

REVENUE

+16.3% ^{YOY}

[TO €135.1 M]

ADJUSTED EBIT

+25.4% ^{YOY}

[TO €15.3 M]

PROFIT

€7.7 M

[Q1 FY14: €2.2 M]

INTERIM REPORT Q1 FY2015

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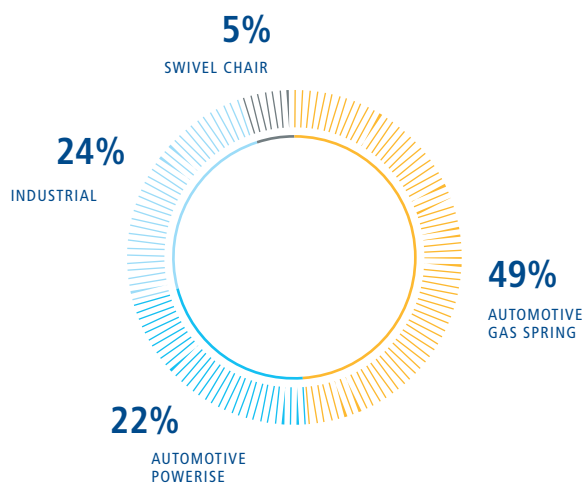
KEY FIGURES

Key figures

T_001

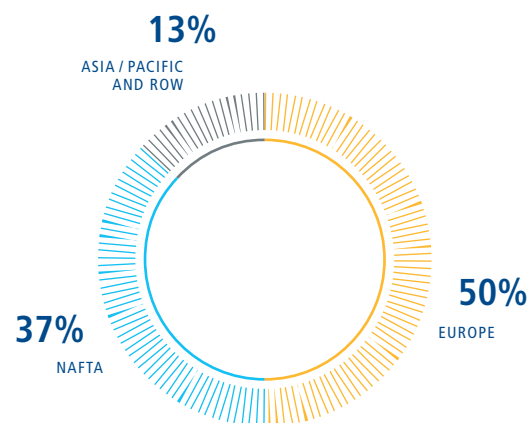
IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Revenue	135.1	116.2	18.9	16.3%
EBITDA	20.0	16.7	3.3	19.8%
Adjusted EBITDA	22.6	18.5	4.1	22.2%
EBIT	9.4	7.2	2.2	30.6%
Adjusted EBIT	15.3	12.2	3.1	25.4%
Capital expenditure	(10.0)	(10.1)	0.1	(1.0%)
Adjusted operating cash flow before tax (AoCF)	4.1	0.2	3.9	>100.0%
Free cash flow (FCF)	(10.4)	(18.3)	7.9	(43.2%)
EBITDA as % of revenue	14.8%	14.4%		
Adjusted EBITDA as % of revenue	16.7%	15.9%		
EBIT as % of revenue	7.0%	6.2%		
Adjusted EBIT as % of revenue	11.3%	10.5%		
Capital expenditure as % of revenue	7.4%	8.7%		
AoCF as % of adjusted EBITDA	18.1%	1.1%		
FCF as % of adjusted EBITDA	(46.0%)	(98.9%)		

Revenue by markets in Q1 FY2015



Revenue by region in Q1 FY2015

(location of Stabilus company)



INTERIM GROUP MANAGEMENT REPORT

for the three months ended December 31, 2014

RESULTS OF OPERATIONS

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

Income statement

T_002

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Revenue	135.1	116.2	18.9	16.3%
Cost of sales	(104.4)	(90.3)	(14.1)	15.6%
Gross profit	30.8	25.8	5.0	19.4%
Research and development expenses	(5.4)	(4.5)	(0.9)	20.0%
Selling expenses	(10.4)	(9.9)	(0.5)	5.1%
Administrative expenses	(7.3)	(4.6)	(2.7)	58.7%
Other income	3.6	1.1	2.5	>100.0%
Other expenses	(1.8)	(0.9)	(0.9)	100.0%
Profit from operating activities (EBIT)	9.4	7.2	2.2	30.6%
Finance income	6.0	3.9	2.1	53.8%
Finance costs	(5.1)	(8.1)	3.0	(37.0)%
Profit / (loss) before income tax	10.3	3.0	7.3	>100.0%
Tax income / (expense)	(2.6)	(0.8)	(1.8)	>100.0%
Profit for the period	7.7	2.2	5.5	>100.0%

Revenue

Group's total revenue developed as follows:

Revenue by region (location of Stabilus company)

T_003

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Europe	68.0	59.2	8.8	14.9%
NAFTA	49.5	40.8	8.7	21.3%
Asia / Pacific and rest of world	17.6	16.2	1.4	8.6%
Revenue	135.1	116.2	18.9	16.3%

Revenue by markets

T_004

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Automotive	96.4	79.0	17.4	22.0%
Gas spring	66.9	61.8	5.1	8.3%
Powerise	29.5	17.2	12.3	71.5%
Industrial	32.4	31.4	1.0	3.2%
Swivel chair	6.4	5.8	0.6	10.3%
Revenue	135.1	116.2	18.9	16.3%

Total revenue of €135.1 million in the first quarter of fiscal 2015 increased by 16.3% compared to the first quarter of fiscal 2014.

The sales of our European entities grew by 14.9% from €59.2 million in the first quarter of fiscal 2014 to €68.0 million in the first quarter of fiscal 2015. The sales of our NAFTA operating unit continue to benefit primarily from the strong growth in the Powerise business. The revenue generated by our US and Mexican entities increased by 21.3% from €40.8 million to €49.5 million. Approximately €4.0 million of this revenue increase was due to the stronger US dollar (average rate per €1: \$1.25 in Q1 FY2015 versus \$1.36 in Q1 FY2014). The sales of Stabilus plants located in Asia / Pacific and rest of world region increased by 8.6% from €16.2 million in the first quarter of fiscal 2014 to €17.6 million in the first quarter of fiscal 2015, essentially due to new customer wins and increased production capacity in China.

The increase in total revenue is mainly due to our automotive, particularly to our growing Powerise, business. The increase in the Powerise business by 71.5% is mainly the result of new OEM platform wins and the subsequent launch of new Powerise programs for a number of key vehicle OEMs. In addition, the share of end customers (buyers of new vehicles) opting for this extra equipment continues to rise as well, compared to the previous periods, which drives up the take rate of our Powerise product line.

Revenue in the industrial business increased by 3.2% from €31.4 million in the three months ended December 31, 2013 to €32.4 million in the three months ended December 31, 2014.

