

Semi-annual report 2015

**TWO
THOUSAND
FIFTEEN**



Semi-annual report of ATB Austria Antriebstechnik AG

Interim financial report 2015

Dear Shareholders and Readers,

ATB Austria Antriebstechnik AG had to pay tribute to the economic developments in some of its core segments and target markets. These include the effects of the ongoing crises in Russia and the Middle East, the unaltered weak demand in the coal mining industry and the price of oil, which continues to fall. As a result, revenues decreased by 7 % in the first half of 2015 compared to the first half of 2014. This effect is even more apparent with new orders, which decreased by 16.8 % year-on-year. Nevertheless, the ATB Group increased its net profit for the period in the first half of 2015 from TEUR 412 in 2014 to TEUR 567 in 2015 (37.6 %). This increase was made possible due to a technology transfer in the amount of TEUR 2,000, as well as the recognition of both deferred taxes of just under TEUR 1,370 and measures to boost efficiency in the entire ATB Group.

Market trends

For 2015, the European Commission expects moderate growth of 1.7% in the EU (EU total), but with an acceleration to 1.9–2.1%¹ in 2016. Accordingly, investment activity in all of Europe remains weak, despite the prevailing quantitative easing². According to the German Electrical and Electronic Manufacturers' Association (ZVEI), in May there was a 9.5% decrease in domestic orders (year-on-year comparison), with a 6% decrease in production and 0.9%³ in revenues.

However, growth rates in the euro zone are lagging behind in a global comparison⁴. Nevertheless, the outlook is positive with rising growth rates within the next few years due to economic measures taken⁵. As a result of the monetary policy, investments are expected to increase in the next few years⁶.

New orders and order backlog

The delayed negative effect of the lower market price for oil/natural gas/energy has now impacted the Group's new orders. Compared to the first half of the previous year, new orders fell by TEUR 32,579 to TEUR 161,445. The ATB companies more geared towards the oil and natural gas industry had to record a noticeable decrease in projects in the first six months of the year. The difficult situation in the coal mining segments also had a negative impact on new orders. The High Voltage segment's success in winning a substantial order in the MENA region in the second quarter, despite the fierce competition, is to be regarded as positive.

The order book suffered a comparatively insignificant decrease of 0.6% and amounts to TEUR 136,979 as at the reporting date.

1 Source: European Commission: Winter Economic Forecast dated 5 February 2015, http://europa.eu/rapid/press-release_IP-15-4085_en.htm

2 Source: European Commission: Winter Economic Forecast dated 5 February 2015, http://europa.eu/rapid/press-release_IP-15-4085_en.htm

3 Source: German Electrical and Electronic Manufacturers' Association (ZVEI): ZVEI Business Cycle Report July 2015, dated 9 July 2015, <http://www.zvei.org/en/association/publications/Pages/ZVEI-Business-Cycle-Report-July-2015.aspx>

4 Source: OECD, Economic Outlook, Press Conference Documents, 3 June 2015, <http://www.oecd.org/eco/outlook/economicoutlook.htm>

5 Source: OECD, Economic Outlook, Press Conference Documents, 3 June 2015, <http://www.oecd.org/eco/outlook/economicoutlook.htm>

6 Source: OECD, Economic Outlook, Press Conference Documents, 3 June 2015, <http://www.oecd.org/eco/outlook/economicoutlook.htm>

Half-year figures in year-on-year comparison

The revenues generated in the first six months of the current year decreased by 7.0 % from TEUR 171,430 as at 30 June 2014 to TEUR 159,475 as at 30 June 2015. As already presented in the first paragraph, this effect can be explained, among other things, by the decrease in incoming orders from TEUR 194,024 to TEUR 161,445. In addition, EBITDA decreased year-on-year by 7.8 % from TEUR 9,123 to TEUR 8,413. An increase from TEUR 412 in 2014 to TEUR 567 in 2015 was also recorded for net profit for the period. This circumstance can be attributed to the technology transfer, the recognition of deferred taxes and the ATB Group's measures to boost efficiency.

