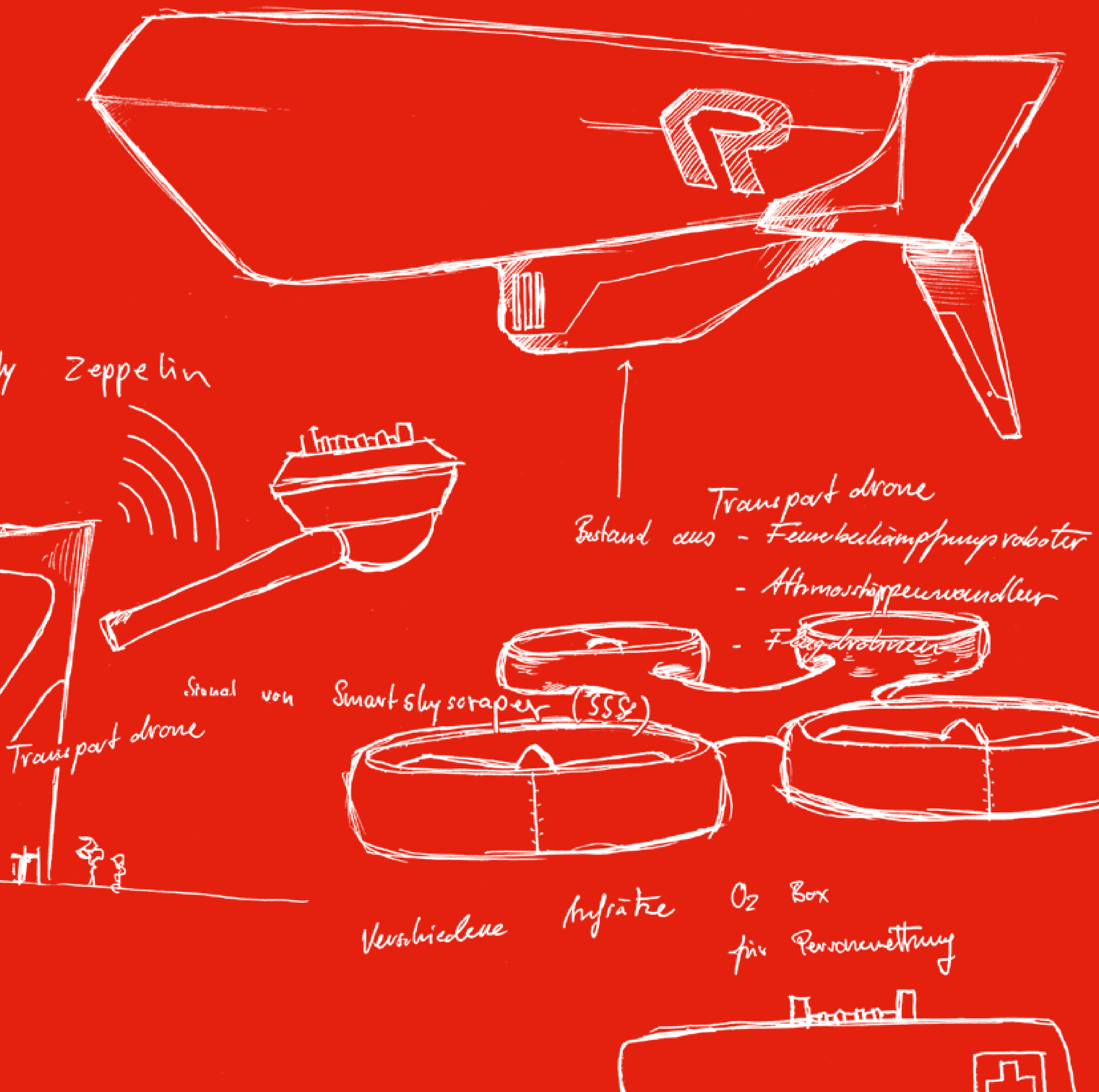
rosenbauer

QUARTERLY REPORT 1/2017



Rosenbauer Group		1–3/2015	1–3/2016	1–3/2017
Revenues	€ million	191.3	172.0	**181.9**
EBITDA	€ million	9.5	6.9	**1.4**
EBIT	€ million	6.0	3.4	**(3.1)**
EBIT margin		3.1%	2.0%	**(1.7%)**
EBT	€ million	2.9	3.6	**(2.8)**
Net profit for the period	€ million	2.2	2.8	**(2.6)**
Cash flow from operating activities	€ million	(90.9)	(53.6)	**(49.7)**
Investments[1]	€ million	5.2	6.1	**3.7**
Order backlog as of March 31	€ million	694.6	861.7	**790.6**
Order intake	€ million	133.9	211.8	**207.9**
Employees (average)[2]		2,989	3,232	**3,366**
Employees as of March 31		3,001	3,241	**3,360**

Key statement of financial position		1–3/2015	1–3/2016	1–3/2017
Total assets	€ million	685.3	687.9	**678.5**
Equity in % of total assets		27.2%	33.7%	**35.1%**
Capital employed (average)	€ million	446.5	507.6	**494.3**
Return on capital employed		1.3%	0.7%	**(0.6%)**
Return on equity		1.5%	1.6%	**(1.2%)**
Net debt	€ million	251.0	262.0	**227.4**
Working capital	€ million	123.0	173.3	**199.1**
Gearing ratio		134.9%	112.9%	**95.4%**

Key stock exchange figures		1–3/2015	1–3/2016	1–3/2017
Closing share price as of March 31	€	79.5	57.0	**55.3**
Number of shares	million units	6.8	6.8	**6.8**
Market capitalization	€ million	540.6	387.6	**376.0**
Earnings per share	€	(0.2)	0.0	**(0.7)**

[1] Investments relate to rights and property, plant and equipment.
[2] Average number of employees in the first quarter.

CONTENTS

INTERIM GROUP MANAGEMENT REPORT

Economic environment

A similar development to 2016 is expected on the global firefighting markets in 2017. Above all demand is currently being driven by countries with continuous procurement or elevated security requirements following natural or terrorist disasters.

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

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

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

Development of revenues and earnings

Revenues

The Rosenbauer Group generated revenues of € 181.9 million in the first quarter of 2017 (1–3/2016: € 172.0 million). While decreases in deliveries were observed in some Middle Eastern countries, deliveries were on the rise in North America and parts of Europe.