Swivel chair revenue increased by 10.3% from €5.8 million in the first quarter of fiscal 2014 to €6.4 million in the first quarter of fiscal 2015.

Cost of sales and overhead expenses

COST OF SALES

Cost of sales in the first quarter of fiscal 2015 increased by 15.6%, compared to the first quarter of the previous fiscal year. As a percentage of revenue, the cost of sales decreased to 77.2% (Q1 FY2014: 77.8%) reflecting some mix changes and a better utilization of plants. The decrease of the cost of sales as a percent of revenue is essentially due to the strong growth of our Powerise business and the resulting economies of scale effects.

R&D EXPENSES

R&D expenses in the first quarter of fiscal 2015 increased by 20.0%, compared to the first quarter of fiscal 2014. As a percentage of revenue, R&D expenses remained almost stable on the level of 4.0% (Q1 FY2014: 3.9%).

SELLING EXPENSES

Selling expenses increased by 5.1% from €(9.9) million in the first quarter of fiscal 2014 to €(10.4) million in the first quarter of fiscal 2015, mainly due to higher material and personnel expenses. As a percentage of revenue, selling expenses decreased to 7.7% (Q1 FY2014: 8.5%).

ADMINISTRATIVE EXPENSES

Administrative expenses increased by 58.7% from €(4.6) million in the first quarter of fiscal 2014 to €(7.3) million in the first quarter of fiscal 2015, mainly due to higher personnel expenses. In particular, €(1.5) million restructuring costs which were triggered by adjustments in Koblenz site's management structure and shifting of production capacity between Stabilus plants lead to higher administrative expenses. In addition, €(0.5) million transaction costs for the new financing agreement which was signed on December 19, 2015 are included in the Q1 FY2015 administrative expenses. As percentage of revenue, administrative expenses increased to 5.4% of total revenue (Q1 FY2014: 3.9%).

OTHER INCOME AND EXPENSE

Other income increased from €1.1 million in the first quarter of fiscal 2014 to €3.6 million in the first quarter of fiscal 2015. This increase by €2.5 million is primarily the result of foreign currency fluctuations, i. e. higher foreign currency translation gains driven by the strong US dollar.

Other expense increased from €(0.9) million in the first quarter of fiscal 2014 to €(1.8) million in the first quarter of fiscal year under review. This income statement line item comprises mainly the foreign currency translation losses, primarily due to the strong US dollar.

FINANCE INCOME AND COSTS

Finance income increased from €3.9 million in the first quarter of fiscal 2014 to €6.0 million in the first quarter of fiscal 2015 primarily due to net foreign exchange gains on intercompany loans.

Finance costs decreased from €(8.1) million in the first quarter of fiscal 2014 to €(5.1) million in the first quarter of fiscal 2015 mainly due to a €58.9 million early redemption of senior secured notes on June 5, 2014 (from IPO proceeds).

INCOME TAX EXPENSE

The improved pre-tax result of €10.3 million in the first quarter of fiscal 2015, compared to €3.0 million in first quarter of the prior fiscal year, lead to higher tax expense of €(2.6) million in the reporting period (Q1 FY2014: €(0.8) million).

EBITDA AND ADJUSTED EBITDA

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

Reconciliation of EBIT to adjusted EBITDA

T_005

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Profit from operating activities (EBIT)	9.4	7.2	2.2	30.6%
Depreciation	5.4	4.8	0.6	12.5%
Amortization	5.1	4.7	0.4	8.5%
EBITDA	20.0	16.7	3.3	19.8%
Advisory*	0.7	1.0	(0.3)	(30.0)%
Restructuring / ramp-up	1.7	0.4	1.3	>100.0%
Pension interest add back	0.3	0.4	(0.1)	(25.0)%
Total adjustments	2.7	1.8	0.9	50.0%
Adjusted EBITDA	22.6	18.5	4.1	22.2%

* Legal, refinancing and reorganization related advisory expenses.

Adjusted EBITDA represents EBITDA, as adjusted by management primarily in relation to severance, consulting, restructuring, one-time legal disputes and other non-recurring costs, as well as interest on pension charges. 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.

The €0.7 million adjustment of advisory expenses in the first quarter of fiscal 2015 presented in the table above comprises €0.5 million transaction costs for the new financing agreement signed on December 19, 2014. The €1.7 million restructuring and ramp-up expenses adjusted in the first quarter of fiscal 2015 and presented in the table above comprise €1.5 million restructuring costs related to the adjustment of the Koblenz site's management structure and the shifting of production capacity between Stabilus plants.

EBIT AND ADJUSTED EBIT

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

Reconciliation of EBIT to adjusted EBIT

T_006

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Profit from operating activities (EBIT)	9.4	7.2	2.2	30.6%
Advisory*	0.7	1.0	(0.3)	(30.0)%
Restructuring / ramp-up	1.7	0.4	1.3	>100.0%
Pension interest add back	0.3	0.4	(0.1)	(25.0)%
PPA adjustments – depreciation and amortization	3.2	3.2	–	0.0%
Total adjustments	5.9	5.0	0.9	18.0%
Adjusted EBIT	15.3	12.2	3.1	25.4%

* Legal, refinancing and reorganization related advisory expenses.

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

The €0.7 million adjustment of advisory expenses in the first quarter of fiscal 2015 presented in the table above comprises €0.5 million transaction costs for the new loan agreement signed on December 19, 2014. The €1.7 million restructuring and ramp-up expenses adjusted in the first quarter of fiscal 2015 and presented in the table above comprise €1.5 million restructuring costs related to the adjustment of the Koblenz site's management structure and the shifting of production capacity between Stabilus plants.

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 as well as Asia / Pacific and rest of world (RoW).

The table below sets out the development of our operating segments in the first quarter of fiscal 2015 compared to the first quarter of the previous fiscal year.