In this context, the Low Voltage segment realised an increase in revenues as a result of the restructuring measures started in September 2014 as well as its solid position in the German sales market. Specifically, this is reflected in an increase in revenues from TEUR 61,683 to TEUR 64,195 (4.07 %). The increase in revenues combined with the optimisation activities led to an increase in EBITDA from TEUR 2,474 to TEUR 4,838, as well as in EBIT from TEUR 169 to TEUR 2,461. However, this increase in revenues can only partially or slightly offset the decrease in revenues in the High Voltage segment.

Similar to the industry competitors, the revenues of the Group companies – with a focus on the High Voltage division – were impacted by numerous negative market trends. In detail, it can be seen that revenues fell considerably from TEUR 87,402 to TEUR 66,734 (23.65%) in the first six months of the year. Furthermore, EBITDA fell by 12.5 % to TEUR 3,654 (first half of 2014: TEUR 4,178). The High Voltage segment suffered from the lack of orders and/or even the postponement of release for production on the part of customers with respect to orders that had already been booked due to the continued low propensity of customers to invest – in particular customers from the oil/natural gas/energy sector. In addition, the political measures taken with respect to Russia made the order situation even worse. As in prior periods, the situation in the coal mining industry also did not improve and the level remained as weak as it was before. The developments in the Middle East also minimised the number of investment projects in this region. In addition, profitability decreased due to heightened competition, because the margin decreased while raw materials costs remained almost constant (share of raw materials costs in revenues: 2014: 48 %; 2015: 51.47 %). The sum of these factors explains the current position in this segment as well as the decrease in EBT from TEUR –1,414 to TEUR –2,159. This includes the technology transfer.

Personnel expenses fell in the first half of 2015 from TEUR 66,230 to TEUR 62,430 (–5.74 %) compared to the first six months of the previous year as a consequence of the implementation of various savings measures due to the weak order situation as well as associated lower revenues. Significant restructuring had begun at ATB Schorch when the half-yearly report was published that has not yet been completed. The full impact of these restructuring measures will not be seen until the first quarter of 2016. In connection with the strategic process optimisation and the orientation towards core competencies, management expects a permanent increase in profitability as a result.

Depreciation, amortisation and impairment losses increased by TEUR 479 in the first half of 2015 compared to the first half of 2014. The increase can be attributed to the plants placed into operation in the second half of 2014 at the sites in the High Voltage segment in Germany and England.

EBIT for the ATB Group decreased to TEUR 2,237 in the first six months of the current year after TEUR 3,426 in the first half of 2014. Correspondingly, the EBIT margin decreased to 1.4 % after 2.0 % in the first half of the previous year.

In the same period, EBT fell from TEUR 204 to TEUR –484. In contrast, net profit for the period increased slightly from TEUR 412 in 2014 to TEUR 567 in 2015 due to the recognition of deferred taxes compared to the prior reporting period.

Diluted and basic earnings per share of the shareholders of the parent company amounted to EUR 0.03 as at the reporting date of 30 June 2015 (first half of 2014: EUR 0.01).

Selected Key figures of the ATB Austria Antriebstechnik AG

TEUR	04-06/2015	04-06/2014	Change	01-06/2015	01-06/2014	Change
Revenues	75,896	85,905	-11.7%	159,475	171,430	-7.0%
EBITDA	6,227	3,607	72.6%	8,413	9,123	-7.8%
Net operating profit (EBIT)	3,119	742	320.4%	2,237	3,426	-34.7%
EBIT margin	4.1%	0.9%	375.8%	1.4%	2.0%	-29.8%
Profit before taxes (EBT)	1,421	-783	-281.5%	-484	204	-337.3%
Net profit or loss for the period	2,113	-695	-404.0%	567	412	37.6%
New orders	83,686	88,992	-6.0%	161,445	194,024	-16.8%
Order backlog (as at 30 June 2015)				136,979	137,867	-0.6%
Capital expenditures	3,210	4,920	-34.8%	6,811	9,195	-25.9%
Employees (as at 30 June 2015)				3,728	3,775	-1.3%

