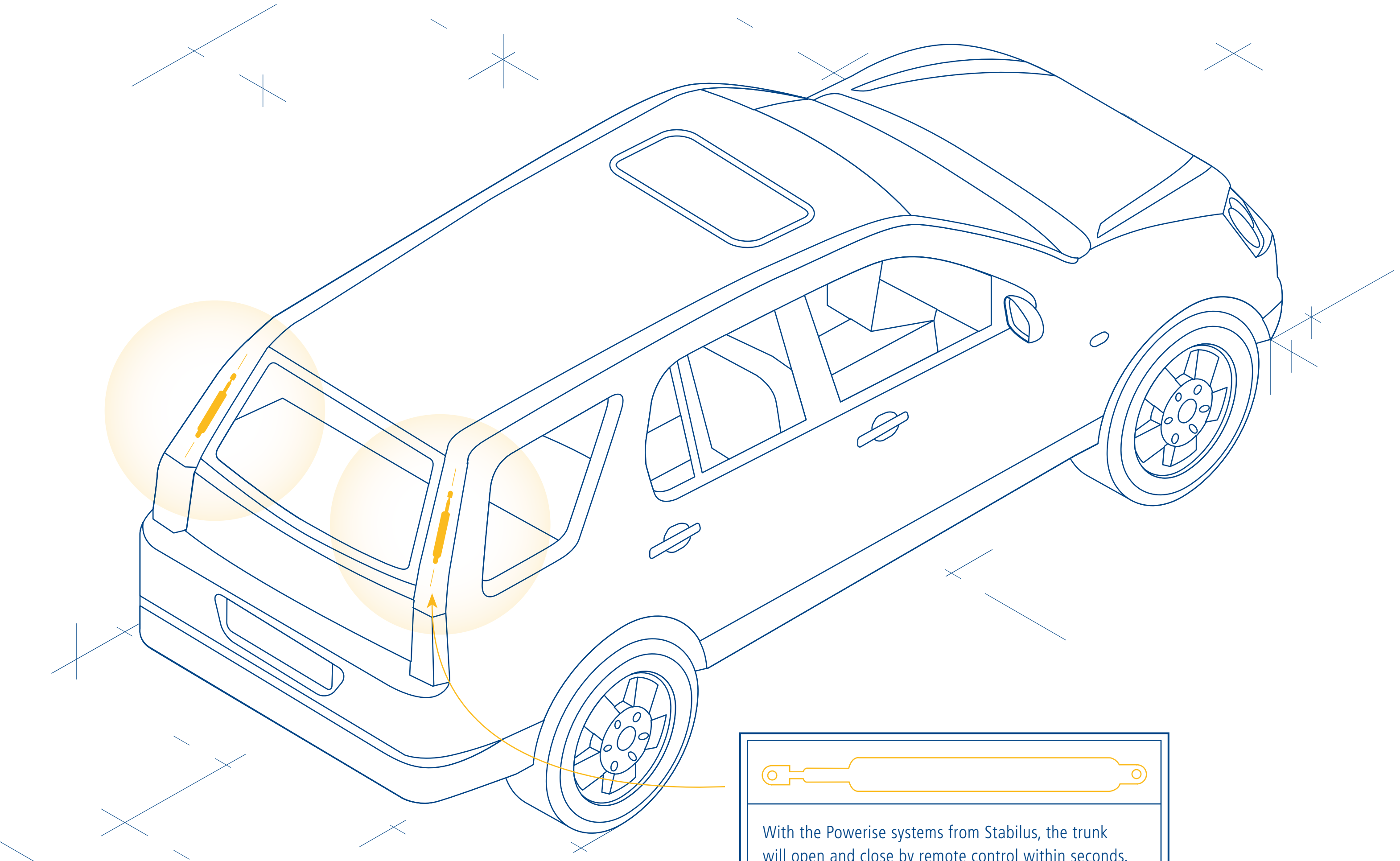
The demand for comfort-enhancing solutions that make life easier is increasing all over the world. While features such as electric window winders or air-conditioning systems were largely reserved for top-of-the-range and luxury class vehicles three decades ago, hardly any passenger car or truck rolls off the line without this equipment nowadays. At the same time, the number of customers who choose optional equipment such as heated seats, parking assist systems or electromechanical lid drives like the Powerise systems offered by Stabilus is increasing these days.

Demographically, this trend is supported by the growth of the global middle class: In 2009, roughly 1.8 billion people or well over 25% of the world population belonged to the global middle class as defined by the OECD; this number will increase to 3.2 billion or more than 40% by 2020. This means that more and more people are able to afford that extra bit of comfort here and there, for example when ordering a new vehicle or a new kitchen. In this context, Stabilus gas springs, dampers and electromechanical drives are the product of choice whenever the aim is to increase comfort by significantly improving ergonomics.

POWERISE GROWTH BENEFITS FROM "DEMOCRATIZATION" OF COMFORT

Market penetration of comfort features usually takes place from the top down: New features are first introduced in top-of-the-range and luxury class models and then gradually offered in the lower vehicle classes as they become better known and more popular. With this step-by-step democratization of equipment features that are initially reserved for the top vehicle categories, the number of installed units increases accordingly over time.





With the Powerise systems from Stabilus, the trunk will open and close by remote control within seconds. Integrated in the Powerise drives is a sensor system that reliably eliminates safety risks due to improper operation or use.

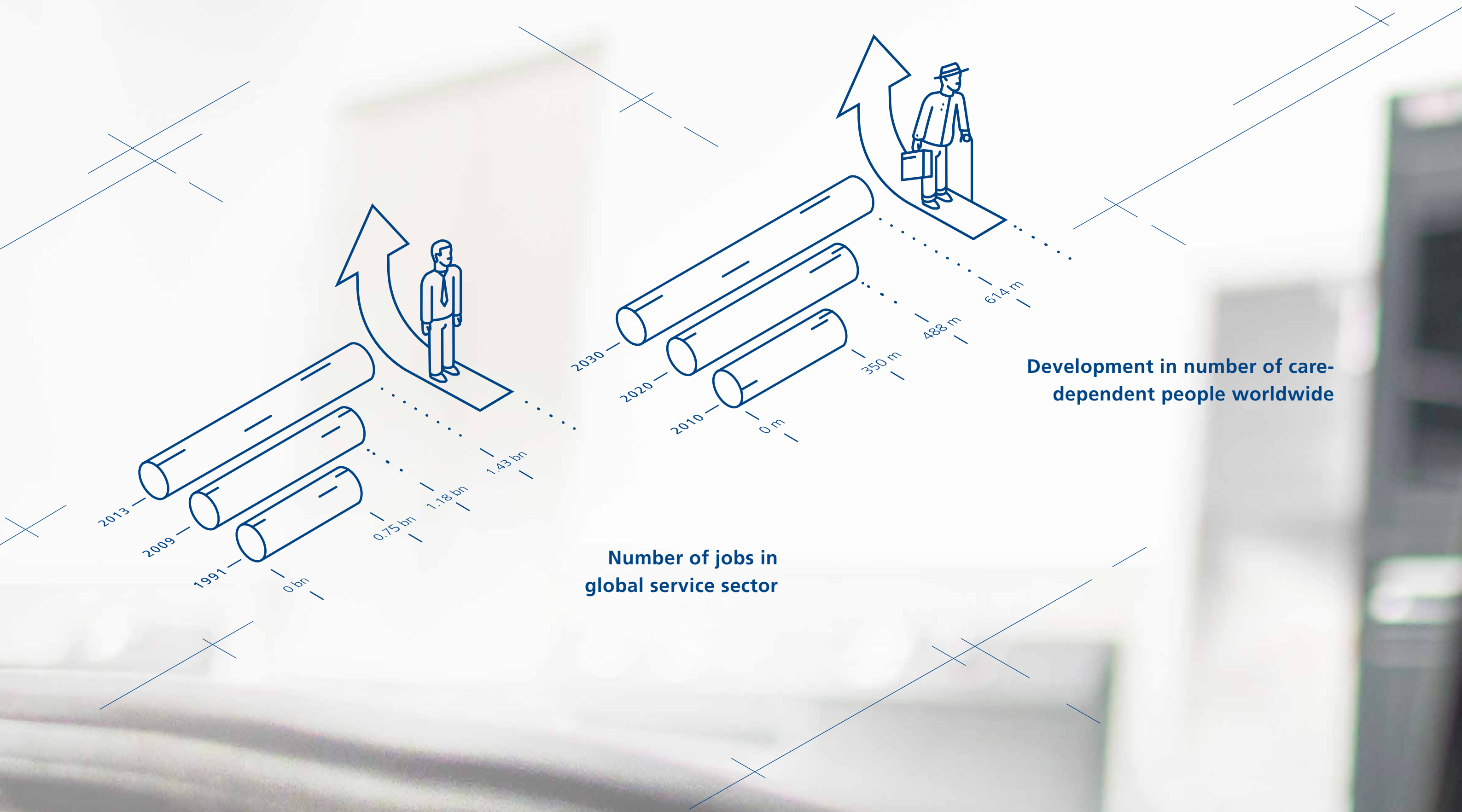
Stabilus is achieving particularly high growth rates with the electromechanical lid drive Powerise, which allows car tailgates to be opened and closed by pressing a button or even by means of gesture control. This way, your hands stay clean even if the car is very dirty, and you can save yourself the effort needed to open or close conventional tailgates. In the years following the market introduction of the Powerise systems, they were fitted predominantly in luxury class vehicles, all-terrain vehicles and SUVs. Now, an increasing number of vehicle manufacturers are offering their customers this option in mid-range and even compact models as well. Sales of Powerise systems are increasing accordingly: While Stabilus produced 1.2 million Powerise units in fiscal year 2013, in fiscal year 2015 it already produced approx. 3.2 million units. This currently applies to the European market in particular, because mid-range and compact vehicles traditionally account for an especially large market share here.

EASIER OPERATION IS A CROSS-SECTOR GROWTH TOPIC

The trend toward easier operation is unbroken across sectors and all over the world. Stabilus products are therefore also used outside of the automotive sector when it comes to increasing the ease of use or ergonomics of products. For example, customers of the Stabilus "Industrial" business use gas springs in the adjustment mechanism of high-quality ironing tables or use them to help adjust the height of hotel beds, which makes it easier for the service personnel to attend to the beds. What is more, the advancing electrification of many items enables Powerise applications to be used outside of the automobile sector and thus opens up new possibilities for use. On the whole, these are excellent growth prospects and Stabilus is working intensively on making use of them.

»WHO MAKES HARD WORK EASIER?«

The megatrend of occupational health and safety: Healthy employees mean fewer absences and interruptions to operations. This is why investments in ergonomics pay off for employers in economic terms as well.



WE MAKE LOADS MANAGEABLE!

Stabilus products improve ergonomics and thereby increase performance.

When employees are absent from work, companies are left with high costs. In highly competitive industries as well as small and medium-sized companies, the absence of employees can lead to serious interruptions to operations and have considerable economic consequences. This is why today the prevention of industrial accidents and health risks in the workplace is a top priority in most countries around the globe.

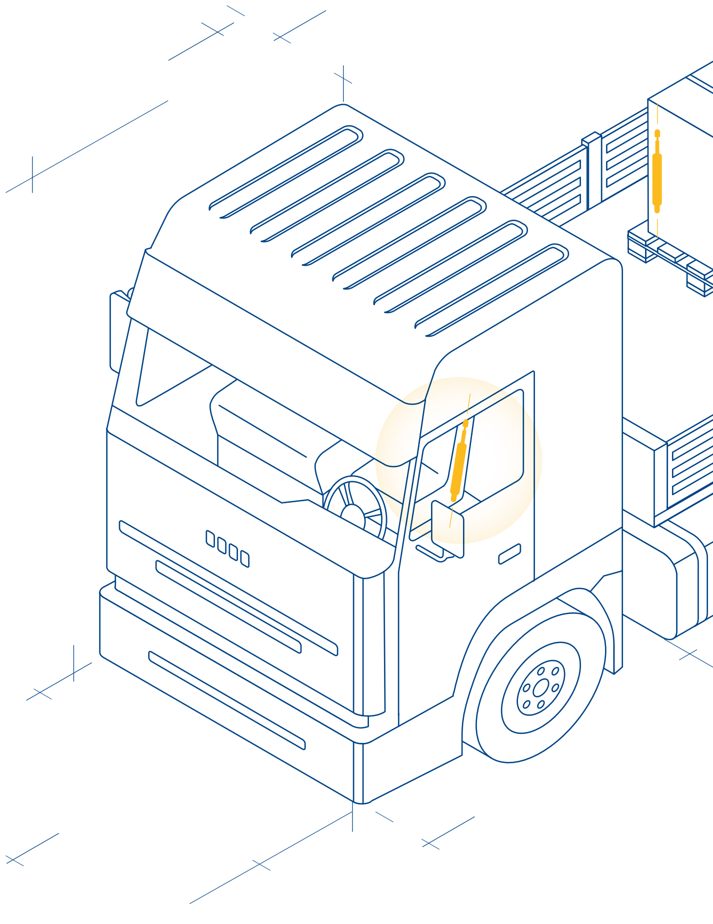
Product solutions for improving working conditions, reducing work-related health risks and optimizing the working equipment for its respective task are a global growth market and occupy an important position in the strategy of the "Industrial" business at Stabilus. More than 2,500 customers from a wide range of industries are already convinced that investments in ergonomics pay off economically and rely on the expertise of Stabilus when it comes to designing and manufacturing their products all over the world.

STABILUS PRODUCTS PROTECT THE WELL-BEING OF LOGISTICS AND HOTEL EMPLOYEES

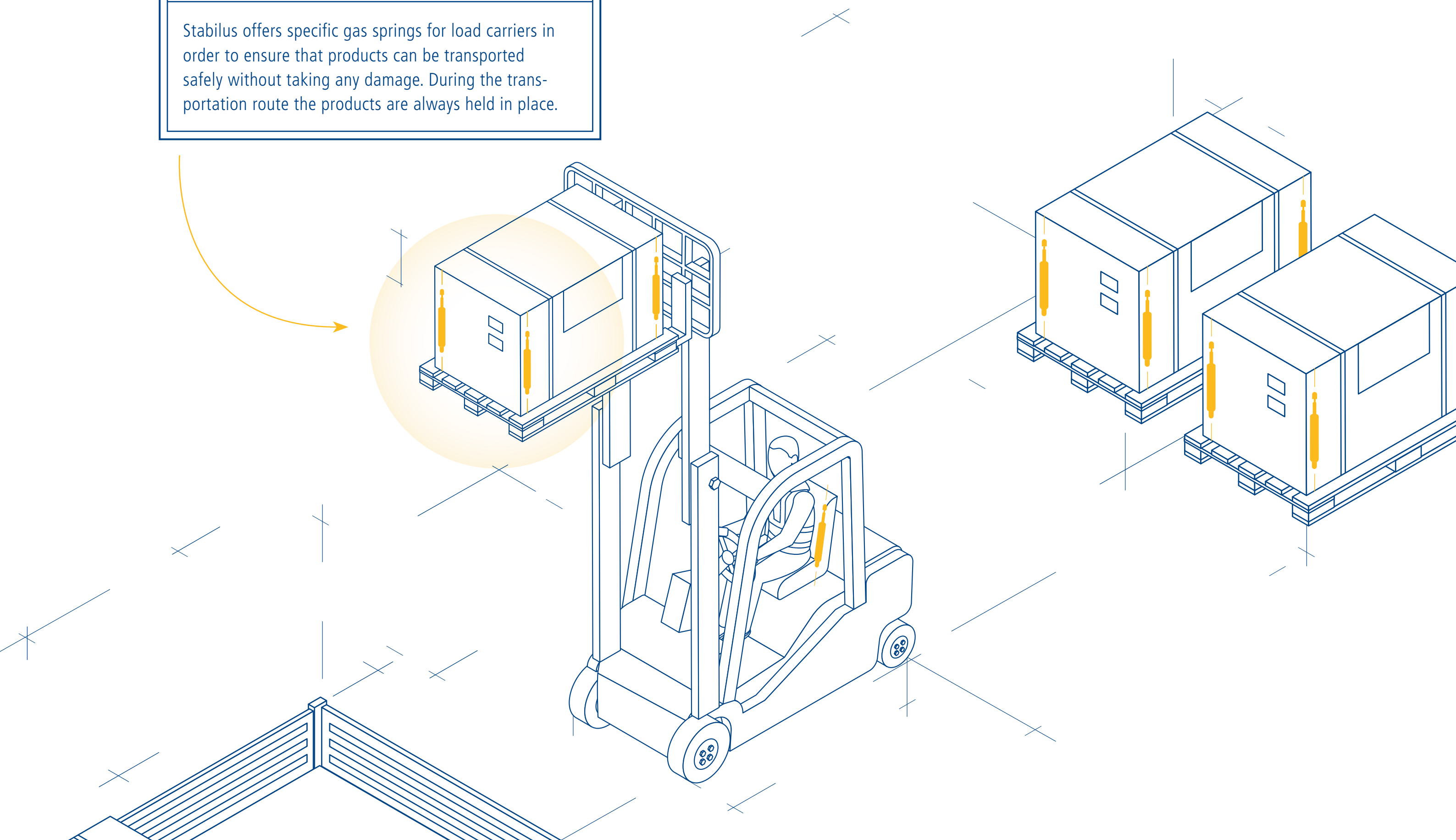
Let us take the example of back protection: The industrial division of labor, which often extends across continents, is changing the working world. In industrial production, system suppliers or suppliers of individual components are delivering more and more parts "straight to the line," where they are usually installed promptly. In order to ensure that the components reach the next production station undamaged and on time, large numbers of what are known as load carriers are used throughout the world. For example, airbags or headlamps are placed in these reusable containers so that they can be transported safely to a car manufacturer's production facility.

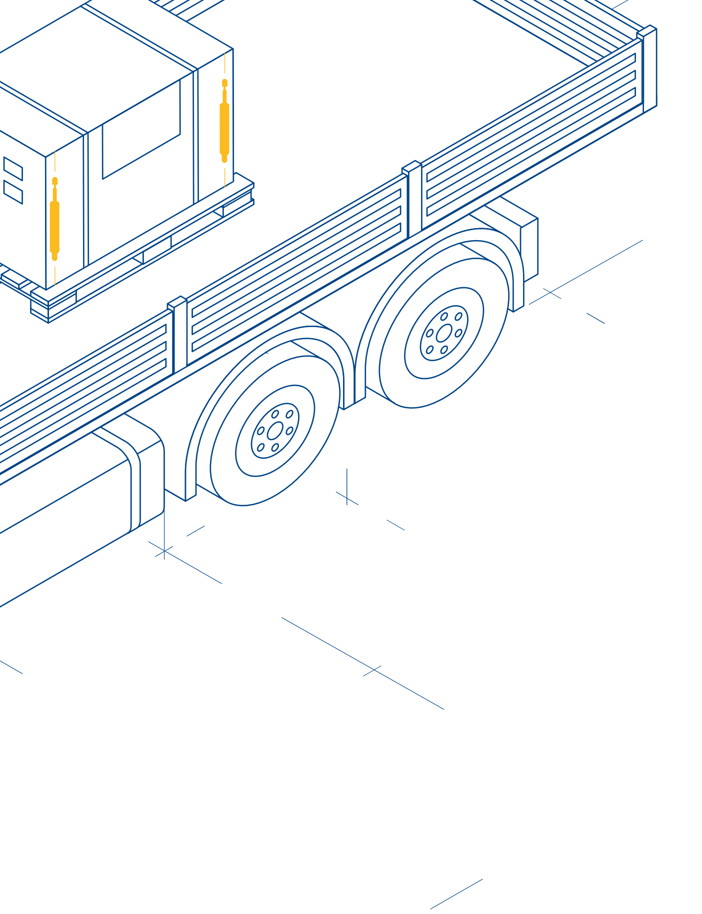
Inside the load carriers, there are folding intermediate layers where the parts to be shipped are held in place. Whenever the parts are removed from the load carriers, the stable and therefore rather heavy intermediate layers must be folded up repeatedly. This is why Stabilus gas springs are increasingly being installed in load carriers – they enable the intermediate layers to be moved with ease. Up to 30 gas springs are installed in a single load carrier.

Every day, several million bed linens are changed in the hotel industry all over the world. The room staff have to bend over to perform this task, so back problems and absence of staff are bound to occur. With the help of two Stabilus gas springs, the mattress can be raised to chest height with a simple hand movement, allowing the sheet to be changed without straining the back. This solution is being used increasingly by hotel groups all over the world.



Stabilus offers specific gas springs for load carriers in order to ensure that products can be transported safely without taking any damage. During the transportation route the products are always held in place.





HEALTHIER BACKS FOR PEOPLE WORKING IN A SITTING POSITION

Many people whose profession requires them to sit all day complain about back problems due to lack of movement and uncomfortable office chairs. Stabilus is a leading manufacturer of maintenance-free gas springs for swivel chairs that allow the height of the chair to be adjusted continuously and easily, and thus to be better adapted to the height of the user. A further area in which Stabilus products can be applied in the growth market of occupational health and safety is that of protecting the backs of truck and construction vehicle drivers: Gas springs not only make it easier to adjust the drivers' seats, they also improve the spring characteristics of the seats. In this way, they help to prevent the drivers' backs from being put under too much strain from long periods of sitting and the many uneven and bumpy roads they drive on during a working day. Stabilus now even offers adjustable dampers for installation in drivers' seats that enable the hardness to be varied and thus allow the seat to be even better adapted to the driver's weight. In order to supply customers all over the world with a wide range of gas springs and to benefit from the megatrend of occupational health and safety, Stabilus is continuously investing in the expansion of its production capacities in Europe, the USA and Asia.

STABILUS SHARE

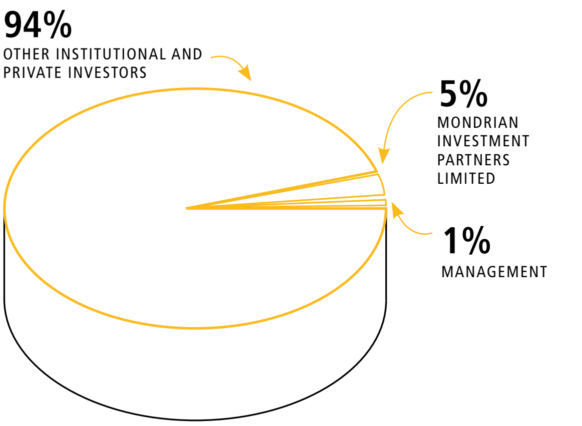
Stabilus share rose by 30% in fiscal year 2015 and outperformed peer indices
Free float of 99% after Triton's last placement in March 2015

STOCK MARKETS REMAINED VOLATILE IN FISCAL YEAR 2015

The stock markets remained volatile in fiscal year 2015. On the one hand they benefited among others from the continued availability of liquidity from the major central banks and from low interest rates which supported the new all-time high of the DAX which climbed to 12,000 points in April 2015. On the other hand the slowdown of China's economic growth and the devaluation of the yuan in mid-August 2015 led to significant turbulences in the Chinese stock market which, together with other external shocks such as the crisis in Ukraine, the war in Syria and the VW emission scandal, considerably weakened the European stock markets as well. In this environment the SDAX, the index on which Stabilus shares are listed, performed considerably well and closed at 8,310 points on September 30, 2015 (6,853 points on September 30, 2014) and thus increased by 21% in the last twelve months.

Shareholder Structure

in % as of September 30, 2015



THE STABILUS SHARE

Stabilus S.A. has a share capital of €207,232.56 represented by 20,723,256 bearer shares with a nominal value of €0.01. The share of Stabilus S.A. has been listed in the Prime Standard (regulated market) of the Frankfurt Stock Exchange since May 23, 2014. In September 2014 the Stabilus share gained further visibility with its inclusion in the SDAX index.

STABILUS SHARE OUTPERFORMED THE MARKET

From October 1, 2014 to September 30, 2015, the Stabilus share price increased by 30% from €24.75 to €32.25. Consequently and as in the previous fiscal year, the Stabilus shares were able to substantially outperform its sector indices: SDAX, DAXsector All Automobile and DAXsector Industrial.

SHAREHOLDER STRUCTURE: FREE FLOAT AT APPROXIMATELY 99%

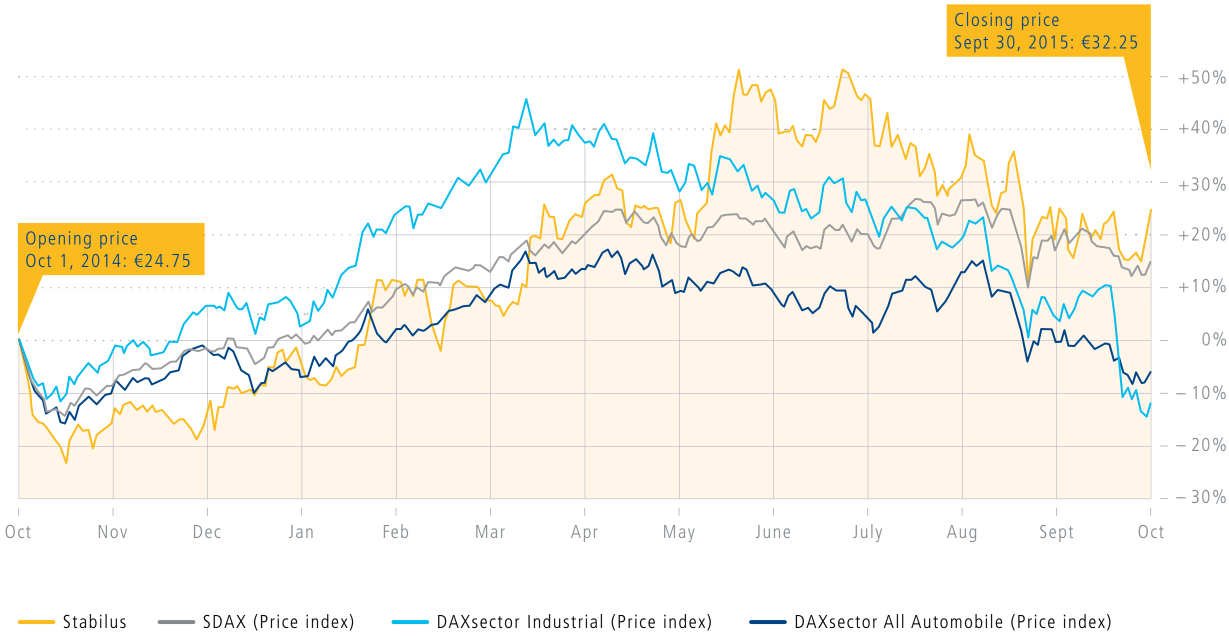
On December 5, 2014 and on March 17, 2015 funds advised by Triton successfully placed 4.4 million and 4.2 million shares of Stabilus with institutional investors respectively. As a result of these placements the free float increased to approximately 99%. The remaining 1% of the Stabilus shares which are not included in the free float are held by the members of the Management and the Supervisory Board. According to the voting rights notifications received until September 30, 2015, Mondrian Investment Partners Limited holds 5.01% of the Stabilus shares.

ANNUAL GENERAL MEETING

The ordinary Annual General Meeting 2015 of Stabilus S.A. was held on February 18, 2015 at 10:00 a.m. at the Chambre de Commerce, 7, rue Alcide de Gasperi, L-2981 Luxembourg. Overall 61% of the voting rights were represented at the meeting and all motions presented were approved by the shareholders. All documents and information regarding the Annual Shareholders' Meeting can be found on our investor relations website at www.ir.stabilus.com.