Operating segments

T_007

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Europe				
External revenue ¹⁾	68.0	59.2	8.8	14.9%
Intersegment revenue ¹⁾	8.7	7.8	0.9	11.5%
Total revenue ¹⁾	76.6	67.0	9.6	14.3%
Adjusted EBITDA	11.8	10.3	1.5	14.6%
as % of revenue	15.4%	15.4%		
NAFTA				
External revenue ¹⁾	49.5	40.8	8.7	21.3%
Intersegment revenue ¹⁾	0.5	0.5	–	0.0%
Total revenue ¹⁾	50.0	41.3	8.7	21.1%
Adjusted EBITDA	7.1	4.8	2.3	47.9%
as % of revenue	14.2%	11.6%		
Asia / Pacific and RoW				
External revenue ¹⁾	17.6	16.2	1.4	8.6%
Intersegment revenue ¹⁾	0.1	–	0.1	n/a
Total revenue ¹⁾	17.7	16.2	1.5	9.3%
Adjusted EBITDA	3.7	3.5	0.2	5.7%
as % of revenue	20.9%	21.6%		

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

The external revenue generated by our European companies increased by 14.9% from €59.2 million in the first quarter of fiscal 2014 to €68.0 million in the first quarter of fiscal 2015. The adjusted EBITDA margin remained stable at 15.4%. As a consequence, the adjusted EBITDA increased proportionately to the revenue increase from €10.3 million in the first three months of fiscal 2014 to €11.8 million in the first three months of fiscal 2015.

The external revenue of our companies located in the NAFTA region increased by 21.3% from €40.8 million in the first quarter of fiscal 2014 to €49.5 million in the first quarter of fiscal 2015,

primarily due to the strong growth in the Powerise business. Approximately €4.0 million of this revenue increase was due to the stronger US dollar (average rate per €1: \$1.25 in Q1 FY2015 versus \$1.36 in Q1 FY2014). The adjusted EBITDA margin improved from 11.6% to 14.2% in the same period, leading to an adjusted EBITDA of €7.1 million which is 47.9% higher than in Q1 FY 2014.

In the first quarter of fiscal 2015, the external revenue of our companies in the Asia / Pacific and RoW segment increased by 8.6%. The adjusted EBITDA increased by €0.2 million or 5.7%.

FINANCIAL POSITION

Balance sheet

T_008

IN € MILLIONS	Dec 31, 2014	Sept 30, 2014	change	% change
Assets				
Non-current assets	349.8	351.1	(1.3)	(0.4)%
Current assets	171.0	169.2	1.8	1.1%
Total assets	520.8	520.3	0.5	0.1%
Equity and liabilities				
Equity	76.6	76.1	0.5	0.7%
Non-current liabilities	355.3	353.7	1.6	0.5%
Current liabilities	89.0	90.5	(1.5)	(1.7)%
Total liabilities	444.3	444.2	0.1	0.0%
Total equity and liabilities	520.8	520.3	0.5	0.1%

BALANCE SHEET TOTAL

The Group's balance sheet total remained nearly stable on the level of €520 million (Dec 31, 2014: €520.8 million versus Sept 30, 2014: 520.3 million).

NON-CURRENT ASSETS

Owing essentially to the regular amortization of other intangible assets, in particular technology, customer relationships and trade names, our non-current assets decreased by (0.4)% or €(1.3) million.

CURRENT ASSETS

Current assets as of December 31, 2014 increased by 1.1% or €1.8 million, compared to September 30, 2014, primarily due to higher other financial assets (+€8.1 million), higher inventories (+€4.8 million), partially offset by lower cash balance (–€10.5 million). The other financial assets increased mainly due to € 4.5 million capitalized transaction costs incurred by the new loan agreement that was signed on December 19, 2014, higher financial assets related to factoring and the increased carrying amount of derivative instruments. Following the increasing demand for our

products and increased revenue the amount of raw materials and supplies on hand increased by €2.4 million compared to the amount as of September 30, 2014. To support deliveries in January 2015 we also carried an increased finished product inventory as of December 31, 2014. The cash balance decreased from €33.5 million as of September 30, 2014 to €23.0 million as of December 31, 2014 driven by the €9.9 million interest payment for senior secured notes in December 2014. The interest for senior secured notes is paid semi-annually in December and June.

EQUITY

The Group's equity as of December 31, 2014 increased by €0.5 million as a consequence of generated and retained earnings of €7.7 million in the first quarter of fiscal 2015, partially offset by other comprehensive expense of €(7.2) million. Other comprehensive expense essentially comprised unrealized losses from foreign currency translation of €(4.8) million and unrealized actuarial losses of €(2.4) million due to further softening of the interest rate used for the calculation of pension obligations.

NON-CURRENT LIABILITIES

Non-current liabilities increased from €353.7 million as of September 30, 2014 by 0.5% to €355.3 million as of December 31, 2014 mainly due to higher provision for pension obligations. The pension obligation increased as a consequence of the lower discount rate used for the calculation of this provision: 2.0% as of December 31, 2014 versus 2.4% as of September 30, 2014.

CURRENT LIABILITIES

Our current liabilities decreased by €(1.5) million from €90.5 million as of September 30, 2014 to €89.0 million as of December 31, 2014.

This decrease of (1.7)% was mainly a result of lower financial liabilities (–€5.0 million) and lower trade accounts payable (–€4.4 million), partially offset by higher current tax liability (+€2.0 million), higher provision for warranties (+€1.1 million) and higher liability for outstanding costs (+€5.2 million).

LIQUIDITY

Cash flow

T_009

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Cash flow from operating activities	9.5	4.6	4.9	>100.0%
Cash flow from investing activities	(9.9)	(10.1)	0.2	(2.0)%
Cash flow from financing activities	(10.1)	(5.1)	(5.0)	98.0%
Net increase / (decrease) in cash	(10.5)	(10.6)	0.1	(0.9)%
Effect of movements in exchange rates on cash held	0.1	–	0.1	n/a
Cash as of beginning of the period	33.5	21.8	11.7	53.7%
Cash as of end of the period	23.0	11.2	11.8	>100.0%

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities increased by €4.9 million from €4.6 million in the first quarter of fiscal 2014 to €9.5 million in the first quarter of fiscal 2015 mainly due to increased revenue and higher earnings.

CASH FLOW FROM INVESTING ACTIVITIES

Cash outflow for investing activities remained stable on the level of approximately €10.0 million.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow for financing activities decreased by €(5.0) million - from €(5.1) million in the first quarter of fiscal 2014 to €(10.1) million in the first quarter of fiscal 2015 mainly due to decreased cash inflow from financing activities. Whereas in the first quarter of the previous fiscal year 2014, the Stabilus Group received €8.0 million under the revolving credit facility, in the first quarter of the current fiscal year 2015 this facility was not utilized. The cash outflow for inter-

est decreased by €2.8 million due to the €58.9 million early redemption of senior secured notes on June 5, 2014 (from IPO proceeds).