The second quarter in year-on-year comparison

The ATB Group completed the second quarter of 2015 with revenues in the amount of TEUR 75,896 (first half of 2014: TEUR 85,905), which in comparison represents a decrease in revenues of 11.7 %. The reasons for this were already discussed in detail in the preceding paragraphs. At TEUR 6,227, operating EBITDA clearly exceeds the level of the second quarter of the previous year (first half of 2014: TEUR 3,607) due to the technology transfer that took place in this period. Net operating profit (EBIT) also increased and amounted to TEUR 3,119 (first half of 2014: TEUR 742). The corresponding EBIT margin rose from 0.9 % to 4.1 %. Profit before taxes (EBT) in the second quarter of 2015 exceeded the previous year's level by TEUR 2,204 (first half of 2014: TEUR -783). Net profit or loss for the period increased in the second quarter of the current year to TEUR 2,113 (first half of 2014: TEUR -695).

Diluted and basic earnings per share of the shareholders of the parent company amounted to EUR .18 (second quarter of 2014: EUR -0.07).

Segment information

2015					
Reporting segments					
TEUR	Low Voltage Segment	High Voltage Segment	Other Segments	Consolidation	ATB-Group
Revenues from third parties	64,195	66,734	25,309	0	156,238
Revenues within the segments	8,251	6,646	8	-11,670	3,236
EBITDA	4,838	3,654	1,893	-1,972	8,413
Depreciation and amortisation	-2,102	-3,398	-70	-606	-6,176
Net operating profit (EBIT)	2,461	-140	1,822	-1,907	2,237
Financial result	-267	-2,019	54	-488	-2,720
Profit before taxes (EBT)	2,194	-2,159	1,876	-2,395	-484
Income tax	374	731	-365	311	1,051
Assets	132,456	261,801	33,026	-43,500	383,782
Liabilities	66,167	156,269	13,133	7,278	242,846
Capital expenditures	3,265	3,396	96	55	6,811

2014					
Reporting segments					
TEUR	Low Voltage Segment	High Voltage Segment	Other Segments	Consolidation	ATB-Group
Revenues from third parties	61,683	87,402	22,323	0	171,408
Revenues within the segments	7,452	2,226	53	-9,709	21
EBITDA	2,474	4,178	1,674	796	9,123
Depreciation and amortisation	-2,026	-3,026	-65	-581	-5,697
Net operating profit (EBIT)	169	767	1,609	881	3,426
Financial result	-466	-2,181	-126	-449	-3,222
Profit before taxes (EBT)	-297	-1,414	1,483	432	204
Income tax	-245	797	-359	15	208
Assets	117,847	243,140	28,397	-38,229	351,155
Liabilities	61,646	145,257	14,146	8,925	229,973
Capital expenditures	3,196	5,679	105	215	9,195

Q2 2015**Reporting segments**

TEUR	Low Voltage Segment	High Voltage Segment	Other Segments	Consolidation	ATB-Group
Revenues from third parties	31,146	30,712	12,195	0	74,054
Revenues within the segments	4,069	3,389	7	-5,624	1,841
EBITDA	3,001	3,862	996	-1,633	6,227
Depreciation and amortisation	-1,091	-1,678	-36	-303	-3,108
Net operating profit (EBIT)	1,702	2,045	959	-1,588	3,118
Financial result	-75	-1,152	-140	-330	-1,698
Profit before taxes (EBT)	1,627	893	819	-1,918	1,421
Income tax	-80	743	-159	188	692
Assets	132,456	261,801	33,026	-43,500	383,782
Liabilities	66,167	156,269	13,133	7,278	242,846
Capital expenditures	1,782	1,311	82	35	3,210