Share price performance

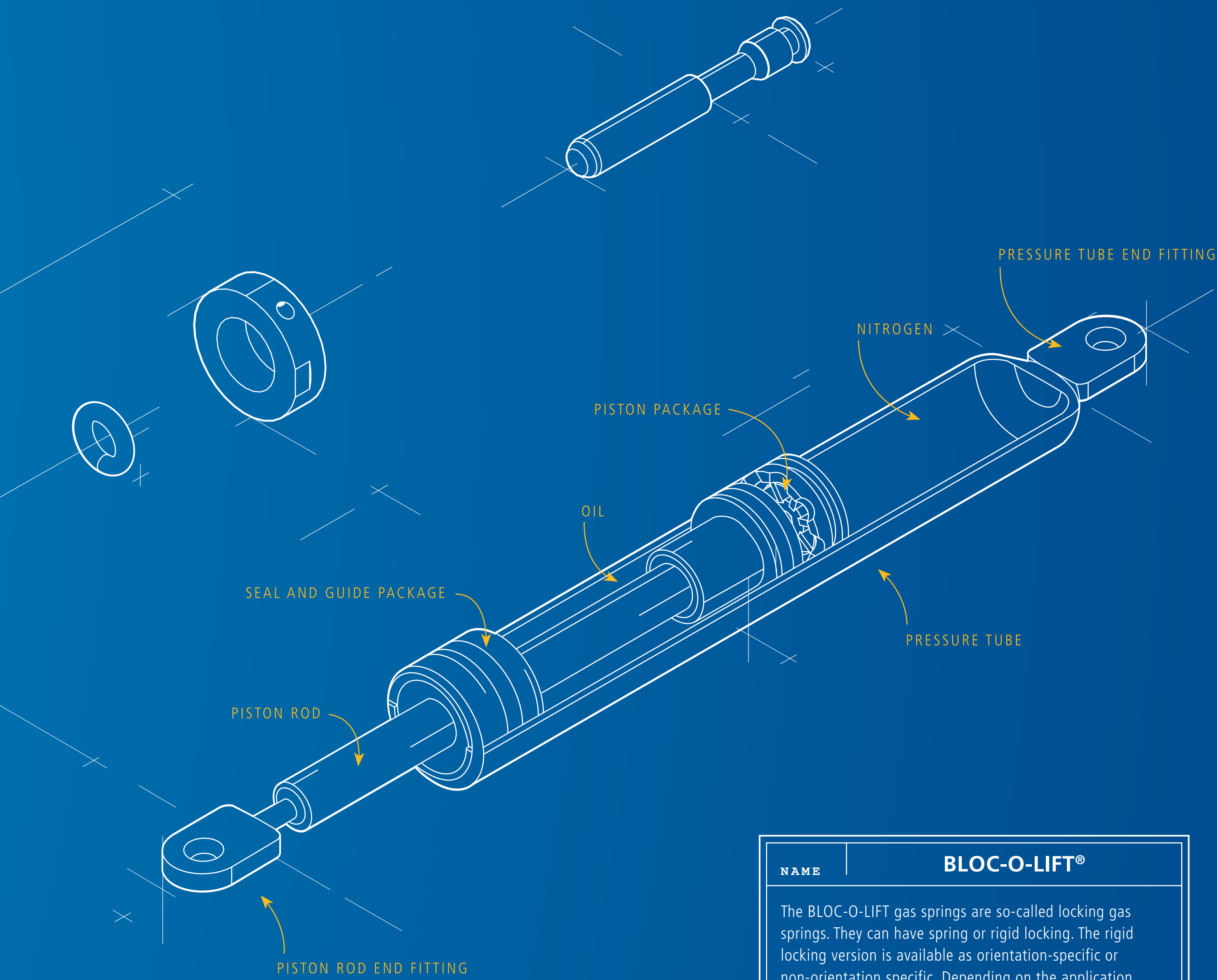
Data in per cent for October 1, 2014 to September 30, 2015



GENERAL DATA

Ticker symbol	STM
ISIN	LU1066226637
German securities code (WKN)	A113Q5
Stock exchange	Frankfurt Stock Exchange
Market Segment / Transparency Standard	Regulated market / Prime Standard
Index	SDAX
Number of shares outstanding	20,723,256
Nominal value per share	€0.01
Capital stock	€207,232.56
Closing price as of Sept 30, 2014 (Xetra)	€24.70
Closing price as of Sept 30, 2015 (Xetra)	€32.25
Market capitalization as of Sept 30, 2014	€511.9 m
Market capitalization as of Sept 30, 2015	€668.3 m

B — COMBINED MANAGEMENT REPORT



NAME	BLOC-O-LIFT®

The BLOC-O-LIFT gas springs are so-called locking gas springs. They can have spring or rigid locking. The rigid locking version is available as orientation-specific or non-orientation specific. Depending on the application, BLOC-O-LIFT can be equipped with a patented, corrosion-free actuation tappet. Primarily application areas for BLOC-O-LIFT gas springs are furniture manufacture, medical technology, building technology, aviation and aeronautics, automotive design, and many industrial applications.

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COMBINED MANAGEMENT REPORT

as of and for the fiscal year ended September 30, 2015

GENERAL

Stabilus S.A., Luxembourg, hereafter also referred to as "Stabilus" or the "Company" is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The registered office is 2 rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

Stabilus S.A. is the parent company of the Stabilus Group.

Stabilus Group's operating entities typically use the brand name "Stabilus" in their registered name. The Group operates in three regions with its subsidiaries. These regions are Europe (Luxembourg, Germany, Romania, France, Italy, Spain, Switzerland and United Kingdom), NAFTA (United States and Mexico) and Asia / Pacific and Rest of World (RoW) (China, South Korea, Japan, Australia, Brazil, New Zealand).

The Stabilus Group is a leading manufacturer of gas springs and dampers as well as electromechanical tailgate opening systems. The products are used in a wide range of applications in the automotive and the industrial sector, including furniture applications. Typically the products are used to aid the lifting and lowering or dampening of movements. As world market leader for gas springs, the Group ships to all key vehicle producers. Various Tier 1 suppliers of the global vehicle industry diversify the Group's customer base. A broad spectrum of industrial customers diversify the Groups customer base.

STRATEGY

The Stabilus Group is the leading supplier of gas springs and hydraulic dampers for the automotive and industrial sectors worldwide. In addition, the Company has successfully expanded into the production and sale of automatic opening and closing systems. Stabilus' strategic aim is to further extend its leadership positions in these industries. The key focus areas of its strategy STAR are to: (i) drive profitable and cash generating growth, (ii) benefit from megatrends, such as increased standard of living, increasing comfort requirements and aging population, (iii) focus on innovative gas spring solutions, especially in the industrial business through new applications and selected add-on acquisitions and (iv) maintain and strengthen the Company's cost and quality leadership.

DRIVE PROFITABLE AND CASH GENERATING GROWTH IN ALL REGIONAL SEGMENTS AND ACROSS ENDMARKETS

The Stabilus Management aims to continue to increase revenue, profits and cash flows across all businesses by further focusing on regions and sectors where the Stabilus Group currently has lower market shares, entering new markets and by strengthening our position with selected add-on acquisitions.

Automotive & Powerise: focus on rapidly growing regions and increased comfort
Stabilus intends to continue to further expand its international presence in rapidly growing markets, in particular in Asia, which has become a significant growth driver for the automotive sector and where the Company's market share still lags behind the market share in other regions. Management seeks to increase revenue from South Korean and Japanese OEMs in the automotive business, supported by new targeted investments in additional production capacity in Asia. To take advantage of the rapidly growing Chinese automotive manufacturing sector, the Company plans to increase revenue from Chinese OEMs. To achieve this goal, management has implemented a targeted sales strategy and is further strengthening engineering capabilities in China, which has already secured orders from several local Chinese OEMs.

Stabilus plans to further take advantage of the strong growth rates of automatic opening and closing systems driven by comfort requirements across all regions. The strong consumer demand for SUVs, crossovers and hatchback cars provides a reliable base for a business growth. The Company is in the process of adding further capabilities for Powerise production in all the markets Stabilus is active.

Industrial: increase regional coverage
While Stabilus has a large industrial market share in certain European countries in which the Company has a strong commercial presence, the Group believes that there is still potential to increase market share in other European countries, as well as in Asia and North America, where the Company's market coverage is comparatively less strong. Management has identified regions and countries in which the Company is in the process of repeating the successful strategies from markets where Stabilus has a high share, by

improving market coverage with the objective of strengthening the local sales footprint. In addition, Stabilus intends to transfer our production, application engineering and sales know-how from Europe and NAFTA to the Asia / Pacific region, where the Group's footprint is comparatively less strong. The Company is increasing its presence in China. Stabilus has extended its Chinese production capabilities and set up local application engineering, sales and project management teams. In China, the Company is in the process of ramping up the first production line for Industrial products, which will help gain additional local market shares. The Stabilus management believes that a strong local presence in China will further strengthen the Group's position in the Asia / Pacific region.

Swivel Chair: supplying high quality products

As the only non-Asian producer of gas springs for high quality swivel chairs, Stabilus is in an excellent position to gain further market shares in Europe and NAFTA. Management has successfully turned around the Swivel Chair business and today, the business is growing profitably again. Stabilus expects this positive trend to continue.

BENEFIT FROM MEGATRENDS, SUCH AS INCREASING COMFORT REQUIREMENTS AND AGING POPULATION

Stabilus continues to adapt its product offerings towards megatrends, such as comfort requirements. The Powerise solution, for example, enhances comfort through automatically opening and closing car tailgates and trunk lids. In addition, the Company's gas springs offer more comfortable opening and closing solutions as well as increased comfort in swivel chairs and industrial applications, such as airplane seats.

The global population of older persons is growing considerably faster than the population as a whole. Stabilus focuses on capitalizing on this megatrend. It is inevitable that an aging consumer base requests more automated systems in their vehicles and in other aspects of their daily lives. The Group intends to benefit from this megatrend as it has a leading position as a system provider in automatic opening and closing systems that will continue to experience an increasing demand in applications for its solutions.

FOCUS ON INNOVATIVE COMPONENTS AND SYSTEMS TO TAKE ADVANTAGE OF GLOBAL INDUSTRY TRENDS

The products of Stabilus are at the forefront of innovation in motion control. The Company employs 256 people in R&D across its three regional segments as of September 30, 2015. Stabilus is focused on designing and manufacturing highly-engineered components, modules and system solutions that address key global trends in the automotive and industrial sectors. The Company aims to adapt to these trends by continuously improving its existing technology, in particular the requirement for ergonomic solutions as well as automated opening and closing systems. Management believes that actively addressing these key trends reinforces the Company's ability to maintain its market share and profitability.

In the industrial sector, the Company continues to develop products for enhanced safety and comfort. For example, it has developed an application based on the Bloc-O-Lift system for use in airplane seats. In addition, the dampers manufactured by Stabilus are increasingly used in solar modules for solar parks that automatically follow the sunlight in their setup, thus being subject to sometimes severe weather conditions such as strong winds – the dampers from Stabilus help protect the modules from damage.

Management expects that recent and continued wins with key clients for Powerise solutions due to the superior technology features of the Company's products will be a key growth driver for Stabilus. While Powerise systems were in the past being deployed only in the luxury and SUV car segments, Powerise has recently successfully gained market shares with midsize vehicles such as the VW Passat and Ford Mondeo. The Company is working on and investing in improving and further developing its current spindle drive technology to further reduce noise, weight and cost. In addition, Stabilus is exploring new industrial applications for its Powerise systems.

MAINTAIN AND STRENGTHEN COST AND QUALITY LEADERSHIP

Build on the Group's global footprint and proximity to customers

Based on Stabilus' guiding strategy "in the region, for the region", it has established its facilities in close proximity to the Group's customers and has done so continuously over the past years e.g. in China, South Korea, the US, Mexico and Romania. It is the Company's goal to continue to provide a comprehensive product and service offering to current and new customers globally. The Group seeks to fully globalize its product portfolio and to provide an even broader range of components and systems to each customer.

Continue to optimize cost base

Stabilus continuously implements operational improvements relating to plant and overhead, which includes productivity improvements, overhead reduction, consolidation of manufacturing sites and the rollout/implementation of local sourcing, to improve the Company's operating cost.

For the coming years, management expects to continue on this path with productivity improvements, a range of initiatives to profitability backed by a high level of business which has already been locked in. Due to the Company's production know-how and long-standing client relationships backed by Stabilus' quality leadership, management is confident that it can protect the Group's market shares in gas springs in Europe and NAFTA and gain further market shares for gas springs in the Asia / Pacific region, especially with local customers. An increasing market share in Powerise supports the positive outlook.

RESEARCH AND DEVELOPMENT

Research and development is a key function for Stabilus to develop products that anticipate customer needs and desires. Already today, the products of Stabilus are used in a considerable number of applications in a large variety of industries.

Stabilus research and development aim is to ensure a long-time future viability and enhancing technological competitiveness. The optimization of the research and development resource allocation is a future goal.

The global research and development department with an average of 241 employees comprises several locations with its major location in Koblenz (Germany). The Romanian and US entities have been strengthened to provide R&D services to the Group as well as local customers. Research and development activities are not performed directly by Stabilus S.A.

Research and development T_001

	2015	2014	2013	2012
R&D expenditures (incl. capitalized R&D)	37,693	33,190	31,387	26,785
% of revenue	6.2%	6.5%	6.8%	6.0%
Thereof capitalized	13,475	12,899	13,814	12,834
Employees (average)	241	224	209	163

BUSINESS AND GENERAL ENVIRONMENT

Macroeconomic development

In its latest October 2015 World Economic Outlook, the International Monetary Fund (IMF) reduced the growth forecast for the global economy from 3.3% to 3.1% for the current calendar year 2015. This reduced forecast reflects the slowdown in emerging markets and a weaker recovery in advanced economies. While the forecast for 2016 still expects a significant growth of global GDP compared to 2015, the forecast for 2016 was reduced by 0.2 percentage points down to a growth of 3.6%.

The IMF sees risks in the high debt levels of many so called "advanced" economies, the weakness of commodity prices and the prospect of tighter global financial conditions. Structural reforms in many countries continue to be needed to effectively counter the risks.

Development of regional markets

The development of the regional markets in which the Company operates shows a divergent development. As the growth rate of the Eurozone is projected on a stable base of about 1.6%, the projections for the NAFTA countries show a growth rate of 2.3% to 2.8%. The growth rate for ASEAN region is projected to rise from 4.6% in 2014 to 4.8% in 2016. The projected growth rate for China is still on a high level but decreasing from 7.3% in 2013 to 6.3% in 2016.

Development of vehicle markets

An important driver for Group revenue in the automotive and industrial market is the global production volume of light vehicles which comprise passenger cars, SUVs, crossovers, station wagons, vans and light commercial vehicles weighing less than six tons.

The global demand for vehicles developed positively in the last twelve months. Following the global increase in demand for passenger cars, SUVs, crossovers, station wagons, vans and light commercial vehicles, the number of vehicles produced in calendar year 2015 is expected to increase to around 89 million units, up by approximately 6% from the 82 million units in calendar year 2012. About 80% of this increase relates to China, but also the development of production volumes in NAFTA continues to be positive. The number of light vehicles produced in Europe slightly improved.

The total worldwide production of light vehicles in 2015 is expected to reach 89 million units. The total increase by approximately 2% compared to 2014 is driven by the positive developments in NAFTA (around +5%), Asia (around +2%) and Europe (around +3%), while the production volumes in Rest of World are expected to shrink by around (5)%.

Development of industrial markets

In our industrial business, the Company sells its products to customers in a large number of industries, including, among others, agricultural machines, railway, aircraft applications, commercial vehicles, marine applications, furniture, health care and production equipment. These sales depend on the industrial production level in general, therefore, its performance in the industrial segment is influenced by the general state and the performance of the global economy.

RESULTS OF OPERATIONS

The table below sets out Stabilus Group's consolidated income statement for the fiscal year 2015 in comparison to the fiscal year 2014:

Income statement T_002

IN € MILLIONS	Year ended Sept 30, 2015	2014	Change	% change
Revenue	611.3	507.3	104.0	20.5%
Cost of sales	(463.6)	(387.7)	(75.9)	19.6%
Gross profit	**147.7**	**119.6**	**28.1**	**23.5%**
Research and development expenses	(24.2)	(20.3)	(3.9)	19.2%
Selling expenses	(44.1)	(38.7)	(5.4)	14.0%
Administrative expenses	(27.3)	(32.6)	5.3	(16.3)%
Other income	11.2	6.0	5.2	86.7%
Other expenses	(7.6)	(2.9)	(4.7)	>100.0%
Profit from operating activities (EBIT)	**55.7**	**31.2**	**24.5**	**78.5%**
Finance income	17.9	17.5	0.4	2.3%
Finance costs	(42.4)	(38.8)	(3.6)	9.3%
Profit / (loss) before income tax	**31.1**	**9.9**	**21.2**	**>100.0%**
Income tax income/ (expense)	(14.1)	0.1	(14.2)	<(100.0)%
Profit / (loss) for the period	**17.0**	**10.0**	**7.0**	**70.0%**

Revenue

Group's total revenue developed as follows:

Revenue by region (location of Stabilus company) T_003

IN € MILLIONS	Year ended Sept 30, 2015	2014	Change	% change
Europe	308.5	267.3	41.2	15.4%
NAFTA	229.3	176.8	52.5	29.7%
Asia / Pacific and RoW	73.5	63.2	10.3	16.3%
Revenue	**611.3**	**507.3**	**104.0**	**20.5%**

Revenue by markets

T _ 004

IN € MILLIONS	Year ended Sept 30, 2015	2014	Change	% change
Automotive	434.2	340.8	93.4	27.4%
Gas Spring	294.4	255.0	39.4	15.5%
Powerise	139.8	85.8	54.0	62.9%
Industrial	149.3	142.3	7.0	4.9%
Swivel Chair	27.7	24.2	3.5	14.5%
Revenue	**611.3**	**507.3**	**104.0**	**20.5%**

Total revenue in the fiscal 2015 increased by 20.5% compared to the previous fiscal year supported a stronger US Dollar (+€33.0 million). All Stabilus regions have shown an increase in revenue. At 29.7% NAFTA was up the most, compared with Europe at 15.4% and Asia / Pacific and RoW at 16.3%. The increase is mainly due to our growing Powerise business. Its revenue increased from €85.8 million in the fiscal year 2014 to €139.8 million in the fiscal year 2015 by 62.9% or €54.0 million. The ongoing increase in the Powerise business is the result of new OEM platform wins, supported by the launch of various Powerise variants and by increased take rates. The increase in the Automotive Gas Spring by 15.5% or €39.4 million is mainly driven by the improved economic environment and recovering vehicle sales in NAFTA and Europe. Sales in the Industrial business increased by 4.9% from €142.3 million in the fiscal year ended September 30, 2014 to €149.3 million in the fiscal year ended September 30, 2015. Our revenue in the Swivel Chair business increased year-on-year by 14.5% to €27.7 million after a slight decrease in the prior year.

Cost of sales and overhead expenses

COST OF SALES

Cost of sales in the fiscal year 2015 increased by 19.6%, compared to the previous fiscal year, and thus increased lower than the increase in revenue. The cost of sales as a percentage of revenue decreased to 75.8% compared to 76.4% in the prior year.

R&D EXPENSES

R&D expenses (net of R&D capitalization) in the fiscal year 2015 increased by 19.2% compared to the prior fiscal year 2014. As a percentage of revenue, R&D expenses remained at 4.0% in fiscal year 2015 compared to 4.0% in fiscal year 2014. The Group invests in the development of new applications and products and in the continuous optimization and improvement of existing products and product lines. The focus in the fiscal year 2015 were the R&D projects for the Powerise products.

SELLING EXPENSES

Selling expenses increased to €(44.1) million in the fiscal year ended September 30, 2015 from €(38.7) million in the fiscal year ended September 30, 2014. As a percent of revenue, these expenses decreased from 7.6% to 7.2%.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased significantly from €(32.6) million in fiscal year 2014 to €(27.3) million in fiscal year 2015. As a percentage of revenue, administrative expenses decreased as well, from 6.4% to 4.5%. The decrease is mainly due to the expenses in regards to the 2014 IPO. The expenses returned to historical average levels.

OTHER INCOME AND EXPENSE

Other income increased from €6.0 million in fiscal year 2014 by €5.2 million to €11.2 million in fiscal year 2015. This increase is primarily the result of exchange rate-related valuation at the balance sheet day.

Other expense increased from €(2.9) million in fiscal year 2014 to €(7.6) million in fiscal year 2015 mainly as the result of exchange rate related valuation at the balance sheet day.

FINANCE INCOME AND COSTS

Finance income increased slightly from €17.5 million in fiscal year 2014 to €17.9 million in fiscal year 2015 primarily due to the increased net foreign exchange gains on financial assets and liabilities compensating the effect of the gains in the fair value in derivative instruments and carrying amount of financial assets in the prior year.

Finance costs increased from €(38.8) million to €(42.4) million in fiscal year 2015. The increase was essentially caused by a loss from changes in the carrying amount of derivative instruments by €15.4 million that incurred in course of the early redemption of Stabilus' senior secured notes in June 2015 in comparison to a loss from changes in the carrying amount of EUSIs (equity upside sharing instruments) by € 6.7 million in the prior year. The interest expense decreased by € 5.1 million resulting from the new re-financing in the fiscal year 2015 as well as lower debt levels than in fiscal year 2014.

INCOME TAX EXPENSE

After income tax income of €0.1 million in the previous fiscal year, the Group recorded a tax expense of €(14.1) million in the fiscal year 2015. This was mainly driven by the generation of taxable profits in most of the jurisdictions in which the Group operates. Certain expenses in fiscal year 2015 are deemed to be not tax deductable. In the prior fiscal year 2014 the tax expenses were compensated by the deferred tax income driven by the usage of the interest carryforwards in the German tax group. See notes to Consolidated Financial Statements below, note 10, for further details.

EBITDA AND ADJUSTED EBITDA

The table below sets out a reconciliation of EBIT to EBITDA and adjusted EBITDA for the fiscal years 2015 and 2014:

Reconciliation of EBIT to adjusted EBITDA

T_005

	Year ended Sept 30,			
IN € MILLIONS	2015	2014	Change	% change
Profit from operating activities (EBIT)	**55.7**	**31.2**	**24.5**	**78.5%**
Depreciation	22.6	20.2	2.4	11.9%
Amortization	21.2	19.9	1.3	6.5%
EBITDA	**99.5**	**71.3**	**28.2**	**39.6%**
Advisory*	1.4	17.6	(16.2)	(92.0)%
Restructuring / ramp-up	5.3	2.1	3.2	>100.0%
Pension interest add back	1.1	1.5	(0.4)	(26.7)%
Total adjustments	7.8	21.2	(13.4)	(63.2)%
Adjusted EBITDA	**107.3**	**92.5**	**14.8**	**16.0%**

* IPO, legal, bond issuance, tax audit and reorganization related advisory expenses.

Adjusted EBITDA represents EBITDA, as adjusted by management primarily in relation to severance, consulting, restructuring and other non-recurring costs (e.g. IPO), expenses for one-time legal disputes as well as interest on pension changes. Adjusted EBITDA is presented because we believe it is a relevant measure for assessing performance as it is adjusted for certain one-time or non-recurring items that are not expected to impact our Group going forward, and thus aids in an understanding of EBITDA in a given period.

EBIT AND ADJUSTED EBIT

The table below shows reconciliations of profit from operating activities (EBIT) to adjusted EBIT for the fiscal years 2015 and 2014:

Reconciliation of EBIT to adjusted EBIT

T_006

IN € MILLIONS	Year ended Sept 30, 2015	2014	Change	% change
Profit from operating activities (EBIT)	**55.7**	**31.2**	**24.5**	**78.5%**
Advisory*	1.4	17.6	(16.2)	(92.0%)
Restructuring / ramp-up	5.3	2.1	3.2	>100.0%
Pension interest add back	1.1	1.5	(0.4)	(26.7%)
PPA adjustments - depreciation and amortization	12.7	12.7	–	0.0%
Total adjustments	20.5	33.9	(13.4)	(39.5%)
Adjusted EBIT	**76.2**	**65.1**	**11.1**	**17.1%**

* IPO, legal, bond issuance, tax audit and reorganization related advisory expenses.

Adjusted EBIT represents EBIT, as adjusted by management primarily in relation to severance, consulting, restructuring and other non-recurring costs, expenses for one-time legal disputes, IPO-related expenses, launch costs for new products as well as interest on pension changes and the depreciation and amortization of adjustments of Group's assets to fair value resulting from the April 2010 purchase price allocation.

DEVELOPMENT OF OPERATING SEGMENTS

Stabilus Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are Europe, NAFTA, Asia / Pacific and RoW.

The table below sets out the development of our operating segments for the fiscal years 2015 and 2014.

Operating segments

T_007

	Year ended Sept 30,			
IN € MILLIONS	2015	2014	Change	% change
Europe				
External revenue[1]	308.5	267.3	41.2	15.4%
Intersegment revenue[1]	28.3	23.5	4.8	20.4%
Total revenue[1]	336.8	290.8	46.0	15.8%
Adjusted EBITDA	62.5	57.5	5.0	8.7%
as % of total revenue	18.6%	19.8%		
Adjusted EBIT	41.1	38.0	3.1	8.2%
as % of total revenue	12.2%	13.1%		
as % of external revenue	13.3%	14.2%		
NAFTA				
External revenue[1]	229.3	176.8	52.5	29.7%
Intersegment revenue[1]	4.6	2.5	2.1	84.0%
Total revenue[1]	233.9	179.3	54.6	30.5%
Adjusted EBITDA	31.6	22.8	8.8	38.6%
as % of total revenue	13.5%	12.7%		
Adjusted EBIT	25.1	16.6	8.5	51.2%
as % of total revenue	10.7%	9.3%		
as % of external revenue	10.9%	9.4%		
Asia/ Pacific and RoW				
External revenue[1]	73.5	63.2	10.3	16.3%
Intersegment revenue[1]	0.4	0.1	0.3	>100.0%
Total revenue[1]	73.9	63.3	10.6	16.7%
Adjusted EBITDA	13.2	12.2	1.0	8.2%
as % of total revenue	17.9%	19.3%		
Adjusted EBIT	10.0	10.2	(0.2)	(2.0)%
as % of total revenue	13.5%	16.1%		
as % of external revenue	13.6%	16.1%		

[1] Revenue breakdown by location of Stabilus company (i. e. "billed-from view").

The external revenue generated by our European companies (in terms of revenue the strongest region of the Group) increased by 15.4% from €267.3 million in the fiscal year 2014 to €308.5 million in the fiscal year 2015. Adjusted EBITDA of this operating segment increased in this period by 8.7% to €62.5 million with an adjusted EBITDA margin of 18.6%. Adjusted EBIT of the segment Europe increased by 8.2% or €3.1 million from €38.0 million as of September 30, 2014 to €41.1 million as of September 30, 2015. The external revenue of our companies located in the NAFTA region, our most dynamically growing region, increased by 29.7% from €176.8 million in the fiscal year 2014 to €229.3 million in the fiscal year 2015 primarily due to the strong growth in Powerise business and a strong US Dollar. NAFTA's adjusted EBITDA margin increased from 12.7% in the fiscal year 2014 to 13.5% in the fiscal year 2015. Adjusted EBIT of the segment NAFTA increased by 51.2% or €8.5 million from €16.6 million as of September 30, 2014 to €25.1 million as of September 30, 2015.

In the fiscal year 2015, the external revenue of our companies in the Asia / Pacific and RoW segment increased by €10.3 million or 16.3% to €73.5 million compared to the corresponding fiscal year 2014. This segment's result, measured as adjusted EBITDA, increased by €1.0 million to €13.2 million. Within this segment China remains strong, while Brazil recorded lower revenue and margin than in fiscal year 2014. In China we are clearly benefiting from the trend towards more SUVs, a body style that offers many gas spring application opportunities. Adjusted EBIT of the segment Asia / Pacific and RoW slightly decreased by €0.2 million from €10.2 million as of September 30, 2014 to €10.0 million as of September 30, 2015.

FINANCIAL POSITION

Balance sheet T_008

IN € MILLIONS	Sept 30, 2015	Sept 30, 2014	Change	% change
Assets				
Total non-current assets	358.7	351.1	7.6	2.2%
Total current assets	183.6	169.2	14.4	8.5%
Total assets	**542.2**	**520.3**	**21.9**	**4.2%**
Equity and liabilities				
Total equity	76.7	76.1	0.6	0.8%
Non-current liabilities	349.4	353.7	(4.3)	(1.2)%
Current liabilities	116.2	90.5	25.7	28.4%
Total liabilities	465.5	444.2	21.3	4.8%
Total equity and liabilities	**542.2**	**520.3**	**21.9**	**4.2%**

TOTAL ASSETS

The Group's balance sheet total increased from €520.3 million as of September 30, 2014 by 4.2% to €542.2 million as of September 30, 2015 mainly due to higher current assets (+€14.4 million) and – on the equity and liabilities side of the balance sheet – due to higher current liabilities (+€25.7 million).

NON-CURRENT ASSETS

Our non-current assets increased by €7.6 million or 2.2% mainly due to higher assets under construction which result from the capacity expansion of our Chinese plant, the powder paint equipment at our Korean production facility, gas spring capacity expansion projects at the German and US facilities, a finance lease production facility in Romania as well as from expansion of Powerise production.

CURRENT ASSETS

Current assets increased by 8.5% or €14.4 million. This is essentially the consequence of a higher cash balance and higher trade accounts receivable, compared to September 30, 2014.

EQUITY

The Group's equity as of September 30, 2015 increased, as compared to September 30, 2014, from €76.1 million to €76.7 million. The profit generated in the fiscal year 2015 amounts to 17.0 million and other comprehensive income amounts to €(16.4) million. Other comprehensive income comprises unrealized actuarial gains of € 0.1 million on our German pension plan and losses from foreign currency translations of €(16.4) million. The equity ratio slightly decreased from 14.6% as of September 30, 2014 to 14.1% as of September 30, 2015.