ADJUSTED OPERATING CASH FLOW BEFORE TAX (AOCF)

As a result of the aforementioned changes of cash flows from operating, investing and financing activities and with adjustments to EBITDA amounting to €2.7 million (Q1 FY2014: €1.8 million), adjusted operating cash flow before tax (AoCF) increased by €3.9 million, from €0.2 million in the first quarter of fiscal 2014 to €4.1 million in the first quarter of fiscal 2015. The following table sets out the composition and development of the non-IFRS key figure adjusted operating cash flow before tax in the reporting period.

Adjusted operating cash flow before tax (AoCF) represents operating cash flow before tax and before extraordinary and exceptional items. Operating cash flow before tax, in turn, comprises IFRS cash flow statement line items "cash flow from operating activities" and "cash flow from investing activities" according to IAS 7, excluding "changes in restricted cash" and "income tax payments".

Adjusted operating cash flow before tax (AoCF)

T_010

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Cash flow from operating activities	9.5	4.6	4.9	>100.0%
Cash flow from investing activities	(9.9)	(10.1)	0.2	(2.0)%
Excl. income tax payments	1.8	3.9	(2.1)	(53.8)%
Operating cash flow before tax	1.4	(1.6)	3.0	<(100.0)%
Adjustments to EBITDA	2.7	1.8	0.9	50.0%
Adjusted operating cash flow before tax	4.1	0.2	3.9	>100.0%

FREE CASH FLOW (FCF)

Free cash flow (FCF) improved by 43.2% from €(18.3) million in first quarter of fiscal 2014 to €(10.4) million in the first quarter of fiscal 2015. The following table sets out the composition of the non-IFRS free cash flow figure.

Free cash flow (FCF) comprises the 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_011

IN € MILLIONS	Three months ended Dec 31,			
	2014	2013	change	% change
Cash flow from operating activities	9.5	4.6	4.9	>100.0%
Cash flow from investing activities	(9.9)	(10.1)	0.2	(2.0)%
Payments for interest	(10.0)	(12.8)	2.8	(21.9)%
Free cash flow	(10.4)	(18.3)	7.9	(43.2)%

RISKS AND OPPORTUNITIES

We refer to the risk related disclosures in the Group Management Report and in the audited Consolidated Financial Statements as of and for the fiscal year ended September 30, 2014.

SUBSEQUENT EVENTS

As of February 15, 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 December 31, 2014.

OUTLOOK

The Stabilus Group's operative outlook for fiscal year 2015 in terms of goods sold remains unchanged from the outlook given in the Annual Report 2014, where the company forecast a growth rate of revenue, adjusted EBITDA and adjusted EBIT on a similar level to that achieved for the fiscal year 2014.

Due to the Group's international business activities, actual revenue and earnings growth to be achieved in fiscal year 2015 will however also depend on the US\$-€ exchange rate. The forecast given in the Annual Report 2014 assumed an average 1.35 US\$-€ exchange rate for fiscal year 2015, which would have led to an expected revenue level in the range of €550 million to €560 million. However, since the development and prognosis of the US\$-€ exchange rate has since changed and is now expected at an average level of \$1.20 per € throughout the fiscal year 2015, the Group's revenue target is now expected to be in the range of €575 million to €585 million. The company's adjusted EBIT margin is expected to remain in the range of 12.0% to 13.0%.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

as of and for the three months ended December 31, 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the three months ended December 31, 2014 (unaudited)

Consolidated statement of comprehensive income

T_012

IN € THOUSANDS	NOTE	Three months ended Dec 31,	
		2014	2013
Revenue	2	135,138	116,159
Cost of sales		(104,385)	(90,345)
Gross profit		30,753	25,814
Research and development expenses		(5,412)	(4,482)
Selling expenses		(10,418)	(9,852)
Administrative expenses		(7,333)	(4,550)
Other income		3,643	1,125
Other expenses		(1,792)	(855)
Profit from operating activities		9,441	7,200
Finance income	3	5,986	3,851
Finance costs	4	(5,120)	(8,089)
Profit / (loss) before income tax		10,307	2,962
Income tax income / (expense)		(2,603)	(780)
Profit / (loss) for the period		7,704	2,182
thereof attributable to non-controlling interests		15	5
thereof attributable to shareholders of Stabilus		7,689	2,177
Other comprehensive income / (expense)			
Foreign currency translation difference ¹⁾	11	(4,856)	3,513
Unrealized actuarial gains / (losses), net of taxes ²⁾	11	(2,393)	(14)
Other comprehensive income / (expense), net of taxes		(7,249)	3,499
Total comprehensive income / (expense) for the period		455	5,681
thereof attributable to non-controlling interests		15	5
thereof attributable to shareholders of Stabilus		440	5,676
Earnings per share (in €):			
basic	5	0.37	0.12
diluted	5	0.37	0.12

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 December 31, 2014 (unaudited)

Consolidated statement of financial position

T_013

IN € THOUSANDS	NOTE	Dec 31, 2014	Sept 30, 2014
Assets			
Property, plant and equipment	6	119,748	119,642
Goodwill		51,458	51,458
Other intangible assets	7	169,811	170,971
Other assets	9	985	1,102
Deferred tax assets		7,821	7,919
Total non-current assets		349,823	351,092
Inventories	10	54,281	49,540
Trade accounts receivable		54,345	56,497
Current tax assets		2,275	2,403
Other financial assets	8	26,373	18,304
Other assets	9	10,719	8,972
Cash and cash equivalents		23,027	33,494
Total current assets		171,020	169,210
Total assets		520,843	520,302

Consolidated statement of financial position

T_013

IN € THOUSANDS	NOTE	Dec 31, 2014	Sept 30, 2014
Equity and liabilities			
Issued capital		207	207
Capital reserves		73,091	73,091
Retained earnings		15,609	7,920
Other reserves	11	(12,377)	(5,128)
Equity attributable to shareholders of Stabilus		76,530	76,090
Non-controlling interests		49	33
Total equity		76,579	76,123
Financial liabilities	12	256,532	256,556
Other financial liabilities	13	919	960
Provisions	14	3,533	4,060
Pension plans and similar obligations		51,626	48,353
Deferred tax liabilities		42,674	43,765
Total non-current liabilities		355,284	353,694
Trade accounts payable		49,337	53,724
Financial liabilities	12	827	5,789
Other financial liabilities	13	6,297	6,360
Current tax liabilities		7,093	5,082
Provisions	14	11,208	8,551
Other liabilities	15	14,218	10,979
Total current liabilities		88,980	90,485
Total liabilities		444,264	444,179
Total equity and liabilities		520,843	520,302

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three months ended December 31, 2014 (unaudited)