The first three months of the current year once again showed that the first quarter is always significantly weaker in terms of revenues and income. This is partly because the majority of deliveries are usually made in the second half of the year. These seasonal fluctuations over the course of the year are partially leveled out by centrally managed procurement that is not based on government budgets.

Result of operations

In the first quarter, EBIT was down on the previous year at € –3.1 million (1–3/2016: € 3.4 million). The difference in comparison to the first quarter of the previous year was mainly attributable to low capacity utilization due to the political situation in the Gulf States and the resulting lower coverage of fixed costs at the plants in Leonding, combined with the lack of any highly profitable deliveries and the start-up costs for the platform manufacturer Rosenbauer Rovereto.

Consolidated EBT for the reporting period amounted to € –2.8 million (1–3/2016: € 3.6 million).

Orders

The Rosenbauer Group recorded satisfactory order development in the first three months of the year, with incoming orders amounting to € 207.9 million (1–3/2016: € 211.8 million). While incoming orders decreased significantly in countries that are dependent on oil and commodity prices or that had to restructure their budgets due to conflicts, they posted increases in North America and in some Asian countries. The order backlog as of March 31, 2017, was lower than the previous year's figure at € 790.6 million (March 31, 2016: € 861.7 million). This order backlog gives the Rosenbauer Group a satisfactory level of capacity utilization at its production facilities and good visibility for the next ten months.

Segment development

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

CEEU area segment

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

Business development

Revenues in the CEEU area segment climbed to € 62.9 million in the period under review after € 54.4 million in the same period of the previous year. This growth was mainly attributable to the positive development of revenues on the German market and increased deliveries to Central Europe – for example, to the Netherlands. The CEEU area segment thus contributed around 34% (1–3/2016: 32%) of consolidated revenues. As a result of low capacity utilization at the beginning of the year and the associated low coverage of fixed costs in the first quarter, EBIT was still negative at € –0.5 million in the first quarter (1–3/2016: € –3.3 million).