NON-CURRENT LIABILITIES

Non-current liabilities decreased slightly from €353.7 million as of September 30, 2015 by €(4.3) million to €349.4 million as of September 30, 2015. The senior secured notes with the remaining principal amount of €256.1 million (and an interest rate of 7.75% p.a.) were replaced with a new €270.0 million facility A commitment (with an interest rate of currently 2% over Euribor p.a.) in June 2015. A redemption of €2.5 million was made as of September 30, 2015.

CURRENT LIABILITIES

Current liabilities increased by €25.7 million from €90.5 million as of September 30, 2014 to €116.2 million as of September 30, 2015. The increase of the trade account payables and current provisions was partly offset by a decrease in current tax liabilities.

LIQUIDITY

Our primary sources of liquidity are cash flows from operating activities. Going forward we expect that our capital expenditure and debt service will be covered by operating cash flow in the next twelve months.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities decreased by €(1.8) million from €87.8 million in fiscal year 2014 to €86.0 million in fiscal year 2015 mainly due to higher working capital, inspite of launching a €6.7 million factoring program in Romania.

Cash flows T_009

IN € MILLIONS	Year ended Sept 30, 2015	2014	Change	% change
Cash flows from operating activities	86.0	87.8	(1.8)	(2.1%)
Cash flows from investing activities	(51.2)	(35.6)	(15.6)	43.8%
Cash flows from financing activities (incl. interest)	(28.4)	(41.2)	12.8	(31.1)%
Net increase / (decrease) in cash	**6.4**	**11.0**	**(4.6)**	**(41.8)%**
Effect of movements in exchange rates on cash held	(0.4)	0.7	(1.1)	<(100.0)%
Cash as of beginning of the period	33.5	21.8	11.7	53.7%
Cash as of end of the period	**39.5**	**33.5**	**6.0**	**17.9%**

CASH FLOW FROM INVESTING ACTIVITIES

Cash outflow from investing activities increased by €(15.6) million from €(35.6) million in fiscal year 2014 to €(51.2) million in fiscal year 2015, mainly due to the investments in the Powerise production and the Chinese expansion.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities amounted to €(28.4) million in fiscal year 2015 and to €(41.2) million in fiscal year 2014. This is mainly driven by the Group's refinancing in June 2015, i.e. payments for redemption of senior secured notes (€(256.1) million) and receipts under the new facility A commitment (€270 million).

The cash flow from financing activities also comprises payments for finance interest of €(32.2) million (PY: €(30.1) million). The interest in fiscal year 2015 includes a €(9.9) million early redemption payment to the holder of the senior secured notes.

FREE CASH FLOW (FCF)

Free cash flow (FCF) decreased from €22.1 million in fiscal year 2014 to €2.6 million. The following table sets out the composition of the non-IFRS figure free cash flow.

Free cash flow (FCF) comprises IFRS cash flow statement items "cash flow from operating activities", "cash flow from investing activities" and "payments for interest" (net interest payments).

Free cash flow

T_010

	Year ended Sept 30,			
IN € MILLIONS	2015	2014	Change	% change
Cash flow from operating activities	86.0	87.8	(1.8)	(2.1%)
Cash flow from investing activities	(51.2)	(35.6)	(15.6)	43.8%
Payments for interest	(32.2)	(30.1)	(2.1)	7.0%
Free cash flow	**2.6**	**22.1**	**(19.5)**	**(88.2%)**

STATUTORY RESULTS OF OPERATIONS AND FINANCIAL POSITIONS OF STABILUS S.A.

Income

The Company's income results from services to Stabilus Group entities.

Charges

The charges in the fiscal year 2015 are mainly driven by expenses with regard to the 2015 refinancing. The refinancing expenses amount to €5.8 million.

Equity

The Company holds a strong position with its 96.3% equity ratio.

Assets

The fixed assets mainly consist of the shares in affiliated undertakings.

Current assets are driven by amounts owed by affiliated undertakings triggered by the service level agreements.

Liabilities

Current liabilities increased by €1.5 million, mainly driven by the amounts owed to affiliated companies.

RISKS AND OPPORTUNITIES

Risk management and control over financial reporting in the Stabilus Group

The Company considers Risk Management (RM) to be a key part of effective management and internal control. The Company strives for effective RM and financial navigation to safeguard the assets of the Company and to proactively support the Company's strategic and compliance initiatives. The goal of RM is to help the Company to operate more effectively in a dynamic environment by providing a framework for a systematic approach to risks management and exploring opportunities with an acceptable level of risk. The Supervisory Board and the Management Board regularly discuss the operational and financial results as well as the related risks.

Risk Management covers financial, strategic, compliance as well operational aspects. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. These operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk in a way to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness, as well as avoiding control procedures that restrict initiative and creativity. The Company's policy on managing financial risks seeks to ensure effective liquidity and cash flow management and protection of group equity capital against financial risks. As part of its evolution, the Company implements continuous improvements in its risk management and internal control system.

Our accounting control system is designed to ensure all business transactions are correctly and promptly accounted for and that reliable data on the Company's financial situation is available. It ensures compliance with legal stipulations, accounting standards and accounting rules. A Group-wide calendar of deadlines helps ensure the complete and timely processing of financial statements. By separating financial functions and through ongoing review, we ensure that potential errors are identified on a timely basis and accounting standards are complied with.

Our internal control system is an integral component of the risk management. The purpose of our internal control system for accounting and reporting is to ensure its compliance with legal stipulations, with the principles of proper accounting, with the rules on the International Financial Reporting Standards as adopted by the EU and with Group standards. In addition, we perform assessments to help identify and minimize any risk with a direct influence on our financial reporting. We monitor changes in accounting standards and enlist the advice of external experts to reduce the risk of accounting misstatements in complex issues.

The Company and individual entity financial statements are subject to external audits which act as an independent check and monitoring mechanism of the accounting system and its output. The principal risks that could have a material impact on the Group are set out in the Note 32 of the consolidated financial statements and are summarized below:

Risks and opportunities related to the markets in which we operate

We are exposed to risks and opportunities associated with the performance of the global economy and the performance of the economy in the jurisdictions in which we operate.

Due to our global presence, we are exposed to substantial risks and opportunities associated with the performance of the global economy. In general, demand for our products is dependent on the demand for automotive products as well as for commercial vehicles, agricultural machinery, medical equipment, aerospace, marine and furniture components, which in turn is directly related to the strength of the global economy. Therefore, our financial performance has been influenced, and will continue to be influenced, to a significant extent, by the general state and the performance of the global economy.

Although the global economy has recovered a lot from the severe downturn in 2008 and 2009, the recent volatility of the financial markets and also the slower than expected economic growth in Asia show that there can be no assurance that any recovery is sustainable or that there will be no recurrence of the global financial and economic crisis or similar adverse market conditions.

Stabilus manages these opportunities and risks by operating in different regions and markets for local and global customers.

WE OPERATE IN CYCLICAL INDUSTRIES

Our business is characterized by high fixed costs. Should our facilities be underutilized, this could result in idle capacity costs, write-offs of inventories and losses on products due to falling average sale prices. Furthermore, falling production volumes cause declines in revenue and earnings. On the other hand, our facilities might have insufficient capacity to meet customer demand if the markets in which we are active grow faster than we have anticipated.

Our automotive business, from which we generated 71% of our revenue in the fiscal year ended September 30, 2015, sells its products primarily to automotive original equipment manufacturers ("OEMs") in the automotive industry. These sales are cyclical and depend, among other things, on general economic conditions as well as on consumer spending and preferences, which can be affected by a number of factors, including employment, consumer confidence and income, energy costs, interest rate levels and the availability of consumer financing. Given the variety of such economic parameters influencing the global automotive demand, the volume of automotive production has historically been, and will continue to be, characterized by a high level of fluctuation, making it difficult for us to accurately predict demand levels for our products aimed at automotive OEMs.

We generated, in the aggregate, 29% of our revenue in the fiscal year ended September 30, 2015 from sales to our industrial and swivel chair customers. We sell our products to customers in diverse industries, including, among others, agricultural machines, railway, aircraft applications, commercial vehicles, marine applications, furniture, health care and production equipment. These sales depend on the industrial production level in general as well as on the development of new products and technologies by our customers, which include our products as component parts. Stabilus manages these opportunities and risks by operating in different regions and markets for the local and global customers.

The business environment in which we operate is characterized by intense competition, which affects some of our products and markets, which could reduce our revenue or put continued pressure on our sales prices.

The markets in which we operate are competitive and have been characterized by changes in market penetration, increased price competition, the development and introduction of new products, product designs and technologies by significant existing and new competitors. The majority of gas springs and electromechanical lifting and closing systems manufactured globally are used for either automotive, industrial or swivel chair applications, which are core markets for us. Our competitors are typically regional companies and our competition with them is generally on a regional scale. We compete primarily on the basis of price, quality, timeliness of delivery and design as well as the ability to provide engineering support and service on a global basis. Should we fail to secure the quality of our products and the reliability of our supply in the future, then more and more of our customers could decide to procure products from our competitors.

Our efforts to expand in certain markets are subject to a variety of business, economic, legal and political risks.

We manufacture our products in several countries and we market and sell our products worldwide. We are actively operating and expanding our operations in various markets, with a focus on the rapidly growing and emerging markets in the Asia / Pacific region, where we have production plants in China and South Korea, operate a wide network of representative sales offices and employ our own sales force and distribution network. We plan to expand our Asian production capacities to meet growth expectations and supplement demand with our other regional productions as needed.

Potential social, political, legal, and economic instability may pose significant risks to our ability to conduct our business and expand our activities in certain markets. Inherent in our international operations is the risk that any number of the following circumstances could affect our operations: underdeveloped infrastructure; lack of qualified management or adequately trained personnel; currency exchange controls, exchange rate fluctuations and devaluations; changes in local economic conditions; governmental restrictions on foreign investment, transfer or repatriation of funds; protectionist trade measures, such as anti-dumping measures, duties, tariffs or embargoes; prohibitions or restrictions on acquisitions or joint ventures; changes in laws or regulations and unpredictable or unlawful government actions; the difficulty of enforcing agreements and collecting receivables through foreign legal systems; variations in protection of intellectual property and other legal rights; potential nationalization of enterprises or other expropriations; and political or social unrest or acts of sabotage or terrorism. As personnel costs have a significant effect on our business, we are also exposed to the risks of labor cost inflation and limited employment contract flexibility in the countries in which our production facilities are located and where we have sales personnel. Any of these risks could have a material adverse effect on our business, financial condition and results of operations.

WE ARE EXPOSED TO OPPORTUNITIES AND RISKS ASSOCIATED WITH MARKET TRENDS AND DEVELOPMENTS

There can be no assurance that (i) we will be successful in developing new products or systems or in bringing them to market in a timely manner, or at all; (ii) products or technologies developed by others will not render our offerings obsolete or non-competitive; (iii) our customers will not substitute our products with competing products or alternate technologies (such as third arm systems, hydraulic drives or hinge/direct drives); (iv) the market will accept our innovations; (v) our competitors will not be able to produce our non-patented products at lower costs than we can; and (vi) we will be able to fully adjust our cost structure in the event of contraction of demand.

The Company develops appropriate strategies as a response to these or similar market trends and to enhance existing products, develop new products or keep pace with developing technology, to counter loss of growth opportunities, pressure margins or the loss of existing customers. We devote resources to the pursuit of new technologies and products. In addition, technological advances and wider market acceptance of our Powerise automatic lid drive systems (or the development and wider market acceptance of similar automatic lid drive systems by our competitors) could result in cannibalization of our gas spring applications.

Risks and opportunities related to our business

We are exposed to fluctuations in prices of prefabricated materials and components.

We procure large quantities of prefabricated materials and components from third-party suppliers. The prices of prefabricated materials, components and manufacturing services we purchase from our suppliers depend on a number of factors, including to a limited extent the development of prices of raw materials used in these products, such as steel, copper, rubber and water, as well as energy, which have been volatile in the past.

So far, this has not resulted in a general increase in the cost of prefabricated materials and components we procure for the manufacture of our products. However, it cannot be excluded that this volatility may result in a cost increase in the future. If we are not able to compensate for or pass on our cost increases to customers, such price increases could have a material adverse impact on our financial results. Even to the extent that we are successful in compensating for or passing on our increased costs to our customers by increasing prices on new products, the positive effects of such price increases may not occur in the periods in which the additional expenses have been incurred, but in later periods. If costs of raw materials and energy rise, and if we are not able to undertake cost saving measures elsewhere in our operations or increase to an adequate level the selling prices of our products, we will not be able to compensate such cost increases, which could have a material adverse effect on our business, financial condition and results of operations. The long-term increase of our costs (and resultant increase in the price of our products) may also negatively impact demand for our products.

Our future business success depends on our ability to maintain the high quality of our products and processes.

For customers, one of the determining factors in purchasing our components and systems is the high quality of our products and manufacturing processes. A decrease in the actual and perceived quality of these products and processes could damage our image and reputation as well as those of our products. Any errors or delays caused by mistakes or miscalculations in our project management could negatively affect our customers' own production processes, resulting in reputational damage to us as supplier as well as to the affected customer as manufacturer. In addition, defective products could result in loss of sales, loss of customers and loss of market acceptance.

LEGAL, TAXATION AND ENVIRONMENTAL RISKS AND OPPORTUNITIES

We are exposed to warranty and product liability claims.

As a manufacturer, we are subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warranty obligations, treatment errors, safety provisions and claims arising from breaches of contract (like delivery delays), recall actions or fines imposed by government or regulatory authorities in relation to our products. Any such lawsuits, proceedings and other claims could result in increased costs for us. Additionally, authorities could prohibit the future sale of our products, particularly in cases of safety concerns. The aforementioned scenarios could result in loss of market acceptance, loss of revenue and loss of customers, in particular against the background that many of our products are components which often have a major impact on the overall safety, durability and performance of our customers' end-product.

The risks arising from such warranty and product liability lawsuits, proceedings and other claims are insured as we consider economically reasonable, but the insurance coverage could prove insufficient in individual cases. Additionally, any major defect in one of our products could also have a material adverse effect on our reputation and market perception, which in turn could have a significant adverse effect on our revenue and results of operations.

In addition, vehicle manufacturers are increasingly requiring a contribution from, or indemnity by, their suppliers for potential product liability, warranty and recall claims and we have been subject to continuing efforts by our customers to change contract terms and conditions concerning warranty and recall participation.

Furthermore, we manufacture many products pursuant to OEM customer specifications and quality requirements. If the products manufactured and delivered by us are deemed not to be fit for use by our OEM customers at the agreed date of delivery, production of the relevant products is generally discontinued until the cause of the product defect has been identified and remedied. Furthermore, our OEM customers could potentially bring claims for damages on the basis of breach of contract, even if the cause of the defect is remedied at a later point in time. In addition, failure to perform with respect to quality requirements could negatively affect the market acceptance of our other products and our market reputation in various market segments.

We are and may become party to certain disadvantageous contracts pursuant to which we are required to sell certain products at a loss or to agree to broad indemnities. For example, we may enter into a contract at an agreed price and production costs may end up exceeding what was assumed in the development phase. If the assumptions on which we rely in contract negotiations turn out to be inaccurate, this could have an adverse effect on our revenue and results of operations.

We are exposed to certain risks and opportunities with regards to our intellectual property, its validity and the intellectual property of third parties.

Our products and services are highly dependent upon our technological know-how and the scope and limitations of our proprietary rights therein. We have obtained or have applied for a number of intellectual property rights, which can be difficult, lengthy and expensive to procure. Furthermore, patents may not provide us with meaningful protection or a commercial advantage. In addition, where we incorporate an individual customer's input to create a product that responds to a particular need, we face the risk that such customer will claim ownership rights in the associated intellectual property.

Our competitors, suppliers, customers and other third parties also submit a large number of intellectual property protection applications. Such other parties could hold effective and enforceable intellectual property rights to certain processes, methods or applications and consequently could assert infringement claims (including illegitimate ones) against us.

A major part of our know-how and industrial secrets is not patented and cannot be protected through intellectual property rights. Consequently, there is a risk that third parties, in particular competitors, will copy our know-how without incurring any expenses of their own. Our intellectual property is oftentimes discovered by and during the course of our employees' employment. As a result, there is a risk that we have failed or will fail to properly utilize inventions of our employees. Present or former employees who made or make employee inventions might continue to be the owners of the valuable rights to inventions if we fail to claim the invention in a timely manner.

The realization of any of these risks could give rise to intellectual property claims against us. Such claims, if successful, could require us to cease manufacturing, using or marketing the relevant technologies or products in certain countries or be forced to make changes to manufacturing processes or products. In addition, we could be liable to pay compensation or damages for infringements or could be forced to purchase licenses to make use of technology from third parties. This could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks from legal, administrative and arbitration proceedings.

We are involved in a number of legal and administrative proceedings related to products, patents and other matters incidental to our business and could become involved in additional legal, administrative and arbitration proceedings in the future. These proceedings or potential proceedings could involve, in particular in the United States, substantial claims for damages or other payments. Based on a judgment or a settlement agreement, we could be obligated to pay substantial damages. Our litigation costs and those of third parties could also be significant.

Due to our high market share, we may be exposed to legal risks regarding anti-competition fines and related damage claims.

Our market share in most of the markets in which we operate is high, which may induce competition authorities to initiate proceedings or third parties to file claims against us alleging violation of competition laws. A successful anti-competition challenge could adversely affect us in a variety of ways. For example, it could result in the imposition of fines by one or more authorities and/or in third parties (such as competitors or customers) initiating civil litigation claiming damages caused by anti-competitive practices. In addition, anti-competitive behavior may give rise to reputational risk to us.

The realization of this risk could have a material effect on our business, financial condition and results of operations.

Interest carry-forwards may be forfeited in part or in full as a result of subsequent share sales.

Some Stabilus subsidiaries have significant interest carry-forwards as a result of the application of the statutory interest ceiling rules that limit the deduction of net interest expenses for tax purposes. The interest carry-forward may be deducted to the extent that in subsequent assessment periods the then current interest expenses do not reach the interest ceiling applicable to the relevant assessment period, and, thus, reduce the tax payable by the relevant subsidiary.

However, the interest carry-forward will be forfeited on a pro rata base or in full if more than defined percentage of the shares in entities are directly or indirectly transferred to a new shareholder, persons related to such shareholder or a group of shareholders acting in the same interest, or in case of similar transactions (such as a capital increase) that result in a change of the shareholder structure. Such forfeiture would increase the tax payable by the relevant subsidiary if without the forfeiture the interest carry-forward could have been used in part or in full.

We could be held liable for soil, water or groundwater contamination or for risks related to hazardous materials.

Many of the sites at which we operate have been used for industrial purposes for many years, leading to risks of contamination and the resulting site restoration obligations. In addition, we could be held responsible for the remediation of areas adjacent to our sites if these areas were potentially contaminated due to our activities. Groundwater contamination was discovered at a site in Colmar, Pennsylvania operated by us from 1979 to 1998. In June 2012, the U.S. Environmental Protection Agency ("EPA") issued an administrative order against our U.S. subsidiary and determined requirements in respect of the remedy and the remedy cost. Our subsidiary, together with the other responsible parties, is requested to reimburse the EPA for past and current expenses and to bear the remediation costs. If additional contamination is discovered in the future, the competent authorities could assert further claims against us, as the owner or tenant of the affected plots, for the examination or remediation of such soil or groundwater contamination, or order us to dispose of or treat contaminated soil excavated in the course of construction. We could also be required to indemnify the owners of plots leased by us or of other properties, if the authorities were to pursue claims against the relevant owner of the property and if we caused the contamination. Costs typically incurred in connection with such claims are generally difficult to predict. Also, if any contamination were to become the subject of a more intense public discussion, there is a risk that our reputation or relations with our customers could be harmed.

Furthermore, at some of the sites at which we operate, or at which we operated in the past, small quantities of hazardous materials were used in the past, such as asbestos-containing building materials used for heat insulation. While we consider it unlikely, it cannot be ruled out that the health and safety of third parties (such as former employees) may have been affected due to the use of such hazardous materials or that other claims may be asserted and we could therefore be exposed to related damage claims in the future. Even if we have contractually excluded or limited our liability in connection with the sale of such properties, we could be held responsible for currently unknown contamination on properties which we previously owned or used.

The in-house legal department monitors these risks continuously and reports regularly to Group management and the Supervisory Board.

Risks and opportunities related to our capital structure

Due to our high level of debt we face potential liquidity risks.

Our cash from operating activities, current cash resources and existing sources of external financing could be insufficient to meet our further capital needs, especially if our sales decrease significantly. Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of a number of financial institutions, and restricted availability of liquidity could adversely impact the availability and cost of additional financing for us and could adversely affect the availability of financing already arranged or committed. Our liquidity could also be adversely impacted if our suppliers tighten terms of payment as the result of any decline in our financial condition or if our customers were to extend their normal payment terms.

Stabilus has set an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by regular reviews, maintaining certain cash reserves, as well as open credit lines.

We are exposed to risks and opportunities associated with changes in currency exchange rates.

We operate worldwide and are therefore exposed to financial risks that arise from changes in exchange rates. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in foreign exchange rates could enhance or minimize fluctuations in the prices of materials, since we purchase a considerable part of the prefabricated materials which we source from foreign currencies. As a result of these factors, fluctuations in exchange rates could affect our results of operations. External and internal transactions involving the delivery of products and services to and/or by third parties result in cash inflows and outflows which are denominated in currencies other than the functional currency of our respective group member. Among other factors, we are particularly exposed to fluctuations of net inflows in U.S. dollar (surplus) and net outflows in Romanian Leu (demand). To the extent that cash outflows are not offset by cash inflows resulting from operational business in such currency, the remaining net foreign currency exposure is not hedged as of September 30, 2015.

Although we may enter into certain hedging arrangements in the future, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, if we were to use any hedging transactions in the future in the form of derivative financial instruments, such transactions may result in mark-to-market losses. In addition, we are exposed to foreign exchange risks arising from internal loan agreements, which result from cash inflows and outflows in currencies other than the functional currency of our respective Group member. As of the September 30, 2015, these foreign exchange risks are not hedged against by using derivative financial instruments. Our net foreign investments are generally not hedged against exchange rate fluctuations. In addition, a number of our consolidated companies report their results in currencies other than the Euro, which requires us to convert the relevant items into Euro when preparing our consolidated financial statements. Translation risks are generally not hedged.

The Management Board does not see any individual or aggregate risk that could endanger Stabilus future in any material way.

CORPORATE GOVERNANCE

As a Luxembourg société anonyme, the Company is subject to the corporate governance regime as set forth in particular in the law of August 10, 1915 on commercial companies. As a company whose shares are listed on a regulated market, the Company is further subject to the law of May 24, 2011 on the exercise of certain shareholder rights in listed companies.

As a Luxembourg société anonyme whose shares are exclusively listed on a regulated market in Germany, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to stock corporations organized in Germany. The Company has decided to set up own corporate governance rules as described in the following paragraphs rather than to confirm such corporate governance regimes in order to build up a corporate governance structure which meets the specific needs and interests of the Company.

The internal control systems and risk management for the establishment of financial information is described in the section "Risk management and control over financial reporting in the Stabilus Group".

According to the Articles of Incorporation of the Company, the Management Board must be composed of at least two Management Board members, and the Supervisory Board must be composed of at least three Supervisory Board members. The Supervisory Board has set up the following committees in accordance with the Articles of Incorporation: Audit Committee and Remuneration Committee. The Audit Committee is responsible for the consideration and evaluation of the auditing and accounting policies and its financial controls and systems. The Remuneration Committee is responsible for making recommendations to the Supervisory Board and the Management Board on the terms of appointment and the benefits of the managers of the Company as well as for making recommendations on bonus payments to be made to all Stabilus employees. Further details on the composition and purpose of these committees and of the Management Board and the Supervisory Board is described in the section "Management and Supervisory Board of Stabilus S.A.".

The Annual General Meeting shall be held on the third Wednesday of the month of February at 10 a.m. Luxembourg time. If such day is not a business day in Luxembourg, the meeting shall be held on the next following business day, at the same hour. The Management Board and Supervisory Board may convene extraordinary general meetings as often as the Company's interests so require. An extraordinary general shareholders' meeting must be convened upon the request of one or more shareholders who together represent at least one tenth of the Company's share capital.

Each share entitles the holder to one vote. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the General Meeting. Each shareholder can exercise his voting rights in person, through a proxyholder or in writing (if provided for in the relevant convening notice).

The information required by Article 10.1 of Directive 2004 / 25 / EC on takeover bids which has been implemented by Article 11 of the law of May 19, 2006 on takeovers (the "Law on Takeovers") is set forth here below under "Disclosure Regarding Article 11 of the Law on Takeovers of May 19, 2006".

DISCLOSURE REGARDING ARTICLE 11 OF THE LAW ON TAKEOVERS OF MAY 19, 2006

A) For information regarding the structure of capital, reference is made to Note 21 of the consolidated financial statements.
B) The Articles of Incorporation of the Company do not contain any restrictions on the transfer of shares of the Company.
C) Information regarding section c) of the law (significant direct and indirect shareholdings) can be found in Note 38 of the consolidated financial statement.
D) The Company has not issued any securities granting special control rights to their holders.
E) The control rights of any shares issued in connection with employee share schemes are exercised directly by the respective employees.
F) The Articles of Incorporation of the Company do not contain any restrictions on voting rights.
G) There are no agreements with shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of Directive 2004 / 109 / EC (Transparency Directive).
H) Rules governing the appointment and replacement of Management Board members and the amendment of the Articles of Incorporation:
   - The Management Board members are appointed by the Supervisory Board by the majority of the votes of the members present or represented (abstention or non-participation being taken into account as a vote against the appointment), or in the case of a vacancy, by way of a decision of the remaining Management Board members for the period until the next Supervisory Board Meeting.
   - Management Board members serve for the following terms: Chief Executive Officer four years, Chief Financial Officer three years and other Board members one year. Management Board members are eligible for re-appointment.
   - Management Board members may be removed at any time with or without cause by the Supervisory Board by a simple majority of the votes.
   - Resolutions to amend the Articles of Incorporation may be adopted by a majority of two thirds of the votes validly cast, without counting the abstentions, if the quorum of half of the share capital is met. If the quorum requirement of half of the share capital of the Company is not met at the Annual General Meeting, then the shareholders may be re-convened to a second General Meeting. No quorum is required in respect of such second General Meeting and the resolutions are adopted by a supermajority of two-thirds of the votes validly cast, without counting the abstentions.
I) Powers of the Management Board:
   - The Company is managed by a Management Board under the supervision of the Supervisory Board.
   - The Management Board is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company.
   - All powers not expressly reserved by the Companies Act or by the Articles of Incorporation to the General Meeting or the Supervisory Board fall within the authority of the Management Board.
   - Certain transactions and measures are subject to the prior approval of the Supervisory Board on the terms set out in the Articles of Incorporation.
   - The Management Board may appoint one or more persons, who may be a shareholder or not, or who may be a member of the Management Board or not, to the exclusion of any member of the Supervisory Board, who shall have full author-

ity to act on behalf of the Company in all matters pertaining to the daily management and affairs of the Company.
- The Management Board is also authorized to appoint a person, either a director or not, to the exclusion of any member of the Supervisory Board, for the purposes of performing specific functions at every level within the Company.
- The Management Board may also appoint committees and sub-committees in order to deal with specific tasks, to advise the Management Board or to make recommendations to the Management Board and / or, as the case may be, the General Meeting, the members of which may be selected either from among the members of the Management Board or not, to the exclusion of any member of the Supervisory Board.
- The Management Board does not have currently any authority to issue shares in the Company under the Articles of Incorporation.
- The Management Board does not have currently any authority to buy back shares under the Articles of Incorporation or a buy-back program.

J) There are no significant agreements to which the Company is party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

K) There are no agreements between the Company and its Management Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

SUBSEQUENT EVENTS

As of December 18, 2015, there were no further events or developments that could have materially affected the measurement and presentation of Group's assets and liabilities as of September 30, 2015.