Consolidated statement of changes in equity

T_014

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 adjusted¹⁾		5,013	74,403	(991)	1,737	80,162	169	80,331
Profit / (loss) for the period		–	–	2,177	–	2,177	5	2,182
Other comprehensive income / (expense)	11	–	–	–	3,499	3,499	–	3,499
Total comprehensive income / (expense) for the period		–	–	2,177	3,499	5,676	5	5,681
Balance as of Dec 31, 2013		5,013	74,403	1,186	5,236	85,838	174	86,012
Balance as of Sept 30, 2014		207	73,091	7,920	(5,128)	76,090	33	76,123
Profit / (loss) for the period		–	–	7,689	–	7,689	15	7,704
Other comprehensive income / (expense)	11	–	–	–	(7,249)	(7,249)	–	(7,249)
Total comprehensive income / (expense) for the period		–	–	7,689	(7,249)	440	15	455
Balance as of Dec 31, 2014		207	73,091	15,609	(12,377)	76,530	49	76,579

¹⁾ adjusted according to IAS 19 (revised)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended December 31, 2014 (unaudited)

Consolidated statement of cash flows

T_015

IN € THOUSANDS	NOTE	Three months ended Dec 31,	
		2014	2013
Profit/ (loss) for the period		7,704	2,182
Current income tax		2,752	1,661
Deferred income tax		(150)	(881)
Net finance result	3/4	(866)	4,238
Depreciation and amortization		10,529	9,462
Other non-cash income and expenses		(3,287)	813
Changes in inventories		(4,741)	(3,735)
Changes in trade accounts receivable		2,152	7,121
Changes in trade accounts payable		(4,387)	(6,107)
Changes in other assets and liabilities		(523)	(6,709)
Changes in provisions		1,984	(472)
Changes in deferred tax assets and liabilities		150	881
Income tax payments		(1,844)	(3,877)
Cash flow from operating activities		9,473	4,577
Proceeds from disposal of property, plant and equipment		80	5
Purchase of intangible assets	7	(3,571)	(3,313)
Purchase of property, plant and equipment	6	(6,398)	(6,784)
Cash flow from investing activities		(9,889)	(10,092)
Receipts under revolving credit facility		–	8,000
Payments for finance leases		(135)	(298)
Payments for interest		(9,978)	(12,797)
Cash flow from financing activities		(10,113)	(5,095)
Net increase / (decrease) in cash and cash equivalents		(10,529)	(10,610)
Effect of movements in exchange rates on cash held		62	25
Cash and cash equivalents as of beginning of the period		33,494	21,819
Cash and cash equivalents as of end of the period		23,027	11,234

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as of and for the three months ended December 31, 2014

1 General Information

Company information

Stabilus S.A., Luxembourg, hereinafter also referred to as “Stabilus” or “Company” (former Servus HoldCo S.à r.l.) 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. B151589 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. Following the shareholder resolution dated May 5, 2014, the corporate form and the name of the Company were changed from “Servus HoldCo S.à r.l.”, private limited liability company (société à responsabilité limitée), to “Stabilus S.A.”, a public limited liability company (société anonyme).

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

The Stabilus Group is a leading manufacturer of gas springs and dampers, as well as electric tailgate lifting equipment. The products are used in a wide range of applications in automotive and industrial applications, as well as in the furniture industry. Typically the products are used to aid the lifting and lowering or dampening of movements. As a 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 large technical focused distributors further diversify the Group’s customer base.

Basis for preparation

The accompanying Condensed Interim Consolidated Financial Statements present the operations of Stabilus, Luxembourg, and its subsidiaries. The company has prepared these statements under going concern assumption.

The Condensed Interim Consolidated Financial Statements for the first three months of fiscal year 2015 have been prepared in accordance with IAS 34 “Interim Financial Reporting”; they comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of Stabilus Group since the last annual Consolidated Financial Statements as of and for the fiscal year ended September 30, 2014. These Interim Consolidated Financial Statements are condensed and do not include all information for full annual finan-

cial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in connection with the Consolidated Financial Statements as of September 30, 2014.

The accounting policies adopted in the preparation of the Condensed Interim Consolidated Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the fiscal year ended September 30, 2014, except for the new standards and interpretations, which are applied for the first time in these Condensed Interim Consolidated Financial Statements, noted below:

New standards and interpretations

T_016

STANDARD / INTERPRETATION		Effective date stipulated by IASB	Effective date stipulated by EU
IFRS 10	Consolidated Financial Statements	January 1, 2013	January 1, 2014
IFRS 11	Joint Arrangements	January 1, 2013	January 1, 2014
IFRS 12	Disclosure of Interest in Other Entities	January 1, 2013	January 1, 2014
Amendments to IFRS 10, 11, 12	Transition Guidance	January 1, 2013	January 1, 2014
IAS 27 (2011)	Separate Financial Statements	January 1, 2013	January 1, 2014
IAS 28 (2011)	Investments in Associates and in Joint Ventures	January 1, 2013	January 1, 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities	January 1, 2014	January 1, 2014
Amendment to IAS 32	Offsetting Financial Assets and Liabilities	January 1, 2014	January 1, 2014
Amendment to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	January 1, 2014	January 1, 2014
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014	January 1, 2014
IFRIC 21	Levies	January 1, 2014	June 17, 2014

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

A detailed description of these new regulations can be found in the 2014 Annual Report. The IFRS amendments and new regulations effective as of December 31, 2014 had no material effect on the Condensed Interim Consolidated Financial Statements.

Presentation

These Condensed Interim Consolidated Financial Statements as of and for the three months ended December 31, 2014 comprise the Consolidated Statement of Comprehensive Income for the three months ended December 31, 2014, the Consolidated Statement of Financial Position as of December 31, 2014, the Consolidated Statement of Changes in Equity for the three months ended December 31, 2014, the Consolidated Statement Cash Flows for the three months ended December 31, 2014 and explanatory Notes to the Condensed Interim Consolidated Financial Statements. The Condensed Interim Consolidated Financial Statements are prepared in euros (€) rounded to the nearest thousands. Due to rounding, numbers presented may not add up precisely to totals provided.

The Condensed Interim Consolidated Financial Statements were authorised for issue by the Management Board on February 13, 2015.

Significant events and transactions

On December 19, 2014, Stabilus signed loan contracts comprising a total of €320 million with a term until June 2020 containing an option to prolong the term by one year. The contract comprises a Term Loan Facility of €270 million and a Revolving Credit Facility of €50 million. The loans carry variable interest rates depending on the leverage of the company. Based on the company's current leverage level, the interest rate would be 2.0% above Euribor. The loans open a possibility for the company to pre-emptively refinance the senior secured notes which carry an interest rate of 7.75%. Of the €5.0 million transaction costs incurred, €4.5 million have been capitalized as other financial assets and are included in other current liabilities for outstanding costs. See Notes 8 and 15 below.