Q2 2014**Reporting segments**

TEUR	Low Voltage Segment	High Voltage Segment	Other Segments	Consolidation	ATB-Group
Revenues from third parties	28,896	45,423	11,570	0	85,889
Revenues within the segments	3,846	879	44	-4,755	15
EBITDA	766	1,667	837	337	3,608
Depreciation and amortisation	-1,021	-1,522	-31	-290	-2,865
Net operating profit (EBIT)	-340	-163	806	440	743
Financial result	-253	-1,070	2	-204	-1,526
Profit before taxes (EBT)	-593	-1,233	808	236	-783
Income tax	-45	303	-185	15	89
Assets	117,847	243,140	28,397	-38,229	351,155
Liabilities	61,646	145,257	14,146	8,925	229,973
Capital expenditures	1,792	2,962	66	99	4,920

Financial position

Total assets as at 30 June 2015 amount to TEUR 383,782, which represents a slight decrease from TEUR 386,239 at the end of 2014.

Equity as a percentage of assets increased compared to the last day of 2014 from 33.9 % to 36.7 %. This increase can be attributed primarily to an increase in the revaluation reserve in connection with two companies' measurement of land and buildings at fair value.

Cash flow performance

Cash flows from operating activities changed in the first half of 2015 compared to the first half of 2014 from TEUR –3,451 to TEUR –133. Most of this change can be attributed to a decrease in the portfolio of trade receivables, which improved the liquidity situation.

Cash flows from investing activities amounted to TEUR –6,540 in the reporting period (first half of 2014: TEUR –11,978). The difference can be mainly attributed to the investment in the joint venture ATB Wuhan with a value of TEUR 3,581 in the previous year.

Cash flows from financing activities decreased from TEUR 7,534 in the first six months of the previous year to TEUR –16,099 in the reporting period. This decrease can be mainly attributed to the repayment of bank loans.

Capital expenditures

In the first six months of the current year, the Group adjusted its investment volume to the circumstances prevailing in the market at the time.

TEUR 4,336 (first half of 2014: TEUR 5,696) was invested in technical equipment, machines and buildings. Capital expenditures in the further development of products and technologies amounted to TEUR 2,265 (first half of 2014: TEUR 3,262).

Capital expenditure in the period from January to June 2015 totalled TEUR 6,811 and were thus down 25.9 % year-on-year (first half of 2014: TEUR 9,195). Total capital expenditure therefore corresponded to 4.3 % of the revenues generated.

Personnel

At the 30 June 2015 reporting date, the ATB Group had a total of 3,728 employees. This corresponds to a 1.3 % decrease in the workforce compared to the prior-year reporting date and can be explained entirely by the restructuring at ATB Morley.

ATB shares

ATB share performance	01-06/2015	01-06/2014
High	7.01	5.29
Low	4.06	2.60
End of the reporting period	7.01	4.90

At the 30 June 2015 reporting date, ATB Austria Antriebstechnik AG's shares closed at EUR 7.01 in the Standard Market Option segment of the Vienna Stock Exchange (closing price for the first half of the year on 26 June 2015). On 31 December 2014, the price was EUR 4.08. As a result of the majority shareholder's large shareholding, free float only amounts to 1.07 % of the share capital. Due to this low level of free float, even low trading volumes can lead to high volatility in the share price. The trading volume in the first half of 2015 amounted to EUR 35,181.06 and 6,345 shares (single counting). After the announcement on 19 May 2015 that the principal shareholder, WOLONG Investment GmbH, intends to acquire all shares of ATB while disapplying shareholders' preemptive rights, the share price increased to EUR 7.7 (6 August 2015).

Annual general meeting

On 22 May 2015, ATB Austria Antriebstechnik Aktiengesellschaft, Vienna/Austria, held its ordinary annual general meeting at which all motions relating to the agenda items were adopted.