NISA area segment

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

Business development

The revenues of the NISA area segment were in decline at € 13.7 million in the period under review (1–3/2016: € 15.8 million). EBIT was still negative at € –1.0 million (1-3/2016: € –8.7 thousand) as a result of the low level of deliveries.

MENA area segment

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

Business development

After high levels of deliveries in the previous years, revenues in the MENA area segment were still down year-on-year at € 14.3 million in the first quarter of 2017 (1–3/2016: € 15.3 million). The reasons for this were the decline in the price of oil and rising political tension in the region. EBIT decreased to € –1.2 million (1–3/2016: € 1.6 million).

APAC area segment

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

Business development

Revenues in the APAC area segment increased to € 32.6 million in the period under review (1–3/2016: € 31.5 million). Segment EBIT for the first three months of 2017 fell to € –2.0 million after € 2.5 million due to deliveries of highly profitable orders in the previous year.

NOMA area segment

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

Business development

Revenues in the NOMA area segment were increased by another 6% in the first three months of 2017 and amounted to € 54.9 million in the period under review after € 51.7 million in the same period of the previous year. This growth was attributable to a higher delivery volume on the North America domestic market. Segment EBIT was down slightly on the previous year's level at € 2.9 million (1–3/2016: € 3.1 million).

Stationary Fire Protection (SFP) segment

The Stationary Fire Protection segment handles the planning, installation, and servicing of stationary firefighting and alarm systems, and thus covers a broad field of fire protection technology. The acquisition of the German G&S group in 2016 made Rosenbauer a full-service provider in the field of preventive firefighting systems. Preventive firefighting is mainly ensured by structural measures in addition to stationary fire detection and extinguishing systems.

Business development

Revenues in the SFP segment climbed to € 3.6 million in the first three months of 2017 after € 3.4 million in the same period of the previous year. Segment EBIT was still negative in the period under review at € –1.4 million (1–3/2016: € –0.5 million) due to lead times lasting several months.

Financial and net assets position

For reasons specific to the industry, the structure of the statements of financial position during the year is characterized by high working capital. This is due to the turnaround times, lasting several months, for vehicles in production. In addition, the high intra-year level of total assets of € 678.5 million (March 31, 2016: € 687.9 million) is attributable to the increase in property, plant and equipment financed by equity.

As a result of the upcoming delivery volume in the current year, inventories rose to € 211.1 million in the reporting period (March 31, 2016: € 204.2 million), while construction contracts were down year-on-year at € 73.8 million (March 31, 2016: € 101.2 million) due to changes in capacity utilization. Current receivables were kept at the previous year's level at € 183.7 million (March 31, 2016: € 179.1 million). The Group's net debt (the net amount of interest-bearing liabilities less cash and cash equivalents and securities) decreased year-on-year to € 227.4 million (March 31, 2016: € 262.0 million).

Owing to the high level of working capital – due to high customer receivables – the intra-year cash flow from operating activities was still negative at € –49.7 million (1–3/2016: € –53.6 million). An improvement in the cash flow from operating activities is expected by the end of the year.

Investments

Capital expenditure amounted to € 3.7 million in the reporting period (1–3/2016: € 6.1 million). The completion of ongoing investment projects is particularly important. Above all this includes the modernization of Plant I in Leonding, which is undergoing reorganization with a view to increasing efficiency and profitability. In 2016 Rosenbauer also launched a Group-wide future project, the goal of which is to implement a new enterprise resource planning (ERP) system. The project is a key part of the GO 2020 future strategy and has a similar duration.

Outlook

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

With a strong market presence, geographically balanced business, its broad portfolio, technology leadership and financial strength, Rosenbauer is well placed to take advantage of these opportunities for profitable, long-term growth. It will continue to focus on efficiency enhancement and cost reduction so as to ensure that the intended growth can be implemented on a solid financial basis. Despite the lower capacity utilization at the beginning of the year due to project effects and the sustained margin pressure in the developed markets in addition to the above factors, management is aiming to keep revenues and earnings at the previous year's level.

