STABILUS

Interim Report

Servus HoldCo S.à r.l., Luxembourg
Third Quarter and First Nine Months of Fiscal 2013

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Key Figures

in € millions	Three months ended June 30, 2013	2012	% change	Nine months ended June 30, 2013	2012	% change
Revenue	120.7	113.6	6.3%	340.1	336.2	1.2%
Revenue growth in %	6.3%			1.2%		
EBITDA	21.4	18.5	15.7%	54.5	55.7	(2.2)%
EBITDA as % of revenue	17.7%	16.3%		16.0%	16.6%	
Adjusted EBITDA	22.6	21.5	5.1%	62.1	63.3	(1.9)%
Adjusted EBITDA as % of revenue	18.7%	18.9%		18.3%	18.8%	
Capital expenditure	(11.0)	(6.7)	64.2%	(24.6)	(17.6)	39.8%
Capital expenditure as % of revenue	9.1%	5.9%		7.2%	5.2%	
Adjusted operating cash flow before tax	10.7	18.3	(41.5)%	22.2	33.3	(33.3)%
Adj. op.cash flow conversion as % of adjusted EBITDA	47.3%	85.1%		35.7%	52.6%	
Free cash flow	8.4	14.4	(41.7)%	2.6	21.6	(88.0)%
Free cash flow as % of adj. EBITDA	37.2%	67.0%		4.2%	34.1%	

Definitions of non-IFRS key figures

Adjusted operating cash flow before tax 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”.

Free cash flow comprises IFRS cash flow statement items “cash flow from operating activities2, “cash flow from investing activities” and “payments for interest” (net interest payments).

Interim Group Management Report
for the three and nine months ended June 30, 2013

Results of operations

The table below sets out our consolidated results for the three months and nine months ended June 30, 2013 and 2012:

in € millions	Three months ended June 30, 2013	2012	% change	Nine months ended June 30, 2013	2012	% change
Revenue	120.7	113.6	6.3%	340.1	336.2	1.2%
Cost of sales	(93.3)	(88.6)	5.3%	(261.4)	(255.8)	2.2%
Gross profit	**27.4**	**25.0**	**9.6%**	**78.7**	**80.4**	**(2.1)%**
Research and development expenses	(4.1)	(3.7)	10.8%	(12.4)	(10.6)	17.0%
Selling expenses	(7.0)	(7.1)	(1.4)%	(26.9)	(26.8)	0.4%
Administrative expenses	(5.3)	(7.1)	(25.4)%	(15.9)	(19.4)	(18.0)%
Other income	1.7	2.0	(15.0)%	4.1	5.1	(19.6)%
Other expenses	(1.2)	(0.8)	50.0%	(2.8)	(2.7)	3.7%
Profit from operating activities (EBIT)	**11.5**	**8.3**	**38.6%**	**24.8**	**26.0**	**(4.6)%**
Finance income	0.1	1.7	(94.1)%	0.7	4.9	(85.7)%
Finance costs	(43.7)	(3.8)	>100.0%	(78.1)	(14.6)	>100.0%
Profit / (loss) before income tax	**(32.1)**	**6.2**	**<(100.0)%**	**(52.6)**	**16.3**	**<(100.0)%**
Income tax income/ (expense)	(1.3)	1.0	<(100.0)%	(3.9)	(1.5)	>100.0%
Profit for the period	**(33.4)**	**7.2**	**<(100.0)%**	**(56.5)**	**14.8**	**<(100.0)%**

Revenue

Total revenue in the three months ended June 30, 2013 increased by 6.3% compared to the three months ended June 30, 2012. The increase is mainly due to our growing Powerise segment, which saw its revenue double from €7.4 million in the third quarter of fiscal 2012 to €14.9 million in the third quarter of fiscal 2013.

During the nine months ended June 30, 2013 the total revenue increased by 1.2%, compared to the nine months ended June 30, 2012. While our nine-month revenue in the swivel chair and automotive gas spring segments decreased by 11.4% in 2013 and 6.5% in 2012, the revenue in our automotive Powerise segment grew by 86.8% in 2013 or €17.7 million as compared to the same period in 2012. The increase in the Powerise segment is mainly the result of new OEM platform wins and the following start of new Powerise variants. The decrease in the automotive gas spring is mainly driven by the difficult economic environment and stagnating vehicle sales in Europe. Sales in the industrial segment remain stable at €101.2 million in the nine months ended June 30, 2013, compared to €99.9 million in the nine months ended June 30, 2012.

Cost of sales and overhead expenses

Our **cost of sales** in the three and nine months ended June 30, 2013 increased by 5.3% and 2.2% respectively, compared to the three and nine months ended June 30, 2012. The increase is mainly due to increased total revenue. While cost of sales increased in 2013, the actual cost of sales for the first nine months ended June 30, 2013 as a percentage of revenue remained relatively stable at 76.8%, as compared to 76.1% for the nine months ended June 30, 2012.