2 Revenue

The Group's revenue developed as follows:

Revenue by region (location of Stabilus company)

T_017

Group revenue results from sales of goods.

IN € THOUSANDS

	Three months ended Dec 31,	
	2014	2013
Europe	67,983	59,158
NAFTA	49,529	40,786
Asia / Pacific and rest of world	17,626	16,215
Revenue	135,138	116,159

Revenue by markets

T_018

IN € THOUSANDS

	Three months ended Dec 31,	
	2014	2013
Automotive	96,353	78,934
Gas spring	66,882	61,769
Powerise	29,471	17,165
Industrial	32,396	31,387
Swivel chair	6,389	5,838
Revenue	135,138	116,159

3 Finance income

Finance income

T_019

IN € THOUSANDS	Three months ended Dec 31,	
	2014	2013
Interest income on loans and financial receivables	13	13
Net foreign exchange gain	4,491	–
Gains from changes in carrying amount of financial assets	–	2,222
Gains from changes in fair value of derivative instruments	1,325	1,404
Other interest income	157	212
Finance income	5,986	3,851

4 Finance costs

Finance costs

T_020

IN € THOUSANDS	Three months ended Dec 31,	
	2014	2013
Interest expense on financial liabilities	(5,008)	(6,447)
Net foreign exchange loss	–	(1,549)
Interest expenses finance lease	(5)	(23)
Other interest expenses	(107)	(70)
Finance costs	(5,120)	(8,089)

5 Earnings per share

The weighted average number of shares used for the calculation of earnings per share in the three months ended December 31, 2014 and 2013 is set out in the following table. For the comparative period the number of shares was adjusted retrospectively according to IAS 33.64, i.e. the number of shares of the new corporate S.A. (société anonyme) was used.

Weighted average number of shares

T_021

DATE	Number of days	Transaction	Change	Total shares	Total shares (time-weighted)
October 1, 2013	92	–	–	17,700,000	17,700,000
December 31, 2013		–	–	17,700,000	17,700,000
October 1, 2014	92	–	–	20,723,256	20,723,256
December 31, 2014		–	–	20,723,256	20,723,256

The earnings per share for the three months ended December 31, 2014 and 2013 were as follows:

Earnings per share

T_022

	Three months ended Dec 31,	
	2014	2013
Profit / (loss) attributable to shareholders of the parent (in € thousands)	7,689	2,177
Weighted average number of shares	20,723,256	17,700,000
Earnings per share (in €)	0.37	0.12

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.

6 Property, plant and equipment

Property, plant and equipment as of December 31, 2014 amounted to €119,748 thousand (Sept 30, 2014: 119,642 thousand). Additions to property, plant and equipment in the first quarter of fiscal 2015 amounted to €6,454 thousand (Q1 FY2014: €6,653 thousand). The increase against the comparative period is mainly due to increased assets under construction. The total assets under construction as of December 31, 2014 amounted to €16,507 thousand (Sept 30, 2014: €12,903 thousand). The significantly higher assets under construction are the result of the capacity expansions of our Chinese plant, the powder paint equipment at our Korean plant and gas spring capacity expansion projects.

Disposals occurred only in the ordinary course of business. The net value of disposed property, plant and equipment in the first quarter of fiscal 2015 amounted to €41 thousand (Q1 FY2014: €9 thousand).

The Group did not recognize any impairment losses or reversals of impairment losses in the reporting period.

7 Other intangible assets

Other intangible assets as of December 31, 2014 amounted to €169,811 thousand (Sept 30, 2014: €170,971 thousand). Additions to intangible assets in the first quarter of fiscal 2015 amount to €3,571 thousand (Q1 FY2014: €3,313 thousand) and comprise mainly internally generated developments. Significant disposals have not been recognized.

In the first quarter of fiscal 2015, costs of €3,539 thousand (Q1 FY2014: €3,284 thousand) were capitalized for development projects that were incurred in the product and material development areas. Amortization expenses on development costs include impairment losses of €29 thousand (Q1 FY2014: €128 thousand) due to withdrawal of customers from the respective projects. The impairment loss is included in the research and development expenses.

The borrowing costs capitalized in the first quarter of fiscal 2015 amounted to €153 thousand (Q1 FY2014: €209 thousand).

8 Other financial assets

Other financial assets

T_023

IN € THOUSANDS	Dec 31, 2014			Sept 30, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Derivative instruments	16,746	–	16,746	15,422	–	15,422
Other miscellaneous	9,627	–	9,627	2,882	–	2,882
Other financial assets	26,373	–	26,373	18,304	–	18,304

Derivative instruments

Derivative financial instruments comprise fair values of early redemption options embedded in the indenture which was concluded on June 7, 2013. The increase in fair value of these embedded derivatives in the first quarter of fiscal 2015 amounting to €1,325 thousand is included in the Group's income statement as finance income. See also Note 3. In case of a certain premature refinancing of senior secured notes in June 2015, the fair value of early redemption options as of December 31, 2014 would have been €10,760 thousand.

Other miscellaneous

Other miscellaneous financial assets comprise assets relating from the sale of receivables program that was started in March 2014 and capitalized transaction costs of €4,500 thousand incurred by the new €320 million financing agreements which Stabilus signed on December 19, 2014.

9 Other assets

Other assets

T_024

IN € THOUSANDS	Dec 31, 2014			Sept 30, 2014		
	Current	Non-current	Total	Current	Non-current	Total
VAT	3,860	–	3,860	2,643	–	2,643
Prepayments	1,280	102	1,382	1,175	158	1,333
Deferred charges	3,394	–	3,394	2,679	–	2,679
Other miscellaneous	2,185	883	3,068	2,475	944	3,419
Other assets	10,719	985	11,704	8,972	1,102	10,074

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

10 Inventories

Inventories

T_025

IN € THOUSANDS	Dec 31, 2014	Sept 30, 2014
Raw materials and supplies	26,957	24,519
Finished products	11,870	10,455
Work in progress	9,397	8,639
Merchandise	6,057	5,927
Inventories	54,281	49,540

11 Equity

The development of the group's equity is presented in the statement of changes in equity.