On 18 August 2015, ATB Austria Antriebstechnik Aktiengesellschaft will hold an extraordinary general meeting in which a resolution is to be adopted on the transfer of all non-controlling interests of ATB Austria Antriebstechnik AG to WOLONG Investment GmbH as the principle shareholder in exchange for reasonable cash compensation in the amount of EUR 7.60 per no-par value share.

Risk management

As part of its business activities, and in view of their diversity, the ATB Group is exposed to a number of risks which may have a negative influence on financial performance. The ATB Group depends on multiple risk management and monitoring systems in order to identify major risks ahead of time and manage them successfully.

Details on the risk factors and how they are mitigated with suitable control and management systems can be found in the 2014 Annual Financial Report of ATB Austria Antriebstechnik AG, which has been published online at www.atb-motors.com.

Outlook 2015

The management of the ATB Group assumes that the global situation as it now appears will also continue in the second half of the year. However, opportunities are anticipated in an opening of the Iranian market with the possible removal of sanctions at the beginning of 2016. ATB is preparing for these developments, whether they be opportunities or risks, by defining and implementing the corresponding strategic and operational measures as already executed in the first half of the year.

Steps were taken in particular in three areas: sales, product development/innovation and in the operating area. With respect to sales, the ATB Group held an international sales conference at the end of April 2015. The ATB Group already expects results in the second half of the year from the plans ensuing from this conference. We are also working to strengthen and further expand our global sales activities.

Naturally, we are also focusing on the area of innovation and product development, in order to offer our customers energy-efficient, high-quality drive solutions. We are also continuing to invest in the further development of existing products and in the development of new products.

A key area, in particular in such a market environment, is our concentration on optimising the cost structure. Accordingly, measures are and will be taken to realise a continuous optimisation of the cost structure on the basis of a defined restructuring and cost-savings program in order to continuously increase the Group's competitiveness. This is further advanced and strengthened by means of our "World Class Business" projects. The ATB Group's ability to compete in the market environment should be ensured by these and further measures, but in particular also in order to correspondingly position the ATB Group to take advantage of the opportunities presented by a future increase in economic growth.

ATB Austria Antriebstechnik Aktiengesellschaft

Vienna, 17. August 2015



Mag. Andreas Schindler
Chairman of the Managing Board
(Chief Executive Officer)



Jianbo Wu
Member of the Board
(Chief Financial Officer)



Harald Lutz
Member of the Board
(Chief Integration Officer)

Statement of the Managing Board pursuant to section 87(1) number 3 of the Austrian Stock Exchange Act (BoerseG)

We confirm to the best of our knowledge that the condensed consolidated interim financial statements give a true and fair view of the Group's financial position, financial performance and cash flows as required by the applicable accounting standards and that the Group management report gives a true and fair view of the Group's financial position, financial performance and cash flows regarding important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

ATB Austria Antriebstechnik Aktiengesellschaft

Vienna, 17 August 2015



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Chairman of the Managing Board
(Chief Executive Officer)



Jianbo Wu
Member of the Board
(Chief Financial Officer)



Harald Lutz
Member of the Board
(Chief Integration Officer)