R&D expenses in the three and nine months ended June 30, 2013 increased by 10.8% and 17.0% respectively, as compared to the three and nine months ended June 30, 2012. In addition, R&D

expenses, expressed as a percentage of revenue, increased from 3.2% in the first nine months of fiscal 2012 to 3.6% in the first nine months of fiscal 2013. The increases are mainly due to the higher personnel expenses included in the R&D function costs, which resulted from the reclassification of costs for a number of application managers from the selling to the R&D expenses.

Selling expenses remained stable with €(7.0) million and €(7.1) million in the three months ended June 30, 2013 and 2012, respectively, and with €(26.9) million and €(26.8) million in the nine months ended June 30, 2013 and 2012, respectively. In addition, selling expenses in the first nine months of fiscal 2013, expressed as a percentage of revenue, remained essentially unchanged at roughly 8.0%. The reduction in personnel expenses, resulting from the reclassification of a number of application managers from selling to R&D expenses was partially offset by the unrelated changes in cross charges between various functions.

Administrative expenses decreased significantly, both quarter-on-quarter and year-on-year. The administrative expenses in the nine months ended June 30, 2013 amounted to €(15.9) million, down (18.0)% from the comparative period's amount of €(19.4) million. As percentage of revenue, administrative expenses of the first three quarters decreased from 5.8% to 4.7%. In addition, the on-going mezzanine litigation was settled during this period, which substantially reduced the amount of legal fees incurred during the first nine months of fiscal 2013, as compared to the first nine months of fiscal 2012. This essentially explains the absolute as well as the relative improvement, i. e. the decrease of administrative expenses.

Other income and expense

Other income decreased from €5.1 million in the nine months ended June 30, 2013 by €1.0 million to €4.1 million in the nine months ended June 30, 2013. This decrease by (19.6)% is mainly the result of less beneficial foreign currency fluctuations.

Other expense increased by 3.7% from €(2.7) million in the nine months of fiscal 2012 to €(2.8) million in the corresponding nine months of 2013. This income statement line item comprises mainly the foreign currency translation losses.

Finance income and costs

Finance income decreased from €4.9 million in the nine months ended June 30, 2013 by €4.2 million to €0.7 million in the nine months ended June 30, 2012. This decrease is primarily due to the decreased net foreign exchange gains on financial assets and liabilities.

Finance costs increased significantly in the three and nine months ended June 30, 2013 compared to the respective prior year period, and such increase was primarily attributable to the increased carrying amounts of equity upside-sharing instruments (EUSIs) due to their repayment as part of the Group refinancing in June 2013. The largest part of this increase represents non-cash expense. Net interest payments in the first nine months of fiscal 2013 amounted to €(8.8) million.

Finance costs in the three months ended June 30, 2013 amounted to €(43.7) million, representing the the loss from the ETL PPL valuation of (€34.2) million, the €(8.9) million impairment of the upstream shareholder loan and €(4.1) million mezzanine prepayment fee, which was partially offset by the gain resulting from lower EUSIs' valuation to €1.6 million after a €12 million partial repayment on EUSIs in June 2013. More details in regards to the finance income and costs incurred in the reporting period can be found in note 3 to the Condensed Interim Consolidated Financial Statements as of and for the three and nine months ended June 30, 2013 presented below.

Income tax expense

Income tax expense increased from €(1.5) million in the nine months ended June 30, 2012 to €(3.9) million in the nine months ended June 30, 2013, and the increase was primarily attributable to the development of taxable profit in the period and the deferred taxes amount.

EBITDA and adjusted EBITDA

The table below sets out a reconciliation of EBIT to EBITDA and adjusted EBITDA for the three and nine months ended June 30, 2013 and 2012:

	Three months ended June 30,			Nine months ended June 30,		
in € millions	2013	2012	% change	2013	2012	% change
Profit from operating activities (EBIT)	**11.5**	**8.3**	**38.6%**	**24.8**	**26.0**	**(4.6)%**
Depreciation	5.4	5.6	(3.6)%	16.4	16.3	0.6%
Amortization	4.5	4.7	(4.3)%	13.3	13.4	(0.7)%
EBITDA	**21.4**	**18.5**	**15.7%**	**54.5**	**55.7**	**(2.2)%**
Litigation	0.6	2.4	(75.0)%	2.9	6.2	(53.2)%
Restructuring	0.2	-	n/a	3.0	-	n/a
Ramp-up	-	-	n/a	0.6	-	n/a
Pension interest add back	0.3	0.5	(40.0)%	1.0	1.4	(28.6)%
Total adjustments	1.1	2.9	(62.1)%	7.5	7.6	(1.3)%
Adjusted EBITDA	**22.6**	**21.5**	**5.1%**	**62.1**	**63.3**	**(1.9)%**

Adjusted EBITDA decreased from €63.3 million in the nine months ended June 30, 2012 as compared to €62.1 million for the nine months ended June 30, 2013. The decrease in adjusted EBITDA was a result of the factors described above.