Material risks and uncertainties in the remaining months of the financial year and risk management

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

Sector and company-specific risks

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

Operating risks

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

In addition to local performance indicators, the central controlling element in vehicle manufacturing operations is "concurrent costing", whereby variance analysis is used to monitor the production costs of every single order. To even out changes in capacity utilization at individual locations, Rosenbauer's manufacturing processes operate on a Group-wide basis and the company also outsources construction contracts to external partners. In the event of a severe downtrend on the market, this keeps the risk of insufficient capacity utilization within manageable bounds.

Legal risks

Rosenbauer International AG and its subsidiaries face legal proceedings in the course of their business operations. The legal proceedings brought against Rosenbauer International AG in Austria for an alleged infringement of provisions of the Foreign Trade Act with commercial products were closed as of April 3, 2017.

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

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

Financial risks

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

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

Assessment of overall risk

Rosenbauer feels that it is still well positioned to meet the demands made of it by the market, the economic environment, and international competition. Based on the analysis of currently discernible risks, there are no indications of any risks that – either singly or in conjunction with other risks – might jeopardize the Rosenbauer Group's continued existence.
This applies both to the results of past business activity and to activities that are planned or have already been initiated.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in € thousand	Mar 31, 2016	Dec 31, 2016	Mar 31, 2017
ASSETS			
A. Non-current assets			
I. Property, plant and equipment	139,581.9	146,646.1	146,562.9
II. Intangible assets	24,954.4	31,639.0	31,095.1
III. Securities	419.6	647.3	628.4
IV. Investments in companies accounted for using the equity method	4,739.6	6,946.5	7,497.5
V. Receivables and other assets	51.3	51.9	448.4
VI. Deferred tax assets	1,395.3	3,387.8	3,276.6
	171,142.1	**189,318.6**	**189,508.9**
B. Current assets			
I. Inventories	204,179.1	199,131.5	211,105.2
II. Construction contracts	101,197.4	67,741.2	73,805.0
III. Receivables and other assets	179,128.6	162,507.2	183,724.5
IV. Income-tax receivables	9,504.8	1,692.8	1,050.7
V. Cash and cash equivalents	22,784.4	30,209.7	19,325.9
	516,794.3	**461,282.4**	**489,011.3**
Total assets	**687,936.4**	**650,601.0**	**678,520.2**

in € thousand	Mar 31, 2016	Dec 31, 2016	Mar 31, 2017
EQUITY AND LIABILITIES			
A. Equity			
I. Share capital	13,600.0	13,600.0	13,600.0
II. Capital reserves	23,703.4	23,703.4	23,703.4
III. Other reserves	(2,453.2)	(6,554.1)	(5,369.2)
IV. Accumulated results	165,430.9	178,308.7	173,209.1
Equity attributable to shareholders of the parent company	**200,281.1**	**209,058.0**	**205,143.3**
V. Non-controlling interests	31,715.6	32,933.5	33,221.6
	231,996.7	**241,991.5**	**238,364.9**
B. Non-current liabilities			
I. Non-current interest-bearing liabilities	76,020.8	99,709.6	112,865.9
II. Other non-current liabilities	1,389.5	1,073.3	1,014.9
III. Non-current provisions	30,545.8	32,596.0	33,046.0
IV. Deferred tax liabilities	4,509.2	3,503.3	3,282.8
	112,465.3	**136,882.2**	**150,209.6**
C. Current liabilities			
I. Current interest-bearing liabilities	209,179.8	102,403.4	134,458.8
II. Advance payments received	17,623.9	22,640.9	20,089.7
III. Trade payables	43,271.7	52,193.6	44,252.9
IV. Other current liabilities	53,232.7	67,620.4	65,146.6
V. Provisions for taxes	3,441.5	6,041.7	4,999.1
VI. Other provisions	16,724.8	20,827.3	20,998.6
	343,474.4	**271,727.3**	**289,945.7**
Total equity and liabilities	**687,936.4**	**650,601.0**	**678,520.2**