Consolidated income statement

TEUR	04-06/2015	04-06/2014	01-06/2015	01-06/2014
	unaudited	unaudited	unaudited	unaudited
Revenues	75,896	85,905	159,475	171,430
Change in inventory	2,779	-1,684	1,649	-943
Own work capitalised	1,311	1,906	2,808	3,757
Cost of materials and other purchased manufacturing services	-37,631	-40,428	-77,992	-81,879
Personnel expenses	-30,185	-33,109	-62,430	-66,230
Depreciation and amortization of non-current assets	-3,108	-2,865	-6,176	-5,697
Other operating income	2,409	425	3,088	1,328
Other operating expenses	-8,352	-9,408	-18,185	-18,340
Operating profit	3,119	742	2,237	3,426
Borrowing costs	-1,579	-1,532	-2,660	-3,246
Financial income	-119	7	-61	24
Financial result	-1,698	-1,525	-2,721	-3,222
Net profit or loss before taxes	1,421	-783	-484	204
Income taxes	692	88	1,051	208
Net profit or losses from continuing operations	2,113	-695	567	412
Net profit or losses from discontinued operations			0	0
Net profit or losses for the period	2,113	-695	567	412
Of which profit or loss attributable to non-controlling interests	88	123	217	298
of which profit or loss attributable to the shareholders of the parent company	2,025	-818	350	114
Diluted and basic earnings per share of the shareholders of the parent company	0.18	-0.07	0.03	0.01

Consolidated statement of comprehensive income

TEUR	04-06/2015	04-06/2014	01-06/2015	01-06/2014
	unaudited	unaudited	unaudited	unaudited
Net profit or loss for the period	2,113	-695	567	412
Items that will never be reclassified to profit or loss	1,678	2	1,678	59
Items that were or may be reclassified to profit or loss	574	2,298	7,669	2,409
Other comprehensive income	2,252	2,300	9,348	2,468
Total comprehensive income	4,365	1,605	9,915	2,880
of which profit or loss attributable to non-controlling interest	21	-518	990	451
of which profit or loss attributable to the shareholders of the parent company	4,344	1,285	8,925	2,429

Consolidated balance sheet

ASSETS		
TEUR	30.06.2015	31.12.2014
	unaudited	audited
Non-current assets		
Property, plant and equipment	117,612	114,118
Goodwill and intangible assets	57,826	53,939
Available-for-sale financial assets	997	853
Other non-current financial assets	286	220
Non-current financial assets accounted for using the equity-method	337	478
Deferred tax assets	22,770	21,260
	199,828	190,868
Current assets		
Inventories	57,347	53,560
Trade receivables and other receivables	78,354	75,790
Receivables from associated companies	3,936	3,795
Receivables from construction contracts	23,281	19,845
Other financial assets	201	52
Cash and cash equivalents	20,835	42,329
	183,954	195,371
Assets from discontinued operations		
TOTAL ASSETS	383,782	386,239

EQUITY & LIABILITIES		
TEUR	unaudited	audited
Equity		
Share capital	26,657	26,657
Share premium	251,544	251,544
Adjusting item from currency translation	6,033	-863
Cumulative income and expenses recognised directly in equity	7,438	5,760
Cumulative profit or loss	-167,251	-167,553
Equity attributable to shareholders of the parent company	124,421	115,544
Non-controlling interest	16,514	15,535
Equity	140,935	131,079
Non-current liabilities		
Liabilities to associated companies	17,477	24,351
Non-current obligations to employees	58,561	58,285
Non-current financial liabilities	66,971	77,124
Other non-current provisions	658	896
Deferred tax liabilities	6,485	6,428
	150,152	167,084
Current liabilities		
Trade payables	32,194	31,952
Liabilities from construction contracts and advance payments	3,826	3,166
Liabilities to associated companies	15,588	6,476
Current provisions	1,810	2,895
Other current liabilities	12,125	12,817
Current tax liabilities	279	147
Current financial liabilities	26,873	30,623
	92,695	88,076
Liabilities from discontinued operations	0	0
TOTAL EQUITY AND LIABILITIES	383,782	386,239