Financial position

in € millions	June 30, 2013	Sept 30, 2012	change	% change
Assets				
Total non-current assets	420.6	361.4	59.2	16.4%
Total current assets	147.1	169.2	(22.1)	(13.1)%
Total assets	**567.7**	**530.6**	**37.1**	**7.0%**
Equity and liabilities				
Total equity	83.0	57.4	25.6	44.6%
Total non-current liabilities	405.4	390.7	14.7	3.8%
Total current liabilities	79.3	82.5	(3.2)	(3.9)%
Total liabilities	484.7	473.2	11.5	2.4%
Total equity and liabilities	**567.7**	**530.6**	**37.1**	**7.0%**

The Group's **balance sheet total** increased by 7.0% to €567.7 million (September 30, 2012: €530.6 million). The increase in total assets is primarily due to the 16.4% increased **non-current assets** and in particular to the upstream shareholder loan the Group provided in June 2013. On the other, i. e. equity and liability, side of the balance sheet, the higher total is primarily due to the increase of the Group's equity by 44.6%.

Current assets decreased by (13.1)% or €(22.1) million. The decrease resulted in large part from a lower cash balance, as compared to September 30, 2012. The Group used €30 million cash, together with proceeds from the issuance of senior secured notes, to redeem the existing long-term debt.

The Group's **equity** increased as compared to September 30, 2012 from €57.4 million to €83.0 million mainly as a consequence of shareholder equity contributions in June 2013. The shareholder's equity contribution of €80 million was partly offset by losses from the amended valuation of profit participating loans (PPLs). Consistent with the equity increase, the **equity ratio** improved from 10.8% as of September 30, 2012 to 14.6% as of June 30, 2013.

Total liabilities increased by €11.5 million or 2.4%, primarily as a result of increased non-current financial liabilities. In connection with the Group's refinancing in June 2013, the existing senior, mezzanine and shareholder loans, as well as part of the profit participating loans, were redeemed using the proceeds from the issuance of new senior secured notes and the cash on hand. The **non-current financial liabilities** as of June 30, 2013 amounted to €305.0 million, up to €19.5 million from the September 30, 2012 amount of €285.5 million. For further details, see note 8 to Condensed Interim Consolidated Financial Statements below.

Liquidity

Our primary sources of liquidity are cash flows from operating and financing activities. Going forward our capital expenditure and debt service will be covered by operating cash flow.

in € millions	Nine months ended June 30, 2013	2012	change	% change
Cash flows from operating activities	35.9	42.4	(6.5)	(15.3)%
Cash flows from investing activities	(24.5)	(17.7)	(6.8)	38.4%
Cash flows from financing activities	(39.4)	(3.4)	(36.0)	>100.0%
Net increase in cash and cash equivalents	**(28.0)**	**21.3**	**(49.3)**	**<(100.0)%**
Changes in foreign currency	(0.3)	0.9	(1.2)	<(100.0)%
Cash as of beginning of the period	41.6	26.5	15.1	57.0%
Cash as of end of the period	**13.3**	**48.7**	**(35.4)**	**(72.7)%**

Cash flow from operating activities decreased from €42.4 million in the first nine months of fiscal 2012 to €35.9 million in the first nine months of fiscal 2013 mainly due to higher payments on accrued liabilities (changes in provisions) and higher income tax payments.

Cash flow from investing activities decreased by €(6.8) million from €(17.7) million in the nine months ended June 30, 2012 to €(24.5) million in the nine months ended June 30, 2013. This decrease is due to €(6.7) million higher capital expenditures, such as purchases of property, plant and equipment, related mainly to our expansions of the plant in China and of the Powerise product group at our Romanian and Mexican production facilities. The expansion of the plant in China will improve the Group's regional footprint and takes advantage of the growth prospects for gas springs in China.

Cash flow from financing activities decreased by €(36.0) million in the first nine months ended June 30, 2013, compared to the first nine months of the prior fiscal year. This is mainly the result of the bond issuance related payments and receipts, including the Group's €(36.0) million payment to the shareholder in June 2013. For further details in regards to the upstream shareholder loan please refer to note 4 to the Condensed Interim Consolidated Financial Statements below.

As a result of the aforementioned changes to cash flows from operating and investing activities and with roughly unchanged adjustments to EBITDA, **adjusted operating cash flow before tax** decreased from €33.3 million in the nine months ended June 30, 2012 to €22.2 million in the nine months ended June 30, 2013. 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.

in € millions	Nine months ended June 30, 2013	2012	change	% change
Cash flows from operating activities	35.9	42.4	(6.5)	(15.3)%
Cash flows from investing activities	(24.5)	(17.7)	(6.8)	38.4%
Excl. changes in restricted cash	(2.7)	(2.2)	(0.5)	22.7%
Excl. income tax payments	6.0	3.2	2.8	87.5%
Operating cash flow before tax	**14.7**	**25.7**	**(11.0)**	**(42.8)%**
Adjustments to EBITDA	7.5	7.6	(0.1)	(1.3)%
Adjusted operating cash flow before tax	**22.2**	**33.3**	**(11.1)**	**(33.3)%**

Consequently, **free cash flow** decreased by €(19.0) million in the first nine months of fiscal 2013 compared to the first nine months of fiscal 2012. The following table sets out the composition of the non-IFRS figure free cash flow.

in € millions	Nine months ended June 30, 2013	2012	change	% change
Cash flows from operating activities	35.9	42.4	(6.5)	(15.3)%
Cash flows from investing activities	(24.5)	(17.7)	(6.8)	38.4%
Payments for interest	(8.8)	(3.1)	(5.7)	>100.0%
Free cash flow	**2.6**	**21.6**	**(19.0)**	**(88.0)%**

Risks and opportunities

We refer to the risk related disclosures in the audited consolidated financial statements, in particular in the group management report, as of and for the year ended September 30, 2012 as well as included in the offering memorandum for senior secured notes dated June 7, 2013.