CONSOLIDATED INCOME STATEMENT

in € thousand		1–3/2016	1–3/2017
1.	Revenues	172,042.8	181,940.4
2.	Other income	1,780.8	278.0
3.	Change in inventory of finished goods and work in progress	12,402.8	2,933.4
4.	Capitalized development costs	559.5	410.9
5.	Costs of goods sold	(111,434.7)	(106,868.8)
6.	Staff costs	(47,099.3)	(52,063.1)
7.	Depreciation and amortization expense on property, plant and equipment and intangible assets	(3,520.2)	(4,463.8)
8.	Other expenses	(21,346.2)	(25,265.5)
9.	**Operating result (EBIT) before share in results of companies accounted for using the equity method**	**3,385.5**	**(3,098.5)**
10.	Financing expenses	(1,029.4)	(1,153.4)
11.	Financing income	1,434.4	1,332.7
12.	Share in results of companies accounted for using the equity method	(169.6)	124.3
13.	**Profit before income tax (EBT)**	**3,620.9**	**(2,794.9)**
14.	Income tax	(832.8)	244.1
15.	**Net profit for the period**	**2,788.1**	**(2,550.8)**
	thereof:		
	– Non-controlling interests	*2,470.7*	*2,280.7*
	– Shareholders of parent company	*317.4*	*(4,831.5)*
	Average number of shares outstanding	6,800,000	6,800,000
	Basic earnings per share	€ 0.05	(€ 0.71)
	Diluted earnings per share	€ 0.05	(€ 0.71)

PRESENTATION OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousand	1–3/2016	1–3/2017
Net profit for the period	**2,788.1**	**(2,550.8)**
Restatements as required by IAS 19	(14.8)	(26.7)
– thereof deferred taxes	*3.7*	*6.7*
Total of changes in value recognized in equity that cannot be subsequently reclassified into profit or loss	**(11.1)**	**(20.0)**
Gains/losses from foreign currency translation	(56.4)	(368.8)
Gains/losses from foreign currency translation of companies accounted for using the equity method	(44.7)	426.8
Gains/losses from available-for-sale-securities		
Change in unrealized gains/losses	7.1	44.1
– thereof deferred tax	*(1.8)*	*(11.0)*
Gains/losses from cash flow hedge		
Change in unrealized gains/losses	5,808.0	768.5
– thereof deferred tax	*(1,452.0)*	*(192.1)*
Realized gains/losses	8.0	316.6
– thereof deferred tax	*(2.0)*	*(79.2)*
Total changes in value recognized in equity subsequently reclassified into profit or loss when certain conditions are met	**4,266.2**	**904.9**
Other comprehensive income	**4,255.1**	**884.9**
Total comprehensive income after income taxes	**7,043.2**	**(1,665.9)**
thereof:		
– Non-controlling interests	*2,461.9*	*1,980.7*
– Shareholders of parent company	*4,581.3*	*(3,646.6)*

CHANGES IN CONSOLIDATED EQUITY

	Attributable to shareholders			
			Other reserves	
in € thousand	Share capital	Capital reserve	Currency translation	Restatement as required by IAS 19
1–3/2017				
As of Jan 1, 2017	**13,600.0**	**23,703.4**	**5,843.0**	**(6,459.2)**
Other comprehensive income	0.0	0.0	358.0	(20.0)
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**358.0**	**(20.0)**
Disposal of non-controlling interests	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	0.0
As of Mar 31, 2017	**13,600.0**	**23,703.4**	**6,201.0**	**(6,479.2)**
1–3/2016				
As of Jan 1, 2016	**13,600.0**	**23,703.4**	**5,055.5**	**(5,625.5)**
Other comprehensive income	0.0	0.0	(92.3)	(11.1)
Net profit for the period	0.0	0.0	0.0	0.0
Total comprehensive income	**0.0**	**0.0**	**(92.3)**	**(11.1)**
Dividend	0.0	0.0	0.0	0.0
As of Mar 31, 2016	**13,600.0**	**23,703.4**	**4,963.2**	**(5,636.6)**