Consolidated statement of changes in equity

	Share capital	Share premium	Retained earnings	Currency translation	Fair value reserve for available for sale securities	Revaluation reserve	Revaluation of net liabilities from pension and termination benefit obligations	Cumulative profit or loss	Majority shareholder's interests	Non-controlling interests	Equity
TEUR											
As at 1 January 2014	26,657	251,544	0	-7,573	-15	17,395	-7,234	-176,301	104,472	10,341	114,813
Net profit or loss for the period	0	0	0	0	0	0	0	114	114	298	412
Other comprehensive income	0	0	0	2,257	0	59	-1	0	2,315	153	2,468
Total comprehensive income	0	0	0	2,257	0	59	-1	114	2,429	451	2,880
Change in acquisitions	0	0	6	0	0	0	0	-19	-13	3,501	3,488
As at 30 June 2014	26,657	251,544	6	-5,316	-15	17,454	-7,234	-176,206	106,889	14,293	121,181
As at 1 January 2015	26,657	251,544	0	-863	31	17,455	-11,726	-167,554	115,544	15,535	131,079
Net profit or loss for the period	0	0	0	0	0	0	0	350	350	217	567
Other comprehensive income	0	0	0	6,896	0	1,678	0	0	8,575	773	9,348
Total comprehensive income 01-06/2014	0	0	0	6,896	0	1,678		350	8,925	990	9,915
Shareholder contributions/ Dividend payments	0	0	0	0	0	0	0	-47	-47	-11	-58
As at 30 June 2015	26,657	251,544	0	6,033	31	19,133	-11,726	-167,251	124,421	16,514	140,935

Consolidated cash flow statement

TEUR	01-06/2015	01-06/2014
	unaudited	unaudited
Cash flow from operating activities	-133	-3,451
Cash flow from investing activities	-6,540	-11,978
Cash flow from financing activities	-16,099	7,534
Cash and cash equivalents at beginning of the period	42,329	27,167
Decrease/increase in cash and cash equivalents	-22,772	-7,895
Effect of exchange rate changes on cash and cash equivalent	1,278	403
Cash inflow from acquisitions	0	589
Cash and cash equivalents at end of period	20,835	20,264

Notes to the condensed consolidated interim financial statements

General principles and information

The interim financial report for the six months ended 30 June 2015 has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU for interim financial reports (IAS 34).

The accounting policies applicable on 31 December 2014 have been applied without change.

The condensed consolidated interim financial statements do not include all the information and disclosures contained in the annual report and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2014.

The accompanying interim financial report for the period ended 30 June 2015 has not been audited or reviewed by an auditor. Further information on accounting policies can be found in the consolidated financial statements for the year ended 31 December 2014, on the basis of which the accompanying interim financial report has been prepared.

Seasonal and/or economic influences

The manifold entrepreneurial activities of the ATB Group may not depend on the season, but are nevertheless subject to the general macroeconomic trend and influences due to the nature of the product.

Significant related-party transactions

On 31 March 2015, ATB Austria Antriebstechnik AG, Vienna, entered into a joint venture agreement with WOLONG Electric Group Co. Ltd., China, over the establishment of a jointly managed entity in Shaoxing, China. This company is to operate a motor production facility in Shaoxing City, District Shangyu. WOLONG Electric Group Co. Ltd. is a company in the WOLONG Group network to which ATB's majority shareholder WOLONG Investment GmbH also belongs. The agreement was entered into at arm's length.

On 20 June 2015, a technology transfer agreement over a volume of EUR 2 million was entered into between ATB Morley Ltd., UK, and WOLONG Electric Nanyang Explosion Protection Group Ltd (CNE), China, in addition to a licensing and distribution agreement. WOLONG Electric Group Co. Ltd. holds 60 % of the interest in WOLONG Electric Nanyang Explosion Protection Group Ltd. All agreements were entered into at arm's length.

Significant events after the reporting date

There have been no significant events since 30 June 2015.

ATB Austria Antriebstechnik Aktiengesellschaft

Vienna, 17. August 2015



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(Chief Integration Officer)

Note

This report includes statements about possible future events. These statements have been prepared based on information currently available. They reflect the Managing Board's current assessment of future events and should not be taken as guarantees of future performance; they include risks and uncertainties which are difficult to predict. A wide variety of reasons could cause actual results or circumstances to differ fundamentally from the assumptions made in the statements.