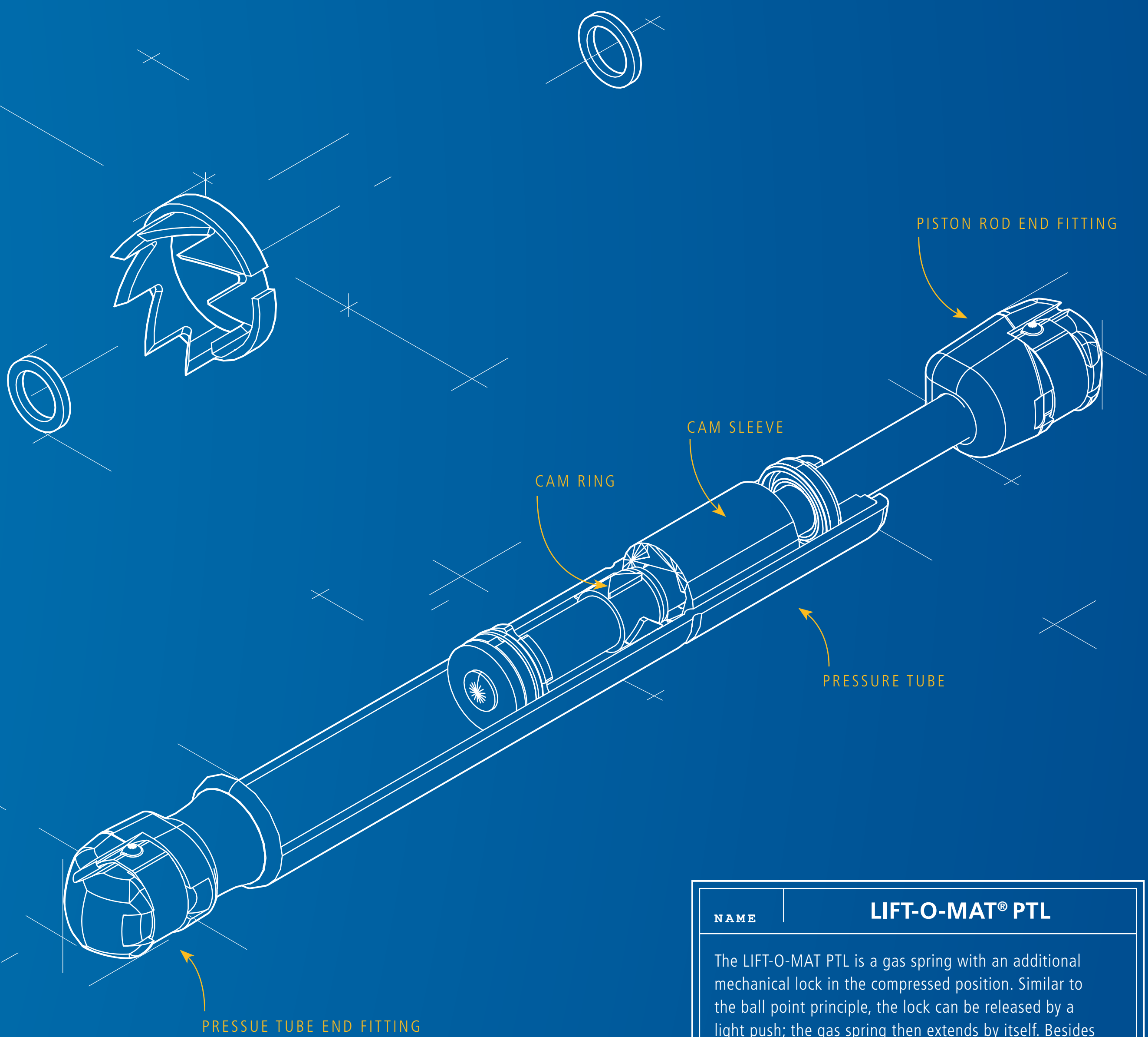
OUTLOOK

Key forecast institutions see an annual production growth for the global light vehicle production of between 3% and 4% over the next three years. The growth rate in China is expected to slow down to around 4% in 2018. The NAFTA region is expected to grow on a constant level of 2% where as the production in Europe is expected to increase by 2016 and 2017 with an annual growth rate of around 4%.

Based on the afore described light vehicle production growth as well as overall market trends for our industrial products we envisage a sales growth in Europe of about 6% for fiscal year 2016. Within this a major increase will come from Powerise based on a number of platforms launched in 2015 and coming to a volume production in fiscal year 2016. Industrial, which includes swivel chair, is expected to provide modest growth. In the NAFTA region we estimate an 8% year-on-year growth for fiscal year 2016. This rests on a strong US light vehicle industry and continuing consumer interest in SUVs allowing us to increase the Powerise sales further. The industrial segment is envisaged to provide a growth rate around the regional average 8%. This is supported by new swivel chair orders obtained in the fiscal year 2015. In Asia / Pacific and Row the continued trend to SUVs in China will open further gas spring opportunities for Stabilus. The local Powerise production in China starting in May 2016 should show first local delivery in the fiscal year 2016. Contract wins with Asian car manufactures will allow us to strength our gas spring position in this region. Within the industrial segment the 2015 sales initiatives in China will allow Stabilus to load the new industrial gas spring production line with orders. In the Asia / Pacific and Row region we foresee a double digit increase for industrial revenue.

For fiscal year 2016, we expect revenue of approximately €660 million and an adjusted EBIT margin at the historical level of 12% to 13%.

C — CONSOLIDATED FINANCIAL STATEMENTS



NAME	LIFT-O-MAT® PTL

The LIFT-O-MAT PTL is a gas spring with an additional mechanical lock in the compressed position. Similar to the ball point principle, the lock can be released by a light push; the gas spring then extends by itself. Besides the force support function, LIFT-O-MAT PTL features and end position stop, thereby eliminating the need for additional fixing elements. At the same time, LIFT-O-MAT is easy and comfortable to use.

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CONSOLIDATED FINANCIAL STATEMENTS

for the fiscal year ended September 30, 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the fiscal year ended September 30, 2015

Consolidated statement of comprehensive income

T_011

IN € THOUSANDS	NOTE	Year ended Sept 30, 2015	Year ended Sept 30, 2014
Revenue	4	611,271	507,333
Cost of sales	5	(463,594)	(387,737)
Gross profit		**147,677**	**119,596**
Research and development expenses	5	(24,218)	(20,291)
Selling expenses	5	(44,095)	(38,703)
Administrative expenses	5	(27,329)	(32,563)
Other income	6	11,238	6,012
Other expenses	7	(7,602)	(2,855)
Profit from operating activities		**55,671**	**31,196**
Finance income	8	17,851	17,451
Finance costs	9	(42,405)	(38,775)
Profit / (loss) before income tax		**31,117**	**9,872**
Income tax income / (expense)	10	(14,120)	78
Profit / (loss) for the period		**16,997**	**9,950**
thereof attributable to non-controlling interests		47	(136)
thereof attributable to shareholders of Stabilus	11	16,950	10,086
Other comprehensive income / (expense)			
Foreign curreny translation difference [1]	21	(16,390)	(422)
Unrealized actuarial gains and losses [2]	21	34	(6,444)
Other comprehensive income / (expense), net of taxes		**(16,356)**	**(6,866)**
Total comprehensive income / (expense) for the period		**641**	**3,084**
thereof attributable to non-controlling interests		47	(136)
thereof attributable to shareholders of Stabilus		594	3,220
Earnings per share (in €):			
basic	11	0.82	0.54
diluted	11	0.82	0.54

[1] Item that may be reclassified ('recycled') to profit and loss at a future point in time when specific conditions are met.
[2] Item that will not be reclassified to profit and loss.
The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of September 30, 2015

Consolidated statement of financial position

T_012

IN € THOUSANDS	NOTE	Sept 30, 2015	Sept 30, 2014
Assets			
Property, plant and equipment	12	133,952	119,642
Goodwill	13	51,458	51,458
Other intangible assets	14	166,475	170,971
Other assets	16	1,864	1,102
Deferred tax assets	10	4,929	7,919
Total non-current assets		**358,678**	**351,092**
Inventories	17	59,783	49,540
Trade accounts receivable	18	62,848	56,497
Current tax assets	19	3,465	2,403
Other financial assets	15	7,899	18,304
Other assets	16	10,093	8,972
Cash and cash equivalents	20	39,473	33,494
Total current assets		**183,561**	**169,210**
Total assets		**542,239**	**520,302**

Consolidated statement of financial position

T_012

IN € THOUSANDS	NOTE	Sept 30, 2015	Sept 30, 2014
Equity and liabilities			
Issued capital	21	207	207
Capital reserves	21	73,091	73,091
Retained earnings	21	24,871	7,920
Other reserves	21	(21,484)	(5,128)
Equity attributable to shareholders of Stabilus		**76,685**	**76,090**
Non-controlling interests		24	33
Total equity		**76,709**	**76,123**
Financial liabilities	22	258,644	256,556
Other financial liabilities	23	2,139	960
Provisions	24	1,032	4,060
Pension plans and similar obligations	25	47,989	48,353
Deferred tax liabilities	10	38,976	43,765
Other liabilities	28	576	–
Total non-current liabilities		**349,356**	**353,694**
Trade accounts payable	26	68,929	53,724
Financial liabilities	22	5,000	5,789
Other financial liabilities	23	7,978	6,360
Current tax liabilities	27	3,040	5,082
Provisions	24	20,128	8,551
Other liabilities	28	11,099	10,979
Total current liabilities		**116,174**	**90,485**
Total liabilities		**465,530**	**444,179**
Total equity and liabilities		**542,239**	**520,302**

The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the fiscal year ended September 30, 2015

Consolidated statement of changes in equity

T_013

IN € THOUSANDS	NOTE	Issued capital	Capital reserves	Retained earnings	Other reserves	Equity attributable to shareholders of Stabilus	Non-controlling interests	Total equity
Balance as of Sept 30, 2013 adjusted		**5,013**	**74,403**	**(991)**	**1,737**	**80,162**	**169**	**80,331**
Profit / (loss) for the period		–	–	10,086	–	10,086	(136)	9,950
Other comprehensive income / (expense)	21	–	–	–	(6,866)	(6,866)	–	(6,866)
Total comprehensive income for the period		–	–	10,086	(6,866)	3,220	(136)	3,084
Reduction of issued capital		(4,836)	4,836	–	–	–	–	–
Proceeds from capital increase		30	64,970	–	–	65,000	–	65,000
Contributions by owners		–	10,020	–	–	10,020	–	10,020
IPO costs directly recognized in equity, net of tax		–	–	(1,175)	–	(1,175)	–	(1,175)
Dividends		–	(81,137)	–	–	(81,137)	–	(81,137)
Balance as of Sept 30, 2014		**207**	**73,091**	**7,920**	**(5,128)**	**76,090**	**33**	**76,123**
Profit / (loss) for the period		–	–	16,950	–	16,950	47	16,997
Other comprehensive income / (expense)	21	–	–	–	(16,356)	(16,356)	–	(16,356)
Total comprehensive income for the period		–	–	16,950	(16,356)	594	47	641
Dividends	21	–	–	–	–	–	(56)	(56)
Balance as of Sept 30, 2015		**207**	**73,091**	**24,871**	**(21,484)**	**76,685**	**24**	**76,709**

The accompanying Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the fiscal year ended September 30, 2015

Consolidated statement of cash flows

T_014

IN € THOUSANDS	NOTE	Year ended Sept 30, 2015	2014
Profit / (loss) for the period		16,997	9,950
Current income tax expense	10	16,920	10,522
Deferred income tax expense	10	(2,800)	(10,600)
Net finance result	8/9	24,554	21,325
Depreciation and amortization (incl. impairment losses)	5	43,813	40,110
Other non-cash income and expenses		(3,142)	(10,222)
Changes in inventories		(10,243)	(3,477)
Changes in trade accounts receivable		(6,351)	11,279
Changes in trade accounts payable		15,205	8,747
Changes in other assets and liabilities		(2,718)	5,705
Changes in provisions		8,235	896
Changes in deferred tax assets and liabilities		2,800	10,600
Income tax payments	34	(17,274)	(7,065)
Cash flow from operating activities		**85,996**	**87,770**
Proceeds from disposal of property, plant and equipment		267	48
Purchase of intangible assets	14	(15,365)	(14,394)
Purchase of property, plant and equipment	12	(36,068)	(21,246)
Cash flow from investing activities		**(51,166)**	**(35,592)**
Receipts from contributions of equity		–	65,000
Receipts under senior facility	22	270,000	–
Receipts under revolving credit facility		–	8,000
Payments under revolving credit facility		–	(8,000)
Payments for redemption of senior secured notes	22	(256,123)	(58,877)
Repayments of senior facility	22	(2,500)	–
Payments for redemption of other financial liabilities		–	(1,661)
Payments for finance leases	29	(1,841)	(1,191)
Payments of transaction costs		(5,650)	(14,362)
Dividends paid to non-controlling interests	21	(56)	–
Payments for interest	34	(32,237)	(30,113)
Cash flow from financing activities		**(28,407)**	**(41,204)**
Net increase / (decrease) in cash and cash equivalents		**6,423**	**10,974**
Effect of movements in exchange rates on cash held		(444)	701
Cash and cash equivalents as of beginning of the period		33,494	21,819
Cash and cash equivalents as of end of the period		**39,473**	**33,494**

The accompanying Notes form an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as of and for the fiscal year ended September 30, 2015

1 General Information

Stabilus S.A., Luxembourg, hereinafter also referred to as "Stabilus" or the "Company" is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés Luxembourg) under No. B0151589 and its registered office is located at 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Company was founded under the name Servus HoldCo S.à r.l. on February 26, 2010.

The Company's fiscal year is from October 1 to September 30 of the following year (twelve-month period). The consolidated financial statements of Stabilus S.A. include Stabilus and its subsidiaries (hereafter also referred to as "Stabilus Group" or the "Group").

The Stabilus Group is a leading manufacturer of gas springs and dampers, as well as electric tailgate opening and closing equipment. The products are used in a wide range in automotive and industrial applications, as well as in the furniture industry. Typically the products are used to support the lifting and lowering or dampening of movements. As world market leader for gas springs, the Group ships to all key vehicle manufacturers. Various Tier 1 suppliers of the global car industry as well as large technical focused distributors further diversify the Group's customer base.

The consolidated financial statements are prepared in euro (€) rounded to the nearest thousand. Due to rounding, numbers presented may not add up precisely to totals provided.

The consolidated financial statements of Stabilus and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The consolidated financial statements were authorized for issue by the Management Board on December 18, 2015.

2 Basis for presentation

PREPARATION

Applying IAS 1, items of the statement of financial position are differentiated between non-current and current assets and liabilities. Assets and liabilities are classified as current if they have a remaining term of less than one year. Accordingly, assets and liabilities are classified as non-current if they remain in the Group for more than one year. Deferred tax assets and deferred tax liabilities, as well as assets and provisions from defined benefit pension plans and similar obligations are reported as non-current items. The consolidated statement of comprehensive income is presented using the cost of sales method.

MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis, with the exception of certain items, such as derivative financial instruments or hedged transactions and pensions and similar obligations. The measurement methods applied to these exceptions are described below.

USE OF ESTIMATES AND JUDGMENTS

Certain of the accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and have a material impact on the financial position or results of operations. Critical accounting estimates could also involve estimates where management could reasonably have used a different estimate in the current accounting period. Management wishes to point out that future events often vary from forecasts and that estimates routinely require adjustment.

Impairment of non-financial assets:
Stabilus assesses at every reporting date whether there are indications that its non-financial assets may be impaired. Goodwill and development cost under construction are tested annually for impairment. Further tests are carried out if there are indications for impairment. Other non-financial assets are tested for impairment if there are indications that the carrying amount may not be recoverable. If the fair value less costs of disposal is calculated, management must estimate the expected future cash flows from the asset or the cash-generating unit and select an appropriate discount rate in order to determine the present value of this cash flow.

Trade and other receivables:
The allowance for doubtful accounts involves significant management judgment and review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical allowances. We refer also to Note 18.

Deferred tax assets:
The valuation of deferred tax assets is based on mid-term business plans of the respective entities which recorded deferred tax assets. These mid-term business plans range from three to five years and include several underlying assumptions and estimates in respect of the business development, strategic changes, cost optimization and business improvement and also general market and economic development. Deferred tax assets are recognized to the extent that sufficient taxable profit at the level of the relevant tax authority will be available for the utilization of the deductible temporary differences. Stabilus recognizes a valuation allowance for deferred tax assets when it is unlikely that sufficient future taxable profit will be available. We refer also to Note 10.

Provisions:
Significant estimates are involved in the determination of provisions related to pensions and other obligations, contract losses, warranty costs and legal proceedings. We refer also to Note 24 and 25.

RISKS AND UNCERTAINTIES

The Group's net assets, financial position and results of operations are subject to risks and uncertainties. Factors that could affect the future net assets, financial position and results of operations and therefore cause actual results to vary from the expectations include sales volume changes due to changes in the overall economy, evolvement of price-aggressive competitors, significant price changes for raw materials and overall purchase costs. Quality issues may result in significant costs for the Group, in spite of a benchmarked insurance cover. The Group financing with its variable interest rates face future risks and uncertaincies depending on the development of the underlying Euribor and the net leverage level of the Company. The variable interest rates are committed until June 2020.

GOING CONCERN

These consolidated financial statements are prepared based on the going concern assumption.

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of Stabilus S.A. and the financial statements of all subsidiaries, including structured entities which are directly or indirectly controlled by Stabilus S.A. Control exists if the parent company has the power of decision over a subsidiary based on voting rights or other rights, if it participates in positive and negative variable returns from a subsidiary, and if it can affect these returns by its power of decision.

Non-controlling interests represent the portion of profit and loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and the consolidated statement of financial position.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Inclusion in the consolidated financial statements ends as soon as the Company no longer has control.

In addition to Stabilus, altogether 27 subsidiaries (see following list), are included in the consolidated financial statements as of September 30, 2015.

Subsidiaries

T_015

NAME OF THE COMPANY	Registered office of the entity	Interest and control held by	Holding in %	Consolidation method
Servus Sub S.à r.l.	Luxembourg	Stabilus S.A.	100.00%	Full
Servus Luxembourg S.à r.l.	Luxembourg	Stabilus S.A.	100.00%	Full
Servus III (Gibraltar) Limited	Gibraltar	Stabilus S.A.	100.00%	Full
Servus Luxembourg Holding S.C.A.	Luxembourg	Servus Sub S.à r.l.	99.9968%	Full
		Servus Luxembourg S.à r.l.	0.0032%	
Blitz F10-neun GmbH	Frankfurt, Germany	Stabilus S.A.	100.00%	Full
Blitz F10-acht-drei-drei GmbH & Co KG	Frankfurt, Germany	Servus III (Gibraltar) Limited	94.90%	Full
Stable II S.à r.l.	Luxembourg	Servus Luxembourg Holding S.C.A.	94.90%	Full
		Blitz F10-acht-drei-drei GmbH & Co KG	5.10%	
Stable Beteiligungs GmbH	Koblenz, Germany	Stable II S.à r.l.	100.00%	Full
Stable HoldCo Inc.	Wilmington, USA	Stable Beteiligungs GmbH	100.00%	Full
Stable HoldCo Australia Pty. Ltd.	Dingley, Australia	Stable II S.à r.l.	100.00%	Full
Stable UK HoldCo Ltd.	Banbury, United Kingdom	Stabilus UK Ltd.	100.00%	Full
LinRot Holding AG	Zurich, Switzerland	Stable II S.à r.l.	100.00%	Full
Stabilus UK Ltd.	Banbury, United Kingdom	Stable Beteiligungs GmbH	100.00%	Full
Stabilus GmbH	Koblenz, Germany	Stable Beteiligungs GmbH	100.00%	Full
Stabilus Powerise GmbH	Melle, Germany	LinRot Holding AG	100.00%	Full
Stabilus Pty. Ltd.	Dingley, Australia	Stable HoldCo Australia Pty. Ltd.	100.00%	Full
Stabilus Ltda.	Itajubá, Brazil	Stabilus GmbH	99.99%	Full
Stabilus Espana S.L.	Lezama, Spain	Stabilus GmbH	100.00%	Full
Stabilus Co. Ltd.	Busan, South Korea	Stabilus GmbH	100.00%	Full
Stabilus S.A. de C.V.	Ramos Arizpe, Mexico	Stabilus GmbH	99.9998%	Full
		Stabilus UK Ltd.	0.0002%	
Stabilus Inc.	Gastonia, USA	Stable HoldCo Inc.	100.00%	Full
Stabilus Limited	Auckland, New Zealand	Stabilus GmbH	80.00%	Full
Stabilus Japan Corp.	Yokohama, Japan	Stable Beteiligungs GmbH	100.00%	Full
Stabilus France S.à r.l.	Poissy, France	Stabilus GmbH	100.00%	Full
Stabilus Romania S.R.L.	Brasov, Romania	Stable Beteiligungs GmbH	3.01%	Full
		Stabilus GmbH	96.99%	
Stabilus (Jiangsu) Ltd.	Wujin, China	Stabilus GmbH	100.00%	Full
Orion Rent Imobiliare S.R.L.	Brasov, Romania	Stable Beteiligungs GmbH	98.00%	Full
		Stabilus UK Ltd.	2.00%	

In the fourth quarter of the fiscal year 2015, “Stabilus Ltd.” was renamed to “Stable UK Holdco Ltd.” and “Stabilus UK Holdco Ltd.” changed its name to “Stabilus UK Ltd.”.

PRINCIPLES OF CONSOLIDATION

The assets and liabilities of the domestic and foreign entities included in consolidation are recognized in accordance with the uniform accounting policies of the Stabilus Group. Receivables and liabilities or provisions between the consolidated companies are offset. Intragroup revenue and other intragroup income and the corresponding cost and expenses are eliminated. Intercompany gains and losses on intragroup delivery and service transactions are eliminated through profit or loss, unless they are immaterial. Deferred taxes, which reflect the average income tax charge on the recipient group entity, are recognized on consolidation adjustments affecting profit or loss.

BUSINESS COMBINATION

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to the Group. Goodwill is measured at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognized amount of any non-controlling interests in the acquiree, less
- the net recognized amount (generally the fair value) of the identifiable assets acquired and liabilities assumed.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with the business combination are expensed as incurred.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries consist of the amount of those interests at the date of the original business combination and the minority’s share of changes in equity since the date of the combination.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in euro (€), as the Group’s functional and presentation currency. Each entity in the Group determines its own functional currency, which is the currency of its primary economic environment in which the entity operates. Items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the historic rate.

Assets and liabilities of foreign subsidiaries where the functional currency is other than euro (€) are translated using the financial period-end exchange rates, while their income and expenses are translated using the average exchange rates during the period.

Foreign currency transaction gains and losses on operating activities are included in other operating income and expenses. Foreign currency gains and losses on financial receivables and debts are included in interest income and expenses.

Translation adjustments arising from exchange rate differences are included in a separate component of shareholder's equity in amounts recognized directly in equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in profit or loss.

The exchange rates of the significant currencies of non-euro countries used in the preparation of the consolidated financial statements were as follows:

Exchange rates

T_016

		Closing rate Sept 30,		Average rate for the year ended Sept 30,	
COUNTRY	ISO CODE	2015	2014	2015	2014
Australia	AUD	1.6118	1.4539	1.4596	1.4753
Brazil	BRL	4.6145	3.0926	3.4048	3.1070
China	CNY	7.1672	7.8098	7.1614	8.3414
South Korea	KRW	1,346.6700	1,338.6700	1,286.5100	1,424.7400
Mexico	MXP	19.2032	17.0692	17.3371	17.7724
Romania	ROL	4.4167	4.4114	4.4410	4.4525
USA	USD	1.1245	1.2687	1.1602	1.3575

CHANGES IN ACCOUNTING POLICIES ON ACCOUNT OF NEW STANDARDS

New standards and interpretations

T_017

STANDARD / INTERPRETATION		Effective date stipulated by IASB	Effective date stipulated by EU	Impact on Stabilus financial statements
IFRS 10	Consolidated Financial Statements	January 1, 2013	January 1, 2014	No impact
IFRS 11	Joint Arrangements	January 1, 2013	January 1, 2014	No impact
IFRS 12	Disclosures of Interest in Other Entities	January 1, 2013	January 1, 2014	No impact
Amendments to IFRS 10, 11, 12	Transition Guidance	January 1, 2013	January 1, 2014	No impact
IAS 27 (2011)	Separate Financial Statements	January 1, 2013	January 1, 2014	No impact
IAS 28 (2011)	Investements in Associates and in Joint Ventures	January 1, 2013	January 1, 2014	No impact
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	January 1, 2014	January 1, 2014	No impact
Amendment to IAS 32	Offsetting Financial Assets and Liabilities	January 1, 2014	January 1, 2014	No impact
Amendment to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014	January 1, 2014	No impact
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014	January 1, 2014	No impact

The effective date presented above is the date of mandatory application in annual periods beginning on or after that date.

The accounting policies applied in the consolidated financial statements comply with the IFRSs required to be applied in the EU as of September 30, 2015.

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

Standards and interpretations issued and endorsed by the EU (not yet adopted)

T_018

STANDARD / INTERPRETATION		Effective date stipulated by IASB	Effective date stipulated by EU	Impact on Stabilus financial statements
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	July 1, 2014	February 1, 2015	Evaluating
Annual Improvements	Annual Improvements to IFRSs 2010-2012 Cycle (issued on 12 December 2013)	July 1, 2014	February 1, 2015	Small impact
Annual Improvements	Annual Improvements to IFRSs 2011-2013 Cycle (issued on 12 December 2013)	July 1, 2014	January 1, 2015	No impact
IFRIC 21	Levies	January 1, 2014	June 17, 2014	No impact

The effective date presented above is the date of mandatory application in annual periods beginning on or after that date.

Amendments to IAS 19: Defined Benefits Plans — Employee Contributions
The amendments to IAS 19 clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to the periods of service. In addition, it permits a practical solution if the amount of the contributions is independent of the number of years of service. The IASB concluded that contributions from employees or third parties reduce the ultimate cost of a defined benefit and should therefore be accounted for consistently with the accounting for the

defined benefit itself. The investigation of the effects on the consolidated financial statements resulting from the amendments to IAS 19 has not yet been completed.

Annual improvements — 2010–2012 cycle
The annual improvements to IFRSs 2010-2012 cycle (issued on December 12, 2013) targeted to enhance the quality of the following standards for which the amendments were considered necessary but also non-urgent and sufficiently narrow in scope: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38. These amendments will result in slightly enhanced disclosures and are not expected to have a significant impact on the consolidated financial statements of the Group.

Annual improvements — 2011–2013 cycle
The annual improvements to IFRSs 2011-2013 cycle (issued on December 12, 2013) targeted to enhance the quality of the following standards for which the amendments were considered necessary but also non-urgent and sufficiently narrow in scope: IFRS 1, IFRS 3, IFRS 13, IAS 40. These amendments are not expected to have an impact on the consolidated financial statements of the Group.

Standards and interpretations issued but not yet endorsed by the EU T_019

IFRSS ISSUED BUT NOT YET ADOPTED: STANDARD / INTERPRETATION		Effective date stipulated by IASB	Effective date stipulated by EU
Amendment to IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016	January 1, 2016
Amendment to IFRS 10, 12, IAS 28	Investment Entities: Applying the Consolidation Exception	January 1, 2016	January 1, 2016
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018	January 1, 2018
IFRS 9	Financial Statements	January 1, 2018	January 1, 2018

The effective date presented above is the date of mandatory application in annual periods beginning on or after that date.

The investigation of the effects on the consolidated financial statements resulting from IFRS 9 and IFRS 15 has not yet been completed.

3 Accounting policies

REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of goods have passed to the customer, a price is agreed upon or can be determined and when the payment is probable. Revenue from a contract to provide services is recognized according to the stage of completion, if the amount of the revenue can be measured reliably and it is probable that the economic benefits from the business will flow to the Group.

COST OF SALES

Cost of sales comprises the cost of the conversion of products sold as well as the purchase costs of sold merchandise. In addition to the directly attributable material and production costs, it also includes indirect production-related overheads like production and purchase management, warranty expenses, depreciation on production plants and amortization of intangible assets. Cost of sales also includes write-downs on inventories to the lower net realizable value.

RESEARCH EXPENSES AND NON-CAPITALIZED DEVELOPMENT EXPENSES

Research expenses and non-capitalized development expenses are recognized in profit or loss when incurred.

SELLING EXPENSES

Selling expenses include sales personnel costs and operating sales costs such as for marketing. Shipping and handling costs are expensed within selling expenses when incurred. Fees charged to customers are shown as sales. Advertising costs (expenses for advertising, sales promotion and other sales-related activities) are expensed within selling expenses when incurred.

BORROWING COSTS

Borrowing costs are expensed as incurred, unless they are directly attributable to the acquisition, construction or production of a qualifying asset and therefore form part of the cost of that asset.

INTEREST INCOME AND EXPENSE

The interest income and expense include the interest expenses from liabilities and the interest income from the investment of cash. The interest components from defined benefit pension plans and similar obligations are reported under the personnel expenses.

OTHER FINANCIAL INCOME AND EXPENSE

The other financial result includes all remaining expenses and income from financial transactions that are not included in the interest result.

INCOME TAXES

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Income tax expenses represent the sum of taxes currently payable and deferred taxes. The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

In accordance with IAS 12 deferred taxes are recognized on temporary differences between the carrying amounts and the corresponding tax base of assets and liabilities used in the computation of taxable income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets on tax loss carry-forwards are only recognized if there is sufficient probability that the tax reductions resulting from them will actually occur. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

GOODWILL

Goodwill is determined to have an indefinite useful life. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. In accordance with IAS 36, the Group tests the goodwill for impairment by comparing its recoverable amount with its carrying amount annually, and whenever there is an indication that goodwill may be impaired. For the purpose of impairment testing goodwill acquired in a business combination is allocated at the acqusition date to the cash-generating units (CGU) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. An impairment of goodwill is recognized if the recoverable amount of the cash-generating unit is below its carrying amount. Impairment losses are recognized in profit or loss. According to IAS 36, impairment losses recognized for goodwill are not reversed.