in the parent company					
Revaluation reserve	Hedging reserve	Accumulated results	Subtotal	Non-controlling interests	Group equity
50.3	**(5,988.2)**	**178,308.7**	**209,058.0**	**32,933.5**	**241,991.5**
33.1	813.8	0.0	1,184.9	(300.0)	884.9
0.0	0.0	(4,831.5)	(4,831.5)	2,280.7	(2,550.8)
33.1	**813.8**	**(4,831.5)**	**(3,646.6)**	**1,980.7**	**(1,665.9)**
0.0	0.0	(268.1)	(268.1)	(235.7)	(503.8)
0.0	0.0	0.0	0.0	(1,456.9)	(1,456.9)
83.4	**(5,174.4)**	**173,209.1**	**205,143.3**	**33,221.6**	**238,364.9**
17.7	**(6,164.8)**	**165,113.5**	**195,699.8**	**30,902.5**	**226,602.3**
5.3	4,362.0	0.0	4,263.9	(8.8)	4,255.1
0.0		317.4	317.4	2,470.7	2,788.1
5.3	**4,362.0**	**317.4**	**4,581.3**	**2,461.9**	**7,043.2**
0.0	0.0	0.0	0.0	(1,648.8)	(1,648.8)
23.0	**(1,802.8)**	**165,430.9**	**200,281.1**	**31,715.6**	**231,996.7**

CONSOLIDATED STATEMENT OF CASH FLOWS

	in € thousand	1–3/2016	1–3/2017
	Profit before income tax	3,620.9	(2,794.9)
+	Depreciation	3,520.2	4,463.8
±	Gains/losses of companies accounted for using the equity method	169.6	(124.3)
+	Interest expenses	884.7	1,050.2
–	Interest and securities income	(1,434.4)	(1,332.7)
±	Unrealized gains/losses from currency translation	49.4	(205.3)
±	Change in inventories	(13,947.7)	(11,973.7)
±	Change in receivables and other assets and construction contracts	(41,069.5)	(26,266.9)
±	Change in trade payables and advance payments received	(1,212.7)	(10,177.6)
±	Change in other liabilities	(2,647.1)	(1,728.8)
±	Change in provisions (excluding income tax deferrals)	1,904.4	621.3
	Cash earnings	**(50,162.2)**	**(48,468.9)**
–	Interest paid	(1,140.4)	(768.6)
+	Interest received and income of securities	356.1	157.4
+	Dividends received from companies accounted for using the equity method	0.0	0.0
–	Income tax paid	(2,647.2)	(624.1)
	Net cash flow from operating activities	**(53,593.7)**	**(49,704.2)**
–	Payments from the acquisition of a subsidiary less acquired cash and cash equivalents	(8,727.5)	0.0
–	Payments/proceeds from the purchase/sale of property, plant and equipment, intangible assets and securities	(6,130.9)	(3,998.4)
–	Income from capitalized development costs	(559.5)	(410.9)
	Net cash flow from investing activities	**(15,417.9)**	**(4,409.3)**
–	Dividends paid	0.0	(503.8)
–	Dividends paid to non-controlling interests	(1,648.8)	(1,456.9)
+	Proceeds from interest-bearing liabilities	170,226.6	116,894.1
–	Repayment of interest-bearing liabilities	(94,651.5)	(71,682.4)
	Net cash flow from financing liabilities	**73,926.3**	**43,251.0**
	Net change in cash and cash equivalents	4,914.7	(10,862.5)
+	Cash and cash equivalents at the beginning of the period	17,877.8	30,209.7
±	Adjustment from currency translation	(8.1)	(21.3)
	Cash and cash equivalents at the end of the period	**22,784.4**	**19,325.9**

SEGMENT REPORTING

in € thousand	External revenues	Segment revenues	Total revenues
1–3/2017			
CEEU area	62,925.6	57,701.8	120,627.4
NISA area	13,657.7	257.9	13,915.6
MENA area	14,301.6	0.0	14,301.6
APAC area	32,590.7	0.0	32,590.7
NOMA area	54,908.6	847.4	55,756.0
SFP[1]	3,556.2	0.0	3,556.2
Consolidation	0.0	(58,807.1)	(58,807.1)
Group	**181,940.4**	**0.0**	**181,940.4**
1–3/2016			
CEEU area	54,384.6	32,339.8	86,724.4
NISA area	15,788.3	0.0	15,788.3
MENA area	15,268.4	0.0	15,268.4
APAC area	31,507.0	0.0	31,507.0
NOMA area	51,712.5	1,334.3	53,046.8
SFP[1]	3,382.0	0.0	3,382.0
Consolidation	0.0	(33,674.1)	(33,674.1)
Group	**172,042.8**	**0.0**	**172,042.8**