Outlook

The economic situation at the beginning of the fourth quarter features uncertainty. IHS has reduced its annual global light vehicle production forecast for 2013 from 84.2 million to 83.1 million vehicles. This shortfall of more than 1 million light vehicles relates mainly to Europe while the outlook for Asia and NAFTA is rather stable and slightly more positive.

Lower revenue from the automotive gas spring and swivel chair segments is being partly offset by growing revenue from our Powerise business. The Group's current sales forecast for fiscal 2013 amounts to €460 million, 3.7% above the prior year's revenue of 443.5 million.

Condensed Interim Consolidated Financial Statements (unaudited)

Consolidated Statement of Comprehensive Income
for the three and nine months ended June 30, 2013 and 2012 (unaudited)

in € thousands	Note	Three months ended June 30, 2013	Three months ended June 30, 2012	Nine months ended June 30, 2013	Nine months ended June 30, 2012
Revenue	2	120,715	113,646	340,111	336,197
Cost of sales		(93,293)	(88,619)	(261,350)	(255,751)
Gross profit		**27,422**	**25,027**	**78,761**	**80,446**
Research and development expenses		(4,138)	(3,698)	(12,412)	(10,619)
Selling expenses		(7,022)	(7,092)	(26,918)	(26,843)
Administrative expenses		(5,254)	(7,134)	(15,934)	(19,435)
Other income		1,706	1,974	4,057	5,075
Other expenses		(1,214)	(757)	(2,759)	(2,624)
Profit from operating activities		**11,500**	**8,320**	**24,795**	**26,000**
Finance income	3	113	1,748	704	4,931
Finance costs	3	(43,650)	(3,822)	(78,077)	(14,597)
Profit/ (loss) before income tax		**(32,037)**	**6,246**	**(52,578)**	**16,334**
Income tax income/ (expense)		(1,270)	1,028	(3,883)	(1,528)
Profit/ (loss) for the period		**(33,307)**	**7,274**	**(56,461)**	**14,806**
Other comprehensive income/ (expense)					
Foreign curreny translation difference [1]		(2,520)	(3,628)	2,199	(3,156)
Other comprehensive income/ (expense) for the period		**(2,520)**	**(3,628)**	**2,199**	**(3,156)**
Total comprehensive income/ (expense) for the period		**(35,827)**	**3,646**	**(54,262)**	**11,650**
Profit/ (loss) for the period attributabe to:					
Equity holders of the parent		(33,208)	7,268	(56,388)	14,793
Non-controlling interests		(99)	6	(73)	13
Profit/ (loss) for the period		**(33,307)**	**7,274**	**(56,461)**	**14,806**
Total comprehensive income/ (expense) for the period attributabe to:					
Equity holders of the parent		(35,728)	3,640	(54,189)	11,637
Non-controlling interests		(99)	6	(73)	13
Total comprehensive income/ (expense) for the period		**(35,827)**	**3,646**	**(54,262)**	**11,650**

[1] Could be reclassified ('recycled') to profit and loss at future point in time w hen specific conditions are met.

The accompanying notes form an integral part of the financial statements.

STABILUS

Consolidated Statement of Financial Position
as of June 30, 2013 (unaudited) and September 30, 2012

in € thousands	Note	June 30, 2013	Sept 30, 2012
Assets			
Property, plant and equipment	4	115,407	120,115
Goodwill		51,458	51,458
Other intangible assets	4	176,720	180,907
Other non-current financial assets	4	71,124	2,679
Other non-current assets		1,098	1,170
Deferred tax assets		4,789	5,061
Total non-current assets		**420,596**	**361,390**
Inventories	5	48,588	49,974
Trade accounts receivable		66,412	58,950
Current tax assets		5,508	3,567
Other current assets	6	13,170	15,046
Cash		13,423	41,638
Total current assets		**147,101**	**169,175**
Total assets		**567,697**	**530,565**
Equity and liabilities			
Issued capital		5,013	5,013
Additional paid-in capital	7	110,414	30,550
Retained earnings		(35,799)	20,588
Other comprehensive income		3,098	899
Equity attributable to equity holders of the company		**82,726**	**57,050**
Non-controlling interests		246	319
Total equity		**82,972**	**57,369**
Non-current financial liabilities	8	305,003	285,466
Other non-current financial liabilities	9	1,699	2,342
Provisions	10	7,916	10,406
Pension plans and similar obligations		35,924	35,731
Deferred tax liabilities		54,844	56,803
Total non-current liabilities		**405,386**	**390,748**
Trade accounts payable		38,505	42,898
Other current financial liabilities	11	13,812	7,396
Current tax liabilities		824	560
Provisions	12	15,016	17,565
Other current liabilities		11,182	14,029
Total current liabilities		**79,339**	**82,448**
Total liabilities		**484,725**	**473,196**
Total equity and liabilities		**567,697**	**530,565**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
for the nine months ended June 30, 2013 (unaudited)