Goodwill impairment is tested at the lowest level within the Group at which goodwill is being managed.

OTHER INTANGIBLE ASSETS

Purchased or internally generated intangible assets are capitalized according to IAS 38, if a future economic benefit can be expected from the use of the asset and the costs of the asset can be determined reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if all of the following have been demonstrated: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) the intention to complete the intangible asset and use or sell it; (3) the ability to use or sell the intangible asset; (4) how the intangible asset will generate probable future economic benefits; (5) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (6) the ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development cost is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses on the same basis as intangible assets acquired separately. Internally-generated intangible assets are disposed when the life time cycle of the underlying product has ended.

The following useful lives are used in the calculation of amortization: Software (3 to 5 years), patented technology (16 years), customer relationships (24 years), unpatented technology (6 to 10 years) and trade names (18 years).

RESEARCH AND DEVELOPMENT EXPENSES

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Development costs are capitalized at cost if the relevant recognition criteria according to IAS 38 are met. Capitalized development costs comprise all costs directly attributable to the development process. Capitalized development costs are amortized systematically from the start of production over the expected product cycle of three to fifteen years depending on the lifetime of the product.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is used for business purposes and is measured at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. The Group develops and assembles various production equipment internally; the related costs are also capitalized. Depreciation on property, plant and equipment is recorded on a straight-line basis in accordance with its utilization and based on the useful lives of the assets. The residual values, depreciation methods and useful lives are reviewed annually and adjusted, if necessary. Property in the course of construction for production, rental or administrative purposes is carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The Stabilus Group recognizes government grants when there is reasonable assurance that the conditions attached to the grants are complied with and the grants will be received. Government grants awarded for the purchase or the production of fixed assets are generally offset against the acquisition or production costs of the respective assets so that the grant is recognized in profit or loss over the life of the asset through a reduced depreciation expense.

Systematic depreciation is primarily based on the following useful lives: Buildings (40 years), machinery and equipment (5 to 10 years) and other equipment (5 to 8 years).

LEASING

Leases comprise all arrangements that transfer the right to use a specified asset for a stated period of time in return for a payment, even if the right to use that asset is not explicitly described in an arrangement. Leases are classified as either finance or operating. In accordance with the regulations under IAS 17 on accounting for leases, economic ownership is attributed to the lessee if it bears substantially all of the risks and rewards associated with ownership (finance lease). If the criteria for a finance lease are fulfilled, assets and liabilities are recognized at the commencement of a lease term at fair value or the lower present value of the minimum lease payments. Assets are depreciated on a straight-line basis over the estimated useful life of the asset or shorter term of the lease. The discounted payment obligations resulting from the future leasing instalments are recognized under other current and non-current liabilities.

Lease payments resulting from finance leases are divided into principal payments and interest payments. Lease and rent payments resulting from operating leases are recognized as an expense in the consolidated statement of comprehensive income. Future burdens under operating lease relationships are disclosed under other financial obligations. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term. Operating leases refer to the leasing of office equipment.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Stabilus assesses at each reporting date whether there are indications that an asset may be impaired. If such indications exist or if annual impairment testing is required (for instance, for goodwill and development cost unter construction), Stabilus estimates the recoverable amount of the asset. The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or groups of assets (cash-generating units). The recoverable amount is the higher of its fair value less cost of disposal and its value in use. Stabilus determines the recoverable amount as fair value less cost of disposal and compares this with the carrying amounts (including goodwill). The fair value is measured by discounting future cash flows using a risk-adjusted interest rate. The future cash flows are estimated on the basis of the operative planning (five-year-window). Periods not included in the business plans are taken into account by applying a residual value which considers a growth rate of 1.0%. If the fair value less cost of disposal cannot be determined or is lower than the carrying amount, the value in use is calculated. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the amount of the difference.

The calculation of the fair value less cost of disposal and the value in use is most sensitive to the following assumptions: (1) Gross margins are based on average values achieved in the last two years adopted over the budget period for anticipated efficiency improvements. (2) Discount rates reflect the current market assessments of the risks of the cash-generating unit. The rate was estimated based on the average percentage of a weighted average cost of capital for the industry. (3) Estimates regarding the raw materials price developments are obtained by published indices from countries in which the resources are mainly bought. Forecast figures (mainly in Europe and the US) and past price developments have been used as an indicator for future developments. (4) Management notices that the Group's position continues to strengthen, as customers shift their purchases to larger and more stable companies. Therefore there is no need for any doubt regarding the assumption of market share.
(5) Revenue growth rates are estimated based on published industry research.

An assessment for assets other than goodwill is made at each reporting date to determine whether there is any indication that impairment losses recognized in earlier periods no longer exist or may have decreased. In this case, Stabilus would record a partial or entire reversal of the impairment loss.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value using the average cost method. Production costs include all direct costs of material and labor and an appropriate portion of fixed and variable overhead expenses. Net realizable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Borrowing costs for the production period are not included. Provisions are set up on the basis of the analysis of stock moving and/or obsolete stock.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity. Financial instruments recorded as financial assets or financial liabilities are generally reported separately. Financial instruments are recognized as soon as the Stabilus Group becomes a party to the contractual provisions of the financial instrument. Financial instruments comprise financial receivables or liabilities, trade accounts receivable or liabilities, cash and cash equivalents and other financial assets or liabilities.

Financial instruments are initially measured at fair value. For the purpose of subsequent measurement, financial instruments are allocated to one of the categories defined in IAS 39 "Financial Instruments: Recognition and Measurement." The measurement categories within the meaning of IAS 39 relevant for Stabilus Group are loans and receivables, financial assets at fair value through profit or loss and financial liabilities measured at amortized costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Examples include trade accounts receivable and loans originated by the Group. After initial recognition, loans and receivables are subsequently carried at amortized cost using the effective interest method less impairment losses. Gains and losses are recognized in the consolidated earnings when the loans and receivables are derecognized or impaired. Interest effects from using the effective interest method are similarly recognized in profit or loss. For the accounting of purchase or sale of financial assets, Stabilus uses the settlement date. Loans and receivables bearing no or lower interest rates compared to market rates with a maturity of more than one year are discounted.

FINANCIAL ASSETS

In addition to financial instruments assigned to a measurement category, financial assets also include cash and cash equivalents. Cash and cash equivalents consist primarily of cash on hand, cheques and deposits at banks. The Group considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents correspond with the classification in the consolidated statement of cash flows. Interest received on these financial assets is generally recognized in profit or loss applying the effective interest method. Dividends are recognized in profit or loss when legal entitlement to the payment arises.

In the third quarter of fiscal year 2015 the Group started a second sale of receivables programm (forfaiting). Trade accounts receivable amounting to €25.6 million (PY: €20.2 million) were sold to factors as of September 30, 2015.

As of September 30, 2015 the Group does not measure any financial assets at fair value through profit or loss (PY: €15.4 million).

IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date the carrying amounts of the financial assets, except those measured at fair value through profit or loss, are investigated to assess whether objective evidence of impairment (such as the debtor’s inability to meet its current obligations or significant changes in the technological, economic, legal or the market environment of the debtor) exists. For equity instruments a significant or prolonged decline in fair value is considered to be objective evidence for impairment. Stabilus has defined criteria for the significance and duration of a decline in fair value.

Loans and receivables

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss. In relation to trade accounts receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will be unable to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments apart from the derivatives which were embedded in the bond indenture and were derecognized following the full redemption of the senior secured notes in June 2015. Embedded derivatives are separated from the host contract, which is not measured at fair value through profit and loss, if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. Separable embedded derivatives are measured at fair value at initial recognition and at each subsequent reporting date. The fair value of embedded derivatives is calculated using a standard option pricing model. For the valuation, the credit spread used is calibrated such that the model reproduces the current market price quoted on the Luxembourg Stock Exchange (Bourse de Luxembourg) at the respective valuation date. Derivatives are presented as assets if their fair value is positive and as liabilities if the fair value is negative. Following initial recognition, changes in the fair value of derivative financial instruments are recognized in profit and loss.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

FINANCIAL LIABILITIES

Financial liabilities primarily include a senior facility (prior year: notes), trade accounts payable and other financial liabilities.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost include senior facilities.

After initial recognition the financial liabilities are subsequently measured at amortized cost applying the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Financial liabilities at fair value through profit or loss
As of September 30, 2015 and 2014 the Group does not measure any financial liabilities at fair value through profit or loss.

PENSIONS AND SIMILAR OBLIGATIONS

The contributions to our pension plans are recognized as an expense when the entity consumes the economic benefits arising from the services provided by the employees in exchange for employee benefits. For defined benefit pension plans the projected unit credit method is used to determine the present value of a defined benefit obligation, the current service cost and any past service cost.

For the valuation of defined benefit plans, differences between actuarial assumptions used and actual developments as well as changes in actuarial assumptions result in actuarial gains and losses, which have a direct impact on the consolidated statement of financial position and on other comprehensive income.

OTHER PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. All cost elements that are relevant flow into the measurement of other provisions - in particular those for warranties and potential losses on pending transactions. Non-current provisions with a residual term of more than one year are recognized at balance sheet date with their discounted settlement amount. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Termination benefits are granted if an employee is terminated before the normal retirement age or if an employee leaves the company voluntarily in return for the payment of a termination benefit. The Group records termination benefits if it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate the employment of current employees or if it is demonstrably committed to pay termination benefits if employees leave the company voluntarily.

Provisions for warranties are recognized at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

4 Revenue

The Group's revenue developed as follows:

Revenue by region (location of Stabilus company) T_020

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Europe	308,474	267,271
NAFTA	229,285	176,817
Asia / Pacific and Rest of World	73,512	63,245
Revenue	**611,271**	**507,333**

Revenue by markets T_021

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Automotive	434,212	340,804
Gas Spring	294,400	255,023
Powerise	139,812	85,781
Industrial	149,321	142,279
Swivel Chair	27,738	24,250
Revenue	**611,271**	**507,333**

Group revenue results from sales of goods.

5 Cost of sales, research and development, selling and administrative expenses

Expenses by function

T_022

IN € THOUSANDS	Year ended Sept 30, 2015				
	Cost of sales	Research & development expenses	Selling expenses	Administrative expenses	Total
Capitalized development cost	–	13,475	–	–	**13,475**
Personnel expenses	(119,966)	(14,278)	(14,869)	(29,288)	**(178,401)**
Material expenses	(299,844)	(4,384)	(9,199)	(2,479)	**(315,906)**
Depreciation and amortization (incl. impairment losses)	(27,084)	(11,280)	(3,820)	(1,629)	**(43,813)**
Other	(16,700)	(7,751)	(16,207)	6,067	**(34,591)**
Total	**(463,594)**	**(24,218)**	**(44,095)**	**(27,329)**	**(559,236)**

IN € THOUSANDS	Year ended Sept 30, 2014				
	Cost of sales	Research & development expenses	Selling expenses	Administrative expenses	Total
Capitalized development cost	–	12,899	–	–	**12,899**
Personnel expenses	(107,093)	(12,374)	(12,745)	(18,908)	**(151,120)**
Material expenses	(239,206)	(4,769)	(7,663)	(2,255)	**(253,893)**
Depreciation and amortization (incl. impairment losses)	(25,012)	(9,750)	(3,826)	(1,522)	**(40,110)**
Other	(16,426)	(6,297)	(14,469)	(9,878)	**(47,070)**
Total	**(387,737)**	**(20,291)**	**(38,703)**	**(32,563)**	**(479,294)**

Selling expenses include shipping and handling cost amounting to €20,991 thousand (PY: €18,122 thousand). Other expenses exclude recharges to other functions. Administrative personnel expenses include all Koblenz second level managers, as well as all functional heads globally.

The expense items in the statement of comprehensive income include following personnel expenses.

Personnel expenses

T_023

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Wages and salaries	(123,993)	(105,683)
Compulsory social security contributions	(32,637)	(28,360)
Pension cost	(15,183)	(13,423)
Other social benefits	(6,588)	(3,654)
Personnel expenses	**(178,401)**	**(151,120)**

The following table shows the Group's average number of employees.

Number of employees T_024

	Year ended Sept 30, 2015	2014
Wage earners	3,399	3,134
Salary earners	898	836
Trainees and apprentices	86	85
Average number of employees	**4,383**	**4,055**

6 Other income

Other income T_025

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Foreign currency translation gains	9,261	3,360
Gains on sale / disposal of assets	102	38
Income from the release of other accruals	43	10
Miscellaneous other income	1,832	2,604
Other income	**11,238**	**6,012**

7 Other expenses

Other expenses T_026

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Foreign currency translation losses	(6,631)	(2,577)
Losses on sale / disposal of tangible assets	(307)	(100)
Addition to other provisions	(139)	(147)
Miscellaneous other expenses	(525)	(31)
Other expenses	**(7,602)**	**(2,855)**

8 Finance income

Finance income

T_027

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Interest income on loans and financial receivables not measured at fair value through profit and loss	90	35
Net foreign exchange gain	16,936	6,034
Gains from changes in carrying amount of financial assets	–	5,714
Gains from changes in fair value of derivative instruments	–	4,576
Other interest income	825	1,092
Finance income	**17,851**	**17,451**

9 Finance costs

Finance costs

T_028

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Interest expense on financial liabilities not measured at fair value through profit and loss	(26,450)	(31,647)
Loss from changes in fair value of derivative instruments (note 15)	(15,422)	–
Loss from changes in carrying amount of EUSIs[1)]	–	(6,720)
Interest expenses finance lease	(169)	(66)
Other interest expenses	(364)	(342)
Finance costs	**(42,405)**	**(38,775)**

[1)] Equity upside-sharing instruments (EUSIs) which were extinguished in the fiscal year 2014 as part of the IPO reorganization.

The interest expense of finance liabilities not measured at fair value through profit and loss includes early redemption fees of €9,925 thousand (PY: € 4,563 thousands) in regard of the early redemption of the senior secured notes.

10 Income tax expense

Income taxes comprise current taxes on income (paid or owed) in the individual countries and deferred taxes. The tax rates which are applicable on the reporting date are used for the calculation of current taxes. Tax rates for the expected period of reversal, which are enacted or substantively enacted at the reporting date, are used for the calculation of deferred taxes. Deferred taxes are recognized as deferred tax expenses or income in the statement of comprehensive income, unless they relate to items directly recognized in equity. In these cases the deferred taxes are also recognized directly in equity.

Income tax expense

T_029

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Current income taxes	(16,920)	(10,522)
Deferred taxes	2,800	10,600
Income tax expense	**(14,120)**	**78**

The respective local rates have been used to calculate the deferred taxes. A tax rate of 30% has been used for group purposes. The current income taxes comprise prior year taxes amounting to €1,589 thousand (PY: €495 thousand).

The actual income tax expense of €(14,120) thousand deviates in the amount of €(4,785) thousand from the expected tax expense of €(9,335) thousand that results from applying the group income tax rate of 30% to the annual earnings of the Group before income taxes. The €(4,785) thousand are driven by non-tax deductible effects related to this years Group refinancing as well as a number of tax related positions detailed in the table below.

Tax expense reconciliation (expected to actual)

T_030

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Income / (loss) before income tax	**31,117**	**9,872**
Expected tax income / (expense): 30%	(9,335)	(2,962)
Prior year taxes	1,589	495
Tax effect of non-deductible expenses	(10,231)	(2,317)
Change of the valuation allowance on deferred tax assets	6,447	6,449
Tax-free income	(489)	–
Tax audit reserve	–	(460)
Non-capitalized deferred taxes on domestic losses	–	44
Additions / deductions due to trade tax	(703)	(663)
Effect of divergent tax rates	1,919	(833)
Deductible withholding tax	(1,588)	–
Tax rate changes	(58)	–
Other tax effects	(1,671)	325
Tax related deviations	(4,785)	3,040
Actual income tax income / (expense)	**(14,120)**	**78**
Tax charge in %	**45.4%**	**(0.8)%**

The tax effect of non-deductible expenses mostly includes the effect of German and US non-deductible expenses as well some 2015 refinancing expenses. The tax effect due to non-recognition of deferred tax assets includes the valuation allowance for the current tax loss carry-forwards. The tax effect of non-capitalized deferred taxes on domestic losses is calculated with the local tax rates on the basis of the negative earnings before taxes (EBTs) of the respective companies.

The deferred tax assets (DTA) and deferred tax liabilities (DTL) in respect of each type of the temporary difference and each type of unused tax losses are as follows:

Deferred tax assets and liabilities T _ 031

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	DTA	DTL	**Total**	DTA	DTL	Total
Intangible assets	111	(49,874)	(49,763)	188	(50,925)	(50,737)
Property, plant & equipment	2,625	(7,257)	(4,632)	3,166	(8,786)	(5,620)
Inventories	1,109	(45)	1,064	329	(999)	(670)
Receivables	471	(3,197)	(2,726)	236	(808)	(572)
Other assets	31	(300)	(269)	39	(134)	(95)
Provisions and liabilities	11,010	(5,881)	5,129	10,130	(4,458)	5,672
Tax and interest losses	17,150	–	17,150	16,176	–	16,176
Subtotal	**32,507**	**(66,554)**	**(34,047)**	**30,264**	**(66,110)**	**(35,846)**
Netting	(27,578)	27,578	–	(22,345)	22,345	–
Total	**4,929**	**(38,976)**	**(34,047)**	**7,919**	**(43,765)**	**(35,846)**

Deferred tax assets and deferred tax liabilities have been offset if they relate to income taxes levied by the same tax authorities and if there is a right to offset current tax assets against current tax liabilities.

As of September 30, 2015, the Group has unused tax loss carry-forwards (including German interest loss carry fowards) of €96,045 thousand (PY: €34,545 thousand excluding German interest loss carry fowards).

The following table provides a detailed overview of the tax loss and interest carry-forwards and the expiration dates.

Tax loss and interest carry-forwards

T_032

	Year ended Sept 30, 2015					
IN € THOUSANDS	Tax loss and interest carry-forward	Tax rate	Deferred tax asset (gross)	Valuation allowance	Deferred tax asset (net)	Expiration date
Germany	74,393	27.0% – 30.0%	20,149	(5,566)	14,583	Indefinite
Spain	5,611	28.0%	1,571	(1,571)	–	Indefinite
Romania	16,041	16.0%	2,567	–	2,567	Within 5 years
Total	**96,045**		**24,287**	**(7,137)**	**17,150**	

	Year ended Sept 30, 2014					
IN € THOUSANDS	Tax loss and interest carry-forward	Tax rate	Deferred tax asset (gross)	Valuation allowance	Deferred tax asset (net)	Expiration date
Germany*	85,364	30.2%	25,763	(14,125)	11,638	Indefinite
Spain	4,226	28.0%	1,183	(1,183)	–	Indefinite
Romania	28,360	16.0%	4,538	–	4,538	Within 5 years
Total	**117,950**		**31,484**	**(15,308)**	**16,176**	

The prior year information in table T_032 was adjusted by the information for the German interst carry-forward (*), which was not included in the prior year report in this table. The interest carry-forward amounts to €83,405 thousand with a gross deferred tax asset of €25,171 thousand of which a deferred tax assets of €11,638 thousand was shown in the balance sheet.

The unused tax loss carry-forward comprises €12,952 thousand relating to corporate tax and trade tax. The interest carry forward amounts to €83,093 thousand. The amount recognized as a deferred tax asset is calculated under consideration of the actual corporate planning and its utilization within the planning period.

Interest carry-forwards in USA and Luxembourg are not considered, as it is not likely that these carry-forwards will be utilized.

11 Earnings per share

The weighted average number of shares used for the calculation of earnings per share in the fiscal years ended September 30, 2015 and 2014 is set out in the following table.

Weighted average number of shares

T _ 033

DATE	Number of days	Transaction	Change	Total shares	Total shares (time-weighted)
September 30, 2013				**17,700,000**	**17,700,000**
October 1, 2013	238			17,700,000	11,541,370
May 27, 2014	127	Capital increase	3,023,256	20,723,256	7,210,558
September 30, 2014				**20,723,256**	**18,751,927**
October 1, 2014	365			20,723,256	20,723,256
September 30, 2015				**20,723,256**	**20,723,256**

The earnings per share for the fiscal years ended September 30, 2015 and 2014 were as follows:

Earnings per share

T _ 034

	Year ended Sept 30,	
	2015	2014
Profit / (loss) attributable to shareholders of the parent (in € thousands)	16,950	10,086
Weighted average number of shares	20,723,256	18,751,927
Earnings per share (in €)	**0.82**	**0.54**

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of shares outstanding.

12 Property, plant and equipment

Property, plant and equipment are presented in the following table.

Property, plant and equipment T_035

IN € THOUSANDS	Land, equivalent rights to real property	Buildings and land improvements	Technical equipment and machinery	Other tangible equipment	Construction in progress	Total
Gross value						
Balance as of Sept 30, 2013	**10,868**	**29,673**	**96,759**	**25,715**	**20,229**	**183,244**
Foreign currency difference	119	1,094	4,138	1,347	228	6,926
Additions	–	1,459	6,222	4,601	8,950	21,232
Disposals	–	–	(1,333)	(2,648)	(83)	(4,064)
Reclassifications	–	245	13,754	1,568	(15,602)	(35)
Balance as of Sept 30, 2014	**10,987**	**32,471**	**119,540**	**30,583**	**13,722**	**207,303**
Foreign currency difference	(61)	698	376	1,751	(152)	2,612
Additions	–	3,928	8,760	4,114	20,800	37,602
Disposals	–	(2)	(1,406)	(1,095)	–	(2,503)
Reclassifications	–	871	5,736	1,565	(8,036)	136
Balance as of Sept 30, 2015	**10,926**	**37,966**	**133,006**	**36,918**	**26,334**	**245,150**
Accumulated depreciation						
Balance as of Sept 30, 2013	**–**	**(5,358)**	**(46,439)**	**(14,352)**	**(819)**	**(66,968)**
Foreign currency difference	–	(423)	(2,911)	(1,069)	–	(4,403)
Depreciation expense	–	(1,555)	(13,852)	(4,838)	–	(20,245)
Disposal	–	–	1,321	2,633	–	3,954
Reclassifications	–	–	–	–	–	–
Balance as of Sept 30, 2014	**–**	**(7,336)**	**(61,881)**	**(17,626)**	**(819)**	**(87,662)**
Foreign currency difference	–	(442)	(1,045)	(1,379)	–	(2,866)
Depreciation expense	–	(1,908)	(14,991)	(5,724)	–	(22,623)
Disposal	–	2	1,089	998	–	2,089
Reclassifications	–	–	(23)	(113)	–	(136)
Balance as of Sept 30, 2015	**–**	**(9,684)**	**(76,851)**	**(23,844)**	**(819)**	**(111,198)**
Carrying amount						
Balance as of Sept 30, 2014	**10,987**	**25,135**	**57,659**	**12,957**	**12,903**	**119,642**
Balance as of Sept 30, 2015	**10,926**	**28,282**	**56,155**	**13,074**	**25,515**	**133,952**

Property, plant and equipment includes assets resulting from two finance lease contracts with a carrying amount of €3,312 thousand (PY: €3,197 thousand). One finance lease agreement was signed in December 2010 by Orion Rent Imobiliare S.R.L., Bucharest, prior to the Stabilus Group taking the majority of the company and relates to a real estate lease agreement. The second finance lease agreement was signed in March 2015 by Stabilus Romania S.R.L. In prior year property, plant and equipment also included a machinery lease agreement with a carrying amount of €2,059 thousand which ended December 2014.

The property, plant and equipment include the land and building of Stabilus in Spain, where the activity was shut down in 2011. The Company is preparing the sale of the land and building. We are currently in the process of clarifying the local administrative requirements for the sale of the land and building, e.g. necessary payment confirmations regarding local dues and environmental clearance. For this reason we do not yet consider the sale as highly probable in this phase of the process. Therefore the assets are not yet classified as assets held for sale according to IFRS 5.

In fiscal year 2015, Stabilus Group has received government grants amounting to € 805 thousand (PY: € –) which are linked to the installation of our third powerise production line in Romania. For the entitlement to this grant Stabilus Romania S.R.L. has to meet certain thresholds over a five year period. If such thresholds were not met, the grant would have to be paid back.

Contractual commitments for the acquisition of property, plant and equipment amount to €10,576 thousand (PY: €3,755 thousand).

The total depreciation expense for tangible assets is included in the consolidated statement of comprehensive income in the following line items:

Depreciation expense for property, plant and equipment

T_036

	Year ended Sept 30,	
IN € THOUSANDS	**2015**	2014
Cost of sales	(20,568)	(18,517)
Research and development expenses	(775)	(714)
Selling expenses	(311)	(294)
Administrative expenses	(969)	(720)
Depreciation expense	**(22,623)**	**(20,245)**

Prepayments by the Stabilus Group for property, plant and equipment and intangible assets of €1,080 thousand (PY: €158 thousand) are included in other non-current assets. Larger prepayments are typically secured by a bank guarantee or an in-depth check of the relevant supplier.

13 Goodwill

The first-time consolidation of Stable II S.à r. l., Luxembourg as of April 8, 2010, resulted in goodwill of €51 million and the first-time consolidation of Orion Rent Imobiliare S.R.L, Bucharest, Romania resulted in goodwill of €396 thousand. These acquisitions resulted in a total goodwill of €51,458 thousand (PY: €51,458 thousand). Goodwill is allocated to the operating segments (CGUs) based on their relative fair values. As such €27,787 thousand have been allocated to Europe, €13,379 thousand to NAFTA and €10,292 thousand to Asia / Pacific and Rest of World (RoW).

The value in use for each cash-generating unit as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or other groups of assets is measured by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions: The underlying cash flow forecasts are based on the five-year medium term plan ("MTP") approved by the Management Board. The cash flow planning takes into account price agreements based on experience and anticipated efficiency enhancements (e.g. relocation from high cost to low cost countries, higher automation etc.) as well as average sales growth of approximately 2.8% (PY: 7.8%) for Europe, 5.3% (PY: 5.3%) for NAFTA and 20.0% (PY: 20.8%) for Asia / Pacific and RoW on compound average based on the strategic outlook leading to an average higher growth rate for the free cash flow. The higher free cash flow growth rate is also effected by the product mix effects and the assumed stable gross margins and improved fix costs absorption. While the overall economic outlook is very volatile, the Group believes that its market-orientated approach and leading edge products and services allow for some revenue growth. Cash flows after the five-year period were extrapolated by applying a 1% (PY: 1%) growth rate. This growth rate was based on the expected consumer price inflation for the countries included in the respective cash generating units, adjusted for expected technological progress and efficiency gains in the overall economy. The discount rate applied to cash flow projections is 9.1% (PY: 8.8%) for Europe, 9.1% (PY: 9.3%) for NAFTA and 8.9% (PY: 9.2%) for Asia / Pacific and RoW. The pre-tax discount rates are 12.0% (PY: 11.5%) for Europe, 13.3% (PY: 13.6%) for NAFTA and 13.2% (PY: 12.0%) for Asia / Pacific and RoW.

The following table shows the input data to selected key figures required for the respective recoverable amounts to equal the carrying amount. In management's view this change is not reasonably possible.

Goodwill sensitivity analysis

T _ 037

	Sept 30, 2015		
IN PERCENT	Input data required for carrying amount to equal recoverable amount		
	Europe	NAFTA	Asia / Pacific and RoW
Base interest rate	15.0	15.5	9.2
Budgeted gross margin reduction to plan	9.4	7.5	6.9
Sustainable growth rate after 5-year period	(31.7)	(32.4)	(9.6)

14 Other intangible assets

Other intangible assets are presented in the following table.