in € thousand	1–3/2016	1–3/2017
CEEU area	(3,279.6)	(498.9)
NISA area	(8.7)	(978.0)
MENA area	1,596.9	(1,171.3)
APAC area	2,450.9	(1,992.1)
NOMA area	3,149.0	2,899.0
SFP[1]	(523.0)	(1,357.2)
EBIT before share of results of companies accounted for using the equity method	**3,385.5**	**(3,098.5)**
Finance expenses	(1,029.4)	(1,153.4)
Financial income	1,434.4	1,332.7
Share in results of companies accounted for using the equity method	(169.6)	124.3
Profit before income tax (EBT)	**3,620.9**	**(2,794.9)**

[1] Stationary Fire Protection

EXPLANATORY NOTES

1. Information on the company and the basis of preparation

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

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

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

2. New accounting standards

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

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

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

3. Companies included in consolidation

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

In accordance with IFRS 10, the consolidated financial statements as of March 31, 2017 include two Austrian and 24 foreign subsidiaries, all of which are legally and actually controlled by Rosenbauer International AG and therefore included in consolidation. The shares in the associate in Russia (PA “Fire-fighting special technics”, Rosenbauer share: 49%) and the shares in the joint venture in Spain (Rosenbauer Ciansa S.L., Rosenbauer share: 50%) – established with the co-owner and Managing Director of Rosenbauer Española – are accounted for using the equity method.

4. Seasonal fluctuations

Owing to the high degree of dependency on public sector clients, the usual pattern in the fire equipment sector is for a very high proportion of its deliveries to be made in the second half of the year, especially in the final quarter. There can therefore be considerable differences – in terms of revenues and earnings – between the respective interim reporting periods. In the period under review there were no unusual developments over and above the seasonal fluctuations characteristic of the industry. Further information on developments in the period under review can be found in the interim Group management report.

5. Significant effect of estimates

The preparation of the interim consolidated financial statements requires the Executive Board to make assumptions and estimates that affect the amounts and reporting of assets, liabilities, income and expenses in the period under review. The actual amounts incurred can deviate from these estimates. Deviations from estimates had no significant effect on the financial statements in the reporting period.

6. Related party disclosures

There has been no change in the composition of related parties since December 31, 2016. The following transactions were conducted with related parties in the period under review:

	Joint venture		Management	
	1–3/2016	1–3/2017	1–3/2016	1–3/2017
Sales of goods	1.8	0.0	0.0	0.0
Purchase of goods	265.4	704.7	0.0	0.0
Receivables	3.1	0.0	1,030.2	745.9
Liabilities	231.3	851.4	0.0	0.0
Rental agreement for land	0.0	0.0	253.7	283.7

7. Income tax

Income tax for the period under review have been recognized on the basis of the best possible estimate of the weighted average annual income tax rate expected for the fiscal year as a whole. Tax on income for 1–3/2017 break down into € 740.7 thousand (1–3/2016: € 853.1 thousand) in current income tax expenses and € –984.8 thousand (1–3/2016: € –20.3 thousand) in changes in deferred income tax.

8. Segment reporting

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

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

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

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

9. Events after the end of the reporting period

To take account of the company's continued development and the increasingly complex requirements in international business, the Supervisory Board of Rosenbauer International AG decided at its meeting on May 3, 2017, to reorganize the Executive Board as of May 15, 2017, and expand it with an additional Chief Sales Officer.