in € thousands	Note	Issued capital	Additional paid-in capital	Retained earnings	Other compre-hensive income	Equity attribu-table to equity holders of the company	Non-control-ling interest	Total Equity
Statement of financial position as of September 30, 2011 (as previously reported)		**5,013**	**30,850**	**12,246**	**2,681**	**50,790**	**273**	**51,063**
Total comprehensive income for the period:								
Profit for the period				14,793		14,793	13	14,806
Total other comprehensive income					(3,156)	(3,156)		(3,156)
Total comprehensive income for the period		-	-	14,793	(3,156)	11,637	13	11,650
Transactions with owners of the company, recognised directly in equity:								
Dividends			(300)			(300)		(300)
Statement of financial position as of June 30, 2012		**5,013**	**30,550**	**27,039**	**(475)**	**62,127**	**286**	**62,413**
Statement of financial position as of September 30, 2012 (as previously reported)		**5,013**	**30,550**	**20,588**	**899**	**57,050**	**319**	**57,369**
Total comprehensive income for the period:								
Profit for the period				(56,387)		(56,387)	(73)	(56,460)
Total other comprehensive income					2,199	2,199		2,199
Total comprehensive income for the period		-	-	(56,387)	2,199	(54,188)	(73)	(54,261)
Transactions with owners of the company, recognised directly in equity:								
Contributions by and distributions to owners of the Company	7		80,014			80,014		80,014
Dividends	7		(150)			(150)		(150)
Statement of financial position as of June 30, 2013		**5,013**	**110,414**	**(35,799)**	**3,098**	**82,726**	**246**	**82,972**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows
for the nine months ended June 30, 2013 and 2012 (unaudited)

in € thousands	Note	Nine months ended June 30, 2013	2012
Profit/ (loss) for the period		(56,461)	14,806
Tax expense		3,882	1,528
Interest result		68,473	9,665
Impairments of financial assets		8,900	-
Depreciation and amortization		29,700	29,688
Other non-cash income and expenses		(1,241)	3,865
Changes in inventories		1,386	2,377
Changes in trade accounts receivables		(7,462)	(7,446)
Changes in trade accounts payables		(4,393)	(4,996)
Changes in other assets and liabilities		3,054	(2,585)
Changes in restricted cash		2,669	2,233
Changes in provisions		(4,846)	(212)
Changes in deferred tax assets and liabilities		(1,687)	(3,263)
Income tax payments	13	(6,046)	(3,244)
Cash flows from operating activities		**35,928**	**42,416**
Proceeds from disposal of property, plant and equipment		154	-
Purchase of intangible assets		(9,216)	(8,945)
Purchase of property, plant and equipment		(15,393)	(8,749)
Cash flows from investing activities		**(24,455)**	**(17,694)**
Receipts from issuance of senior secured notes		315,000	-
Payments for redemption of financial liabilities		(303,806)	-
Payments for upstream shareholder loan		(36,014)	-
Payments of transaction costs		(5,676)	-
Payments for dividend distributions		(150)	(300)
Payments for interest	13	(8,784)	(3,122)
Cash flows from financing activities		**(39,430)**	**(3,422)**
Net increase in cash and cash equivalents		**(27,957)**	**21,300**
Changes in foreign currency		(258)	862
Cash as of beginning of the period		41,638	26,536
Cash as of end of the period		**13,423**	**48,698**

The accompanying notes form an integral part of the financial statements.

Notes to Condensed Interim Consolidated Financial Statements

as of and for the three and nine months ended June 30, 2013 (unaudited)

1. General Information

Company Information

Servus HoldCo S.à r.l., Luxembourg (hereinafter also referred to as “Servus HoldCo”) is a private limited company. The company is entered in the Commercial Register of Luxembourg under No. B151589 and its registered office is located at 26-28, rue Edward Streichen, L-2540 Luxembourg. The company is ultimately controlled by a fund managed by Triton (Triton Fund III).

Servus HoldCo was founded on February 26, 2010. The business year is from October 1 to September 30 of the following year (twelve-month period). The Condensed Interim Consolidated Financial Statements of Servus HoldCo include Servus HoldCo 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. Overall, sales to car manufacturers account for more than 60% of the Group’s revenue; about 30% of the Group’s revenue is derived from sales to a large group of industrial customers. The remaining sales are to the furniture industry for swivel chair products.

Basis for Preparation

The accompanying Condensed Interim Consolidated Financial Statements present the operations of Servus HoldCo S.à r.l., Luxembourg, and its subsidiaries. The company has prepared these Condensed Interim Consolidated Financial Statements under going concern assumption.

The Condensed Interim Consolidated Financial Statements for the first nine months of fiscal year 2013 have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“Condensed Interim Consolidated Financial Statements”). 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 at and for the period ended September 30, 2012. These Interim Consolidated Financial Statements are condensed and do not include all information for full annual financial 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, 2012.