Intangible assets

T_038

IN € THOUSANDS	Development cost	Development cost under construction	Software	Patents	Customer relationship	Technology	Trade name	Total
Gross value								
Balance as of Sept 30, 2013	**52,926**	**22,856**	**3,922**	**1,268**	**83,683**	**58,132**	**13,246**	**236,033**
Foreign currency difference	454	400	94	20	–	–	–	968
Additions	3,934	10,027	433	–	–	–	–	14,394
Disposals	–	–	(26)	–	–	–	–	(26)
Reclassifications	11,583	(12,054)	479	27	–	–	–	35
Balance as of Sept 30, 2014	**68,897**	**21,229**	**4,902**	**1,315**	**83,683**	**58,132**	**13,246**	**251,404**
Foreign currency difference	937	874	(197)	8	–	–	–	1,622
Additions	3,675	10,582	1,105	3	–	–	–	15,365
Disposals	(11,134)	–	(132)	(8)	–	–	–	(11,274)
Reclassifications	5,453	(6,745)	1,372	(80)	–	–	–	–
Balance as of Sept 30, 2015	**67,828**	**25,940**	**7,050**	**1,238**	**83,683**	**58,132**	**13,246**	**257,117**
Accumulated amortization								
Balance as of Sept 30, 2013	**(22,620)**	**–**	**(2,703)**	**(994)**	**(12,204)**	**(19,173)**	**(2,576)**	**(60,270)**
Foreign currency difference	(218)	–	(87)	(19)	–	–	–	(324)
Amortization expense	(8,280)	–	(1,051)	(57)	(3,487)	(5,479)	(735)	(19,089)
Impairment loss	(776)	–	–	–	–	–	–	(776)
Disposals	–	–	26	–	–	–	–	26
Balance as of Sept 30, 2014	**(31,894)**	**–**	**(3,815)**	**(1,070)**	**(15,691)**	**(24,652)**	**(3,311)**	**(80,433)**
Foreign currency difference	(437)	–	130	71	1	–	–	(235)
Amortization expense	(9,648)	–	(964)	(83)	(3,487)	(5,478)	(736)	(20,396)
Impairment loss	(794)	–	–	–	–	–	–	(794)
Disposals	11,080	–	132	4	–	–	–	11,216
Balance as of Sept 30, 2015	**(31,693)**	**–**	**(4,517)**	**(1,078)**	**(19,177)**	**(30,130)**	**(4,047)**	**(90,642)**
Carrying amount								
Balance as of Sept 30, 2014	**37,003**	**21,229**	**1,087**	**245**	**67,992**	**33,480**	**9,935**	**170,971**
Balance as of Sept 30, 2015	**36,135**	**25,940**	**2,533**	**160**	**64,506**	**28,002**	**9,199**	**166,475**

During the fiscal year, costs of €14,257 thousand (PY: €13,961 thousand) were capitalized for development projects that were incurred in the product and material development areas. Systematic amortization of capitalized internal development projects amounted to €9,648 thousand (PY: €8,280 thousand). The borrowing costs capitalized during the period amounted to €782 thousand (PY: €1,062 thousand). A capitalization rate of 11.53% (PY: 7.75%) was used to determine the amount of borrowing costs.

The total amortization expense and impairment loss for intangible assets is included in the consolidated statements of comprehensive income in the following line items:

Amortization expense for intangible assets T_039

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Cost of sales	(6,515)	(6,495)
Research and development expenses	(10,506)	(9,036)
Selling expenses	(3,509)	(3,532)
Administrative expenses	(660)	(802)
Amortization expense (incl. impairment loss)	**(21,190)**	**(19,865)**

Amortization expenses on development costs include impairment losses of €794 thousand (PY: €776 thousand) due to the withdrawal of customers from the respective projects. The impairment loss is included in the research and development expenses.

Contractual commitments for the acquisition of intangible assets amount to €873 thousand (PY: €1,388 thousand).

15 Other financial assets

Other financial assets T_040

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	Current	Non-current	**Total**	Current	Non-current	**Total**
Derivative instruments	–	–	–	15,422	–	15,422
Other miscellaneous	7,899	–	7,899	2,882	–	2,882
Other financial assets	**7,899**	**–**	**7,899**	**18,304**	**–**	**18,304**

DERIVATIVE INSTRUMENTS

Derivative financial instruments as of September 30, 2014 comprised fair values of early redemption options embedded in the indenture which was concluded on June 7, 2013. Due to the premature and full redemption of senior secured notes on June 16, 2015, the embedded derivatives were derecognized. The decrease in fair value of these embedded derivatives in fiscal 2015 amounting to €(15,422) thousand is included in the Group's income statement as finance cost. See also Note 9.

OTHER MISCELLANEOUS

Other miscellaneous financial assets as of September 30, 2015 mainly comprise assets related to the sale of receivables program initially started in March 2014 amounting to €3,404 thousand (Sept 30, 2014: €2,882 thousand) and receivables from a warranty insurance company amounting to €3,766 thousand (Sept 30, 2014: –).

16 Other assets

Other assets T_041

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	Current	Non-current	Total	Current	Non-current	Total
VAT	4,239	–	4,239	2,643	–	2,643
Prepayments	1,005	1,080	2,085	1,175	158	1,333
Deferred charges	2,881	–	2,881	2,679	–	2,679
Other miscellaneous	1,968	784	2,752	2,475	944	3,419
Other assets	**10,093**	**1,864**	**11,957**	**8,972**	**1,102**	**10,074**

Non-current prepayments comprise prepayments on property, plant and equipment.

17 Inventories

Inventories T_042

IN € THOUSANDS	Sept 30, 2015	Sept 30, 2014
Raw materials and supplies	30,969	24,519
Finished products	12,151	10,455
Work in progress	10,121	8,639
Merchandise	6,542	5,927
Inventories	**59,783**	**49,540**

Inventories that are expected to be turned over within twelve months amounted to €59,783 thousand (PY: €49,540 thousand). Write-downs on inventories to net realizable value amounted to €5,376 thousand (PY: €5,705 thousand). In the reporting period raw materials, consumables and changes in finished goods and work in progress recognized as cost of sales amounted to €299,844 thousand (PY: €239,206 thousand).

The Stabilus Group's prepayments for inventories amounting to €873 thousand (PY: €1,063 thousand) are included in prepayments in other current assets.

18 Trade accounts receivable

Trade accounts receivable include the following items:

Trade accounts receivable T_043

IN € THOUSANDS	Sept 30, 2015	Sept 30, 2014
Trade accounts receivable	65,044	58,068
Allowance for doubtful accounts	(2,196)	(1,571)
Trade accounts receivable	**62,848**	**56,497**

Trade accounts receivable increased in the fiscal year ended September 30, 2015 mainly due the higher sales partly compensated by the additional sale of receivables to factors.

The Group provides credit in the normal course of business and performs ongoing credit evaluations on certain customers' financial condition, but generally does not require collateral to support such receivables. The Group established an allowance for doubtful accounts based upon factors such as the credit risk of specific customers, historical trends and other information.

The allowances for doubtful accounts developed as follows:

Allowance for doubtful accounts T_044

IN € THOUSANDS	Sept 30, 2015	Sept 30, 2014
Allowance for doubtful accounts as of beginning of fiscal year	**(1,571)**	**(1,586)**
Foreign currency differences	(24)	(38)
Increase in the allowance	(606)	(232)
Decrease in the allowance	5	285
Allowance for doubtful accounts as of fiscal year-end	**(2,196)**	**(1,571)**

19 Current tax assets

Current tax assets are measured at the amount expected to be recovered from the taxation authorities when the amount already paid in respect of current and prior periods exceeds the amount due for those periods.

20 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks, i.e. liquid funds and demand deposits. As of September 30, 2015, it amounted to €39,473 thousand (PY: €33,494 thousand). Cash in banks earned interest at floating rates based on daily bank deposit rates.

21 Equity

The development of the equity is presented in the statement of changes in equity.

Issued capital
Issued capital as of September 30, 2015 amounted to €207 thousand (September 30, 2014: €207 thousand) and was fully paid in. It is divided into 20,723,256 shares with a nominal value of €0.01 each.

The authorized capital of the Company is set at €315 thousand represented by maximum of 31,500 thousand shares, each with a nominal value of €0.01.

Capital reserves
Capital reserves as of September 30, 2015 amounted to €73,091 thousand (September 30, 2014: €73,091 thousand) and contained premiums received for the issuance of shares of €64,970 thousand, a distributable reserve of €4,836 thousand and other capital contributions by owners of €3,286 thousand.

Retained earnings
Retained earnings as of September 30, 2015 amounted to €24,871 thousand (September 30, 2014: €7,920 thousand) and included Group's net result in the fiscal year 2015 amounting to €16,950 thousand.

Dividends
In the second quarter of fiscal 2015, a dividend amounting to €56 thousand was paid to a non-controlling shareholder of a Stabilus subsidiary.

Other reserves
Other reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations and unrealized actuarial gains and losses. The following table shows the changes in other reserves recognized in equity through other comprehensive income as well as the income tax recognized in equity through other comprehensive income.

Other comprehensive income / (expense) T_045

IN € THOUSANDS	Unrealized actuarial gains / (losses)	Unrealized gains / (losses) from foreign currency translation	Total
Balance as of Sept 30, 2013	**(2,307)**	**4,044**	**1,737**
Before tax	(9,207)	(422)	(9,629)
Tax (expense) benefit	2,763	–	2,763
Net of tax	(6,444)	(422)	(6,866)
Non-controlling interest	–	–	–
Balance as of Sept 30, 2014	**(8,751)**	**3,623**	**(5,128)**
Before tax	50	(16,390)	(16,340)
Tax (expense) benefit	(16)	–	(16)
Net of tax	34	(16,390)	(16,356)
Non-controlling interest	–	–	–
Balance as of Sept 30, 2015	**(8,717)**	**(12,767)**	**(21,484)**

22 Financial liabilities

The financial liabilities comprise following items:

Financial liabilities T_046

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	Current	Non-current	Total	Current	Non-current	Total
Notes	–	–	–	5,789	256,556	262,345
Senior facility	5,000	258,644	263,644	–	–	–
Financial liabilities	**5,000**	**258,644**	**263,644**	**5,789**	**256,556**	**262,345**

On June 16, 2015, the Group refinanced the senior secured notes due in 2018 and the €25.0 million revolving credit facility dated June 7, 2013. The senior secured notes with the outstanding principal amount of €256,123 thousand were fully and prematurely redeemed on June 16, 2015. In accordance to the terms of the notes issued, the nominal redemption price per redeemed note amounted to €103,875, equaling 103.875% of the principal amount of each €100,000 note redeemed leading to an early redemption fee of €9,925 thousands. The fair value of embedded derivatives was derecognized accordingly. See also Note 9 and 15 above.

SENIOR FACILITIES

On December 19, 2014, Stabilus entered into a €320 million senior facilities agreement with, among others, Commerzbank Aktiengesellschaft, Unicredit Bank AG and Helaba Landesbank Hessen-Thüringen Girozentrale as mandated lead arrangers, Unicredit Luxembourg S.A. as facility and security agent. The agreement comprises a term loan facility of €270 million and a revolving credit facility of €50 million, both maturing on June 16, 2020. The duration of the senior facilities can be extended by an additional year, upon Company's request until June 16, 2016 and lenders' agreement to that request. The senior facilities were available to the Company from June 15, 2015.

The loans carry variable interest rates depending on the net leverage ratio-related margin grid with a margin over Euribor range between 0.85% and 3.50% per annum. Based on the company's current leverage level, the interest rate is 2.0% above Euribor.

The term loan facility is to be repaid in semi-annual installments (payable on March 31 and September 30) equal to €2.5 million per installment date in the first two years, €7.5 million thereafter and until the termination date (June 16, 2020) on which the facility has to be repaid in full.

During the availability period of the revolving facility, a commitment fee of 35% of the applicable margin is payable on the last day of each successive three month period.

An ancillary facility can be made available under this senior facilities agreement, containing e.g. overdraft facilities, guarantees, bonding, documentary or stand-by letter of credit facilities, short-term loan facilities, derivative or foreign exchange facilities subject to the satisfaction of certain conditions. A lender can provide all or part of its revolving facility commitment as an ancillary facility.

The senior facilities are guaranteed by Stabilus and other subsidiary guarantors defined in the agreement. The agreement contains certain financial covenants, including a requirement of a maximum net leverage ratio.

The Group's liability under the senior term loan facility with a principal amount of €270 million was measured at amortized cost under consideration of transaction costs.

As of September 30, 2015, the Group had no liability under the committed €50 million revolving credit facility.

23 Other financial liabilities

Other financial liabilities

T_047

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	Current	Non-current	**Total**	Current	Non-current	**Total**
Liabilities to employees	5,787	–	5,787	4,120	–	4,120
Social security contribution	1,844	–	1,844	1,701	–	1,701
Finance lease obligation	347	2,139	2,486	536	960	1,496
Liabilities to related parties	–	–	–	3	–	3
Other financial liabilities	**7,978**	**2,139**	**10,117**	**6,360**	**960**	**7,320**

Finance lease obligation, measured as present value of future minimum lease payments, relates to a lease contract for a real estate lease contract for a production facility in Romania.

24 Provisions

Provisions

T _ 048

	Sept 30, 2015			Sept 30, 2014		
IN € THOUSANDS	Current	Non-current	Total	Current	Non-current	Total
Anniversary benefits	13	–	13	–	295	295
Early retirement contracts	659	860	1,519	–	3,372	3,372
Employee-related costs	9,082	–	9,082	3,575	–	3,575
Environmental protection	376	–	376	730	–	730
Other risks	1,035	–	1,035	578	–	578
Legal and litigation costs	90	–	90	135	–	135
Warranties	7,938	–	7,938	2,338	–	2,338
Other miscellaneous	935	172	1,107	1,195	393	1,588
Provisions	**20,128**	**1,032**	**21,160**	**8,551**	**4,060**	**12,611**

The non-current provisions developed as follows:

Changes of non-current provisions

T _ 049

IN € THOUSANDS	Anniversary benefits	Early retirement	Other miscellaneous	Total
Balance as of Sept 30, 2013	**551**	**5,913**	**573**	**7,037**
Foreign currency differences	1	(3)	27	25
Costs paid	(237)	(2,377)	–	(2,614)
Release to income	(20)	(161)	(242)	(423)
Additions	–	–	35	35
Balance as of Sept 30, 2014	**295**	**3,372**	**393**	**4,060**
Reclassifications	(13)	(659)	(262)	(934)
Foreign currency differences	–	–	18	18
Costs paid	(208)	(1,711)	–	(1,919)
Release to income	(74)	(142)	–	(216)
Additions	–	–	23	23
Balance as of Sept 30, 2015	**–**	**860**	**172**	**1,032**

The discount rate used for the calculation of non-current provisions as of September 30, 2015 was 0.9% (PY: range from 0.75% to 1.25%).

The development of current provisions is set out in the table below:

Changes of current provisions T _ 050

IN € THOUSANDS	Employee-related costs	Environ-mental protection measures	Other risks	Legal and litigation costs	Anniver-sary benefits	Early retirement	Warranties	Other miscella-neous	Total
Balance as of Sept 30, 2013	**4,160**	**915**	**565**	**138**	**–**	**–**	**6,057**	**2,073**	**13,908**
Foreign currency differences	(70)	43	30	(3)	–	–	(103)	(35)	(138)
Costs paid	(3,514)	(228)	–	–	–	–	(2,241)	(2,026)	(8,009)
Release to income	–	–	(17)	–	–	–	(1,485)	(14)	(1,516)
Additions	2,999	–	–	–	–	–	110	1,197	4,306
Balance as of Sept 30, 2014	**3,575**	**730**	**578**	**135**	**–**	**–**	**2,338**	**1,195**	**8,551**
Reclassifications	–	–	–	–	13	659	262	–	934
Foreign currency differences	(467)	308	–	(45)	–	–	(311)	(551)	(1,066)
Costs paid	(2,668)	(662)	(75)	–	–	–	(1,395)	95	(4,705)
Release to income	(128)	–	(349)	–	–	–	(99)	(98)	(674)
Additions	8,770	–	881	–	–	–	7,143	294	17,088
Balance as of Sept 30, 2015	**9,082**	**376**	**1,035**	**90**	**13**	**659**	**7,938**	**935**	**20,128**

The provision for employee-related expenses comprises employee bonuses and termination benefits.

The provision for environmental protections measures relate to the 1985 vacated former Stabilus Inc US site in Colmar, PE, USA at the North Penn Area 5. In the meantime this North Penn Area 5 has been identified by the United States Environmental Protection Agency (EPA) as an area requiring environmental remediation. In 2011 the EPA contacted seven companies in the North Penn Area 5 as potential responsible parties for cost sharing, Stabilus being one of them. The Group is currently unable to develop a reasonable estimate of its share of the ultimate obligation as cost apportionment method of the EPA and Stabilus insurance reimbursement are unclear at this point in time. As such, no liability for an EPA reimbursement has been reflected in the balance sheet as of September 30, 2015. An estimated liability for long-term bioremediation has been recorded by the Group in the balance sheet as of September 30, 2015.

The provision for other risks from purchase and sales commitments represents expected sales discounts, expected losses from pending deliveries of goods and other sales-related liabilities.

The provision for legal and litigation costs represents costs of legal advice and notary charges as well as the costs of litigation.

The provision for warranties represents the accrued liability for pending risks from warranties offered by the Group for their products. The Group issues various types of contractual warranties under which it generally guarantees the performance of products delivered and services rendered. The Group accrues for costs associated with product warranties at the date products are sold. This line also comprises accruals that are calculated for individual cases. Insurance reimbursements related to individual cases are presented in other financial assets.

25 Pension plans and similar obligations

Liabilities for the Group's pension benefit plans and other post-employment plans comprise the following:

Pension plans and similar obligations T_051

IN € THOUSANDS	Sept 30, 2015	Sept 30, 2014
Principal pension plan	47,505	47,877
Deferred compensation	484	476
Pension plans and similar obligations	**47,989**	**48,353**

DEFINED BENEFIT PLANS AND DEFERRED COMPENSATION

Defined benefit plan

The Group granted post-employment pension benefits to all employees in Germany who joined the company prior to January 1, 2006. The level of post-employment benefits is generally based on eligible compensation levels and / or ranking within the Group hierarchy and years of service. Liabilities for principal pension plans amounting to €47,505 thousand (PY: €47,877 thousand) result from unfunded accumulated benefit obligations.

As of December 21, 2010, in order to free the Group of future liquidity risks, the Group's pension policies for Germany were amended, in which the title earned in the former defined benefit plan was frozen. Going forward no additional defined benefit titles can be earned except for certain older employees. At the same time, the Company introduced a defined contribution plan in which direct payments to an external insurer are made.

The weighted average duration of the defined benefit obligations in the fiscal year 2015 is 16.4 years (PY: 16.8 years).

Deferred compensation

Deferred compensation included in accrued pension liabilities relates to employees of the former Atecs Mannesmann companies. Deferred compensation is a form of retirement pay which is financed by the employees, where, based on an agreement between the Group and the employees, part of their income is retained by the Group and paid to the respective employees after retirement. The total deferred compensation as of September 30, 2015 amounts to €484 thousand (PY: €476 thousand), the increase is due to reduced discounting time frame.

The **unfunded status** is as follows:

Unfunded status

T_052

IN € THOUSANDS	Sept 30, 2015	Sept 30, 2014
Present value of unfunded defined benefit obligations	47,989	48,353
Less: Fair value of plan assets	–	–
Unfunded status	**47,989**	**48,353**

The **present value** of the defined benefit obligation developed as follows:

Present value of defined benefit obligations

T_053

	Year ended Sept 30,	
IN € THOUSANDS	2015	2014
Present value of defined benefit obligations as of beginning of fiscal year	**48,353**	**39,123**
Service cost	42	48
Interest cost	1,141	1,382
Financial assumptions	155	8,292
Experience assumptions	(205)	914
Actuarial (gains) / losses	(50)	9,206
Pension benefits paid	(1,497)	(1,406)
Present value of defined benefit obligations as of fiscal year-end	**47,989**	**48,353**

The **pension cost** in the consolidated statement of comprehensive income includes the following expenses for defined benefit plans:

Pension cost for defined benefit plans

T_054

	Year ended Sept 30,	
IN € THOUSANDS	2015	2014
Service cost	42	48
Interest cost	1,141	1,382
Pension cost for defined benefit plans	**1,183**	**1,430**

The present value of the defined benefit obligation and the experience adjustments arising on the plan liabilities are as follows:

Present value of the defined benefit obligation and the experience adjustments on the plan liabilities T_055

IN € THOUSANDS	Defined benefit obligation	Experience adjustments
Sept 30, 2011	33,081	(357)
Sept 30, 2012	38,066	(308)
Sept 30, 2013	39,123	(213)
Sept 30, 2014	48,353	914
Sept 30, 2015	47,989	(205)

Generally, the measurement date for Group's pension obligations is September 30. The measurement date for Group's net periodic pension cost generally is the beginning of the period. Assumed discount rates, salary increases and long-term return on plan assets vary according to the economic conditions in the country in which the pension plan is situated.

Following **assumptions** (measurement factors) were used to determine the pension obligations:

Significant factors for the calculation of pension obligations T_056

IN % P. A.	Sept 30, 2015	Sept 30, 2014
Discount rate	2.38%	2.40%
Inflation	1.50%	1.50%
Salary increases	0.00%	0.00%
Pension increases	1.50%	1.50%
Turnover rate	4.00%	4.00%

The **discount rates** for the pension plans are determined annually as of September 30 on the basis of first-rate, fixed-interest industrial bonds with maturities and values matching those of the pension payments.

SENSITIVITY ANALYSIS

If the discount rate were to differ by + 0.5% / – 0.5% from the interest rate used at the balance sheet date, the defined benefit obligation for pension benefits would be an estimated €3,644 thousand lower or €4,141 thousand higher. If the future pension increase used were to differ by + 0.2% / – 0.2% from management's estimates, the defined benefit obligation for pension benefits would be an estimated €1,173 thousand higher or €1,131 thousand lower. The reduction / increase of the mortality rates by 2 years results in an increase / deduction of life expectancy depending on the individual age of each beneficiary. The effects on the defined benefit obligation (the "DBO") as of September 30, 2015 due to a 2 year reduction / increase of the life expectancy would result in a decrease of €2,044 thousand or an increase of €2,124 thousand.

When calculating the sensitivity of the DBO to significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method) has been applied as when calculating the post-employment benefit obligation recognized in the Consolidated Statement of Financial Position. Increases and decreases in the discount rate or the rate of pension progression which are used in determining the DBO do not have a symmetrical effect on the DBO due to the compound interest effect created when determining the net present value of the future benefit. If more than one of the assumptions are changed simultaneously, the combined impact due to the changes would not necessarily be the same as the sum of the individual effects due to the changes. If the assumptions change at a different level, the effect on the DBO is not necessarily in a linear relation.

Expected pension benefit payments for the fiscal year 2016 will amount to €1,858 thousand (PY: €1,764 thousand).

DEFINED CONTRIBUTION PLANS

The expenses incurred under defined contribution plans are primarily related to government-run pension plans. Expenses for these plans in the reporting period amounted to €12,504 thousand (PY: €11,856 thousand).

26 Trade accounts payable

Trade accounts payable amount to €68,929 thousand (PY: €53,724 thousand) as of the end of the fiscal year. The full amount is due within one year. The liabilities are measured at amortized cost. For information on liquidity and exchange rate risks for trade accounts payable, please see Note 32.

27 Current tax liabilities

The current tax liabilities relate to income and trade taxes.

28 Other liabilities

The following table sets out the breakdown of Group's other current and non-current liabilities:

Other liabilities T_057

IN € THOUSANDS	Sept 30, 2015			Sept 30, 2014		
	Current	Non-current	**Total**	Current	Non-current	**Total**
Advanced payments received	1,267	576	1,843	456	–	456
Vacation expenses	2,269	–	2,269	2,169	–	2,169
Other personnel-related expenses	5,515	–	5,515	5,463	–	5,463
Outstanding costs	1,891	–	1,891	2,764	–	2,764
Miscellaneous	157	–	157	127	–	127
Other liabilities	**11,099**	**576**	**11,675**	**10,979**	**–**	**10,979**

29 Leasing

OPERATING LEASE

The Group entered into non-cancellable operating leases for IT hardware, cars and other machinery and equipment with lease terms of 2 to 6 years. The future minimum lease payments relating to leasing agreements during the basic rental period when they cannot be terminated are as follows:

Operating lease T_058

	Minimum lease payments in year ended Sept 30,	
IN € THOUSANDS	**2015**	2014
within one year	5,050	4,429
after one year but not more than five years	16,782	11,193
more than five years	814	205
Total	**22,646**	**15,827**

The increase in total minimum lease payments in the next five years is primarily due to the expansion of the rented production facilities in China. Current period expense for operating leases amounts to €6,159 thousand (PY: €5,205 thousand).

FINANCE LEASE

Finance lease

T_059

IN € THOUSANDS	Sept 30, 2015		Sept 30, 2014	
	Minimum lease payments (MLP)	Present value of MLP	Minimum lease payments (MLP)	Present value of MLP
within one year	542	519	541	504
after one year but not later than five years	1,214	1,000	759	613
more than five years	1,147	909	623	404
Total	**2,903**	**2,428**	**1,923**	**1,521**

As of September 30, 2015 there are two real estate lease contracts regarding a production facility in Romania recorded as finance lease. Prior year figures also included an additional lease contract for a production line in Germany.

Production facility:

Orion Rent Imobiliare S.R.L, Brasov, entered into a non-cancellable real estate finance lease agreement on December 31, 2010 (prior to Stabilus Group taking over a controlling interest in this company) with a term of 144 months prior to the Stabilus Group becoming a controlling shareholder of Orion Rent Imobiliare S.R.L. The agreement contains a purchase option starting at the end of the third year of the contract, for a purchase price amounting to the capital that remains to be paid up to the expiry of the contract less early payment fee (between 2.75% and 4.75% of the remaining capital to be paid). The net carrying amount at the balance sheet date is €1,037 thousand (PY: €1,138 thousand). The lease term started on January 1, 2011. The leasing fees are settled in euro, but payable in new Romanian lei. They include a variable component of the total funding cost with 3-month Euribor as the reference basis.

Stabilus Romania S.R.L. entered into a real estate lease agreement which was classified as finance lease as of March 1, 2015. The contract has a duration of 91 months and can be extended. The contract includes the extension of the existing production facility for the production of gas springs and dampers. The underlying interest rate amounts to 2%. The net carrying amount at the balance sheet date was €2,275 thousand.

The payments for finance leases in the fiscal year ended September 30, 2015 amounted to €1,841 thousand (PY: €1,191 thousand). No contingent rents have been recognized as an expense during the period.

30 Contingent liabilities and other financial commitments

CONTINGENT LIABILITIES

Contingent liabilities are uncertainties for which the outcome has not been determined. If the outcome is probable and estimable, the liability is shown in the statement of financial position.

In regards to a potential contingent obligation in the EPA Colmar please see Note 24.

GUARANTEES

On October 11, 2005, Stabilus Romania S.R.L., Brasov, ("STRO") entered into a rental agreement with ICCO SRL (ICCO) for a production facility used for production of gas springs and dampers with an area of 8.400 square meters for STRO in Brasov, Romania. The initial rental agreement has a contract period of seven years which has been extended to support production space, requirements for the transfer of certain productions steps to Romania. STAB Dritte Holding GmbH, Koblenz, merged into Stable Beteiligungs GmbH, Koblenz, a wholly owned subsidiary of the Company, issued a bank guarantee for €600 thousand (PY: €600 thousand), in the event that STRO will be unable to pay. Stabilus GmbH, Koblenz, issued a letter of support for the event that STRO will be unable to pay.

On September 22, 2005, Stabilus S. A. de C. V. ("STMX") entered into a lease agreement with Deutsche Bank Mexico, S. A., and Kimex Industrial BEN, LLC, for a production facility with an area of 28,952 square meters of land and 5,881 square meters of construction in Ramos Arizpe, State of Coahuila, Mexico. The lease agreement has a contract period of ten years and will be extended. Stabilus GmbH, Koblenz, issued a letter of support for the event that STMX will be unable to pay.

The Group entered into a senior facilities agreement. The credit guarantees provided in this agreement are full down-stream, up-stream and cross-stream given by the guarantors as defined in this agreement – comprising certain material subsidiaries of the Group – in favor of the finance parties. The guarantees are subject to limitations, including being limited to the extent that otherwise the guarantee would amount to unlawful financial assistance and other jurisdiction-specific tests (e.g. net assets).

Given a normal course of the economic development as well as a normal course of business, management believes these guaranties should not result in a material adverse effect for the Group.

OTHER FINANCIAL COMMITMENTS

The nominal value of the other financial commitments as of September 30, 2015 amounted to €34,095 thousand (PY: €20,970 thousand).

Nominal values of other financial commitments are as follows:

Financial commitments

T_060

	Sept 30, 2015			
IN € THOUSANDS	Less than 1 year	1 to 5 years	More than 5 years	**Total**
Capital commitments for fixed and other intangible assets	11,449	–	–	11,449
Obligations under rental and leasing agreements	5,050	16,782	814	22,646
Total	**16,499**	**16,782**	**814**	**34,095**

	Sept 30, 2014			
IN € THOUSANDS	Less than 1 year	1 to 5 years	More than 5 years	Total
Capital commitments for fixed and other intangible assets	5,143	–	–	5,143
Obligations under rental and leasing agreements	4,429	11,193	205	15,827
Total	**9,572**	**11,193**	**205**	**20,970**

31 Financial instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments

T_061

IN € THOUSANDS	Measurement category acc. to IAS 39	Sept 30, 2015 Carrying amount	Sept 30, 2015 Fair value	Sept 30, 2014 Carrying amount	Sept 30, 2014 Fair value
Trade accounts receivables	LaR	62,848	62,848	56,497	56,497
Cash	LaR	39,473	39,473	33,494	33,494
Derivative instruments	FAFV	–	–	15,422	15,422
Other miscellaneous	LaR	7,899	7,899	2,882	2,882
Other financial assets	LaR / FAFV	7,899	7,899	18,304	18,304
Total financial assets		**110,220**	**110,220**	**108,295**	**108,295**
Financial liabilities	FLAC	263,644	261,277	262,345	273,437
Trade accounts payable	FLAC	68,929	68,929	53,724	53,724
Finance lease liabilities	–	2,486	2,428	1,496	1,521
Liabilities to related parties	FLAC	–	–	3	3
Other financial liabilities	FLAC / –	2,486	2,428	1,499	1,524
Total financial liabilities		**335,059**	**332,634**	**317,568**	**328,685**
Aggregated according to categories in IAS 39:					
Loans and receivables (LaR)		110,220	110,220	92,873	92,873
Financial assets at fair value through profit and loss (FAFV)		–	–	15,422	15,422
Financial liabilities measured at amortized cost (FLAC)		332,573	330,206	316,072	327,164

The following table provides an overview of the classification of financial instruments presented above in the fair value hierarchy, except for financial instruments with fair values corresponding to the carrying amounts (i.e. trade accounts receivable and payable, cash and other financial liabilities).