10. Contingent claims and contingent liabilities

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

11. Disclosures on financial instruments

Interest rate and FX risks are hedged using derivative financial instruments such as FX forwards and interest rate caps. While some of these transactions are hedges from a business perspective, they do not meet the hedge accounting requirements of IAS 39. The changes in the fair value of these financial instruments are recognized immediately in profit or loss in the consolidated income statement. Derivatives that meet the hedge accounting requirements of IAS 39 are used solely to hedge future cash flows (i.e. cash flow hedges) and are presented separately in other comprehensive income in the consolidated statement of comprehensive income. As of March 31, 2017 the fair value of hedges recognized in the income statement was € –1,505.7 thousand (March 31, 2016: € 517.1 thousand), and that of the hedges recognized in other comprehensive income was € –6,899.2 thousand (March 31, 2016: € –2,403.7 thousand).

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

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

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

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

	Level 1		**Level 2**	
in € thousand	**Mar 31, 2016**	**Mar 31, 2017**	**Mar 31, 2016**	**Mar 31, 2017**
Derivative financial instruments without securement				
Positive fair value	0.0	0.0	1,133.1	67.1
Negative fair value	0.0	0.0	618.4	1,573.6
Derivative financial instruments with securement				
Positive fair value	0.0	0.0	3,086.2	0.0
Negative fair value	0.0	0.0	5,489.9	6,899.2
Interest rate hedges without hedge				
Positive fair value	0.0	0.0	2.4	0.8
Negative fair value	0.0	0.0	0.0	0.0
Available-for-sale instruments				
Positive fair value	419.6	628.4	0.0	0.0
Negative fair value	0.0	0.0	0.0	0.0

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

			At fair value	
in € thousand	Carrying amount	At amortized cost	Other compre-hensive income	Through profit and loss
March 31, 2016				
Securities	419.6	0.0	419.6	0.0
Receivables	179,179.9	174,958.2	3,086.2	1,135.5
Cash and cash equivalents	22,784.4	22,784.4	0.0	0.0
Interest-bearing liabilities	285,200.6	285,200.6	0.0	0.0
Trade payables	43,271.7	43,271.7	0.0	0.0
Other liabilties	54,622.2	48,513.9	5,489.9	618.4
March 31, 2017				
Securities	628.4	0.0	628.4	0.0
Receivables	184,172.9	184,105.0	0.0	67.9
Cash and cash equivalents	19,325.9	19,325.9	0.0	0.0
Interest-bearing liabilities	247,324.7	247,324.7	0.0	0.0
Trade payables	44,252.9	44,252.9	0.0	0.0
Other liabilties	66,161.5	57,688.7	6,899.2	1,573.6

12. Other disclosures

The legal proceedings brought against Rosenbauer International AG in Austria for an alleged infringement of provisions of the Foreign Trade Act with commercial products were closed as of April 3, 2017.

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

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

RESPONSIBILITY STATEMENT

These condensed interim consolidated financial statements of Rosenbauer International AG as of March 31, 2017 have been drawn up in accordance with IFRS (as adopted in the European Union) and, to the best of our knowledge, convey a true and fair view of the net asset, financial position and result of operations of all the enterprises included in the consolidation.

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

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

Leonding, May 12, 2017

Dieter Siegel
Chairman of the Executive Board, CEO
Global Product Division:
Customer Service

Gottfried Brunbauer
Member of the Executive Board, CTO
Global Product Division:
Firefighting & Body Components

Günter Kitzmüller
Member of the Executive Board, CFO
Global Product Divisions:
Fire & Safety Equipment,
Stationary Fire Protection

CAPITAL MARKET CALENDAR 2017

May 18, 2017	Annual General Meeting, begins 10.00 a.m. Wiener Börsensäle, Wipplingerstrasse 34, 1010 Vienna, Austria
May 23, 2017	Ex-dividend date
May 24, 2017	“Dividend” record date
May 26, 2017	Dividend payment date
August 11, 2017	Publication of Half-year Financial Report 2017
November 14, 2017	Publication of Quarterly Report 3/2017

ROSENBAUER SHARE DETAILS

ISIN	AT0000922554
Reuters	RBAV.VI
Bloomberg	ROS AV
Share class	No-par-value shares, bearer or registered
ATX prime weighting	0.37%

Published by
Rosenbauer International AG, Paschinger Strasse 90, 4060 Leonding, Austria

Investor Relations
Gerda Königstorfer
Telephone: +43 732 6794-568, ir@rosenbauer.com
www.rosenbauer.com/group