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 period ended September 30, 2012, except for the amendments to the measurement of Equity Upside-Sharing Instruments (EUSIs, i.e. profit participating loans including a mezzanine warrant instrument) and new standards and interpretations, which are applied for the first time in these Condensed Interim Consolidated Financial Statements, noted below:

Standard/ Interpretation		Effective date in business years from	Endorsement by EU Commission
Amendment to IAS 1	Presentation of Items of Other Comprehensive Income	01 July 2012	Yes

Stabilus Group analysed carefully the impact on its financial statements and came to the conclusion that the new standards or interpretations and changes to standards or interpretations do not have a material impact on the Condensed Interim Consolidated Financial Statements.

Amendment to the measurement of equity upside-sharing instruments (EUSIs)

The profit participating loans (PPLs) including a mezzanine warrant instrument are also referred to collectively as equity upside-sharing instruments (EUSIs). During the financial years 2010, 2011 and 2012 profit participating loans (PPLs) were designated into the fair value through profit and loss category. For this type of instruments IFRS requires a measurement at amortised cost. However, the carrying amounts recognised in the previous years were not materially different from the measurement at amortised cost.

Presentation

These Condensed Interim Consolidated Financial Statements as of and for the three and nine months ended June 30, 2013 comprise the Consolidated Interim Statement of Comprehensive Income for the three and nine months ended June 30, 2013 and 2012, the Consolidated Interim Statement of Financial Position as of June 30, 2013 and September 30, 2012 , the Consolidated Interim Statement of Changes in Equity for the nine months ended June 30, 2013 and 2012, the Consolidated Interim Statement of Cash Flows for the nine months ended June 30, 2013 and 2012 and the explanatory Notes to the Condensed Interim Consolidated Financial Statements. Stabilus Group has prepared and reported its Condensed Interim Consolidated Financial Statements 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 authorized for issuance by the Managing Board on August 22, 2013.

Management estimates and judgments

The preparation of Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Consolidated Condensed Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements as at and for the year ended September 30, 2012.

Mainly affected from judgments, estimates and assumptions are trade and other receivables, deferred tax assets and provisions.

2. Revenue

The Group’s revenue developed as follows:

	Three months ended June 30,		Nine months ended June 30,	
in € thousands	**2013**	**2012**	**2013**	**2012**
Automotive	78,169	72,603	219,367	214,319
Gas spring	63,256	65,230	181,296	193,937
Powerise	14,913	7,373	38,071	20,382
Industrial	36,079	34,609	101,223	99,928
Swivel chair	6,467	6,434	19,521	21,950
Total revenue	**120,715**	**113,646**	**340,111**	**336,197**

3. Finance income and costs

in € thousands	Three months ended June 30, 2013	2012	Nine months ended June 30, 2013	2012
Interest income on loans and financial receivables	21	76	144	284
Net foreign exchange gain	-	1,435	-	4,091
other interest income	92	237	560	556
Total finance income	**113**	**1,748**	**704**	**4,931**

in € thousands	Three months ended June 30, 2013	2012	Nine months ended June 30, 2013	2012
Interest expense on financial liabilities	(33,446)	(3,661)	(65,189)	(14,113)
Net foreign exchange loss	(1,145)	-	(3,544)	-
Interest expenses finance lease	(32)	(62)	(113)	(198)
Other interest expense	(127)	(99)	(331)	(286)
Total interest expense	**(34,750)**	**(3,822)**	**(69,177)**	**(14,597)**
Impairment loss on financial assets	(8,900)	-	(8,900)	-
Total finance costs	**(43,650)**	**(3,822)**	**(78,077)**	**(14,597)**

Interest expense on financial liabilities in the nine months of fiscal 2013 mainly includes non-cash interest expense of €(46.2) million resulting from the higher valuation of equity upside-sharing instruments (EUSIs) in connection with their partial repayment as part of Group's refinancing in June 2013 and a €(4.1) million mezzanine prepayment fee.

Interest expense on financial liabilities in the three months ended June 30, 2013 amounting to €(33.4) million mainly comprises expense/ loss from ETL PPL valuation of €(34.2) million and a €(4.1) million mezzanine prepayment fee, partly offset by the gain resulting from lower EUSIs' valuation to €1.6 million after their partial repayment in June 2013 [€(12) million payment on EUSIs]. Due to the shareholder's equity contribution of €36,014 thousand the expense resulting from the higher valuation of and payment on ETL PPLs does not reduce the Group's equity.

The €(8.9) million impairment loss on financial assets comprises the impairment of the financial loan the Group provided to the shareholder in June 2013.

4. Non-current assets

Property, plant and equipment

Additions in the period from October 1, 2012 until June 30, 2013 of property, plant and equipment amount to €15,536 thousand (October 1, 2011 until June 30, 2012: €8,749 thousand). The increase against the comparative period is mainly due to more assets under construction. The total assets under construction amount to €17,511 thousand (September 30, 2012: €7,265 thousand). To a large degree the assets under construction relate to investments in the plant in China and Powerise related projects.

Disposals happened only in the ordinary course of the business. The net value of disposed property, plant and equipment in the period from October 1, 2012 until June 30, 2013 amounts to €(108) thousand (October 1, 2011 until June 30, 2012: €(19) thousand).