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 directly in equity as well as the income tax recognized directly in equity:

Other comprehensive income / (expense)

T_026

IN € THOUSANDS	Three months ended Dec 31, 2014				
	Before tax	Tax (expense) benefit	Net of tax	Non-controlling interest	Total
Unrealized gains / (losses) from foreign currency translation	(4,855)	–	(4,856)	–	(4,856)
Unrealized actuarial gains / (losses)	(3,419)	1,026	(2,393)	–	(2,393)
Other comprehensive income / (expense) for the period	(8,275)	1,026	(7,249)	–	(7,249)

IN € THOUSANDS	Three months ended Dec 31, 2013				
	Before tax	Tax (expense) benefit	Net of tax	Non-controlling interest	Total
Unrealized gains / (losses) from foreign currency translation	3,513	–	3,513	–	3,513
Unrealized actuarial gains / (losses)	(20)	6	(14)	–	(14)
Other comprehensive income / (expense) for the period	3,493	6	3,499	–	3,499

12 Financial liabilities

The financial liabilities comprise the following items:

Financial liabilities

T_027

IN € THOUSANDS	Dec 31, 2014			Sept 30, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Notes	827	256,532	257,359	5,789	256,556	262,345
Financial liabilities	827	256,532	257,359	5,789	256,556	262,345

Super senior revolving credit facility

As of September 30, 2014 and December 31, 2014 the Group had no liability under the committed €25.0 million revolving credit facility.

Senior secured notes

The senior secured notes have a principal amount of €256,532 thousand and are measured at amortized cost under consideration of transaction costs and embedded derivatives. The interest on the notes is payable semi-annually in arrears in June and December. The current portion of the financial liability reflects the accrued interest at the balance sheet date.

13 Other financial liabilities

Other financial liabilities

T_028

IN € THOUSANDS	Dec 31, 2014			Sept 30, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities to employees	3,965	–	3,965	4,120	–	4,120
Social security contribution	2,141	–	2,141	1,701	–	1,701
Finance lease obligation	188	919	1,107	536	960	1,496
Liabilities to related parties	3	–	3	3	–	3
Other financial liabilities	6,297	919	7,216	6,360	960	7,320

14 Provisions

Provisions

T_029

IN € THOUSANDS	Dec 31, 2014			Sept 30, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Anniversary benefits	–	237	237	–	295	295
Early retirement contracts	–	2,887	2,887	–	3,372	3,372
Employee-related costs	5,415	–	5,415	3,575	–	3,575
Environmental protection	659	–	659	730	–	730
Other risks	738	–	738	578	–	578
Legal and litigation costs	127	–	127	135	–	135
Warranties	3,460	–	3,460	2,338	–	2,338
Other miscellaneous	809	409	1,218	1,195	393	1,588
Provisions	11,208	3,533	14,741	8,551	4,060	12,611

The provision for employee related costs increased in the first quarter of fiscal 2015 by €1,840 thousand to €5,415 thousand essentially due to a higher bonus provision. The warranty provision increased in the first quarter of fiscal 2015 by €1,122 thousand from €2,338 thousand as of September 30, 2014 to €3,460 thousand as of December 31, 2014 partially due to higher sales and partially due to potential new warranty cases.

15 Other liabilities

The Group's other liabilities mature within a year. Accordingly, they are disclosed as current liabilities. The following table sets out a breakdown of Group's other liabilities:

Other current liabilities

T_030

IN € THOUSANDS	Dec 31, 2014	Sept 30, 2014
Advanced payments received	451	456
Vacation expenses	1,629	2,169
Other personnel-related expenses	3,955	5,463
Outstanding costs	7,921	2,764
Miscellaneous	262	127
Other current liabilities	14,218	10,979

The liability for other personnel related expenses decreased by €1,508 thousand from €5,463 thousand as of September 30, 2014 to €3,955 thousand as of December 31, 2014 essentially caused by payments of Christmas allowances in Germany, partially offset by higher liability for restructuring costs related to the adjustment of the Koblenz site's management structure and the shifting of production capacity between Stabilus plants. The liability for outstanding costs increased from €2,764 thousand as of September 30, 2014 to €7,921 thousand as of December 31, 2014 as a consequence of transaction costs incurred during the conclusion of new refinancing contracts on December 19, 2014.

16 Contingent liabilities and other financial commitments

Contingent liabilities

Contingent liabilities are possible obligations depending on whether some uncertain future event occurs. If the outcome is probable and estimable, the liability is shown in the statement of financial position.

Guarantees

A detailed description of the guarantees the Group issued can be found in the 2014 Annual Report.

Other financial commitments

The nominal values of the other financial commitments as of December 31, 2014 are as follows:

Other financial commitments

	T_031	
IN € THOUSANDS	Dec 31, 2014	Sept 30, 2014
Capital commitments for fixed and other intangible assets	7,365	5,143
Obligations under rental and leasing agreements	16,681	15,827
Total	24,046	20,970

17 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_032

IN € THOUSANDS	Measurement category acc. to IAS 39	Dec 31, 2014		Sept 30, 2014	
		Carrying amount	Fair value	Carrying amount	Fair value
Trade accounts receivables	LaR	54,345	54,345	56,497	56,497
Cash and cash equivalents	LaR	23,027	23,027	33,494	33,494
Derivative instruments	FAFV	16,746	16,746	15,422	15,422
Other miscellaneous	LaR	9,627	9,627	2,882	2,882
Other financial assets	LaR / FAFV	26,373	26,373	18,304	18,304
Total financial assets		103,745	103,745	108,295	108,295
Financial liabilities	FLAC	257,359	273,437	262,345	273,437
Trade accounts payable	FLAC	49,337	49,337	53,724	53,724
Finance lease liabilities	–	1,107	1,154	1,496	1,521
Liabilities to related parties	FLAC	3	3	3	3
Other financial liabilities	FLAC / –	1,110	1,157	1,499	1,524
Total financial liabilities		307,806	323,931	317,568	328,685
Aggregated according to categories in IAS 39:					
Loans and receivables (LaR)		86,999	86,999	92,873	92,873
Financial assets at fair value through profit and loss (FAFV)		16,746	16,746	15,422	15,422
Financial liabilities measured at amortized cost (FLAC)		306,699	322,777	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).