Financial instruments T _ 062

	Sept 30, 2015				Sept 30, 2014			
IN € THOUSANDS	**Total**	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]
Financial assets								
Derivative instruments	–	–	–	–	15,422	–	15,422	–
Financial liabilities								
Senior facilities (PY: Senior secured notes)	261,277	–	261,277	–	273,437	273,437	–	–
Finance lease liabilities	2,428	–	–	2,428	1,521	–	–	1,521

[1] Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical instruments.
[2] Fair value measurement based on inputs that are observable on active markets either directly (i. e. as prices) or indirectly (i. e. derived from prices).
[3] Fair value measurement based on inputs that are not observable market data.

The fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values in the previous fiscal year:

- The fair value of the quoted senior secured notes is based on price quotations at the reporting date.
- The valuation technique used for the determination of the obligations under finance leases, is the discounted cash flow method. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate depending on the maturity of the payment. The expected payments are determined by considering contractual redemption payments and interest payments with the currently agreed interest rate. Significant unobservable inputs are the risk-adjusted discount rates, which range from 7.5% to 10.1%, and the forecasted interest payments. Therefore, the fair value would change if the risk-adjusted discount rate or the interest rate changed.
- The fair value of embedded derivative instruments is calculated using a standard option pricing model. For the valuation, the credit spread used is calibrated such that the model reproduces the current market of the notes quoted on the Luxembourg Stock Exchange at the reporting date.

The finance lease contracts include fixed-interest rates. Therefore, the fair value of finance lease liabilities (categorized as Level 3 in the fair value hierarchy table) are not exposed to interest risk through fluctuation.

The **net gains and losses** on financial instruments result in the fiscal year ended September 30, 2015 from the currency translation and changes in the estimate of future cash flows of loans and receivables and financial liabilities measured at amortized cost, as well as gains from changes in fair value of derivative instruments. They are set out in the Notes 8 and 9. The net foreign exchange gain amounted to €16,936 thousand (PY: €6,034 thousand).

Total interest income and expense from financial instruments is reported in the Notes 8 and 9.

The value of the embedded derivatives was effected by the interest of the comparable market instrument on each potential exercise date and will rise if the relevant interest rate declines and vice versa.

32 Risk reporting

INTERNAL RISK MANAGEMENT

The Group employs within the budgeting process an integrated system for the early identification and monitoring of risks specific to the Group, in order to identify changes in the business environment and deviations from targets at an early stage and to initiate countermeasures in advance. This includes monthly short and medium-term analysis of the order intake and the sales invoicing behavior. Control impulses for the individual companies are derived from this. Customer behavior is ascertained and analyzed continuously and the information obtained from this serves as an early warning indicator for possible changes in demand patterns.

In addition, significant KPIs (order intake, sales and EBITDA, staffing level, quality indicators) are reported monthly by all Group companies and are assessed by Group management.

FINANCIAL RISKS

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include credit risk, liquidity risk and market risk (including currency risk and fair value interest rate risk).

The Group seeks to minimize the effects of financial risks by using derivative financial instruments to hedge these exposures wherever useful. The use of financial derivatives is governed by the Group's policies approved by the Management Board, which provide principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group does not have any derivative financial instruments apart from the derivatives which were embedded in the bond indenture and were derecognized following the full redemption of the senior secured notes in June 2015.

CREDIT RISKS

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. Credit evaluation is performed on the financial condition of accounts receivable and, where viewed appropriate, credit guarantee insurance cover is purchased. Besides this, commercial considerations impact the credit lines per customer.

The maximum exposure to credit risk of financial assets is the carrying amount as follows:

Credit risk included in financial assets

T_063

IN € THOUSANDS	Sept 30, 2015						
	Neither past due nor impaired	< 30 days	30 – 60 days	60 – 90 days	90 – 360 days	> 360 days	Total
Financial assets							
Trade accounts receivable	53,872	6,075	1,002	414	1,280	206	62,848
Other miscellaneous	7,899	–	–	–	–	–	7,899
Total	**61,771**	**6,075**	**1,002**	**414**	**1,280**	**206**	**70,747**

IN € THOUSANDS	Sept 30, 2014						
	Neither past due nor impaired	< 30 days	30 – 60 days	60 – 90 days	90 – 360 days	> 360 days	Total
Financial assets							
Trade accounts receivable	48,263	5,930	729	–	1,274	301	56,497
Derivative instruments	15,422	–	–	–	–	–	15,422
Other miscellaneous	2,882	–	–	–	–	–	2,882
Total	**66,567**	**5,930**	**729**	**–**	**1,274**	**301**	**74,801**

Credit risk of other financial assets of the Group, which comprise cash and cash equivalents, and miscellaneous financial assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group does not have any critical credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies and are also typically lenders to the Group. Therefore, credit quality of financial assets which are neither past due nor impaired is assessed to be good.

LIQUIDITY RISKS

The Management Board has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by monitoring forecast cash flows at regular intervals.

The following maturities summary shows how cash flows from the Group's liabilities as of September 30, 2015 will influence its liquidity situation. The summary describes the course of the undiscounted principal and interest outflows of the financing liabilities and the undiscounted cash outflows of the trade accounts payable. The undiscounted cash outflows are subject to the following conditions: If the counterparty can request payment at different dates, the liability is included on the basis of the earliest payment date. The underlying terms and conditions are described in the Note 22.

Liquidity outflows for liabilities T _ 064

IN € THOUSANDS	Senior facility	Finance lease	Trade accounts payable	Total
2016	10,329	542	68,929	79,800
2017	15,233	320	–	15,553
2018	19,988	299	–	20,287
2019	19,688	298	–	19,986
2020	225,806	297	–	226,103
after 2020	–	1,147	–	1,147
Total	**291,044**	**2,903**	**68,929**	**362,876**

The senior facility gives planning stability over the next years. At the balance sheet date, the Group has undrawn committed facilities of €50.0 million (PY: €25.0 million) to reduce liquidity risks.

FINANCE MARKET RISKS

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see below) and interest rates (see below). As of September 30, 2015, the Group has not entered into any derivative financial instruments. The Group monitors closely its exposure to interest rate risk and foreign currency risk and regularly checks the opportunities of entering into a variety of derivative financial instruments.

Exchange rate risk

Due to its subsidiaries, the Group has significant assets and liabilities outside the Eurozone. These assets and liabilities are denominated in local currencies. When the net asset values are converted into euro, currency fluctuations result in period to period changes in those net asset values. The Group's equity position reflects these changes in net asset values. The Group does not hedge against these structural currency risks.

The Group also has transactional currency exposures which arise from sales or purchases in currencies other than the functional currency and loans in foreign currencies. In order to mitigate the impact of currency exchange rate fluctuations for the operating business, the Group continually assesses its exposure and attempts to balance sales revenue and costs in a currency to thus reduce the currency risk.

Besides the balance sheet the Group's revenue and costs are also impacted by currency fluctuations.

A 1% increase / decrease in value of US dollar compared to euro would lead to an increase / decrease of EBIT of approximately €0.3 million.

Interest rate risk
The Group is exposed to interest rate risks, which mainly relate to debt obligations, as the Group financing is based on Euribor related credit agreements.

The interest rate risk is monitored by using the cash flow sensitivity of the Group's cash flows due to floating interest loans.

An 1% increase of floating interest rates (Euribor) would lead to an increase of financial expense of approximately €2.7 million. As the Euribor is below 0% as of September 30, 2015 a decrease has no effect on financial expenses.

33 Capital management

The Stabilus Group's capital management covers both equity and liabilities. A further objective is to maintain a balanced mix of debt and equity.

Due to the broad product range and the activities on global markets, the Stabilus Group generates under normal economic conditions predictable and sustainable cash flows.

The equity ratio as of September 30, 2015 is calculated as follows:

Equity ratio

T_065

	Year ended Sept 30,	
IN € THOUSANDS	2015	2014
Equity	76,709	76,123
Total assets	542,239	520,302
Equity ratio	14.1%	14.6%

The Stabilus Group is not subject to externally imposed capital requirements.

The ratio of net debt to adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which is also used as a covenant in the senior facilities agreement, is an important financial ratio (debt ratio) used in the Stabilus Group. The objective is to improve the debt ratio in the future. The Company does not expect a breach of this covenant.

34 Notes to the consolidated statement of cash flows

The statement of cash flows is prepared in compliance with IAS 7. The statement of cash flows of the Stabilus Group shows the development of the cash flows from operating, investing and financing activities. Inflows and outflows from operating activities are presented in accordance with the indirect method and those from investing and financing activities by the direct method.

The cash funds reported in the statement of cash flows comprise all liquid funds, cash balances and cash at banks reported in the statement of financial position.

Interest payments of €32,237 thousand (PY: €30,113 thousand) are taken into account in the cash outflows from financing activities. Income tax payments of €17,274 thousand (PY: €7,065 thousand) are allocated in full to the operating activities area, since allocation to individual business areas is impracticable.

35 Segment reporting

The Stabilus Group is organized and managed primarily on a regional level. The three reportable operating segments of the Group are Europe, NAFTA and Asia / Pacific including RoW. The product portfolio is largely similar in these three regional segments.

The Group measures the performance of its operating segments through a measure of segment profit or loss (key performance indicator) which is referred to as "adjusted EBIT" and in the previous periods "adjusted EBITDA". Adjusted EBIT represents EBIT (i.e. earnings before interest and taxes), as adjusted by management primarily in relation to severance, consulting, restructuring and other non-recurring costs, expenses for one-time legal disputes, interest on pension changes as well as depreciation and amortization of Group's assets to fair value resulting from the April 2010 purchase price allocation (PPA).

Segment information for the fiscal years ended September 30, 2015 and 2014 is as follows:

Segment reporting

T_066

IN € THOUSANDS	Europe		NAFTA		Asia / Pacific and RoW	
	Year ended Sept 30,		Year ended Sept 30,		Year ended Sept 30,	
	2015	2014	2015	2014	2015	2014
External revenue[1]	308,474	267,271	229,285	176,817	73,512	63,245
Intersegment revenue[1]	28,293	23,480	4,649	2,519	393	123
Total revenue[1]	336,767	290,751	233,934	179,336	73,905	63,368
EBITDA	55,396	39,591	31,128	20,045	12,960	11,669
Depreciation and amortization (incl. impairment losses)	(21,409)	(19,512)	(6,509)	(6,175)	(3,217)	(1,971)
EBIT	33,987	20,079	24,619	13,871	9,743	9,698
Adjusted EBITDA	62,484	57,542	31,608	22,813	13,235	12,130
Adjusted EBIT	41,075	38,030	25,099	16,638	10,018	10,159

IN € THOUSANDS	Total segments		Other / Consolidation		Stabilus Group	
	Year ended Sept 30,		Year ended Sept 30,		Year ended Sept 30,	
	2015	2014	2015	2014	2015	2014
External revenue[1]	611,271	507,333	–	–	611,271	507,333
Intersegment revenue[1]	33,335	26,122	(33,335)	(26,122)	–	–
Total revenue[1]	644,606	533,455	(33,335)	(26,122)	611,271	507,333
EBITDA	99,484	71,305	–	–	99,484	71,305
Depreciation and amortization (incl. impairment losses)	(31,135)	(27,658)	(12,678)	(12,452)	(43,813)	(40,110)
EBIT	68,349	43,648	(12,678)	(12,452)	55,671	31,196
Adjusted EBITDA	107,327	92,485	–	–	107,327	92,485
Adjusted EBIT	76,192	64,827	–	227	76,192	65,054

[1] Revenue breakdown by location of Stabilus company (i.e. "billed-from view").

The EBIT of operating segment Europe in the fiscal year ended September 30, 2015 includes an impairment loss of €794 thousand (PY: €776 thousand). The amounts presented in the column "Other / Consolidation" above include the elimination of transactions between the segments and certain other corporate items which are related to the Stabilus Group as a whole and are not allocated to the segments, e.g. depreciation from purchase price allocations.

The following table sets out the reconciliation of the total segments' profit (adjusted EBITDA) to profit before income tax.

Reconciliation of the total segments' profit to profit / (loss) before income tax

T _ 067

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Total segments' profit (adjusted EBIT)	**76,192**	**64,827**
Other / consolidation	–	227
Group adjusted EBIT	**76,192**	**65,054**
Adjustments to EBIT	(20,521)	(33,858)
Profit from operating activities (EBIT)	**55,671**	**31,196**
Finance income	17,851	17,451
Finance costs	(42,405)	(38,775)
Profit / (loss) before income tax	**31,117**	**9,872**

The adjustments to EBIT include refinancing, (in prior year) IPO, launch / startup and reorganization-related advisory expenses, pension interest as well as depreciation and amortization of PPA.

The information about geographical areas is set out in the following tables:

Geographical information: revenue by country

T _ 068

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Germany	236,551	232,495
Romania	71,923	34,776
Europe	**308,474**	**267,271**
Mexico	134,123	96,305
USA	95,162	80,513
NAFTA	**229,285**	**176,817**
China	42,800	33,607
South Korea	12,041	10,633
Brazil	6,513	7,952
Australia	5,729	5,476
Japan	4,744	3,931
New Zealand	1,685	1,647
Asia / Pacific and RoW	**73,512**	**63,245**
Revenue[1]	**611,271**	**507,333**

[1] Revenue breakdown by location of Stabilus company (i.e. "billed-from view")

Geographical information: non-current assets by country

T_069

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Germany	160,251	159,117
Romania	21,357	18,051
Spain	3,470	3,595
Luxembourg	821	873
UK	85	92
Switzerland	78	71
France	7	5
Gibraltar	–	–
Goodwill	27,787	27,787
Europe	**213,856**	**209,591**
USA	44,086	43,245
Mexico	26,562	27,326
Goodwill	13,379	13,379
NAFTA	**84,027**	**83,950**
China	30,277	28,193
South Korea	10,043	6,623
Brazil	2,065	2,579
Australia	1,054	1,083
Japan	503	520
New Zealand	275	342
Goodwill	10,292	10,292
Asia / Pacific and RoW	**54,509**	**49,632**
Total	**352,392**	**343,173**

The non-current assets above exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

In fiscal year 2015, the Group had three customers who accounted for at least 10% of total external revenue. The total revenue with these customers was €71,952 thousand (PY: €54,767 thousand), €68,036 thousand (PY: €52,506 thousand) and €62,672 thousand (PY: €46,626 thousand) respectively in the fiscal year ending September 30, 2015. In fiscal year 2015 and 2014 such revenue was generated in all three segments.

36 Share-based payment

The Group established share-based payment arrangements for members of the Management Board (Matching Stock Program) and for senior management employees (Phantom Stock Program).

Matching Stock Program

The variable compensation for the members of the Management Board includes a matching stock program. The matching stock program (the "MSP") provides for four annual tranches granted each year during the time frame fiscal year ending September 30, 2015 until September 17, 2017. Participation in the matching stock program requires Management Board members to invest in shares of the Company. The investment generally has to be held for the lock-up period.

As part of the matching stock program A (the "MSP A") for each share the Management Board invests in the Company in the specific year (subject to general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board (Renumeration Committee) annually in a range between 1.0 and 1.7 times for a certain tranche. Thus, if a Management Board member were to buy 1,000 shares under the MSP in the Company, he would receive 1,000 to 1,700 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period.

As part of matching stock program B (the "MSP B") for each share the Management Board holds in the Company in the specific year (subject to a general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board (Renumeration Committee) annually in a range between 0.0 and 0.3 times for a certain tranche. Thus, if a Management Board member were to be holding 1,000 shares under the MSP in the Company, he would receive 0 to 300 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period. The options may only be exercised if the stock price of the Company exceeds a set threshold for the relevant tranche, which the Supervisory Board will determine, and which needs to be between 10% and 50% growth over the base price, which is the share price on the grant date. If exercised, the fictitious options are transformed into a gross amount equaling the difference between the option price and the relevant stock price multiplied by the number of exercised fictitious options. The generally limited net amount resulting from the calculated gross amount is paid out to the Management Board members. Alternatively, the Company may decide to buy shares in an amount equaling the net amount in order to settle the exercised options. The Company plans a cash settlement. The maximum gross amounts resulting from the exercise of the fictitious options of one tranche in general is limited in amount. Reinvestment of IPO proceeds from previous equity programs are not taken into account for MSP A.

Phantom Stock Program

The Group initiated for 2015 and 2016 a Phantom Stock Program for senior management employees excluding Stabilus S.A. directors. To participate in the program, the employees have to invest a certain amount in Stabilus shares. The employee receives options in a ratio of two for each self-investment, capped at an investment level of €10,000 per program year. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period. The exercise is triggered by the sale of the underlying shares. The payout price is triggered by the price of the share sales in the exercise period. The payout is capped at 500% of the invested amount.

Measurement of fair values

The fair value of the share-based payments of the MSP has been measured by using a binomial simulation.

The inputs used in the measurement of the fair values at the grant date and the measurement date of the MSP include market conditions and were as follows.

Input parameter for fair value measurement of MSP

T_070

		Grant date	Measurement date
		Oct 1, 2014	Sept 30, 2015
Fair value	€	5.07	8.78
Share price	€	24.82	32.25
Exercise price	€	24.82	24.82
Expected volatility (weighted average)	%	32	31
Expected life (weighted average)	years	4	3
Expected dividends	%	1.5	1.5
Risk-free interest rate	%	0.04	(0.2)

The expected volatility has been based on the historical volatility of the 3-year period to September 30, 2015. Since sufficient historical data is not available for the Stabilus shares, Stabilus decided to use the mean value of the historical volatilities of the shares of the peer group.

In the fiscal year 2015 only options for the MSP B were issued.

MSP B options

T_071

	2015		2014	
	Number of options	Exercise price	Number of options	Exercise price
Outstanding at January 1	–	–	–	–
Forfeit during the year	–	–	–	–
Exercised during the year	–	–	–	–
Granted during the year	19,721	24.82	–	–
Outstanding at September 30	19,721	24.82	–	–
Exercisable at September 30	–	–	–	–

The Phantom Stock Program is measured with the actual share price and accrued over the vesting time.

Phantom Stock Program options T_072

	2015		2014	
	Number of options	Exercise price	Number of options	Exercise price
Outstanding at January 1	–	–	–	–
Forfeit during the year	–	–	–	–
Exercised during the year	–	–	–	–
Granted during the year				
Program 2015	5,642	32.25	–	–
Program 2016	3,217	32.25	–	–
Outstanding at September 30	8,859	32.25	–	–
Exercisable at September 30	–	–	–	–

Expense recognized in profit or loss

An amount of €130 thousand has been recognized in the related employee benefit expenses and an amount of €130 thousand in provisions for employee-related expenses.

37 Auditor's fees

Auditor's fees T_073

	Year ended Sept 30,	
IN € THOUSANDS (EXCLUDING VAT)	2015	2014
Audit fees	612	618
Audit-related fees	161	929
Tax fees	–	–
Other fees	–	–
Total	**772**	**1,547**

For fiscal year ended September 30, 2015, a global fee (excluding VAT) of €612 thousand (PY: 618 thousand) was agreed for the audit of the consolidated and annual financial statements of the Stabilus entities. These fees are included in the Group's administrative expenses.

In addition, KPMG Luxembourg Société coopérative, Luxembourg, and other member firms of the KPMG network, billed the Group audit-related fees amounting to, excluding VAT, €161 thousand (PY: €929 thousand which relate to the initial public offering in May 2014).

38 Related party relationships

In accordance with IAS 24, persons or entities that control or are controlled by the Stabilus Group shall be disclosed, unless they are included in consolidation as a consolidated entity.

The disclosure obligation under IAS 24 furthermore extends to transactions with persons who exercise a significant influence on the financial and business policies of the Stabilus Group, including close family members or interposed entrepreneurs. A significant influence on the financial and business policies of the Stabilus Group can hereby be based on a shareholding of 20% or more in Stabilus, a seat on the Management Board of Stabilus or another key position.

Following the IPO on May 23, 2014, the shareholder structure of Stabilus changed. Related parties of the Stabilus Group in accordance with IAS 24 primarily comprise the prior to the IPO sole shareholder Servus Group HoldCo II and the Stabilus Group management which also holds an investment in the Company. After selling its shares in Stabilus S.A., Servus Group HoldCo II is no longer defined as related party.

39 Remuneration of key management personnel

The key management personnel are the members of the Management Board Dietmar Siemssen (CEO), Mark Wilhelms (CFO), Bernd-Dietrich Bockamp (Director Group Accounting) and Andreas Schröder (Group Financial Reporting Director) as well as Hans-Josef Hosan (CTO - until May 29, 2015) and Ansgar Krötz (COO - until September 30, 2015). The total remuneration paid to key management personnel of the Group is calculated as the amount of remuneration paid in cash and benefits in kind. The latter primarily comprise the provision of company cars and pension.

The total remuneration of the above mentioned key management personnel at the various key Stabilus Group affiliates during the reporting period amounted to €3,204 thousand (PY: €6,705 thousand) classified as short-term employee benefits, €73 thousand (PY: €33 thousand) classified as post-employment benefits, €3,935 thousand (PY: –) classified as termination benefits and €43 thousand (PY: –) classified as share-based payments. The short-term employee benefits in the fiscal year 2014 included €3,979 thousand IPO bonus-related payments of which the net amounts were largely reinvested in Stabilus stock. The compensation of the four Stabilus S.A. Management Board members is included in the above mentioned figure. Their compensation for fiscal year 2015 was €2,128 thousand, split in a fix compensation of €975 thousand and a variable compensation of €1,153 thousand.

Members of the Management and Supervisory Board have direct interest in Stabilus S.A. of about jointly 1% of the total shares.

The total remuneration to the members of the Supervisory Board amounts to €351 thousand (PY: € 146).

40 Subsequent events

As of December 18, 2015, there were no further events or developments that could have materially affected the measurement and presentation of Group's assets and liabilities as of September 30, 2015.

Luxembourg, December 18, 2015

Stabilus S.A.
Management Board

RESPONSIBILITY STATEMENT

We, Dietmar Siemssen (Chief Executive Officer), Mark Wilhelms (Chief Financial Officer), Bernd-Dietrich Bockamp (Director Group Accounting) and Andreas Schröder (Group Financial Reporting Director), confirm, to the best of our knowledge, that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Stabilus S.A. and the undertakings included in the consolidation taken as a whole and that the management report includes a fair review of the development and performance of the business and the position of Stabilus S.A. and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, December 18, 2015

Dietmar Siemssen   Mark Wilhelms   Bernd-Dietrich Bockamp   Andreas Schröder

Management Board

MANAGEMENT BOARD OF STABILUS S.A.

The Management Board comprises four members:

Dietmar Siemssen (Chairman) is the Chief Executive Officer and was appointed to the Management Board in 2014 as well as the Chairman of the Management Board. With 20 years of experience in the automotive industry, Mr. Siemssen joined Stabilus in 2011 following a 19-year career in various management positions at Continental AG. He holds a degree in mechanical engineering and business administration. Mr. Siemssen also holds further management positions within the Stabilus Group.

Mark Wilhelms is the Chief Financial Officer and was appointed to the Management Board in 2014. With 25 years of experience in the automotive industry, Mr. Wilhelms joined Stabilus in 2009 from FTE Automotive, where he served as Chief Financial Officer for six years. From 2007, he was also head of the NAFTA region at FTE. Prior to that, he held various management positions in finance, plant and marketing at various locations over his 17-year career at Ford. He holds a degree in process engineering as well as a degree in economics. Mr. Wilhelms also holds further management positions within the Stabilus Group.

Bernd-Dietrich Bockamp is the Director Group Accounting and was appointed to the Management Board in 2014. Mr. Bockamp joined Stabilus in 2011. Prior to that, he led the financial projects and system team at FTE Automotive following several years at KPMG Bayerische Treuhand. He holds a degree in industrial engineering and management. Mr. Bockamp also holds further management positions within the Stabilus Group.

Andreas Schröder is the Group Financial Reporting Director and was appointed to the Management Board in 2014. Mr. Schröder joined Stabilus in 2010. Prior to that, he worked for several years in assurance and advisory business services at Ernst & Young. He holds a degree in business administration. Mr. Schröder also holds further management positions within the Stabilus Group.

SUPERVISORY BOARD OF STABILUS S.A.

The Supervisory Board comprises four members:

Udo Stark serves as a member of the Supervisory Board since 2014 as well as the Chairman of the Supervisory Board. He was Chairman of the Executive Board of MTU Aero Engines AG until 2007. From 1991 until 2000, Mr. Stark led the listed plant construction and machinery group Agiv AG. Subsequently, he became Chairman of the Shareholder Committee at Messer Griesheim GmbH, Chairman of the Executive Board of mg technologies AG and CEO of MTU Aero Engines AG. From 2008 to 2013, Mr. Stark served as a member of the Supervisory Board of MTU Aero Engines AG. He is currently a member of the Supervisory Board of Bilfinger SE and Chairman of the Advisory Board of Arvos Group.

Nizar Ghoussaini (until September 30, 2015) served as a member of the Supervisory Board since 2014. From 1999 until 2008 he was the President and CEO of Benteler Automobiltechnik based in Paderborn, Germany. Prior to that, he was President of the Premium Car Division of Lear Corporation, based in Sulzbach, Germany with responsibility for seating, interiors and electrical / electronics business for the German and French car companies worldwide.

Dr. Stephan Kessel serves as a member of the Supervisory Board since 2014. He was Chief Executive of Continental AG until 2002. Previously, Dr. Kessel held a variety of management positions at Continental AG, joining its Management Board in 1997 and becoming Chief Executive in 1999. In recent years, Dr. Kessel has taken up a number of board positions at European companies including, among others, Stabilus. From 2008 through 2010, Dr. Kessel was Chairman of the Board of the former holding company of the Operating Stabilus Group.

Andi Klein (until May 12, 2015) served as a member of the Supervisory Board since 2014. He is an operating and investment partner at WestPark management Services Germany GmbH, which provides services exclusively to Triton and Triton portfolio companies. Formerly he held several executive positions at Procter & Gamble (Executive in M&A, Restructuring & Turnaround, Portfolio & Long Term Strategy, Financial Management of diverse business units in Germany, Switzerland, Belgium and the U.S.).

Dr. Joachim Rauhut serves as a member of the Supervisory Board since May 12, 2015. He was a member of the Executive Board of Wacker Chemie AG until October 31, 2015. He joined the Management Board of Wacker-Chemie GmbH in 2001 and supported Wacker Chemie's initial public offering in 2006. Previously, he served in various leading corporate positions, including posts at Mannesmann AG and Krauss-Maffei AG. He is member of the Supervisory Board of MTU Aero Engines AG and B. Braun Melsungen AG and member of the Advisory Counsel of J. Heinrich Kramer Holding GmbH.

Dr. Ralf-Michael Fuchs serves as a member of the Supervisory Board since October 1, 2015. He joined Dürr AG in 2000. Today, he is a member of the Dürr Senior Executive Management and CEO of the Division Measuring and Process Systems. Furthermore, he is CEO of Carl Schenck AG as well as Chairman of the Management Board of Schenck RoTec GmbH, both subsidiaries of Dürr Group. Previously, he had been serving in various leading roles, including positions at AGIV AG and IWKA AG.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Stabilus S.A.
2, rue Albert Borschette,
L-1246 Luxembourg

Report of the réviseur d'entreprises agréé

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Following our appointment by the Annual General Meeting of the Shareholders dated February 18, 2015, we have audited the accompanying consolidated financial statements of Stabilus S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at September 30, 2015 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 59 to 122.