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

Depreciation in the period from October 1, 2012 until June 30, 2013 amounts to €(16,389) thousand (October 1, 2011 until June 30, 2012: €(16,306) thousand).

Other intangible assets

Additions to intangible assets of the Group amount to €9,216 thousand in the period from October 1, 2012 until June 30, 2013 (October 1, 2011 until June 30, 2012: €8,945 thousand) and comprise mainly internally generated developments.

Significant disposals have not been recognized.

Amortization in the period from October 1, 2012 until June 30, 2013 amounts to €(13,311) thousand (October 1, 2011 until June 30, 2012: €(13,382) thousand).

In the first nine months of the fiscal 2013, costs of €9,189 thousand (2012: €8,702 thousand) were capitalised for development projects that were incurred in the product and material development areas. Systematic amortization of capitalised internal development projects amounted to €(5,215) thousand (October 1, 2011 until June 30, 2012: €(4,714) thousand). Amortisation expenses on development costs include impairment losses of €(80) thousand (October 1, 2011 until June 30, 2012: €(710) thousand) due to withdrawal of customers from the respective projects. The impairment loss is included in the research and development expenses.

The borrowing costs capitalised in the first nine months of fiscal 2013 amount to €536 thousand (2012: €421 thousand). A capitalisation rate of 7.56 % (October 1, 2011 until June 30, 2012: 7.25%) was used to determine the amount of borrowing costs.

Other non-current financial assets

in € thousands	June 30, 2013	Sept 30, 2012
Shareholder loan receivable	71,114	-
Restricted cash	10	2,679
Total other non-current assets	**71,124**	**2,679**

Using the proceeds from issuance of the senior secured notes in June 2013, Stabilus Group provided a €80,014 thousand loan to the shareholder. Due to the impairment by €8.9 million [cf. note 3 above], as at June 30, 2013 the carrying amount of this upstream shareholder loan is €71,114 thousand.

Since, following the Group's refinancing in June 2013, the letters of credit and of guarantee are now covered by the ancillary facilities of the revolving credit facility agreement, the required cash deposits, so called restricted cash, decreased significantly, compared to the September 30, 2012 amount. As of September 30, 2012 restricted cash of €2,679 thousand essentially comprised cash deposits amounting to €1,350 thousand from a letter of guarantee for the insolvency protection of the German partial retirement scheme ("Altersteilzeit"), cash deposits amounting to €811 thousand resulting from a letter of guarantee for the Environment Protection Agency, USA, and cash deposits amounting to €300 thousand for a letter of guarantee for the rent of the production facility in Brasov, Romania. The cash disclosed under current assets does not include the aforementioned restricted cash.

5. Inventories

Inventories that are expected to be turned over within twelve months amount to €48,588 thousand (September 30, 2012: €49,974 thousand). Write-downs on inventories to net realisable value amount to €4,499 thousand (September 30, 2012: €1,659 thousand).

6. Other current assets

in € thousands	June 30, 2013	Sept 30, 2012
VAT	6,955	5,030
Prepayments	1,677	645
Miscellaneous	4,538	9,371
thereof deferred charges	1,656	1,524
thereof other miscellaneous current assets	2,882	7,847
Total other current assets	**13,170**	**15,046**

The other miscellaneous current assets as of September 30, 2012 include a €5.0 million cost order receivable resulting from the judgement of the High Court in London in regards to the pre April 2010 mezzanine lenders claim. In the first half of fiscal year 2013 this cost order receivable was fully settled by cash receipt of €1.8 million and by netting of the remaining €3.2 million with related outstanding liabilities.

7. Equity

In June 2013, as part of the Group's refinancing, the additional paid-in capital was increased by an aggregate amount of €80,014 thousand, comprising two equity contributions from the shareholder of €44,000 thousand and €36,014 thousand.

In the first nine months of fiscal 2013 Servus HoldCo S.à r.l., Luxembourg, paid a dividend out of additional paid-in capital to its shareholder Servus Group HoldCo II S.à r. l., Luxembourg, amounting to €(150) thousand [2012: €(300) thousand] and being the maximum permitted distribution in a fiscal year according to the loan contracts.

8. Non-current financial liabilities

The non-current financial liabilities comprise following items:

in € thousands	June 30, 2013	Sept 30, 2012
Super senior revolving credit facility	-	-
Senior secured notes	315,000	-
Senior loans	-	126,324
Mezzanine loans	-	113,725
Shareholder loans	-	41,987
Equity upside-sharing instruments (EUSIs)	1,600	3,430
Subtotal	**316,600**	**285,466**
Transaction costs	(11,597)	-
Total non-current financial liabilities	**305,003**	**285,466**

With the issuance of senior secured notes in June 2013 Stabilus Group refinanced its existing non-current financial liabilities. Using the proceeds from the issuance of the notes and the additional cash on hand of €30.0 million, the Group inter alia fully redeemed its senior, mezzanine and shareholder loans, paid €12.0 million on EUSIs and provided a loan to the shareholder.