Fair value hierarchy of financial instruments

T_033

		Dec 31, 2014			
IN € THOUSANDS		Total	Level 1 ¹⁾	Level 2 ²⁾	Level 3 ³⁾
Financial assets					
Derivative instruments		16,746	–	16,746	–
Financial liabilities					
Senior secured notes		273,437	273,437	–	–
Finance lease liabilities		1,154	–	–	1,154

		Sept 30, 2014			
IN € THOUSANDS		Total	Level 1 ¹⁾	Level 2 ²⁾	Level 3 ³⁾
Financial assets					
Derivative instruments		15,422	–	15,422	–
Financial liabilities					
Senior secured notes		273,437	273,437	–	–
Finance lease liabilities		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:

- 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 unquoted instruments, i.e. the upstream shareholder loan, the equity upside-sharing instruments (EUSIs) and 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.

18 Risk reporting

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements as of and for the fiscal year ended September 30, 2014.

19 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 in the first quarter of fiscal 2015 amounting to €(9,978) thousand (Q1 FY2014: €(12,797) thousand) are taken into account in the cash outflows from financing activities. Income tax payments in the same period of €(1,844) thousand (Q1 FY2014: €(3,877) thousand) are allocated in full to the operating activities area, since allocation to individual business areas is impracticable.

20 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 the rest of world (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 EBITDA". Adjusted EBITDA represents EBITDA (i.e. earnings before interest, taxes, depreciation and amortization), as adjusted by management primarily in relation to severance, consulting, restructuring, one-time legal disputes, other non-recurring costs as well as interest on pension charges.

Segment information for the three months ended December 31, 2014 and 2013 is as follows:

Segment reporting

T_034

	Europe		NAFTA		Asia / Pacific and RoW	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2014	2013	2014	2013	2014	2013
External revenue ¹⁾	67,983	59,158	49,529	40,786	17,626	16,215
Intersegment revenue ¹⁾	8,665	7,814	502	545	63	10
Total revenue ¹⁾	76,648	66,972	50,031	41,331	17,689	16,225
EBITDA	10,349	8,915	6,958	4,689	3,663	3,058
Depreciation and amortization	(5,060)	(4,446)	(1,656)	(1,507)	(691)	(422)
Adjusted EBITDA	11,836	10,279	7,134	4,761	3,663	3,459
	Total segments		Other / Consolidation		Stabilus Group	
	Three months ended Dec 31,		Three months ended Dec 31,		Three months ended Dec 31,	
IN € THOUSANDS	2014	2013	2014	2013	2014	2013
External revenue ¹⁾	135,138	116,159	-	-	135,138	116,159
Intersegment revenue ¹⁾	9,230	8,369	(9,230)	(8,369)	-	-
Total revenue ¹⁾	144,368	124,528	(9,230)	(8,369)	135,138	116,159
EBITDA	20,970	16,662	-	-	20,970	16,662
Depreciation and amortization	(7,407)	(6,375)	(3,122)	(3,088)	(10,529)	(9,462)
Adjusted EBITDA	22,633	18,499	-	-	22,633	18,499

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

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_035

IN € THOUSANDS	Three months ended Dec 31,	
	2014	2013
Total segments' profit (adjusted EBITDA)	22,633	18,499
Other / consolidation	–	–
Group adjusted EBITDA	22,633	18,499
Adjustments to EBITDA	(2,663)	(1,837)
EBITDA	19,970	16,662
Depreciation and amortization	(10,529)	(9,462)
Profit from operating activities (EBIT)	9,441	7,200
Finance income	5,986	3,851
Finance costs	(5,120)	(8,089)
Profit / (loss) before income tax	10,307	2,962

The adjustments to EBITDA include launch / startup and reorganization related advisory expenses and pension interest.

21 Share-based payment

The variable compensation for the members of the Management Board includes a matching stock program. The matching stock program provides for four annual tranches granted each year during the fiscal year ending September 30, 2014 until September 17, 2017. Participation in the matching stock program requires Management Board members to invest in shares of the Company. The investment has generally to be held for the lock-up period as specified below.

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 annually which will be in a range between 1.0 time and 1.7 times for the outlined time-frame. Thus, if a Management Board member was buying 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 annually which will be in a range between 0.0 times and 0.3 times for the outlined time-

frame. Thus, if a Management Board member was holding 10,000 shares under the MSP in the Company, he would receive 0 to 3,000 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 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.

Share-based payments comprise cash-settled liability awards. Liability awards are measured at fair value at each balance sheet date until settlement and are classified as provisions. The expense of the period comprises the addition to and/or the reversal of the provision between two balance sheet dates and the dividend equivalent paid during the period, and is included in the functional costs.

In the reported period stock options of an amount of 20 thousand have been granted according to this program. The options have a fair value of ca. €0.1 million as of December 31, 2014.

22 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 the scope of consolidation.

The disclosure obligations under IAS 24 furthermore extend to transactions with persons who can exercise 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.

Related parties of the Stabilus Group in accordance with IAS 24 primarily comprise Servus Group HoldCo II and Stabilus Group management.

As of September 30, 2014 and December 31, 2014 the Group had a liability to Servus II (Gibraltar) Limited amounting to €3 thousand.

23 Subsequent events

As of February 15, 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 December 31, 2014.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the corporation, and the interim management report of the corporation includes a fair review of the development and performance of the business and the position of the corporation, together with a description of the principal opportunities and risks associated with the expected development of the corporation for the remaining months of the fiscal year.

Luxembourg, February 13, 2015



Dietmar Siemssen
Management Board



Mark Wilhelms



Bernd-Dietrich Bockamp



Andreas Schröder

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

Financial calendar

T_036

DATE ¹⁾²⁾	PUBLICATION / EVENT
February 16, 2015	Publication of the first-quarter results for fiscal year 2015 (Interim Report Q1 FY 2015)
February 18, 2015	Annual General Meeting 2015
May 15, 2015	Publication of the second-quarter results for fiscal year 2015 (Interim Report Q2 FY 2015)
August 17, 2015	Publication of the third-quarter results for fiscal year 2015 (Interim Report Q3 FY 2015)
December 15, 2015	Publication of full year results for fiscal year 2015 (Annual Report 2015)

¹⁾ We cannot rule out changes of dates. We recommend checking them regularly 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 ending September 30, 2015.

DISCLAIMER

Forward-looking statements

This interim report contains forward-looking statements that relate to the current plans, objectives, forecasts and estimates of the management of Stabilus S.A. These statements only take into account information that was available up and including the date that this interim 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 group management report. However, other factors could also have an adverse effect on our business performance and results. The Stabilus S.A. neither intends 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 interim report.

Rounding

Certain numbers in this interim 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 interim report. All percentage changes and key figures in the group management report were calculated using the underlying data in millions of euros (€ millions).

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.

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