Management Board's responsibility for the consolidated financial statements
The Management Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements as set out on pages 59 to 122 give a true and fair view of the consolidated financial position of Stabilus S.A. as of September 30, 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

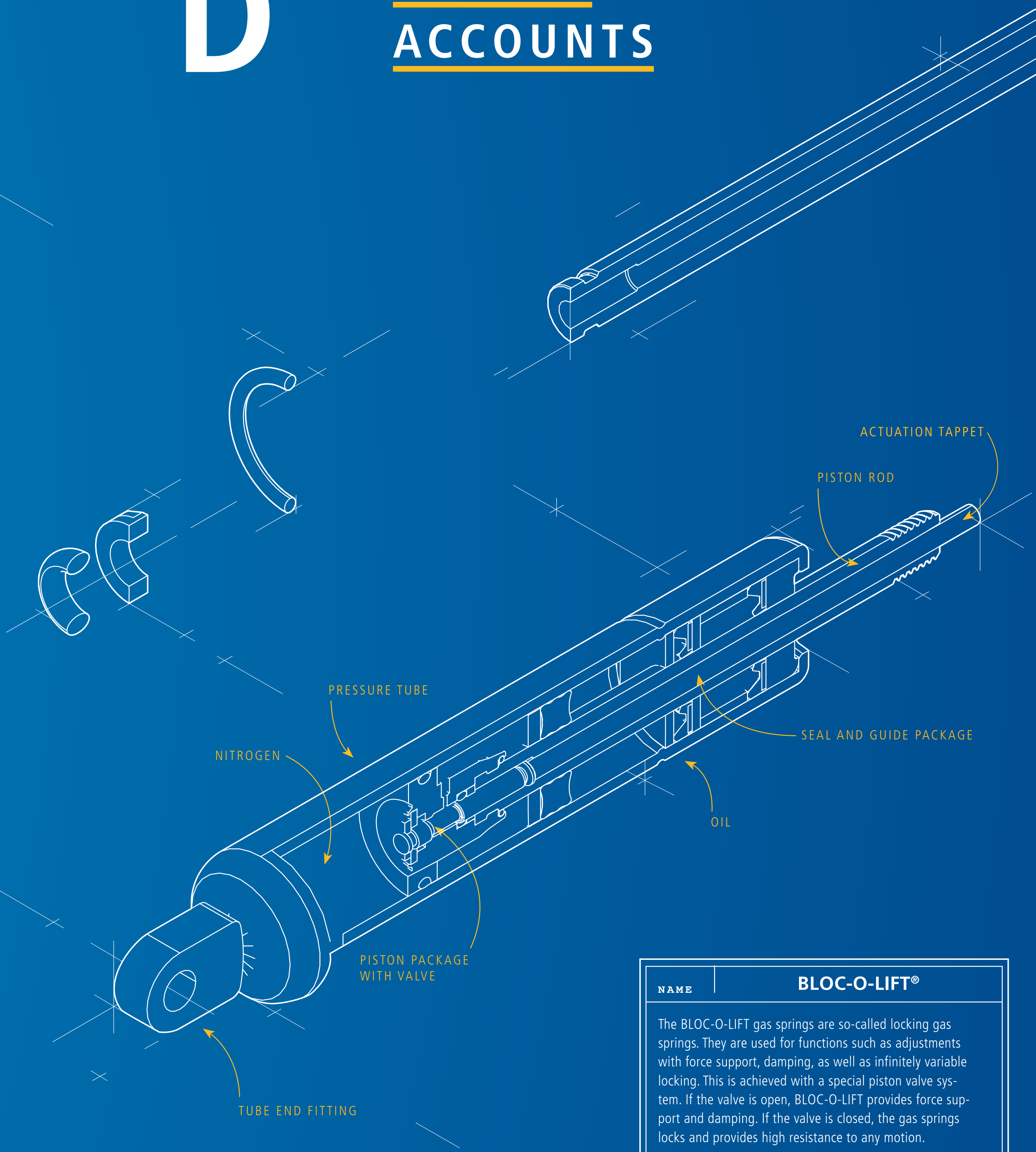
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The combined management report, including the corporate governance statement, which is the responsibility of the Management Board, is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

Luxembourg, December 18, 2015

KPMG Luxembourg Société coopérative
Cabinet de révision agréé
Ph. Meyer

D — ANNUAL ACCOUNTS



NAME	BLOC-O-LIFT®

The BLOC-O-LIFT gas springs are so-called locking gas springs. They are used for functions such as adjustments with force support, damping, as well as infinitely variable locking. This is achieved with a special piston valve system. If the valve is open, BLOC-O-LIFT provides force support and damping. If the valve is closed, the gas springs locks and provides high resistance to any motion.

T	4936-416751-0347	N	PR-105

BALANCE SHEET

as of September 30, 2015

Balance sheet

T_074

IN € THOUSANDS	NOTE	Sept 30, 2015	Sept 30, 2014
Assets			
Fixed assets	3	**461,766**	**461,720**
Intangible fixed assets			
Concessions, patents, licences, trade marks and similar rights and assets, if they were acquired for valuable consideration and need not be shown under goodwill, to the extent that is was acquired for valuable consideration		16	–
Tangible fixed assets			
Other fixtures and fittings, tools and equipment		35	5
Financial fixed assets	4		
Shares in affiliated undertakings		461,715	461,715
Current assets		**6,341**	**5,931**
Debtors			
Amounts owed by affiliated undertakings			
becoming due and payable within one year	5	6,133	5,735
Other receivables			
becoming due and payable within one year		69	50
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		139	147
Prepayments	6	**543**	**496**
Total assets		**468,650**	**468,147**

Balance sheet

T_074

IN € THOUSANDS	NOTE	Sept 30, 2015	Sept 30, 2014
Liabilities			
Capital and reserves	7	**451,115**	**451,224**
Subscribed capital		207	207
Share premium and similar premiums		260,771	260,771
Reserves			
Legal reserve		21	–
Other reserves		4,836	4,836
Profit or loss brought forward		185,389	(33,289)
Profit or loss for the financial year		(108)	218,699
Subordinated debts	8	**–**	**914**
Non convertible loans			
becoming due and payable after more than one year		–	914
Provisions		**9**	**9**
Provisions for taxation		9	9
Non subordinated debts		**17,525**	**16,000**
Trade creditors			
becoming due and payable within one year		922	1,985
Amounts owed to affiliated undertakings			
becoming due and payable within one year	9	16,150	13,896
Tax and social security debts			
Tax debts		25	78
Social security debts		83	–
Other creditors			
becoming due and payable within one year		345	41
Total liabilities		**468,650**	**468,147**

PROFIT AND LOSS ACCOUNT

for the fiscal year ended September 30, 2015

Profit and loss account

T_075

IN € THOUSANDS	NOTE	Year ended Sept 30, 2015	2014
Charges			
Other external charges	10	**7,496**	**16,382**
Staff costs	12	**810**	**104**
Salaries and wages		493	86
Social security on salaries and wages		316	18
Value adjustments			
on formation expenses and on tangible and intangible fixed assets	3	15	0
Other operating charges	11	**351**	**146**
Interest and other financial charges	13	**876**	**179,486**
concerning affiliated undertakings		303	179,408
other interest and similar financial charges		573	78
Income tax		**20**	**5**
Profit for the financial year		**–**	**218,699**
Total charges		**9,567**	**414,822**
Income			
Other operating income		**9,459**	**4,792**
Income from financial fixed assets		**–**	**410,030**
derived from affiliated undertakings	14	–	410,030
Loss for the financial year		**108**	**–**
Total income		**9,567**	**414,822**

NOTES TO THE ANNUAL ACCOUNTS

as of and for the fiscal year ended September 30, 2015

1 General

Stabilus S.A., Luxembourg, hereafter also referred to as "Stabilus" or the "Company" is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The registered office of the Company is 2, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The trade register number is B0151589. The Company was founded under the name of Servus HoldCo S.à r.l. on February 26, 2010.

The Company is managed by a Management Board under the supervision of the Supervisory Board.

The Company is formed for an unlimited duration.

The purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, including but not limited to any entities forming part of the Stabilus Group, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

The Company's financial year starts on October 1 and ends on September 30 each year.

The Company has no parent company which prepares consolidated financial statements including the Company as a subsidiary. The Company also prepares consolidated financial statements in accordance with EU regulation 1606/2002.

The copies of the consolidated financial statements are available at the registered office of the Company at 2, rue Albert Borschette, L-1246 Luxembourg or on www.stabilus.com.

2 Summary of significant accounting policies

BASIS OF PRESENTATION

The annual accounts are prepared in accordance with Luxembourg company law and generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by law, determined by the Management Board.

FOREIGN CURRENCY TRANSLATION

The Company maintains its books and records in euro (€). The balance sheet and the profit and loss account are expressed in this currency.

Formation expenses, intangible, tangible and financial fixed assets denominated in currencies other than euro are translated at the historical exchange rates.

Cash at bank denominated in currencies other than euro are translated at the exchange rates prevailing at the date of the balance sheet.

Current assets and liabilities denominated in currencies other than euro (having an economic link and similar characteristics) are recorded globally at the exchange rates prevailing at the date of the balance sheet.

Long-term debts denominated in currencies other than euro having an economic link with receivables recorded in financial assets (and having similar characteristics) are translated at the historical exchange rates (loans "back to back").

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized.

VALUATION OF INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible assets are used for business purposes and are measured at cost less accumulated value adjustments. Depreciation on intangible and tangible fixed assets is recorded on a straight-line basis in accordance with its utilization and based on the useful lifes of the assets. The residual values, depreciation methods and useful lifes are reviewed annually and adjusted, if necessary.

VALUATION OF FINANCIAL FIXED ASSETS

Shares in affiliated undertakings, participating interests and securities held as fixed assets are stated at acquisition cost. Write-downs are recorded if, in the opinion of the Management Board, it is expected the reduction in their value will be permanent. The impairment analysis is done individually for each investment.

Loans to affiliated undertakings are recorded at their nominal value. Loans are written down to their recoverable amount if, in the opinion of the Management Board, there is a permanent impairment.

These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to exist.

DEBTORS

Current receivables are recorded at their nominal value. Current receivables are written down to their recoverable amount if, in the opinion of the Management Board, there is a permanent impairment.

These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to exist.

DEBTS

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

PROVISIONS

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

3 Movements in fixed assets

Fixed assets schedule

T_076

IN € THOUSANDS	Intangible fixed assets	Tangible fixed assets	Shares in affiliated undertakings	Total
Gross value				
Balance as of Sept 30, 2014	**–**	**6**	**461,715**	**461,721**
Additions	22	38	–	60
Disposals	–	–	–	–
Balance as of Sept 30, 2015	**22**	**44**	**461,715**	**461,781**
Accumulated value adjustments				
Balance as of Sept 30, 2014	**–**	**–**	**–**	**–**
Additions	(6)	(9)	–	(15)
Disposals	–	–	–	–
Balance as of Sept 30, 2015	**(6)**	**(9)**	**–**	**(15)**
Carrying amount				
Balance as of Sept 30, 2014	**–**	**5**	**461,715**	**461,720**
Balance as of Sept 30, 2015	**16**	**35**	**461,715**	**461,766**

4 Financial fixed assets

Shares in affiliated undertakings

T_077

IN € THOUSANDS	Proportion of capital held	Year end date	Shares in affiliated undertakings as at Sept 30, 2015	Equity as at year end (including result)	Profit or loss for the year ended
Blitz F10 neun GmbH, Grosse Eschenheimer Strasse 13, 60613 Frankfurt, Germany	100.00%	31.12.2014	28	14	–
Servus III (Gibraltar) Limited*, 57/63 Line Wall Road, Gibraltar	100.00%		5,162		
Servus Luxembourg S.à r.l., 2 rue Albert Borschette, L-1246 Luxembourg	100.00%	30.09.2014	13	(23)	(31)
Servus Sub S.à r.l., 2 rue Albert Borschette, L-1246 Luxembourg	100.00%	30.09.2014	456,512	456,459	(45)
Total			**461,715**		

* No information disclosed due to the foundation in 2014 and not yet approved accounts available

5 Amounts owed by affiliated undertakings

The increase is mainly due to the new service level agreements with affiliated undertakings. An amount of €156 thousand consists of receivables under these agreements. The remaining amount relates to cash pool receivables owed by affiliated undertakings.

6 Prepayments

Prepayments mainly relate to insurance contracts.

7 Capital and reserves

Issued capital as of September 30, 2015 amounts to €207 thousand (September 30, 2014: €207 thousand) and was fully paid in. It is divided into 20,723,256 shares with a nominal value of €0.01 each.

As at September 30, 2015, the share premium amounted to €261 million and the distributable other reserve amounted to €4,836 thousand.

The authorized capital of the Company is set at €315 thousand represented by maximum of 31,500,000 shares, each with a nominal value of €0.01.

Under Luxembourg law, the Company is required to appropriate annually at least 5% of its statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. The reserve is not available for distribution. Following the decision of the Annual General Meeting on February 17, 2015 the Company appropriated an amount of €21 thousand equal to 10% of the subscribed share capital to the legal reserve.

8 Subordinated debts

An upstream loan has been granted by its affiliated undertaking Stable II S.à r.l. to the Company on June 7, 2013 for an amount of €808 thousand used for repayment of mezzanine warrants in an amount of €808 thousand. The upstream loan was repaid in 2015.

9 Amounts owed to affiliated undertakings

An amount of €16,150 thousand consists of cash pool liabilities owed to affiliated undertakings.

10 Other external charges

Other external charges T_078

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Administration fees	500	92
Consulting fees	6,324	15,549
Audit fees	378	280
Group insurance	111	40
Legal and professional fees	168	420
Bank charges	15	1
Total	**7,496**	**16,382**

Consulting fees include fees in relation to the refinancing in the financial year 2015 and to the IPO and restructuring in the financial year 2014.

11 Other operating charges

The other operation charges refer to the remuneration of the Supervisory Board.

12 Staff costs

The Company employs 4 employees as of September 30, 2015 (PY: 3). The average number of employees in the financial year 2015 was 3 (PY: 1).

13 Interest and other financial charges

Interest and other financial charges T_079

IN € THOUSANDS	Year ended Sept 30, 2015	2014
Interest from variable PPL interest	–	179,301
Other	876	185
Total	**876**	**179,486**

The interest from variable PPL interest in the fiscal year 2014 relates to the restructuring transactions.

14 Income from financial fixed assets

Income from financial fixed assets T_080

	Year ended Sept 30,	
IN € THOUSANDS	**2015**	2014
Gains on distributions of PPLs	–	179,301
Dividend Servus II (Gibraltar) Limited	–	5,159
Dividend Servus III (Gibraltar) Limited	–	210,660
Profit in sale of shares	–	14,910
Total	**–**	**410,030**

The gains on distribution of PPLs in the fiscal year 2014 relates to the restructuring transactions.

15 Taxation

The Company is subject to Luxembourg company tax law.

16 Related parties

The remuneration of the members of the Management Board amount to €278 thousand (PY: €86 thousand). Further remuneration is paid by other affiliated undertakings.

The remuneration of the members of the Supervisory Board amount to €351 thousand (PY: €146 thousand).

Selected Stabilus Group management members hold interest in Stabilus S.A. directly of about jointly 1% of the total shares.

17 Share-based payment

The variable compensation for the members of the Management Board includes a matching stock program. The matching stock program (the "MSP") provides for four annual tranches granted each year during the time frame fiscal year ending September 30, 2015 until September 17, 2017. Participation in the matching stock program requires Management Board members to invest in shares of the Company. The investment generally has to be held for the lock-up period.

As part of the matching stock program A (the "MSP A") for each share the Management Board invests in the Company in the specific year (subject to general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board (Renumeration Committee) annually in a range between 1.0 and 1.7 times for a certain tranche. Thus, if a Management Board member were to buy 1,000 shares under the MSP in the Company, he would receive 1,000 to 1,700 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period.

As part of matching stock program B (the "MSP B") for each share the Management Board holds in the Company in the specific year (subject to a general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board (Remuneration Committee) annually in a range between 0.0 and 0.3 times for a certain tranche. Thus, if a Management Board member were to be holding 1,000 shares under the MSP in the Company, he would receive 0 to 300 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period. The options may only be exercised if the stock price of the Company exceeds a set threshold for the relevant tranche, which the Supervisory Board will determine, and which needs to be between 10% and 50% growth over the base price, which is the share price on the grant date. If exercised, the fictitious options are transformed into a gross amount equaling the difference between the option price and the relevant stock price multiplied by the number of exercised fictitious options. The generally limited net amount resulting from the calculated gross amount is paid out to the Management Board members. Alternatively, the Company may decide to buy shares in an amount equaling the net amount in order to settle the exercised options. The Company plans a cash settlement. The maximum gross amounts resulting from the exercise of the fictitious options of one tranche in general is limited in amount. Reinvestment of IPO proceeds from previous equity programs are not taken into account for MSP A.

In fiscal year 2015 17,721 options were issued for MSP B. The exercise price is €24.82 and the options are valued with an fair value of €8.75 as of September 30, 2015.

18 Commitments, contingencies and pledges

The Company and other affiliated companies entered into a new senior facilities agreement with a total amount of €320 million made up of a €270 million facility A commitment and a €50 million revolving facility commitment. The new loan was used for the redemption of the bond issued on June 7, 2013 by Servus Luxembourg Holding S.C.A.

On June 11, 2015, all securities in relation to the bond issued on June 7, 2013 by Servus Luxembourg Holding S.C.A. were released.

In order to collateralize the senior facility the assignment of the shares in affiliated undertakings have been provided as items of security.

The Company is guarantor of the senior facility and is jointly and severally liable for potential cash pool obligations. All obligations of the loan agreement were fulfilled by the Stabilus Group within the past financial year or are expected to be fulfilled within the planning period. Therefore the Management Board does not expect utilization as guarantor.

The Company has signed an office rent contract starting November 1, 2013 which will be terminated on January 31, 2018. The commitments amount for the financial year 2016 and 2017 €171 thousand each and the financial year 2018 €57 thousand. The Company issued a bank guarantee with an amount of €100 thousand to the landlord.

19 Subsequent events

There were no events or developments that could have materially affected the measurement and presentation of the Company's assets and liabilities as of September 30, 2015.

Luxembourg, December 18, 2015

Stabilus S.A.
Management Board

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Stabilus S.A.
2, rue Albert Borschette,
L-1246 Luxembourg

Report of the réviseur d'entreprises agréé

REPORT ON THE ANNUAL ACCOUNTS

Following our appointment by the Annual General Meeting of the Shareholders dated February 18, 2015, we have audited the accompanying annual accounts of Stabilus S.A. which comprise the balance sheet as at September 30, 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 130 to 141.

Management Board's responsibility for the annual accounts
The Management Board is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

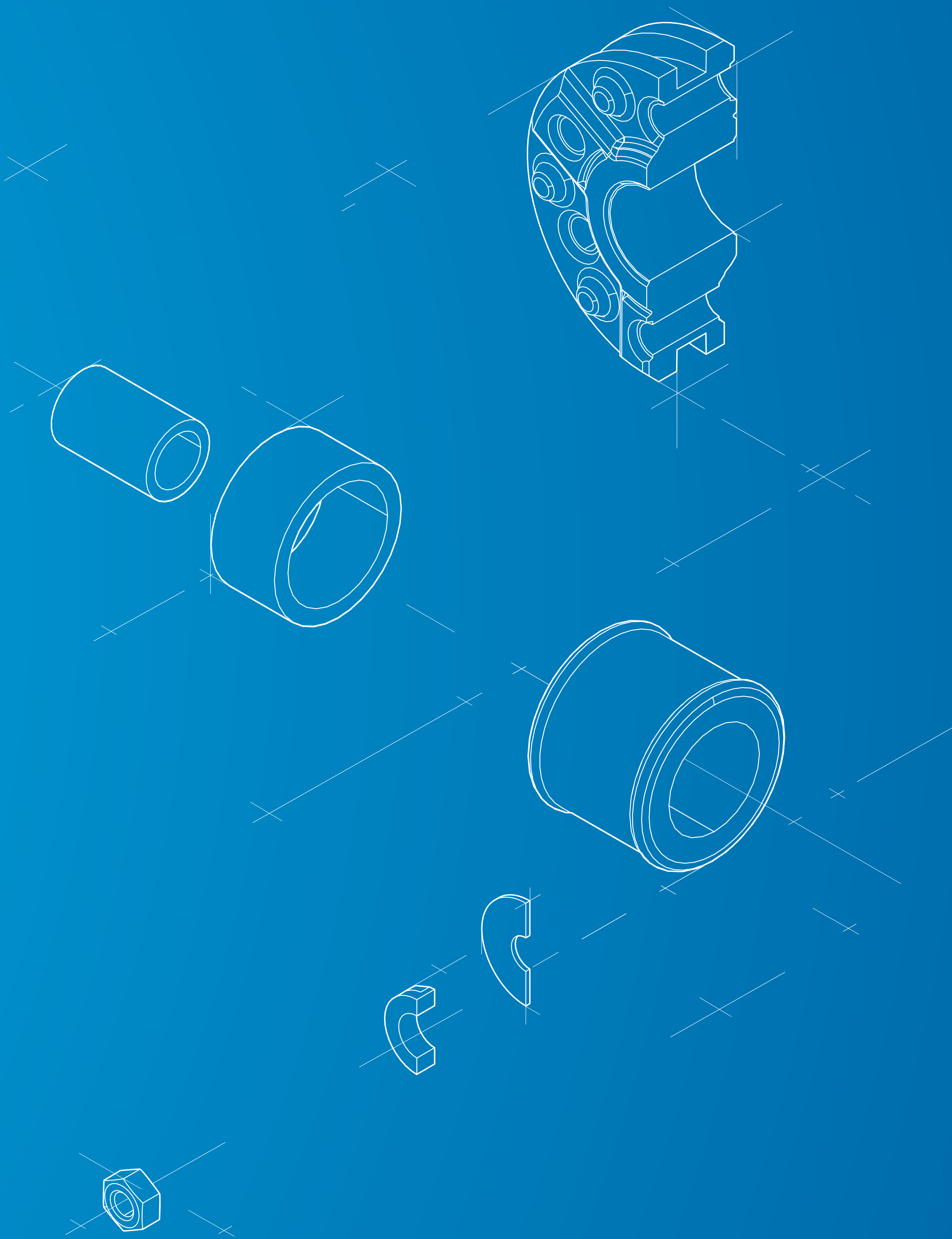
In our opinion, the annual accounts as set out on pages 130 to 141 give a true and fair view of the financial position of Stabilus S.A. as of September 30, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

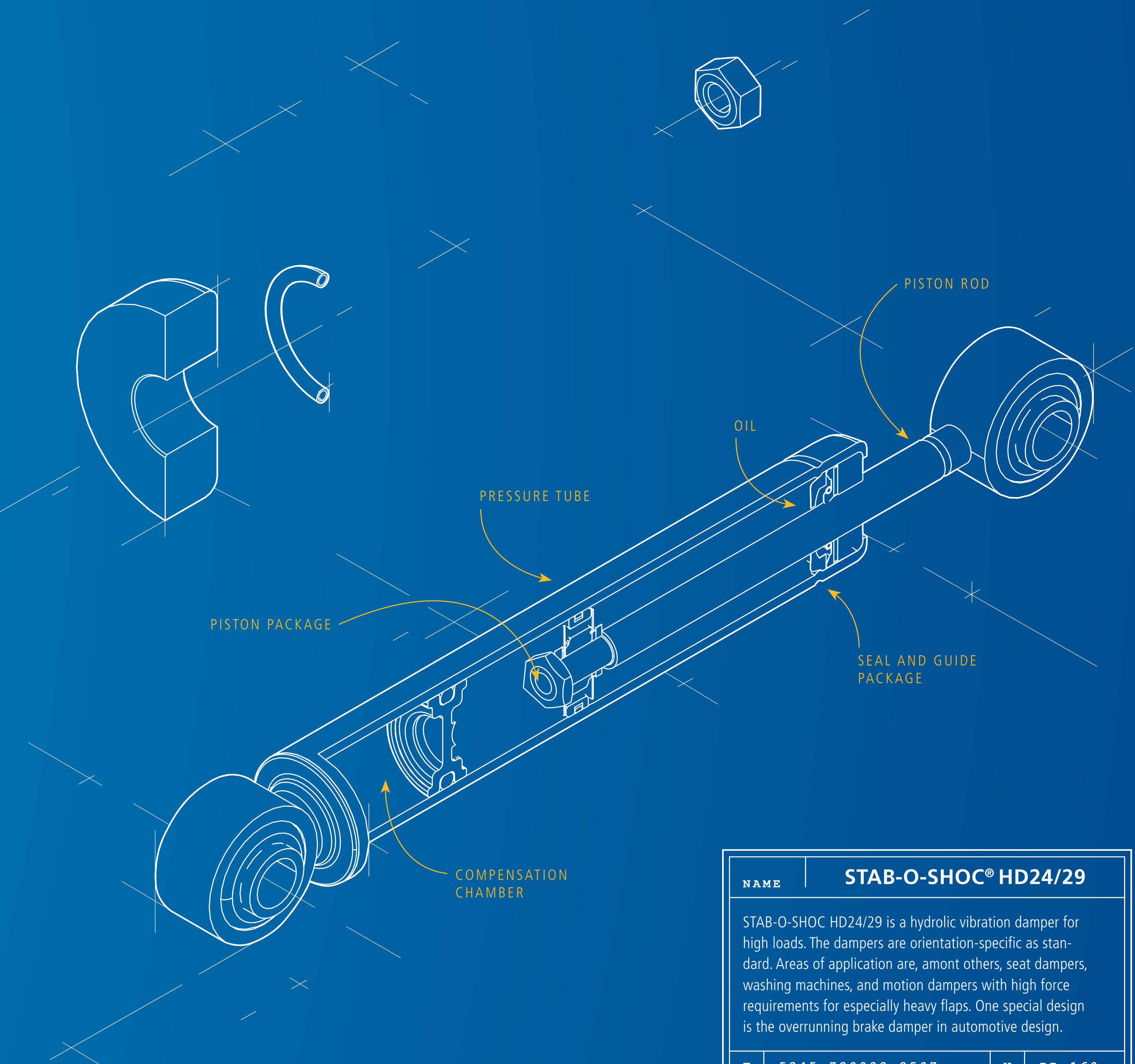
The combined management report, including the corporate governance statement, which is the responsibility of the Management Board, is consistent with the annual accounts and includes the information required by the law with respect to the corporate governance statement.

Luxembourg, December 18, 2015

KPMG Luxembourg Société coopérative
Cabinet de révision agréé
Ph. Meyer



E — ADDITIONAL INFORMATION



NAME	STAB-O-SHOC® HD24/29

STAB-O-SHOC HD24/29 is a hydrolic vibration damper for high loads. The dampers are orientation-specific as standard. Areas of application are, amont others, seat dampers, washing machines, and motion dampers with high force requirements for especially heavy flaps. One special design is the overrunning brake damper in automotive design.

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FINANCIAL CALENDAR

Financial calendar

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DATE[1)2)]	PUBLICATION / EVENT
December 21, 2015	Publication of full year results for fiscal year 2015 (Annual Report 2015)
February 15, 2016	Publication of the first-quarter results for fiscal year 2016 (Interim Report Q1 FY16)
February 17, 2016	Annual General Meeting for fiscal year 2016
May 13, 2016	Publication of the second-quarter results for fiscal year 2016 (Interim Report Q2 FY16)
August 12, 2016	Publication of the third-quarter results for fiscal year 2016 (Interim Report Q3 FY16)
December 15, 2016	Publication of full year results for fiscal year 2016 (Annual Report 2016)

1) We cannot rule out changes of dates. We recommend checking them on our website in the Investor Relations / Financial Calendar section (www.ir.stabilus.com).
2) Please note that our fiscal year (FY) comprises a twelve-month period from October 1 until September 30 of the following calendar year, e.g. the fiscal year 2015 comprises a year ended September 30, 2015.

DISCLAIMER

Forward-looking statements
This annual report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of Stabilus S.A. These statements take into account only information that was available up and including the date that this annual report was prepared. The management of Stabilus S.A. makes no guarantee that these forward-looking statements will prove to be right. The future development of Stabilus S.A. and its subsidiaries and the results that are actually achieved are subject to a variety of risks and uncertainties which could cause actual events or results to differ significantly from those reflected in the forward-looking statements. Many of these factors are beyond the control of Stabilus S.A. and its subsidiaries and therefore cannot be precisely predicted. Such factors include, but are not limited to, changes in economic conditions and the competitive situation, changes in the law, interest rate or exchange rate fluctuations, legal disputes and investigations, and the availability of funds. These and other risks and uncertainties are set forth in the combined management report. However, other factors could also have an adverse effect on our business performance and results. Stabilus S.A. neither intends to nor assumes any separate obligation to update forward-looking statements or to change these to reflect events or developments that occur after the publication of this annual report.

Rounding
Certain numbers in this annual report have been rounded up or down. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown as well as between the numbers in the tables and the numbers given in the corresponding analyses in the text of the annual report. All percentage changes and key figures in the combined management report were calculated using the underlying data in millions of euros with one decimal place (€ millions).

TABLE DIRECTORY

INFORMATION RESOURCES

Further information including news, reports and publications can be found in the investor relations section of our website at www.ir.stabilus.com.

Investor Relations

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