Super senior revolving credit facility

In June 2013 Stabilus Group entered into a super senior revolving credit facility agreement that includes a committed multi-currency facility in an aggregate amount of €25.0 million [and the option to add one or more additional revolving facilities (on an uncommitted basis) up to an aggregate consolidated amount of €15 million additional facilities].The revolving facility matures in March 2018. The initial margin interest on the loans utilized under the revolving credit facility is 3.75% per annum. Commencing in June 2014 the interest rate will be determined in accordance with a net leverage ratio related margin grid (ratchet) and will range between 2.75% to 3.75% per annum.

Senior secured notes

In June 2013 Stabilus Group issued €315 million in aggregate principal amount of senior secured notes due in June 2018. Interest on the notes accrues at the rate of 7.75% per annum and will be payable semi-annually in arrears, commencing in December 2013.

Equity upside-sharing instruments (EUSIs)

The profit participating loans (PPLs) including a mezzanine warrant instrument are also referred to collectively as equity upside-sharing instruments (EUSIs) due to their highly subordinated nature. The equity upside-sharing instruments are measured at amortised cost under the effective interest rate method. Adjustments that result from changes in estimated cash payments are recognised in profit and loss.

9. Other non-current financial liabilities

The other non-current financial liabilities comprise finance lease obligations with a present value of €1,699 thousand (September 30, 2012: €2,342 thousand), which result from lease contracts regarding production lines and one real estate lease contract regarding a facility in Romania.

The finance lease obligation amounting to €2,754 thousand in total (September 30, 2012: €4,076 thousand) consists of the long term part of the present value of the future minimum lease payments of a finance lease liability amounting to €1,699 thousand (September 30, 2012: €2,342 thousand) and the short-term portion amounting to €1,055 thousand (September 30, 2012: €1,734 thousand). The short-term portion is included in other current financial liabilities.

10. Non-current provisions

The non-current provisions comprise the provision for pre-retirement of €6,677 thousand (September 30, 2012: €9,037 thousand), the provision for anniversary benefits of €644 thousand (September 30, 2012: €767 thousand) and other non-current provisions of €595 thousand (September 30, 2012: €602 thousand). The discount rate applied was 1.85%.

11. Other current financial liabilities

Other financial liabilities comprise following items:

in € thousands	June 30, 2013	Sept 30, 2012
Liabilities to employees	4,129	3,689
Social security contribution	1,557	1,661
Finance lease obligation	1,055	1,734
Liabilities to related parties	1,150	312
Liability for outstanding transaction costs	5,921	-
Total other current financial liabilities	**13,812**	**7,396**

As of June 30, 2013, €5.7 million of the total €11.6 million transaction costs incurred during the Group's refinancing was paid (cf. Consolidated Statement of Cash Flows, line item 'payments for transaction costs'); the remaining €5.9 million was outstanding. The liability for the outstanding transaction costs is included in other current financial liabilities.

12. Current provisions

in € thousands	June 30, 2013	Sept 30, 2012
Employee related expenses	3,964	4,989
Environmental protection measures	1,090	1,189
Warranties	6,982	7,591
Miscellaneous	2,980	3,796
Total current provisions	**15,016**	**17,565**

13. Other information

Contingent liabilities and other financial commitments

The nominal value of the other financial commitments as of June 30, 2013 amounts to €16,315 thousand (September 30, 2012: €14,446 thousand).

Nominal values of other financial commitments:

in € thousands	June 30, 2013	Sept 30, 2012
Capital commitments for fixed and other intangible assets	3,910	2,486
Obligations under rental and leasing agreements	12,405	11,960
Total other financial commitments	**16,315**	**14,446**

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 at and for the year ended September 30, 2012.

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 financial 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 €8,784 thousand (October 1, 2011 until June 30, 2012: €3,122 thousand) are taken into account in the cash outflows from financing activities. Income tax payments of €6,046 thousand (October 1, 2011 until June 30, 2012: €3,244 thousand) are allocated in full to the operating activities area, since allocation to individual business areas is impracticable.

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. Control exists if a shareholder holds more than half of the voting rights in Servus HoldCo and has the possibility as a result of a provision in the articles of incorporation or a contractual arrangement to control the financial and business policies of the Stabilus Group.

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 Servus HoldCo, a seat on the management board of Servus HoldCo or another key position.

Related parties of the Stabilus Group in accordance with IAS 24 primarily comprise the shareholders, Servus Group HoldCo II and Stabilus Group management, which also holds an investment in the company.

The shareholders of the Stabilus Group are Servus Group HoldCo II S.à r. l., Luxembourg (direct) and Triton Fund III (indirect). Furthermore, Triton Fund III is the main beneficiary to the cash outflows from the equity upside-sharing instruments (EUSIs). To fund working capital requirements of Servus HoldCo S. à r. l. and Stable II S. à r. l., the shareholders provided an amount of €1,150 thousand (September 30, 2012: €312 thousand). In January 2013 Servus HoldCo S. à r. l., Luxembourg, paid a dividend of €150 thousand (October 1, 2011 until June 30, 2012: €300 thousand) from additional paid-in capital to its shareholder Servus Group HoldCo II S. à r. l., Luxembourg. In June 2013 Stabilus Group provided a loan to its shareholder amounting to €80,014 thousand; in turn, it received an equity contribution of the same amount.

Luxembourg, August 22, 2013

The Management Board of Servus HoldCo

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